

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,



TOM BROWER, Chair



