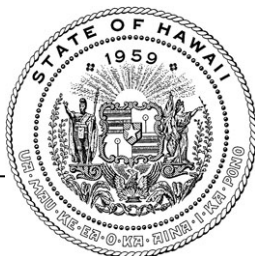


DAVID Y. IGE
GOVERNOR



LAND USE COMMISSION

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT

DANIEL ORODENKER
EXECUTIVE OFFICER

235 S. Beretania Street, RM 406, Honolulu, Hawai'i 96813
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March 15, 2022

Statement of
Daniel E. Orodener
Executive Officer
State Land Use Commission

Before the
House Committee on
Water and Land

Thursday March 17, 2022
8:30 AM
State Capitol, Room 430 Virtual Video Conference

In consideration of
SB 2766 SD1
RELATING TO LAND USE

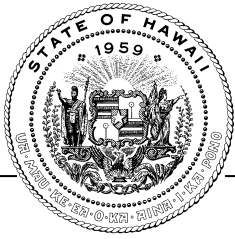
Chair Tarnas; Vice Chair Branco; and members of the House Committee on Water and Land:

The Land Use Commission (“LUC”) opposes SB 2766 SD1. The proposed SD1 requires the Office of Planning and Sustainable Development (“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 State Rural District.

The LUC has long been on the forefront of trying to resolve issues associated with State Agricultural lands that are de-facto Rural. The LUC believes that it would be more productive and cost effective to have the counties make recommendations to the LUC with regard to what lands should be re-designated rather than have OPSD perform an unnecessary study. The counties are better suited to undertake an examination of this type and its recommendations are more likely to be consistent with general plans and community expectations. In this way, planned rural growth boundaries can be maintained by the counties and they can better assess where to spend time and money on infrastructure.

Having OPSD, which is not grounded in the community, re-invent the wheel does not make fiscal or practical sense.

Thank you for the opportunity to testify on this matter.



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

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR

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

in consideration of
SB 2766 SD1
RELATING TO LAND USE.

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

The Office of Planning and Sustainable Development (OPSD) **strongly supports** SB 2766 SD1 which requires the 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.

The Act 278 Subdivision and CPR on Agricultural Lands stakeholders group which was authorized by the Legislature in 2019 concluded its meetings this past year. During the discussions, many members expressed the need to make better use of the State Rural District. Currently, there are only 10,454 acres in the Rural District, amounting to only 0.3 percent of all lands in the State, and there are no Rural District lands on Oahu. A subsequent meeting with the county planning departments confirmed this need.

Greater use of the Rural District would distinguish rural communities and subsistence farms from working or commercial agricultural lands and allow better protection of productive agricultural lands. Redefinition and expansion of the Rural District would promote better land use management of existing rural settlements and rural centers and residential dwellings engaged in subsistence or family agriculture, which are not explicitly permitted in the Agricultural District.

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

**SENATE BILL NO. 2766, SD1
RELATING TO LAND USE**

Chairperson Tarnas and Members of the Committee:

Thank you for the opportunity to testify on Senate Bill No. 2766, SD1 that 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.

The Department of Agriculture supports this measure that seeks to enable better protection of productive agricultural lands from “lifestyle farms” and rural-like community development. We look forward to assisting the Office of Planning and Sustainable Development in undertaking this important study.

Thank you for the opportunity to testify on this important measure.



DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON WATER & LAND
ON
SENATE BILL NO. 2766, S.D. 1

March 17, 2022
8:30 a.m.
Room 430 and Videoconference

RELATING TO LAND USE

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill No. 2766, S.D. 1, requires the Office of Planning and Sustainable Development (OPSD) to conduct a study to refine rural district policies and make recommendations to facilitate the reclassification of lands from the agricultural district to the rural district; requires OPSD to provide a report to the Legislature; and appropriates an unspecified amount of general funds for FY 23 to conduct the study.

B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

SB-2766-SD-1

Submitted on: 3/16/2022 2:26:52 PM

Testimony for WAL on 3/17/2022 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Morris Atta	Hawaii Department of Agriculture	Comments	Remotely Via Zoom

Comments:

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



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March 17, 2022

HEARING BEFORE THE
HOUSE COMMITTEE ON WATER AND LAND

TESTIMONY ON SB 2766, SD1
RELATING TO LAND USE

Conference Room 430 & Videoconference
8:30 AM

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

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports SB 2766, SD1, 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.

The rural land use classification district was developed to serve as the interface between agriculture and urban land uses. In rural, agriculture is a choice, not a requirement and those who live in the area are expected to accept the nuisance aspects of agriculture while having the advantages of lower taxes. In most areas of the country, rural classification also translates to reduced infrastructure e.g. sidewalks or street lights. After all, you are in a rural area ...not a residential city.

Hawaii's use of rural is limited across the state and frowned upon by some. This leads to difficulties as it forces agriculture to directly interface with the urban district resulting in conflicts. It also results in people creatively farming to ensure that they can retain their reduced property tax rates and counties needing to spend time inspecting properties to check if legitimate farming was being conducted.

The intent of this measure seeks to reduce the incidence of "fake farms". We should not forget agriculture was a default land use classification. It did not intentionally classify lands as agriculture that were suitable for production. Hence, wide expanses of lava lands or hilly and rocky lands are classified as agriculture. To address this problem, a

one-time reclassification of agricultural lands to rural seems reasonable. On these lands, agriculture is a choice, not a requirement. Lands can be dedicated to agricultural use for agricultural benefits. However, agriculture is not a requirement and residents can have larger lots without going through the effort of pretending to farm.

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

SB-2766-SD-1

Submitted on: 3/14/2022 7:49:31 PM

Testimony for WAL on 3/17/2022 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

The people decide on this not some DAME DEPARTMENT that knows nothing about what is going on in the District!!!

SB-2766-SD-1

Submitted on: 3/15/2022 4:02:56 PM

Testimony for WAL on 3/17/2022 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Andrea Quinn	Individual	Support	Written Testimony Only

Comments:

Dear Honorable Committee Members:

Please support SB2766.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei, Maui

SB-2766-SD-1

Submitted on: 3/16/2022 3:37:57 PM

Testimony for WAL on 3/17/2022 8:30:00 AM

Submitted By	Organization	Testifier Position	Testify
James McCully	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Tarnas and House Committee

I write in Strong Support of SB2766, Relating to Land Use and the facilitation of law and policies in transitioning lands from the Agricultural designation to Rural. The mere idea that 0.3 % of our lands are in the Rural designation is an explicit criticism our inability to rationalise land use boundaries. Public policy rarely changes without a clear "client" who advocates for the change. In this instance we are having the Legislature mandate and fund a study to compel the responsible agencies, OSPD and LUC, to keep up with actual land use patterns.

Here we would allow the Office of Planning and Sustainability to take the lead on this issue and provide a study, which can be the basis of rule or policy, for these same Counties to go through community or regional boundary amendments. Hopefully, with additional statutory reform, the legislature could gain control of this important change in land use in our State. This would be to the benefit of so many existing rural communities that could only come into existence under current land use laws as "agricultural" developments.

Mahalo,

Jim McCully