JOSH GREEN, M.D. GOVERNOR

> SYLVIA LUKE LT. GOVERNOR



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION 677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

Statement of **DEAN MINAKAMI**

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

February 12, 2025 at 11:00 a.m. State Capitol, Room 325

In consideration of
H.B. 1013 HD1
RELATING TO IMPORTANT AGRICULTURAL LANDS.

Chair Kahaloa, Vice Chair Kusch, and members of the Committee.

HHFDC <u>supports</u> HB 1013 HD1, which establishes an important agricultural lands incentive to provide alternative means to develop housing for farmers and farm employees. It also authorizes a landowner or lessee of important agricultural lands to apply to a county for a permit allowing the landowner or lessee to develop, construct, and maintain farm cluster housing; requires each county to enact ordinances to allow farm cluster housing on important agricultural lands; establishes requirements for farm cluster housing; and repeals existing requirements for farm dwellings and employee housing on important agricultural lands.

HHFDC shares the Legislature's concerns about the lack of farm dwellings and farm employee housing and its negative impact on agricultural production in Hawaii. This bill would allow farm cluster housing on important agricultural lands and help to increase the supply of housing for farmers and agricultural workers.

Thank you for the opportunity to testify on this bill.



STATE OF HAWAI'I **OFFICE OF PLANNING** & SUSTAINABLE DEVELOPMENT

JOSH GREEN, M.D.

SYLVIA LUKE

MARY ALICE EVANS

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

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

Statement of MARY ALICE EVANS, Director

before the

HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS

Wednesday, February 12, 2025 11:00 AM State Capitol, Conference Room 325

in consideration of HB 1013, HD1 RELATING TO IMPORTANT AGRICULTURAL LANDS.

Chair Kahaloa, Vice Chair Kusch, and Members of the Committee.

The Office of Planning and Sustainable Development (OPSD) strongly supports HB 1013, HD1, an Administration bill, which repeals Hawai'i Revised Statutes (HRS) § 205--45.5, and adds a new section enabling the development of farm cluster housing for farmers and farm employees on lands designated as Important Agricultural Lands (IAL) pursuant to HRS Chapter 205.

HRS § 205-4.5, a provision for landowners of IAL lands to develop, construct, and maintain farm dwellings and employee housing for farmers, employees, and their immediate family members, was one of several IAL incentives established by Act 233, Session Laws of Hawai'i 2008. This section has been interpreted to require all occupants, including child family members to be actively engaged in farming, which was perceived as a disincentive for the designation of IAL lands. Furthermore, the existing provision does not provide any relief from urban-like development standards and permitting requirements that may not be suitable for farm housing.

HB 1013, HD1 provides an option for farm cluster housing in support of farming operations on IAL lands that would: 1) reduce the development and infrastructure costs of such housing, 2) reduce the footprint and amount of agricultural land used for housing, and 3) safeguard that the housing is occupied by bona fide farmers and farm employees. OPSD believes the new section strikes a balance between meeting the need for affordable farm worker housing and protecting the State's most productive agricultural lands from non-agricultural residential use.

Thank you for the opportunity to testify on this measure.



LAND USE COMMISSION

Komikina Hoʻohana ʻĀina

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

Ka 'Oihana Ho'omōhala Pā'oihana, 'Imi Wai wai a Ho'omāka'ika'i

JOSH GREEN, MD GOVERNOR

DANIEL E. ORODENKER EXECUTIVE OFFICER

(808) 587-3827

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235 S. Beretania Street, RM 406, Honolulu, Hawai'i 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawai'i 96804

Email Address: dbedt.luc.web@hawaii.gov

Statement of Daniel E. Orodenker **Executive Officer** State Land Use Commission

Before the **House Committee on Agriculture and Food Systems**

Wednesday February 12, 2025 11:00 AM State Capitol, Room 325 and Video Conference

> In consideration of HB1013 HD1

RELATING TO IMPORTANT AGRICULTURAL LANDS

Chair Kahaloa; Vice Chair Kusch; and members of the House Committee on Agriculture and Food Systems:

The proposed measure would establish an incentive to develop housing for farmers and farm employees on Important Agricultural Lands ("IAL").

The Land Use Commission ("LUC") at its meeting held on February 5-6, 2025, discussed and has taken a position to support the intent of the measure to facilitate agricultural workforce housing.

The Hawai'i Supreme Court is currently considering a challenge to the IAL provisions of HRS Chapter 205. An expected decision will likely affect and provide guidance to the Legislature in changes deemed necessary for the IAL sections of the statute to be legally sound. LUC staff suggests waiting on this guidance before amending the current IAL sections of the HRS 205.

We defer to the State Office of Planning and Sustainable Development ("OPSD") on matters of non-regulatory land use policy.

Thank you for the opportunity to testify on this matter.

JOSH GREEN, M.D. Governor

> SYLVIA LUKE Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEAN M. MATSUKAWADeputy to the Chairperson

State of Hawai'i DEPARTMENT OF AGRICULTURE

KA 'OIHANA MAHI'AI 1428 South King Street Honolulu, Hawai'i 96814-2512 Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF SHARON HURD CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS

WEDNESDAY, FEBRUARY 12, 2025 11:00 AM CONFERENCE ROOM 325

HOUSE BILL NO. 1013, HOUSE DRAFT 1 RELATING TO IMPORTANT AGRICULTURAL LANDS.

Chair Kahaloa, Vice Chair Kusch and Members of the Committee:

Thank you for the opportunity to provide testimony on House Bill No. 1013, House Draft 1. The Department of Agriculture supports this measure that establishes an Important Agricultural Lands (IAL) incentive providing alternative means to develop housing for farmers and farm employees. This bill authorizes a landowner or lessee of IAL to apply to a county for a permit allowing the landowner or lessee to develop, construct, and maintain farm cluster housing; requires each county to enact ordinances to allow farm cluster housing on IAL; establishes requirements for farm cluster housing; and repeals existing requirements for farm dwellings and employee housing on IAL.

Thank you for the opportunity to present our testimony.





JOSH GREEN, M.D. GOVERNOR

SYLVIA LUKE

JAMES KUNANE TOKIOKA

DANE K. WICKER
DEPUTY DIRECTOR

Telephone: (808) 586-2355 Fax: (808) 586-2377

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 Web site: dbedt.hawaii.gov

Statement of JAMES KUNANE TOKIOKA Director

Department of Business, Economic Development and Tourism before the

HOUSE COMMITTEE ON AGRICULTURE AND FOOD SYSTEMS

Wednesday, February 12, 2025 11:00 AM State Capitol, Conference Room 325

In consideration of HB 1013, HD1
RELATING TO IMPORTANT AGRICULTURAL LANDS.

Chair Kahaloa, Vice Chair Kusch, and Members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports HB 1013, HD1, an Administration proposal, which would enable the development of farm cluster housing for farmers and farm employees on lands designated as Important Agricultural Lands (IAL) pursuant to Chapter 205, Hawai'i Revised Statutes (HRS).

HB 1013, HD1 adds a new section for farm cluster housing for IAL lands that would replace the existing provision for farmer housing in § 205-45.5 that was enacted as part of an IAL incentives package in 2008. The new section is intended to reduce the development footprint and cost of farmer and farm worker housing and ensure that farm cluster housing is occupied by farmers and farm employees of farming operations on lands designated as IAL.

Thank you for the opportunity to testify.



P.O. Box 253, Kunia, Hawai'i 96759 Phone: (808) 848-2074; Fax: (808) 848-1921 e-mail info@hfbf.org; www.hfbf.org

February 12, 2025

HEARING BEFORE THE HOUSE COMMITTEE ON AGRICULTURE & FOOD SYSTEMS

TESTIMONY ON HB 1013, HD1 RELATING TO IMPORTANT AGRICULTURAL LANDS

Conference Room 325 & Videoconference 11:00 AM

Aloha Chair Kahaloa, Vice-Chair Kusch, and Members of the Committee:

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

The Hawai'i Farm Bureau supports HB 1013, HD1, which repeals the provision authorizing farm dwellings and farm employee housing on important agricultural lands, amends the provision for priority permit processing to include farm cluster housing, and establishes a new provision for farm cluster housing to incentivize the designation of lands as important agricultural lands (IAL) pursuant to Chapter 205, Hawai'i Revised Statutes.

The identification and designation of Important Agricultural Lands was first proposed at the 1978 Constitutional Convention and subsequently approved by voters in the same year. Enacted as Article XI, Section 3, of the Constitution of the State of Hawai'i, the state is required to conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands.

Several attempts to establish IAL in statute were made over the years, but it was only in 2005 that Act 183 was enacted. In 2008, Act 233 was passed to establish incentives, such as tax credits, loan guarantees, and expedited regulatory processing to encourage landowners to designate their lands as IAL.

Among these incentives was a provision allowing landowners to develop farm dwellings and employee housing for their immediate family members and employees. However, this provision has led to concerns regarding the appropriate use of IAL, particularly regarding its long-term sustainability and effectiveness in preserving lands for agricultural production. The farm cluster housing approach proposed in HB 1013 is a more structured and intentional way to provide housing options for those engaged in farming while ensuring that IAL remains dedicated to agricultural production.

Many small landowners remain uncertain about how IAL designation impacts their land use and rights. Agricultural landowners are justifiably concerned about the occupancy limits on farm dwellings, particularly those planning to retire on their farms, as they believe IAL law restricts occupancy to those who are actively farming. Some farmers worry that they may be forced to leave their homes once they are no longer physically able to farm. Others had planned to subdivide their land among their adult children but now face uncertainty regarding the approval process under IAL designation. The lack of clarity on these and other issues has caused unease within the agricultural community.

HB 1013, HD1 takes a step toward addressing these concerns by shifting the focus from individual farm dwellings to farm cluster housing as an incentive for IAL designation. This approach encourages agricultural viability by ensuring that housing on IAL is linked to active farming operations while providing flexibility for farmers and their employees. Additionally, the measure includes provisions for priority permit processing, which will reduce bureaucratic delays and make the permitting process more efficient for those engaged in agricultural production.

We recommend that the implementation of this measure:

- Ensure that farm cluster housing remains tied to agricultural production and does not inadvertently lead to residential development inconsistent with IAL objectives.
- Provide clear guidelines on how farm cluster housing will be regulated to balance housing needs with agricultural preservation.
- Include outreach and education efforts to help landowners and farmers understand the implications of IAL designation and the benefits of farm cluster housing.

Thank you for the opportunity to testify on this measure.



Re: HB1013

Agenda Item: A BILL FOR AN ACT RELATING TO IMPORTANT AGRICULTURAL LANDS

Position: Support

Testimony: By 'Āina Design Corp. A 501(c) non-profit organization

Email: admin@ainadesign.org

Address: 1105 Uluopihi Lp. Kailua, HI 96734

Aloha Committee Members,

We fully support HB1013 and its intentions to serve farm communities through housing on important agricultural lands (IAL). Farm workers serve in the capacity to uphold IAL value in many ways, all while providing food and/or ecological services as part of agriculture.

We look forward to assisting our state in this endeavor by working directly with our farm communities and lease holders on further details regarding permitting and compliance.

Sincerely,

Joe Hagedorn,

President, 'Āina Design Corp



February 11, 2025

To: Chair Kirstin Kahaloa, Vice Chair Matthias Kusch, and Members of the Committee Agriculture & Food Systems,

Subject: **HB 1013**, *Incentivizes Designation of Lands as Important Agricultural Lands.*

Aloha,

I am writing in **support** of HB 1013 HD1, which provides opportunity and regulations in conjunction with affordable housing for the farmers of Hawai'i.

This bill regulates the allowance of residential buildings placed on agricultural lands, ensuring those taking care of the āina are also those being housed on the āina. This bill helps to ensure that farmers can afford to be farmers, while continuing to strengthen the Hawai'i food systems.

The regulations presented by HB1013 ask to keep housing to no more than 5% of the total land, and/or no more than 10 acres, this ensures the majority of the land stays agricultural land, as opposed to majority cluster housing on land that claims to be land devoted to agriculture. The bill also rejects renting cluster housing as vacation rentals, protecting its availability to those who stay on the land. This is important because on average, farmers have a salary of \$48,148, while a living wage for a single adult with no children is \$55,961. Cluster housing for farmers on their designated land could help farmers fill this gap.

As Hawai'i stays importing 95% of our food, Hawai'i also stays at risk from natural disasters, food insecurity, and food accessibility. That being said, it is important to keep and encourage farming as an accessible profession so the people of Hawai'i may be more independent in our food systems for the benefit of the whole.

To be a farmer is to be a steward of the land and a provider for the islands. Having constant accessibility through cluster housing will enable farmers to immediately react to any emergency on the farm, create accessibility to the profession of farming, and ultimately create more housing for the stewards of Hawai'i.

The Food+ Policy internship develops student advocates who learn work skills while increasing civic engagement to become emerging leaders. We focus on good food systems policy because we see the importance and potential of the food system in combating climate change and increasing the health, equity, and resiliency of Hawai'i communities.

In 2025, the cohort of interns are undergraduate and graduate students and young professionals working in the food system. They are a mix of traditional and nontraditional students, including parents and veterans, who have backgrounds in education, farming, public health, nutrition, and Hawaiian culture.



Mahalo, Lea iaea & the Food+ Policy Team #fixourfoodsystem

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HB-1013-HD-1

Submitted on: 2/11/2025 10:07:24 AM

Testimony for AGR on 2/12/2025 11:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|--------------------|--|---------------------------|---------------------------|
| Stephanie A Whalen | Kunia Village Title Holding Corporation | Comments | Written Testimony Only |

Comments:

I strongly support this concept: housing for farmers who are providing local products and reducing food imports. However I strongly oppose cluster housing because this leads to housing sprawl and eventual communities. Look back at how cities formed: first agricultural homes near resources such as water; infrastructure added and spread outward from there. Technology exists for each farm to have its own natural wastewater system; its own power (solar/wind/generator); the technology for developing one's own potable water is quickly developing and should be economically feasible in a decade. Putting in infrastructure for multiple units is expensive and promotes outward growth attaching to that infrastructure.

A farmer needs to be close to his land not set off in some cluster unattached to his livelihood. Security is important and with the typical small farmer now on 2 to 10 acres it is best and easier to protect if the home is on those acres.

Please seriously reconsider how farm housing is made available. Clustering is not the solution and in this day and age NOT needed nor ideal. It is more expensive and leads to eventual sprawl whether now or decades from now. Technology exists today to provide individual farm housing with its intrastructure needs.

Obviously the details of how these units are held need to be worked out that ensures the units stay for a farm family and that the original farm family is accommodated when a transfer is needed.

Thank you for allowing me to provide input on this very critical component for our future food providers.

Stephanie 808 228 0272

I manage agricultural worker housing in Kunia; the former DelMonte plantation. This is not the ideal situation for Hawaii going forward although it is helpful at this point in time and was existing infrastructure.

HB-1013-HD-1

Submitted on: 2/10/2025 4:02:59 PM

Testimony for AGR on 2/12/2025 11:00:00 AM

| Submitted By | Organization | Testifier Position | Testify |
|---------------------|--------------|---------------------------|---------------------------|
| penny levin | Individual | Comments | Written Testimony Only |

Comments:

Aloha,

This bill could potentially support the need for farmer housing, however, by placing the oversight of compliance in the hands of the landowner, it is the fox guarding the henhouse. This bill needs strong teeth to ensure that the proposed cluster housing will actually go to farmers, whether or not the land remains in farming. Too many "gentleman farms" on Kaua'i, Maui and Hawai'i Islands already. I urge you to add strong fines that the counties can collect if, upon investigation, renters of these homes are not farmers. Allow the Counties to be able to collect those fines if they find a landowner violating the proposed law. Without it, this bill is just handing over our best ag lands to developers.

Mahalo for the opportunity to comment.