

Honolulu, Hawaii

MAR 13 , 2020

RE: S.B. No. 2616
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 2616, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to exempt affordable housing units, additions to existing dwelling units, accessory dwelling units, ohana dwelling units, and affordable housing projects developed by the Hawaii Public Housing Authority from fifty percent of the school impact fee revenues imposed and collected by the Department of Education.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority, one member of the Maui County Council, and one individual. Your Committee received testimony in opposition to this measure from the Building Industry Association of Hawaii, Chamber of Commerce of Hawaii, and three individuals. Your Committee received comments on this measure from the Department of Education and Office of Hawaiian Affairs.

Your Committee finds that school impact fees increase the costs of development. Your Committee further finds that it is appropriate to reduce the total cost of developing affordable



housing by reducing by fifty percent the school impact fees paid by developers of certain residential dwellings.

Your Committee finds that the testimony submitted by the Office of Hawaiian Affairs (OHA) on this measure underscores the pressing need for more affordable housing. Hawaii will need a projected 50,000 more housing units by 2025, twenty percent of which is for affordable units. Existing state programs incentivize the development of affordable housing by, among other things, exempting developers of affordable housing projects from a wide array of development requirements, including those related to planning, zoning, subdivision construction standards, land development, and dwelling unit construction. According to testimony from OHA, since home prices, rental payments, and homelessness continue to increase, any increase in incentives to developers of affordable housing should be conditioned upon a more substantial affordable housing contribution by the developers than is currently required.

As to the overall impact of the Department of Education's school impact fee program, your Committee notes the concerns of some of its Committee members, that some counties are not fully engaging in the school impact fee process.

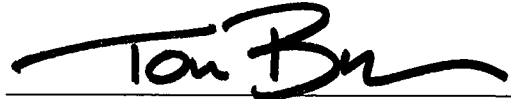
Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2025, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of 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 S.B. No. 2616, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2616, S.D. 2, H.D. 1, and be referred to your Committee on Lower & Higher Education.



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

A handwritten signature in black ink, appearing to read "Tom Brower". The signature is written in a cursive style with a long horizontal stroke extending to the right.

TOM BROWER, Chair



