
A BILL FOR AN ACT

RELATING TO SCHOOL IMPACT FEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that a shortage of
2 affordable housing, for sale or rent, exists in Hawaii, and that
3 the high cost of construction could be a deterrent to private
4 development of affordable housing units. The legislature
5 further finds that school impact fees can significantly raise
6 the costs of new housing development projects. For example, in
7 2016, the department of education estimated that it would need a
8 school impact fee of \$9,374 per new unit constructed in the
9 proposed school impact district from Kalihi to Ala Moana to help
10 cover land and construction costs for new or expanded schools in
11 the area. The legislature additionally finds that implementing
12 this fee would increase the overall costs for construction of
13 housing, possibly further hindering development of affordable
14 housing units.

15 The legislature also finds that as the city and county of
16 Honolulu constructs a rail transit system, increasing affordable
17 housing along the rail line benefits those individuals and



1 families with lower incomes, including those who are unable to
 2 purchase their own vehicles, by providing convenient access to
 3 public transportation. The legislature further finds that
 4 exempting affordable housing units constructed within one mile
 5 of Honolulu's rail transit system from school impact fee
 6 requirements will promote the development of affordable housing
 7 in Hawaii.

8 The purpose of this Act is to exempt from school impact fee
 9 requirements:

10 (1) New housing units that are reserved for persons or
 11 families with incomes up to one hundred twenty per
 12 cent of the area median income in any county of the
 13 State with a population of over seven hundred
 14 thousand; and

15 (2) All government housing projects processed pursuant to
 16 sections 46-51.1 and 201H-38, Hawaii Revised Statutes.

17 SECTION 2. Section 302A-1603, Hawaii Revised Statutes, is
 18 amended by amending subsections (a) and (b) to read as follows:

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



- 1 (1) A county subdivision approval;
- 2 (2) A county building permit; or
- 3 (3) A condominium property regime approval for the
- 4 project,
- 5 shall be required to fulfill the land component impact fee or
- 6 fee in lieu requirement and construction cost component impact
- 7 fee requirement of the department [~~, including all government~~
- 8 ~~housing projects and projects processed pursuant to sections 46-~~
- 9 ~~15.1 and 201H-38]~~.
- 10 (b) The following shall be exempt from this section:
- 11 (1) Any form of housing permanently excluding school-aged
- 12 children, with the necessary covenants or declarations
- 13 of restrictions recorded on the property;
- 14 (2) Any form of housing that is or will be paying the
- 15 transient accommodations tax under chapter 237D;
- 16 (3) Any form of housing units reserved for persons or
- 17 families with incomes up to one hundred twenty per
- 18 cent of the area median income in any county of the
- 19 State with a population of over seven hundred
- 20 thousand, and all government housing projects and



1 projects processed pursuant to sections 46-51.1 and
2 201H-38;
3 ~~[(3)]~~ (4) All nonresidential development; and
4 ~~[(4)]~~ (5) Any development with an executed education
5 contribution agreement or other like document with the
6 department for the contribution of school sites or
7 payment of fees for school land or school
8 construction."

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon a date to be
12 determined.



Report Title:

Department of Education; Affordable Housing

Description:

Exempts from school impact fees, housing developments reserved for persons or families with incomes up to one hundred twenty per cent of the area median income in any county of the State with a population of over seven hundred thousand, and all government housing projects processed pursuant to sections 46-51.1 and 201H-38, Hawaii Revised Statutes. (HB1001 HD1)

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