
A BILL FOR AN ACT

RELATING TO SCHOOL IMPACT FEES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that a shortage of
2 affordable housing, for sale or rent, exists in Hawaii, and that
3 the high cost of construction could be a deterrent to private
4 development of affordable housing units. The legislature
5 further finds that school impact fees can significantly raise
6 the costs of new housing development projects. For example, in
7 2016, the department of education estimated that it would need a
8 school impact fee of \$9,374 per new unit constructed in the
9 proposed school impact district from Kalihi to Ala Moana to help
10 cover land and construction costs for new or expanded schools in
11 the area. The legislature additionally finds that implementing
12 this fee would increase the overall costs for construction of
13 housing, possibly further hindering development of affordable
14 housing units.

15 The legislature also finds that as the city and county of
16 Honolulu constructs a rail transit system, increasing affordable
17 housing along the rail line benefits those individuals and



1 families with lower incomes, including those who are unable to
2 purchase their own vehicles, by providing convenient access to
3 public transportation. The legislature further finds that
4 exempting affordable housing units constructed in a county with
5 a population greater than five hundred thousand from school
6 impact fee requirements will promote the development of
7 affordable housing in Hawaii.

8 The purpose of this Act is to exempt new housing units that
9 are reserved for persons or families with incomes up to eighty
10 per cent of the area median income from school impact fee
11 requirements.

12 SECTION 2. Section 302A-1603, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) The following shall be exempt from this section:

15 (1) Any form of housing permanently excluding school-aged
16 children, with the necessary covenants or declarations
17 of restrictions recorded on the property;

18 (2) Any form of housing that is or will be paying the
19 transient accommodations tax under chapter 237D;

20 (3) Any form of housing units reserved for persons or
21 families with incomes up to eighty per cent of the



1 area median income located in a county with a
2 population greater than five hundred thousand;
3 ~~[-(3)-]~~ (4) All nonresidential development; and
4 ~~[-(4)-]~~ (5) Any development with an executed education
5 contribution agreement or other like document with the
6 department for the contribution of school sites or
7 payment of fees for school land or school
8 construction."

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Department of Education; Affordable Housing

Description:

Exempts housing developments reserved for persons or families with incomes up to 80% of the area median income located in a county having a population greater than 500,000 from school impact fee requirements. Effective 7/1/2050. (SD2)

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