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SUPERINTENDENT

STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
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Date: 03/19/2021

Time: 03:10 PM

Location: CR 229 & Videoconference

Committee: Senate Education
Senate Hawaiian Affairs

Department: Education

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

Title of Bill: HB 0753, HD1 RELATING TO SCHOOL IMPACT FEES.

Purpose of Bill: Excludes housing developed by the department of Hawaiian home lands from school impact fees. Effective 1/1/2050. (HD1)

Department's Position:

The Department of Education (Department) offers comments on HB 753, HD 1.

Hawaii's school impact fee law, Hawaii Revised Statute (HRS) Sections 1601-1612, plays a vital role in the development of new school facilities in designated areas where the construction of new housing directly increases student enrollment. Other than direct appropriations from the legislature, school impact fees are the only other source of funding to support the development of new school facilities for the Department.

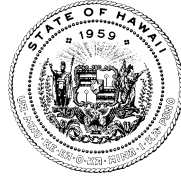
The Legislature created school impact fees in 2007, with amendments in 2010 and 2016. HRS Section 302A-1603 (a)(3) specifies that anyone who develops new residences in a school impact fee district must pay impact fees "including all government housing projects." Adding additional exemptions would limit the Department's potential to capture additional funding sources.

Thank you for this opportunity to provide testimony on this measure.

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.

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GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
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TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEES ON EDUCATION & HAWAIIAN AFFAIRS
HEARING ON MARCH 19, 2021 AT 3:10PM VIA VIDEOCONFERENCE

HB 753, HD1, RELATING TO SCHOOL IMPACT FEES

March 19, 2021

Aloha Chair Kidani, Chair Shimabukuro, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) strongly supports this bill that excludes housing developed by DHHL from school impact fees. This bill is similar to a measure that was approved by the Hawaiian Homes Commission and included in the Governor's administrative package by request of our department.

Since the enactment of the Hawaiian Homes Commission Act, 1920, as amended, lands set aside for use as Hawaiian Home Lands have been withdrawn for other purposes, including public schools. In addition, development on Hawaiian Home Lands often account for the educational facilities that may be needed to support the community with the siting of public schools, public charter schools, early learning facilities, and other similar facilities on or near Hawaiian Home Lands. Excluding housing developed by DHHL from school impact fees could result in more homes developed. For example, DHHL's sufficient sums 2021-23 biennium budget requests \$6 million for design and construction of 161 lots for the Pu'unani Homestead. The school impact fee of \$5373 per lot for 161 houses is \$865,053 in fees for one subdivision on the island of Maui. These fees could instead be used to develop more lots.

Thank you for your consideration of our testimony.



OFFICE OF HAWAIIAN AFFAIRS

‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

Legislative Testimony

HB753 HD1

RELATING TO SCHOOL IMPACT FEES

Ke Kōmike ‘Aha Kenekoa o ka Ho‘ona‘auao

Senate Committee on Education

Ke Kōmike ‘Aha Kenekoa o ke Kuleana Hawai‘i

Senate Committee on Hawaiian Affairs

Malaki 19, 2021

3:10 p.m.

Lumi 229

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB753 HD1, which would exempt Department of Hawaiian Home Lands (DHHL) development projects from school impact fees, thereby allowing DHHL to more fully dedicate its funding to its primary mission of providing housing and homesteading opportunities to native Hawaiians, and facilitating its contributions to our islands’ overall affordable housing goals.

DHHL’s mission is to return native Hawaiians to the land, “in order to fully support self-sufficiency for native Hawaiians . . . and the preservation of the values, traditions, and culture of native Hawaiians.”¹ In light of DHHL’s historical underfunding, OHA commends creative efforts to facilitate the implementation of this critical mission in a more timely manner – including through the subject proposal to exempt DHHL developments from school impact fees. **OHA believes that exempting DHHL from school impact fees will allow for funds allocated to DHHL for developing homesteads and returning native Hawaiians to the land, to be used more strictly for such purposes.** OHA notes that DHHL already accounts for needed educational facilities in planning for new developments on Hawaiian home lands, and also provides lands for the use of Department of Education public schools.

Notably, the affordable nature of the housing DHHL makes available to its native Hawaiian beneficiaries is commensurate with that provided by other affordable housing developers, who are statutorily eligible for a variety of exemptions and incentives, including school impact fee exemptions. Indeed, DHHL housing may provide the only opportunity for many native Hawaiians to afford and achieve homeownership.² **Providing DHHL with an exemption from school impact fees would therefore be one way to provide greater parity to this native Hawaiian-serving agency, and facilitate its contributions to our islands’ overall affordable housing goals.**

¹ Hawaiian Homes Commission Act of 1920 (as amended) (HHCA) §101.

² SMS, DHHL BENEFICIARY STUDY 2020, available at <https://dhhl.hawaii.gov/wp-content/uploads/2021/01/G-3-For-Information-Only-2020-DHHL-Beneficiary-Study-Survey-Results.pdf>.

Accordingly, OHA urges the Committees to **PASS** HB753 HD1. Mahalo for the opportunity to testify.

HB-753-HD-1

Submitted on: 3/16/2021 2:26:00 AM

Testimony for EDU on 3/19/2021 3:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Azuma Chrupalyk	Individual	Support	No

Comments:

This bill shall include all students of Hawaiian bloodlines. Stop dividing the Hawaiian people by blood quantum. The State of Hawai'i has permission to stop dividing the people who are already divided into pieces. End the oppression today. Recognize ALL Hawaiian subjects, not just the federally recognized Hawaiians.