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Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

**SENATE COMMITTEE ON EDUCATION
AND
SENATE COMMITTEE ON HOUSING**

**Thursday, February 6, 2020
2:00 PM - Room 225, Hawaii State Capitol**

In consideration of
SB 2616
RELATING TO HOUSING DEVELOPMENT

Honorable Chair Kidani, Honorable Chair Chang, and Members of the Senate Committee on Education and Members of the Senate Committee on Housing, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 2616, relating to housing development.

The Hawaii Public Housing Authority (HPHA) **supports** SB 2616, which exempts 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 per cent of 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 thousands of the most vulnerable people of our State on our public housing wait list, the only way to be able to help is to increase our current inventory through P3 ventures. As such the HPHA identified 10 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 Master Development Agreements. 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, the HPHA humbly prefer to be fully exempted from school impact fees.

The HPHA appreciates the opportunity to provide the Committees with the HPHA's testimony regarding SB 2616. We thank you very much for your dedicated support.



LATE

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

Date: 02/06/2020
Time: 02:00 PM
Location: 225
Committee: Senate Housing
Senate Education

Department: Education

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

Title of Bill: SB 2616 RELATING TO HOUSING DEVELOPMENT.

Purpose of Bill: Exempts 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 per cent of school impact fee requirements.

Department's Position:

The Department of Education (Department) offers comments on SB 2616.

The Department appreciates the opportunity to use school impact fees to offset the capital cost of building new schools. The school impact fees law, HRS §1601- §1612, plays a vital role in the development of new schools by providing 100 percent of school land and ten percent of the construction cost for new school facilities.

The Department is aware of the shortage of affordable housing in Hawaii and respects the legislature's efforts to address this issue. As you deliberate the solutions, we would encourage legislators to continue to be mindful of the impact any new developments will have on the capacity of schools in neighborhoods where additional housing development occurs. Statute requires the Department to identify high growth areas where additional enrollment requires new or enlarged schools and to prepare a subsequent written analysis of the land and construction cost components associated with new or enlarged school campuses.

The primary focus of the Department is to provide equal access to quality public education for our students. The Department's facilities are a vital component of our ability to effectively deliver on that responsibility. We acknowledge the legislature's commitment to improving the Department's ability to fulfil that obligation and to funding future school needs.

Thank you for the opportunity to provide testimony on SB 2616.

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in every school to engage and elevate our communities. 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.



**Testimony to the Senate Committees on Housing and Education
Thursday, February 6, 2020 at 2:00 P.M.
Conference Room 225, State Capitol**

RE: SB 2616, RELATING TO HOUSING DEVELOPMENT

Chairs Chang and Kidani, Vice Chairs Kanuha and Kim, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **opposes** SB 2616, which would 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 (50) percent of 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 provide a fifty percent (50%) reduction in public school impact fees for the following projects:

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

Granting these types of exemptions would effectively shift a significant portion of the 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 have 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, instead who the developer of the project is, or the price point of the units based on income.

Thank you for the opportunity to voice our concerns.

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**SENATE COMMITTEES ON EDUCATION AND HOUSING
State Capitol, Conference Room 225
415 South Beretania Street
2:00 PM**

February 6, 2020

RE: SENATE BILL NO. 2616, RELATED TO HOUSING DEVELOPMENT

Chairs Kidani and Chang, Vice Chairs Kim and Kanuha, and members of the committees:

My name is Dwight Mitsunaga, 2020 President 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. Our members build the communities we all call home.

BIA-Hawaii is opposed to S.B. No. 2616, which proposes 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 50% percent of the school impact fee requirements.

The bill proposes to essentially reduce impacts fees by 50% percent on the following projects:

- 1) Affordable housing units (public or private);
- 2) Additions to existing dwelling units (public or private);
- 3) Accessory dwelling units (private);
- 4) Ohana dwelling units (private); and,
- 5) Public housing projects from public school impact fees.

Granting these types of exemptions would effectively shift the bulk of the 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 have 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 are opposed to S.B. 2616 as presently drafted, and appreciate the opportunity to express our views on this matter.