

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 SENATE COMMITTEES ON WAYS AND MEANS AND WATER AND
LAND**

**WEDNESDAY, FEBRUARY 23, 2022
1:00 P.M.
VIA VIDEOCONFERENCE**

**SENATE BILL NO. 2922, SD1
RELATING TO RURAL DISTRICTS**

Chairpersons Dela Cruz and Inouye and Members of the Committees:

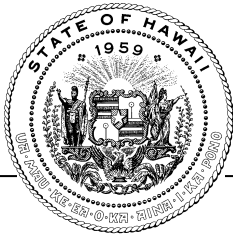
Thank you for the opportunity to testify on Senate Bill No. 2922, SD1 that seeks to double the allowable housing density on the minimum one-half acre lot size in the Rural District provided that the counties adopt ordinances to do so and are consistent with the county general and community development plans. Further, the Office of Planning and Sustainable Development is required 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 ("Department") has concerns about increasing the allowable housing density prior to the completion and legislative consideration of the Office of Planning and Sustainable Development's ("OP/SD") study and recommendations to facilitate reclassification of Agricultural District lands into the Rural District. The Department strongly supports the OP/SD Rural District study.



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 is concerned 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. The Department believes that the proposed OP/SD study and reports will consider and address our concerns.

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



**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
SENATE COMMITTEES ON WAYS AND MEANS AND WATER AND LAND
Wednesday, February 23, 2022
1:00 PM
State Capitol, Conference Room 211

in consideration of
SB 2922 SD1
RELATING TO RURAL DISTRICTS.

Chairs Dela Cruz and Inouye, Vice Chair Keith-Agaran, and Members of the Senate Committees on Ways and Means and Water and Land.

The Office of Planning and Sustainable Development (OPSD) **supports** SB 2922 SD1 which allows a minimum density of not more than one house per one-quarter acre provided that each house shall be consistent with the county general plan and community development plans and 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.

While OPSD supports the development of housing, we are concerned that doubling the allowable population density in the Rural District prior to a comprehensive study of the District's policies and standards may exacerbate residential sprawl. Accordingly, we recommend that Section 9 of the bill be amended to state that: Sections 4 to 7 (relating to the Rural District study) shall take effect on July 1, 2022, and Sections 2 and 3 (relating to the one-quarter acre provisions) shall take effect on July 1, 2023. This will allow time for the Rural District study to get underway and for the interim report due prior to the 2023 legislative session to be considered before the one-quarter acre provisions take effect.

OPSD **strongly supports** a study to refine Rural District policies and recommend ways to facilitate the reclassification of lands from the Agricultural 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



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

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

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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 SENATE COMMITTEES ON WAYS AND MEANS AND WATER AND LAND
ON
SENATE BILL NO. 2922, S.D. 1

**February 23, 2022
1:00 p.m.
Room 211 and Videoconference**

RELATING TO RURAL DISTRICTS

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

Senate Bill No. 2922, S.D. 1, authorizes the counties to adopt ordinances that allow up to one dwelling per quarter-acre in rural districts; 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 agricultural district to the rural district; requires reports to the Legislature; and appropriates \$250,000 in general funds for FY 23 for OPSD to complete 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.

Kūpuna for the Mo'opuna
committed to the well-being of Hawai'i for the next generations to come
kupuna4moopuna@gmail.com



SB 2922 SD1 – RELATING TO RURAL DISTRICTS.

OPPOSE

WAM/WTL Committees 2/23/2022 @ 1pm

We, Kūpuna for the Mo'opuna, a hui of kūpuna homestead farmers from Pana'ewa, Hawai'i, continue to shine a bright light on the fact that there is NO Hilo Community Development Plan (CDP) adopted by ordinance in the Hawai'i County Code. **Without a Hilo CDP in the Hawai'i County Code, we are concerned that SB 2922 will allow Hawai'i County to make land use decisions without the voices of a major part of our Big Island citizens.**

Of the 7 Community Development Districts in the County of Hawai'i, Hilo continues to be the only district without a CDP adopted by ordinance in the Hawai'i County Code.

With regard to the overdue revised Hawai'i County General Plan (GP 2040 draft), on February 8, 2022, at a Hawai'i County Council Planning Committee meeting, Hawai'i County Planning Director Zendo Kern provided the status on the anticipated timeline of the revised General Plan. He stated that the revised General Plan should be before the Hawai'i County Council in the first quarter of 2024.

Until there is a Hilo Community Development Plan adopted by ordinance in the Hawai'i County Code and included in the revised Hawai'i County General Plan, please stop these kinds of land use legislation.

Mahalo,
Kūpuna for the Mo'opuna
Pana'ewa, Hawai'i



STOP LEGAL THIEVERY

Ua mau ke ea o ka 'āina i ka pono!



February 23, 2022

1 p.m.

Conference Room 211 and Videoconference

To: Senate Committee on Ways and Means

Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

Senate Committee on Water and Land

Senator Lorraine R. Inouye, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

From: Grassroot Institute of Hawaii

Joe Kent, Executive Vice President

RE: SB2922 SD1 — RELATING TO RURAL DISTRICTS

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [SB2922](#), 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.

Moreover, this bill should be praised for advancing the possibility of reclassifying agricultural lands to the rural district via a study from the Office of Planning and Sustainable Development. This is an important first step to making more land available for housing and addressing the housing shortage in our state.

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, respectively, 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, as well as a study that could facilitate reclassification of lands from agricultural to the rural district, 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

February 23, 2022

The Honorable Donovan M. Dela Cruz, Chair

Senate Committee on Ways and Means

The Honorable Lorraine R. Inouye, Chair

Via Videoconference

RE: Senate Bill 2922, SD1, Relating to Rural Districts

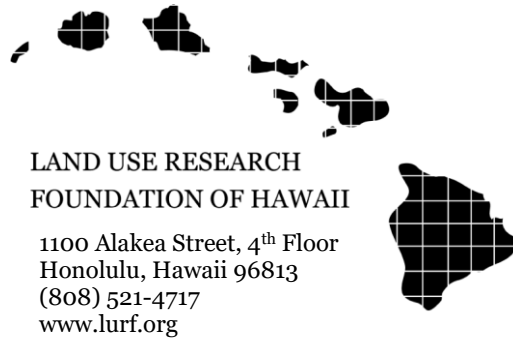
HEARING: Wednesday, February 23, 2022, at 1:00 p.m.

Aloha Chair Dela Cruz, Chair Inouye, and Members of the Joint Committees,

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** Senate Bill 2922, SD1, which authorizes the counties to adopt ordinances that allow up to one dwelling per quarter-acre in rural districts. 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. Requires reports to the Legislature. Appropriates funds.

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.



LATE

LAND USE RESEARCH
FOUNDATION OF HAWAII

1100 Alakea Street, 4th Floor
Honolulu, Hawaii 96813
(808) 521-4717
www.lurf.org

February 23, 2022

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Senator Lorraine R. Inoue, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Water and Land

Comments in Support Amendments to SB 2922, SD1, RELATING TO RURAL DISTRICTS (Authorizes the counties to adopt ordinances that allow up to one dwelling per quarter-acre in rural districts. 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 agricultural district to the rural district. Requires reports to the Legislature. Appropriates funds. [SD1])

Wednesday, February 23, 2022, 1:00 p.m.; Conference Room 211 & Videoconference.

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. LURF's mission is to advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express its **comments in support of SB 2922, SD1 and a proposed amendment to establish a rural lands advisory group.**

SB 2922, SD1. This measure 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 plan. Sections 4 and 5 of the bill require OPSD 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; requires reports to the Legislature; and appropriates funds for OPSD to complete the study.

LURF's Position. LURF supports SB 2922, SD1, **with a proposed amendment to establish a rural lands advisory group.** While SB 2922, SD1 already requires OPSD to engage community stakeholders, we respectfully recommend the **following amendment** to formalize and broaden this group to include relevant stakeholders:

SECTION 5. In performing the study required by this Act, the office of planning and sustainable development shall coordinate its efforts with the land use commission, department of agriculture, and county planning departments. The office of planning and sustainable development shall establish and engage an advisory group, which may consist of relevant state, county and federal agencies, and community stakeholders, including farming, ranching, and agricultural interests, agricultural landowners, business, environmental organizations, native Hawaiian organizations, planning organizations, and community groups [~~and interested members of the general public~~], in the development of study recommendations.

Background. LURF members include agricultural property owners, farming, ranching, and agricultural operators who own, maintain, and engage in agricultural enterprises, and who consider efforts to protect and support agriculture significant to the continued conduct of their operations and to help sustain and preserve farming and ranching businesses into the future. In 2005, the Hawaii Farm Bureau and LURF were the principal proponents of the Important Agricultural Lands (IAL) law, which allowed the identification and designation of IAL to support the viability of agricultural uses on good agricultural lands as a long-term way to ensure that those lands remain in agricultural use. The objective of IAL is to identify and plan for the maintenance of a strategic agricultural land resource base that can support a diversity of agricultural activities and opportunities that expand agricultural income, job opportunities, and increase agricultural self-sufficiency for current and future generations.

Also in 2005, recognizing that some lands currently in the State agricultural district are not suitable for agricultural production, the Farm Bureau and LURF also supported Act 205 (SLH 2005), which facilitated the redefining, expansion, and enhancement of uses in the rural district by allowing the counties to work with the Land Use Commission to recommend rural district amendments; and to form an advisory group to review the processes for redefining rural districts and creating appropriate rural standards for boundary reviews.

LURF **supports SB 2922, SD1** this measure because it will promote better land use management by allowing rural dwellings, family and subsistence farming, and rural communities on lands that are not IAL, and are not suitable for commercial agricultural production; and respectfully urges your favorable consideration of the **proposed amendment to establish a rural lands advisory group.**

Thank you for the opportunity to provide comments in support of this measure.

SB-2922-SD-1

Submitted on: 2/18/2022 5:42:42 PM

Testimony for WAM on 2/23/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gerard Silva	Individual	Oppose	No

Comments:

Were we live it is One House per Acer and we prefere it this way any one that trys to chang this will not be in office long!!

SB-2922-SD-1

Submitted on: 2/21/2022 7:49:12 AM

Testimony for WAM on 2/23/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Bridgit Bales	Individual	Oppose	No

Comments:

The Revised Hawaii County General Plan is overdue with an anticipated completion date of 2024 according to Hawaii County Planning Director Zendo Kern. The Hilo CDP was written in 1975, is grossly outdated, and not adopted by ordinance (the only one of 7 Big Island CDP's not adopted by ordinance in the Hawaii County Code) with no commitment by the Hawaii County to fix this egregious situation. Until such time this egregious situation is fixed, do not pass this Bill and others similar to it.

SB-2922-SD-1

Submitted on: 2/21/2022 8:24:20 PM

Testimony for WAM on 2/23/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Elizabethanne Y Masaoka	Individual	Oppose	No

Comments:

Take care of first things first: Get a HILO COMMUNITY DEVELOPMENT PLAN in place!
We need the voices off this community at the table of discussion.

Mahalo!

Mrs. Elizabethanne Masaoka

SB-2922-SD-1

Submitted on: 2/22/2022 12:53:31 PM

Testimony for WAM on 2/23/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Nako'o Warrington	Individual	Oppose	No

Comments:

I oppose SB 2922. Hilo does not have a Community Development Plan (CDP) adopted by ordinance in the Hawai'i County Code.

There are 7 Community Development Plan boundaries on the Big Island. However, only 6 CDPs have been adopted by ordinance in the Hawai'i County Code. One glaring CDP is missing; Hilo's CDP! **Hilo is the only community development district on the Big Island without a CDP adopted by ordinance in the Hawai'i County Code. Why are the voices of Hilo being ignored?**

Of particular concern, the Hawaiian homestead communities of Keaukaha and Pana'ewa located within the community development district of Hilo continue to be aggressively targeted for unreasonable development. Without a CDP that includes the voices of the impacted residents of South Hilo - especially the voices of Keaukaha and Pana'ewa surrounded by the airport, the harbor, the hotels, the landfill, the military reservation, the drag strip, the multitude of businesses - these kinds of land use bills must not move forward. Our voices matter and must not be ignored!

Residents of Keaukaha and Pana'ewa have been trying for years to move the county administration, the county council, and the county planning department to prioritize a Hilo CDP adopted by ordinance in the Hawai'i County Code. No luck to date.

Until this happens, I oppose SB 2922 and all similar land use bills.

Mahalo!