

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

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
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Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON JUDICIARY AND HAWAIIAN AFFAIRS

Thursday, February 27, 2025
2:00 PM
State Capitol, Conference Room 325

in consideration of
HB 502, HD1
RELATING TO LAND USE.

Chair Tarnas, Vice Chair Poepoe, and Members of the Committee.

The Office of Planning and Sustainable Development (OPSD) offers **comments with concerns** on HB 502, HD1. The bill would allow the Counties a temporary opportunity between July 1, 2026 and June 30, 2029 to petition for the redistricting of existing small-lot subdivisions with residential patterns of use from the Agricultural District to the Rural District through the Land Use Commission's (LUC) declaratory order proceeding, provided certain conditions are met. OPSD supports the intent of the proposal, but has concerns about the bill.

The OPSD *State Land Use Review of Districts Report* (January 2022) found that reclassification of established rural subdivisions and rural centers from the State Agricultural District to the Rural District could accommodate rural settlement patterns and subsistence farming lifestyles, and better align State and County land use policy that seeks to separate non-farm residential uses from bona fide farming to reduce pressure on Hawai'i's limited productive agricultural lands.

However, OPSD is concerned that the measure as written would be difficult to implement, particularly in the timeframe provided. Therefore, OPSD **strongly recommends** the establishment of a county plan-based district boundary amendment (DBA) process that enables the redistricting of lands in conformance with adopted county general, development, and community plans. A county plan-based DBA process would provide a clear and permanent solution to the need to accommodate development in areas planned for future urban growth, as well as existing rural subdivisions that are currently in the State Agricultural District. Such a process would support implementation of county plans and consider the infrastructure needs and resource impacts of plan implementation.

OPSD stands ready to assist in the development of legislative measures for a county plan-based district boundary amendment that aligns and balances county and State land use policies and development and resource management interests.

Thank you for the opportunity to testify on this measure.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

DEAN M. MATSUKAWA
Deputy to the Chairperson

State of Hawai'i
DEPARTMENT OF AGRICULTURE
KA 'OIHANA MAHI'AI
1428 South King Street
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Phone: (808) 973-9600 FAX: (808) 973-9613

**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

BEFORE THE HOUSE COMMITTEE ON JUDICIARY AND HAWAIIAN AFFAIRS

**THURSDAY, FEBRUARY 27, 2025
2:00 PM
CONFERENCE ROOM 325**

**HOUSE BILL NO. 502, HOUSE DRAFT 1
RELATING TO LAND USE.**

Chair Tarnas, Vice Chair Poepoe and Members of the Committee:

Thank you for the opportunity to provide testimony on House Bill No. 502, House Draft 1 that temporarily allows each county, by resolution of the respective county councils, to petition for the redistricting of land from the Agricultural District to the Rural District through the Land Use Commission's declaratory ruling process. The Department of Agriculture (Department) offers comments and a recommendation.

There are nine requirements to merit a petition to redistrict lands from the Agricultural District to the Rural District (page 2, line 7 to page 3, line 16). Generally, the lands being considered must not be designated as Important Agricultural Lands, the lands must be existing agricultural subdivisions of ten or more lots and individual lot sizes not exceeding one acre, be with or without residential dwellings, have met the requirements of Chapter 343 (Hawaii Environmental Policy Act), the reclassification would not adversely affect the use of adjacent lands for agricultural purposes, the reclassification is supported by the applicable county plans, the county councils will have notified affected landowners and have public hearings, and the Office of Planning and Sustainable Development has reviewed and submitted a recommendation on a county's petition.

The Department respectfully recommends that the counties who take advantage of the provisions of this measure, should it be enacted, to consider concurrent revision of their respective ordinances, plans, and rules affecting the subdivision (or other means of land partitioning) of agricultural land to direct the development of large lot estates to the Rural District. This may reduce, if not halt, the continuing adverse impact that



Page 2

agricultural land subdivisions with little, if any, agricultural production, are having on agricultural land values and access to these lands for agricultural production.

Thank you for the opportunity to present our testimony.



LAND USE COMMISSION

Komikina Ho'ohana 'Āina

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

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

Before the
House Committee on Judiciary and Hawaiian Affairs

Thursday February 27, 2025
2:00 PM
State Capitol, Room 325 and Video Conference

In consideration of
HB502 HD1

RELATING TO LAND USE

Chair Tarnas; Vice Chair Poepoe; and members of the House Committee on Judiciary and Hawaiian Affairs:

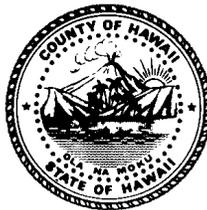
The proposed measure would temporarily allow each county to petition the Land Use Commission ("LUC") to reclassify lands from the State Agricultural District to the State Rural District using the LUC's declaratory ruling process. The LUC supports the intent of this measure.

The bill recognizes that there are various "agricultural subdivisions" throughout the State that are essentially rural in nature, being made up of single-family homes on large lots. This has caused significant issues for both the counties, the State, and landowners regarding infrastructure and enforcement. This measure offers a way to resolve some of these issues.

HD1 attempts to address issues raised within the original bill by requiring compliance with Hawai'i Revised Statutes ("HRS") Chapter 343 by the counties and having the Office of Planning and Sustainable Development ("OPSD") review and provide recommendations regarding the State's interests.

Thank you for the opportunity to testify on this matter.

HEATHER L. KIMBALL
COUNCIL DISTRICT 1
(North Hilo, Hāmākua, and portion of
Waimea)



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HAWAII COUNTY COUNCIL

25 Aupuni Street, Ste. 1402.
Hilo, Hawai'i 96720

February 25, 2025

House Committee on Judiciary and Hawaiian Affairs
Honorable Representative David A. Tarnas, Chair
Honorable Representative Mahina Poepoe, Vice Chair
Submission via online testimony only

RE: **Support of HB502 HD1**

Dear Chair Tarnas, Vice Chair Poepoe, and Members of the Judiciary and Hawaiian Affairs:

As the representative of the Hawai'i County Council for District 1, I thank you for the opportunity to submit **testimony in SUPPORT of HB 502, HD1**, relating to a temporary opportunity for counties to petition for the redistricting of land from the Agricultural District to the Rural District through the Land Use Commission's declaratory ruling process.

In the County of Hawai'i there are a number of areas that would meet the conditions specified in HB502, HD1. Being able to use the declaratory ruling process to amend the state land use from Agricultural to Rural would have two key benefits:

- 1) The counties would be better able to address the affordable housing crisis because the development ADUs on state land use Agricultural is restricted by the limitations of HRS 205. Allowing the counties to change the state land use to Rural could mean several thousand privately developed units on properties that are unlikely ever to be used for agriculture.
- 2) By removing the non-conforming rural uses in the Agricultural district, the county will be better able to regulate and ensure the appropriate use of true agricultural land.

Thank you for the opportunity to submit this testimony. If you would like to discuss my knowledge of this matter further, please do not hesitate to contact me directly.

Sincerely,

HEATHER L. KIMBALL



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February 27, 2025

HEARING BEFORE THE
HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

TESTIMONY ON HB 502, HD1
RELATING TO LAND USE

Conference Room 325 & Videoconference
2:00 PM

Aloha Chair Tarnas, Vice-Chair Poepoe, 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 provides comments on HB 502, HD1, which temporarily allows each county, by resolution of its county council, to petition for the redistricting of land from an agricultural district to a rural district through the Land Use Commission's declaratory ruling process.

As a statewide organization representing farmers and ranchers, **HFB remains committed to the preservation and protection of agricultural lands** to ensure the long-term viability of local food production, food security, and Hawai'i's agricultural economy. The continued loss of prime agricultural lands to urbanization and non-agricultural uses is a significant concern, as once these lands are converted, they are rarely restored for farming purposes.

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

Hawai'i's use of the rural classification 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.

HFB recognizes that HB 502, HD1 seeks to provide counties with a mechanism to address land-use needs, particularly in areas where rural reclassification may be warranted. However, we urge caution to ensure that this process does not inadvertently facilitate the unnecessary loss of productive agricultural lands. Temporarily allowing the Counties to reclassify agricultural lands to rural seems reasonable. On these lands, agriculture is a choice, not a requirement. Land 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.

Any redistricting proposals should include an assessment of the agricultural viability of the lands in question. The highest-quality, most productive agricultural lands should not be reclassified without a clear and compelling reason. There are instances where rural reclassification may be appropriate, such as in areas with existing small-scale rural communities or farm dwellings that require more appropriate zoning. However, reclassification should be carefully reviewed to balance these needs without negatively impacting agricultural opportunities.

HFB understands the intent of HB 502, HD1 but strongly urges the Legislature to ensure that agricultural preservation remains a priority in any land reclassification process. If this measure advances, we respectfully request that clear safeguards be included to prevent the unnecessary loss of prime agricultural lands and ensure that Hawai'i's long-term agricultural sustainability is protected.

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



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February 27, 2025

The Honorable David A. Tarnas, Chair

House Committee on Judiciary & Hawaiian Affairs
State Capitol, Conference Room 325 & Videoconference

RE: House Bill 502, HD1, Relating to Land Use

HEARING: Thursday, February 27, 2025, at 2:00 p.m.

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** House Bill 502, HD1, which temporarily allows each county, by resolution of its county council, to petition for the redistricting of land from an agricultural district to a rural district through the Land Use Commission's declaratory ruling process. Effective 7/1/3000. Sunsets 6/30/2029.

There are small lot subdivisions that were created before the enactment of state land use laws within the agricultural districts that are now either too small to support commercial farming or contain non-conforming residential uses. These lands would be more appropriately placed within the rural designation, which is composed primarily of small farms intermixed with low-density residential lots with a minimum size of one-half acre. This measure helps address these inconsistencies while ensuring that the redistricting from agricultural to rural meet clearly defined requirements and review, including ensuring that any proposed redistricting does not adversely affect agricultural purposes.

For the foregoing reasons, Hawai'i REALTORS® supports this measure.
Mahalo for the opportunity to testify.





MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325
Thursday, February 27, 2025 AT 2:00 P.M.

To The Honorable David A. Tarnas, Chair
The Honorable Mahina Poepoe, Vice Chair
Members of the Committee on Judiciary & Hawaiian Affairs

SUPPORT HB502 HD1 RELATING TO LAND USE

The Maui Chamber of Commerce **SUPPORTS HB502 HD1** which temporarily allows each county, by resolution of its county council, to petition for the redistricting of land from an agricultural district to a rural district through the Land Use Commission's declaratory ruling process.

The Chamber notes that small lot subdivisions exist within agricultural districts on Maui that may be more appropriately classified under rural districts. Many of these lots were created for speculative purposes prior to the enactment of the state land use law in 1961. Additionally, the counties have a vested interest in redistricting these lands, as they may contain lots and uses that are non-conforming or insufficiently sized to support commercial agricultural activities. As a result, the counties' ability to ensure appropriate land use within agricultural districts is hindered by the need to account for these non-conforming uses.

We agree that counties should be able to process these areas through a more streamlined procedure, rather than undergoing the lengthy District Boundary Amendment process.

For these reasons, we **SUPPORT HB502 HD1**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.