



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <https://planning.hawaii.gov/>

Statement of
MARY ALICE EVANS
Director, Office of Planning and Sustainable Development
before the
HOUSE COMMITTEE ON WATER AND LAND
Thursday, February 17, 2022
8:30 AM
State Capitol, Conference Room 430

in consideration of
HB 1751 HD1
RELATING TO RURAL DISTRICTS.

Chair Tarnas, Vice Chair Branco, and Members of the House Committee on Water and Land.

The Office of Planning and Sustainable Development (OPSD) offers **comments** on HB 1751 HD1, which would amend HRS Chapter 205 to increase the density of the State Rural District by allowing a minimum density of not more than one house per one-quarter acre provided that each dwelling house shall be consistent with the county general plan and community development plans.

OPSD supports measures that promote the development of housing and recognizes that the State Rural District, which includes only 0.3% of all the lands in the State, has been underutilized. We are concerned, however, the HB 1751 HD1 may exacerbate unintended residential sprawl in the Rural District. Therefore, OPSD prefers and strongly supports HB 1929 which requires OPSD to perform a study to refine Rural District policies and make recommendations to facilitate the reclassification of lands from the State Agricultural District to the Rural District. Any potential amendments to HRS Chapter 205 regarding Rural District density would be better informed by the results of the study.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON WATER AND LAND

**THURSDAY, FEBRUARY 17, 2022
8:30 A.M.
VIA VIDEOCONFERENCE**

**HOUSE BILL NO. 1751, HD 1
RELATING TO RURAL DISTRICTS**

Chairperson Tarnas and Members of the Committee:

Thank you for the opportunity to testify on House Bill No. 1751, HD1 that seeks to double the allowable housing density on the minimum one-half acre lot size in the Rural District provided that the counties adopt ordinances to do so and are consistent with the county general and community development plans. Currently, only one dwelling is permitted on one-half acre Rural District lots. The intent of this proposed amendment is to increase "...housing opportunities where appropriate" (page 1, line 8). The Department of Agriculture has concerns.

Section 205-2(c) describes the State Rural District as "...areas where "city-like" concentration of people, structures, streets, and urban level of services are absent, and where small farms are intermixed with low density residential lots..." The Department questions whether doubling the allowable housing on one-half acre Rural District lots would change the fundamental character of the District. Further, the Department is concerned that the proposed amendment may lead to an increase in petitions to reclassify Agricultural District lands to the Rural District. In turn, this may increase land values for agricultural properties that anticipate reclassification and make more costly the acquisition of agricultural lands by bona fide farmers for agricultural production.



Provided HB1829 is enacted, the Department believes that the concerns expressed above will be addressed by that measure which requires the Office of Planning and Sustainable Development to perform a study to refine Rural District policies and make recommendations to facilitate the reclassification of lands from the Agricultural District to the Rural District.

Thank you for the opportunity to provide our testimony on this measure.

HB-1751-HD-1

Submitted on: 2/16/2022 8:26:35 AM

Testimony for WAL on 2/17/2022 8:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Morris Atta	Hawaii Department of Agriculture	Comments	Yes

Comments:

I am available to answer questions on behalf of the Department of Agriculture.



 | 808-733-7060
 | 808-737-4977

 | 1259 A'ala Street, Suite 300
Honolulu, HI 96817

February 17, 2022

The Honorable David A. Tarnas, Chair

House Committee on Water & Land

Via Videoconference

RE: H.B. 1751, HD1, Relating to Rural Districts

HEARING: Thursday, February 17, 2022, at 8:30 a.m.

Aloha Chair Tarnas, Vice Chair Branco, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 10,800 members. HAR **supports** H.B. 1751, HD1, which authorizes the counties to adopt ordinances that allow up to one dwelling per quarter-acre in rural districts; provided that the ordinances are consistent with the county general plan and community development plans.

According to the Department of Business Economic Development and Tourism's 2019 report on Housing Demand in Hawai'i, the State needs up to 46,000 housing units to meet demand in Hawai'i by 2030. Ultimately, we have a housing supply problem, and this measure is a creative approach to address those challenges, by providing counties the authority and flexibility to adopt ordinances to permit dwellings on a quarter-acre of rural lands instead of a half-acre.

Mahalo for the opportunity to testify.





February 17, 2022

8:30 a.m.

Conference Room 430 and Videoconference

To: House Committee on Water & Land
Rep. David A. Tarnas, Chair
Rep. Patrick Pihana Branco, Vice Chair

From: Grassroot Institute of Hawaii
Joe Kent, Executive Vice President

RE: HB1751 HD1 — RELATING TO RURAL DISTRICTS

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [HB1751](#), which would authorize counties to adopt ordinances allowing up to one dwelling per quarter-acre in rural districts, provided that the ordinances are consistent with the county general plan and community development plan.

We commend the Legislature for considering new ways to help address the state housing crisis. It is easy to focus solely on new building projects and overlook how useful it would be to remove zoning and land-use restrictions that hamper creative solutions to the lack of affordable housing.

Allowing for higher density by reducing the permitted acreage from one dwelling per one-half acre to one dwelling per one-quarter acre in rural districts would be a useful and creative approach to the state's housing woes.

We do, however, have one suggestion that will help this bill achieve its goals:

Instead of a mandate requiring that each dwelling house, "*shall* be consistent with the county general plan and community development plan," we suggest that the plans be used in an

advisory way. Thus, the word “shall” should be replaced and the section rewritten to say: “provided that each dwelling house is not clearly inconsistent with the county general plan and community development plan”

Requiring that the proposed housing comply with both the general plan and community development plans (which do not necessarily have the force of law) could mire the growth of new housing in bureaucracy or make it vulnerable to “Not In My Backyard” planning trends.

Too often, well-meaning land-use regulation and zoning laws frustrate efforts to increase the stock of available housing. The Grassroot Institute has issued several publications that analyze how zoning and other regulations throttle the growth of housing.

One was our policy report [“Reform the Hawaii LUC to encourage more housing,”](#) which advocates giving the counties more authority to make decisions, thus reducing the amount of bureaucracy and preventing the state Land Use Commission from becoming a de facto state zoning commission.

Another was [“Build up or build out? How to make housing more affordable,”](#) which recommends “increasing the area of urbanized land and building marketable densities outside of the existing urban footprint,” which currently is about only 5% of all land in the state. For example, an increase of only 1 or 2 percentage points in Hawaii’s urban-designated land would be equivalent to a 20% to 40% increase in lands available for more housing.

In addition, the institute has made available a zoning-reform toolkit, [“How to Build Affordable, Thriving Neighborhoods,”](#) which explores different ways to increase housing supply and improve affordability by reforming state and local zoning restrictions.

We summarized many proposals from the toolkit in a commentary published in The Maui News, [“50 ways — at least — to update Maui’s zoning code.”](#)

By creating a statutory path to increase housing density in rural areas, this bill would be a positive step toward addressing the state housing shortage.

Thank you for the opportunity to submit our comments.

Sincerely,

Joe Kent

Executive Vice President
Grassroot Institute of Hawaii