Honolulu, Hawaii

February 15 , 2018

RE: H.B. No. 1804 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1804 entitled:

"A BILL FOR AN ACT RELATING TO SCHOOL IMPACT FEES,"

begs leave to report as follows:

The purpose of this measure is to exempt affordable housing projects developed or financed by the Hawaii Housing Finance and Development Corporation or a county from school impact fees.

The League of Women Voters of Hawaii and Hawaii State
Teachers Association supported this measure. Building Industry
Association of Hawaii and The Chamber of Commerce Hawaii opposed
this measure. The Department of Education, Hawaii Housing Finance
and Development Corporation, Hawaii Public Housing Authority,
Office of Planning, Office of Hawaiian Affairs, Department of
Planning and Permitting of the City and County of Honolulu, EAH
Housing, IMUAlliance, and Tax Foundation of Hawaii offered
comments for this measure.

Your Committee finds that the need to reduce the cost to build more affordable housing must be balanced against the necessity of mitigating the impact of additional housing on public infrastructure, such as schools. As a result, your Committee further finds that continuing the discussion will assist

policymakers in striking the appropriate balance between the competing policies.

Your Committee has amended this measure by:

- (1) Exempting projects that provide affordable housing meeting county affordable housing requirements and qualifying for county fee exemptions from paying school impact fees;
- (2) Exempting affordable rental housing for which developers receive Low Income Housing Tax Credits under section 42 of the Internal Revenue Code from paying school impact fees;
- (3) Changing the effective date to January 1, 2050, to promote further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1804, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1804, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Housing,



State of Hawaii House of Representatives The Twenty-ninth Legislature **HSCR 4-88-18**

Record of Votes of the Committee on Housing

Bill/Resolution No.: HB 1804	Committee Referral:	Date:	2/8/18	
☐ The committee is reconsidering its previ				
	unamended (as is) Pas hort form bill with HD to reco	ss, with amendments (
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. BROWER, Tom (C)	V			
2. NAKAMURA, Nadine K. (VC)				
3. AQUINO, Henry J.C.	√			
4. HASHEM, Mark J.	\ \		> 1 i i i i i i i i i i i i i i i i i i	
5. QUINLAN, Sean				
6. SAN BUENAVENTURA, Joy A.	/			
7. MCDERMOTT, Bob	✓			
-				
			-	
TOTAL (7)	6	0	0	
The recommendation is: Adop	-	did not suppor	t recommendation	1.
Vice Chair's or designee's signature:	Melli X. /	MA		
Distribution: Original (White) - Commit	tee Duplicate (Yellow)	- Chief Clerk's Office	Duplicate (I	Pink) – HMSO