

SB2623

Measure Title: RELATING TO SCHOOL IMPACT FEE EXEMPTIONS FOR HOUSING PROJECTS.

Report Title: Housing; Exemptions; School Impact Fee

Description: Clarifies that housing projects claiming an exemption pursuant to chapter 201H, Hawaii Revised Statutes, cannot claim an exemption from the school impact fee.

Companion: [HB2202](#)

Package: None

Current Referral: HOU/EDU, WAM

Introducer(s): KIDANI



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: February 16, 2016
Time: 2:45 PM
Location: Room 225
Committee: Housing and Education

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

Title of Bill: SB 2623 RELATING TO SCHOOL IMPACT FEE EXEMPTIONS FOR HOUSING PROJECTS.

Purpose of Bill: Clarifies that housing projects claiming an exemption pursuant to chapter 201H, Hawaii Revised Statutes, cannot claim an exemption from the school impact fee.

Department's Position:

The Department of Education (DOE) supports this measure which makes clear that housing projects built under Chapter 201H, Hawaii Revised Statutes (HRS), are not exempt from paying school impact fees. DOE supports the construction of affordable housing but believes that new affordable housing generates additional students in the same way all other new housing development drives up enrollment. School impact fees are a direct link between new housing units and the new or expanded school facilities required to address the enrollment growth caused by the new units.

When the Legislature authorized school impact fees in 2007, specific language was added to Chapter 302A-1603, HRS, which states that all residential development in a designated school impact district that require government approval must pay impact fees "including all government housing projects". Currently within the three school impact districts in the State, private and government sponsored housing projects have all paid school impact fees. Only one 201H project in Central Maui received an exemption from school impact fees from the County, however, there are indications that exemptions for other projects may be similarly pursued in the future.

DOE supports projects developed under Chapter 201H and points to Chapter 201H-12 (3) HRS, which encourages 201H developers to work with DOE to "plan necessary educational facilities and related infrastructure as a necessary and integral part of its housing projects." Payment of

school impact fees in designated impact fee districts is a necessary and integral part of all 201H projects.

Thank you for this opportunity to testify.



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

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

**SENATE COMMITTEE ON HOUSING
SENATE COMMITTEE ON EDUCATION**

February 16, 2016 at 2:45 p.m.
State Capitol, Room 225

In consideration of
S.B. 2623

RELATING TO SCHOOL IMPACT FEE EXEMPTIONS FOR HOUSING PROJECTS.

HHFDC *offers the following comments* on S.B. 2623. We believe this measure is not needed for the following reasons.

Section 302A-1603, HRS, mandates developers of new housing projects, including government housing projects, within a designated school impact district to fulfill the Department of Education's (DOE) school impact fee requirement. HHFDC **does not exempt** housing projects assisted through the Chapter 201H expedited processing from school impact fees.

S.B. 2623 amends section 201H-38(a), HRS, by adding language stating that 201H projects shall not be "exempted from [the] school impact fee requirement under section 46-142.5." However, section 46-142.5, HRS, **already** prohibits the counties from issuing a residential building permit until the DOE provides written confirmation that the school impact fee requirement has been fulfilled.

If it is the joint Committees' intent to move this measure forward, HHFDC respectfully suggests that a Senate Draft 1 be adopted that replaces Section 1 of S.B. 2623 to read as follows:

"SECTION 1. Section §302A-1603, Hawaii Revised

Statutes, is amended by amending subsection (a) to read as follows:

"(a) Except as provided in subsection (b), any person who seeks to develop a new residential development within a designated school impact district requiring:

- (1) A county subdivision approval;
- (2) A county building permit; or
- (3) A condominium property regime approval for the project,

shall be required to fulfill the land component impact fee or fee in lieu requirement and construction cost component impact fee requirement of the department, including all government housing projects[-], and projects processed pursuant to sections 46-15.1 and 201H-38, Hawaii Revised Statutes."

Thank you for the opportunity to testify.