



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

Date: 01/31/2019
Time: 09:30 AM
Location: 423
Committee: House Housing

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: HB 1088 RELATING TO SCHOOL IMPACT FEES.

Purpose of Bill: Exempts affordable housing units, additions to existing dwelling units, accessory dwelling units, and ohana dwelling units from school impact fee requirements.

Department's Position:

The Hawaii State Department of Education (Department) understand the concerns that have generated the introduction of this bill, but takes no position on HB 1088. The Department will continue to need to build new schools and appreciated the opportunity to use impact fees. However the Department's focus is on public education. Therefore, we defer to the Legislature to determine how best to fund future school needs.

Thank you for the opportunity to submit testimony on this bill.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII

HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON HOUSING

Thursday, January 31, 2019
9:30 AM - Room 423, Hawaii State Capitol

In consideration of
HB 1088
RELATING TO SCHOOL IMPACT FEES

Honorable Chair Brower, members of the House Committee on Housing, thank you for the opportunity to provide testimony concerning House Bill (HB) 1088, relating to school impact fees.

The Hawaii Public Housing Authority (HPHA) **supports with amendments** the enactment of HB 1088, which exempts affordable housing units, additions to existing dwelling units, accessory dwelling units, and ohana dwelling units school impact fee requirements.

The HPHA's mission is to promote adequate and affordable housing in perpetuity, economic opportunity and a suitable living environment free from discrimination through its public housing and rental assistance programs. The HPHA serves the State's most vulnerable populations, including those earning less than thirty percent of the Area Median Income (AMI), the disabled, and the elderly.

With approximately 9,000 of the most vulnerable families of our State on our wait list, the only way to be able to help is to increase our current inventory through P3 ventures. As such the HPHA identified 14 projects along the rail line totaling over 10,000 units thereby increasing our unit count by over 9,000 units. The HPHA is currently in the middle of executing this plan with 3,300 units under an MDA or PDA. As an example, for two out of three of these redevelopments that are already in the works, the school impact fees would be approximately \$26.3M. As all HPHA's redevelopments include affordable projects, they do create a gap and the school impact fees will exacerbate this gap. The funding of this gap will be requested from the Legislature, and therefore, would be reallocating State funds between two State entities. In addition, these

impact fees will increase the total cost of the redevelopment which in turn increases the Developer Fee.

For these reasons, if the Committee chooses to move this measure forward, the HPHA would like to humbly request the Committee to insert the following amendment to also provide an exemption for the HPHA to the school impact fees law on page 3, line 18 – (9) Any housing project or property developed by the Hawaii public housing authority.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony regarding HB 1088. We thank you very much for your dedicated support.

LATE



RECEIVED
Date & Time
Jan 30, 2019, 4:56 pm

**TESTIMONY TO THE COMMITTEE ON HOUSING
State Capitol, Conference Room 423
415 South Beretania Street
9:30 AM**

January 31, 2019

RE: HB 1088, RELATING TO SCHOOL IMPACT FEES

Chair Brower, Vice Chair Matayoshi, and members of the committee:

My name is Gladys Quinto-Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII is providing comments on H.B. 1088 which proposes to exempt affordable housing units, additions to existing dwelling units, accessory dwelling units, and ohana dwelling units from school impact fee requirements.

The bill proposes to essentially exempt all:

- 1) Affordable housing units (public or private);
- 2) Additions to existing dwelling units (public or private);
- 3) Accessory dwelling units (private); and,
- 4) Ohana dwelling units (private).

Granting these types of exemptions would effectively shift the entire burden of school impact fees onto new private or public housing developments priced above whatever is defined as "affordable," which is usually anything priced at 140% AMI and below.

School impact fees are used to mitigate the impact of a proposed project on existing schools in the area. If families in these exempt units do not have any children, there would be some justification for some type of exemption. However, if the families in the units listed do generate children, there would be an impact on the public school system in the area.

Exemptions from impact fees should be based on whether or not the project will impact the public infrastructure and/or facilities, not on who the developer of the project is, or the price point of the units based on income.

We appreciate the opportunity to express our views on this matter.



200 North Vineyard Boulevard, B140
Honolulu, HI 96817
Ph: 808-587-7886
Toll Free: 1-866-400-1116
www.hawaiiancommunity.net

January 29, 2019

House Committee on Housing
Thursday, January 31, 2019
Conference Room 423

HB1088 – Relating to School Impact Fees

Aloha Committee Chairs, Vice-Chairs, and Members:

I am submitting testimony in my capacity as Executive Director of Hawaiian Community Assets (HCA), the State's largest HUD-approved housing counseling agency, and Board President of Hawaii Habitat for Humanity to **SUPPORT HB1088 WITH AMENDMENTS.**

While the bill would reduce the cost burden of school impact fees on certain types of affordable housing development, in its current form, the bill does NOT exempt a key type of housing units that are most prevalent among our low-income households here Hawaii: single- and multi-family homeownership units developed by self-help housing nonprofits.

Our self-help housing nonprofits have been responsible for a significant number of single- and multi-family homeownership units that are affordable for low-income households earning at or below 80% the HUD area median income. These self-help housing nonprofits include Habitat for Humanity, Self-Help Housing Corporation of Hawaii, and Hawaii Island Community Development Corporation and make up the most robust portion of our nonprofit affordable housing industry in Hawaii. These self-help housing nonprofits often work outside of the state's 201-H program and therefore would not receive an exemption from school impact fees. The results of this would be an increased cost burden on our self-help housing nonprofits initially and resulting in increased costs of permanent homeownership units on our local workers and working families who need them most.

To remedy the situation, our organization recommends to amend the bill as follows under 302A-1603 Applicability and exemptions subsection (b):

(10) Single- and multi-family homeownership units developed by self-help housing nonprofit organizations for low-income households earning at or below 80% the Department of Housing and Urban Development's area median income for the County in which the household resides.

This amendment would ensure that self-help housing nonprofits will continue to build affordable homeownership units for low-income Hawaii families without adding cost burdens that would ultimately make the units less affordable for our local families in need.

Mahalo for your time, leadership and consideration. Please contact me directly at 808.587.7653 or jeff@hawaiiancommunity.net should you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Gilbreath". The signature is written in a cursive, flowing style.

Jeff Gilbreath
Executive Director



SELF-HELP HOUSING CORPORATION OF HAWAII

1427 Dillingham Blvd., Suite 305 • Honolulu, Hawaii 96817
Telephone: (808) 842-7111 • Toll Free: 1-800-336-4035 • Fax: (808) 842-7896

January 29, 2019

To: Representative Tom Brower, Chair
Representative Scot Matayoshi, Vice-Chair
House Committee on Housing

From: Claudia Shay
Executive Director

A handwritten signature in black ink, appearing to read 'Claudia Shay', written in a cursive style.

RE: Testimony in Support of HB 1088

The Self-Help Housing Corporation of Hawaii (SHHCH), a private, non-profit organization providing technical assistance to low income families in Hawaii, has assisted 685 very low and low income families on Oahu, Kauai, Maui, and Molokai to become homeowners through the team self-help housing method.

When SHHCH develops subdivisions it develops them under Chapter 201 H and attains exemptions from building permits fees, as well as exemptions from planning and subdivision requirements which reduce the cost of the development and the ultimate cost to the consumer. Occasionally, SHHCH has purchased REO properties where the previous developer did not develop the property under Chapter 201 H. In these situations SHHCH had to go back in to the county council of the respective county and attain the Chapter 201 H status after the development was completed in order to get building permit fee exemptions. In a recent situation it was quite a time consuming process.

Therefore, SHHCH is providing testimony in support of HB 1088 exempting affordable housing projects from school impact fees, whether classified under Chapter 201 H or not, and eligible for general excise tax exemptions. A modification for the bill may not be necessary to provide for a self-help housing project developing affordable housing even if they don't have a 201 H classification, if they are targeting low income families and are recognized as exempt from general excise taxes.

Thank you for your support.



Hawaii
Habitat
for Humanity®
Association

January 29, 2019

*Building
strength
and
stability
through
shelter*

House Committee on Housing
Thursday, January 31, 2019
Conference Room 423

**HB1088 – Relating to Housing Development – SUPPORT WITH
AMENDMENTS**

Aloha Committee Chair Brower, Vice-Chair Matayoshi, and Members:

I am submitting testimony in my capacity as Executive Director of Hawaii Habitat for Humanity to **SUPPORT SB891 WITH AMENDMENTS**.

While the bill would reduce the cost burden of school impact fees on certain types of affordable housing development, in its current form, the bill does NOT exempt a key type of housing units that are most prevalent among our low-income households here Hawaii: single- and multi-family homeownership units developed by self-help housing nonprofits.

Our self-help housing nonprofits have been responsible for a significant number of single- and multi-family homeownership units that are affordable for low-income households earning at or below 80% the HUD area median income. These self-help housing nonprofits include Habitat for Humanity, Self-Help Housing Corporation of Hawaii, and Hawaii Island Community Development Corporation and make up the most robust portion of our nonprofit affordable housing industry in Hawaii. These self-help housing nonprofits often work outside of the state's 201-H program and therefore would not receive an exemption from school impact fees. The results of this would be an increased cost burden on our self-help housing nonprofits initially and resulting in increased costs of permanent homeownership units on our local workers and working families who need them most.

To remedy the situation, our organization recommends to amend the bill as follows under 302A-1603 Applicability and exemptions subsection (b):

(10) Single- and multi-family homeownership units developed by self-help housing nonprofit organizations for low-income households earning at or below 80% the Department of Housing and Urban Development's area median income for the County in which the household resides.

2051 Young St. #82
Honolulu, HI 96826
808-847-7676
www.hawaiihabitat.org

This amendment would ensure that self-help housing nonprofits will continue to build affordable homeownership units for low-income Hawaii families without adding cost burdens that would ultimately make the units less affordable for our local families in need.

Mahalo for your time, leadership and consideration. Please contact me directly at 808.847.76786 or jean@hawaiihabitat.org should you have any questions or need additional information.

Sincerely,

Jean Lilley
Executive Director



January 29, 2019

To: **Rep. Tom Brower, Chair**
Rep. Scot Matayoshi, Vice Chair & Members of the
Committee on Housing

From: **Kali Watson**
Executive Director
Hawaiian Community Development Board
Honolulu, Hawaii 96813

Re: **Hearing on HB 1088 Relating to Affordable Housing Development**
January 31, 2019 at 9:30 am
Conference Room 423, State Capitol

TESTIMONY IN SUPPORT

Dear Chairperson Brower & Vice Chair Matayoshi of the Housing Committee, and Members:

Thank you for the opportunity to provide testimony in support to HB 1088 relating to affordable housing development. This bill would reduce the cost burden of school impact fees on the type of developments that we specialize in. In particular, it exempts all 201H-38 housing projects. Typically, the 201H-38 approach involves lands with inadequate density and limited zoning. It takes significant time and money to obtain the necessary entitlement and then develop such projects. The 201H process shortens the process and makes these projects less costly and more financially viable. Any and all exemptions that reduce the costs of developments are welcomed, such as what is being proposed by HB 1088. The end users, people needing affordable housing, are the true beneficiaries.

Hawaiian Community Development Board is a nonprofit developer focusing primarily on beneficiaries of the Hawaiian Homes Commission Act of 1921, but also works with non-beneficiaries.

I urge you to please pass this measure, HB 1088.

Pupuka I Holomua,

Kali Watson
Executive Director
Hawaiian Community
Development Board (HCDB)

President
Richard Soo

Secretary
Jackie Burke

Treasurer
Helen O'Connor

Board Members
Linda Ahue
Puni Kekauoha
Alfred "Bobby" Willing
Iolani Hamakua
Duane Hew Len

Executive Director
Kali Watson

Senior VP
Patti Barbee



O`ahu County Committee on Legislative Priorities (OCCLP)

COMMITTEE ON HOUSING
Rep. Tom Brower, Chair
Rep. Scot Z. Matayoshi, Vice Chair

DATE: Tuesday, January 31, 2019

TIME: 9:30 a.m.

PLACE: Conference Room 423, State Capitol

RE: HB 1088 Relating to School Impact Fees

Aloha mai kakou Chair Brower, Vice Chair Matayoshi, and Members of the Senate Committee on Housing:

The O`ahu County Committee on Legislative Priorities (OCCLP) of the Democratic Party of Hawai`i (DPH) hereby submits its testimony in **SUPPORT of HB 1088 relating to School Impact Fees.**

HB 1088 exempts affordable housing units, additions to existing dwelling units, accessory dwelling units, and ohana dwelling units from school impact fee requirements.

DPH believes that housing is a basic human right. DPH believes that adequate, accessible, affordable, and safe housing should be available to all residents of Hawai`i. Affordable housing that is fair in proportion to individual income is the basis of prosperity for our citizens and stability in our economy. Recent and past real estate bubbles have fueled disproportionate rent increases, a key contributor to homelessness. Therefore, we support efforts to promote truly affordable housing for all citizens who rent. The citizens of Hawai`i also need economically affordable housing and encourage increased support to this end including preservation of existing housing stock. To this end, DPH supports policies which re-think the current formula to determine "affordability" as this formula puts both rentals and sales out of the reach of most working families in Hawai`i. DPH strongly urges that the definition of "affordable" be amended to 20%-25% of monthly income for all income brackets.

DPH supports the statutory “Senior Circuit Breaker Refundable Tax Credit” or other relief to ensure that senior citizens are not taxed out of their homes. DPH insists on a substantial increase in the statutory exemptions from attachment or execution of personal residences.

DPH believes in the concept of “Housing First” to develop affordable, stable housing and support services to break the cycle of homelessness for people with the fewest housing options.

DPH supports dedicated social services and housing opportunities for Hawai‘i’s homeless population to get them off the streets and reintegrated into society with specific devoted services for disenfranchised groups including, but not limited to, Native Hawaiian, Asian and Filipino American, Pacific Islander, aged-out foster kids, youth, returning veterans, the aged, and Lesbian, Gay, Bisexual, Transgender, Queer, Questioning, Intersexual and Asexual (LGBTQIA) homeless youth population. We believe in the concept of “Housing First” and in developing affordable housing policies and programs like “Law Enforcement Assisted Diversion (LEAD).” *Democratic Party of Hawai‘i Platform (2018), p. 13, ln. 48-53, p.14, ln. 1-18.*

Given that this measure does not repeal the school impact fee exemptions for nonresidential development and housing subject to the transient accommodations tax when seeking development in a designated school impact district requiring county subdivision approval, county building permit, or condominium property regime approval of the project, it is in alignment with the DPH Platform plank that favors a school impact fee exemption for 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.

For these reasons, the OCCLP supports and urges the passage of HB 1088 out of the Committee on Housing.

Mahalo nui loa
Me ka `oia`i`o

/s/ Melodie Aduja

Melodie Aduja

Chair, O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i

Ph. (808) 258-8889

Email: legislativepriorities@gmail.com



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Housing
Thursday, January 31, 2018 at 9:30 A.M.
Conference Room 423, State Capitol**

LATE

RECEIVED
Date & Time
Jan 30, 2019, 4:55 pm

RE: HOUSE BILL 1088 RELATING TO SCHOOL IMPACT FEES

Chair Brower, Vice Chair Matayoshi and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 1088, which proposes to exempt affordable housing units, additions to existing dwelling units, accessory dwelling units, and ohana dwelling units from school impact fee requirements.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The bill proposes to essentially exempt all:

- 1) Affordable housing units (public or private);
- 2) Additions to existing dwelling units (public or private);
- 3) Accessory dwelling units (private); and,
- 4) Ohana dwelling units (private).

Granting these types of exemptions would effectively shifting the entire burden of the school impact fees onto new private or public housing developments priced above whatever is defined as "affordable" which is usually anything priced at 140% AMI and below.

School impact fees are used to mitigate the impact of a proposed project on existing schools in the area. If families in these exempt units do not have any children, there would be some justification for some type of exemption. However, if the families in the units listed do generate children, there would be an impact on the public-school system in the area.

Exemptions from impact fees should be based on whether or not the project will impact the public infrastructure and/or facilities, not on who the developer of the project is or the price point of the units based on income.

Thank you for the opportunity to testify.

HB-1088

Submitted on: 1/31/2019 7:16:16 AM

Testimony for HSG on 1/31/2019 9:30:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Oppose	No

Comments:

The Land Use Research Foundation (LURF) respectfully **OPPOSES HB 1088**. LURF was involved with drafting the current DOE School Impact Fee law. While this proposed measure is well-intended, it will have several (4) unintended consequences:

(1) It is unnecessary. Currently, government affordable housing projects and developers who obtain loans from the government are able to pay the DOE School Impact Fees;

(2) This measure violates the basic concept of the DOE School Impact Fee law: *"All of those who create an impact, must pay the impact fee."*

(3) If the market dwelling units are saddled with the burden of paying an extra \$10,000 to 15,000 per unit (to make-up for the exempted units), the market housing units will be "unsellable;" and if the market units cannot sell, the developers will not develop more housing units; and

(4) There is an easier solution - this bill should be amended to confirm that the government will pay the impact fees for the affordable units in government projects - that is what happens now.

..

The affordable units have over ten times the school children of the market units

TYLER DOS SANTOS-TAM

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tylerdst@gmail.com
(808) 348-8885

January 29, 2019

The Honorable Tom Brower, Chair
The Honorable Scot Z. Matayoshi, Vice Chair
and members
House Committee on Housing
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: Support for HB1088, Relating to School Impact Fees

Aloha Chair Brower, Vice Chair Matayoshi, and Members:

I write as a private citizen and community member to support HB1088, Relating to School Impact Fees, which would exempt affordable housing units, additions to existing dwelling units, accessory dwelling units, and 'ohana dwelling units from school impact fee requirements.

In previous years, I testified in support of similar measures as relief from school impact fees would immediately improve the economics of constructing, developing, and financing affordable housing projects to help them become economically feasible. This remains true today, and thus I request your committee's favorable action this session on HB1088 and other similar measures which may come before you.

Mahalo,



HB-1088

Submitted on: 1/30/2019 5:30:50 PM

Testimony for HSG on 1/31/2019 9:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Makani Maeva	Individual	Support	No

Comments:

By way of background, I am the president of Ahe Group and am an experienced affordable housing developer with over twenty five (25) years of experience developing and owning affordable housing in Hawaii. For the past three years we have been working on the Queen Emma Building in downtown Honolulu. The adaptive re-use of this abandoned building will eliminate blight in the downtown Honolulu core and will provide 71 affordable rental units to tenants making less than 60% of the AMI.

We all know that there is a well-documented need for affordable housing in the State of Hawaii. There is also very limited funding available to produce affordable housing. These projects typically rely upon State resources to be financeable and any funding gap created by School Impact Fees will ultimately need to be filled by the State of Hawaii Housing Finance Development Corporation through its Rental Housing Revolving Fund.

The bottom line is that every dollar spent on School Impact Fees is one less dollar available to develop affordable housing units. It simply doesn't make sense that as an affordable housing developer we would be forced to borrow money from one State agency to pay fees due to another State agency. Accordingly, I strongly SUPPORT the exemption from DOE fees for affordable housing.

Thank you for taking the time to consider my testimony. Feel free to contact me with any questions at 808.381.5958 or mm@ahigroup.com