

STAND. COM. REP. NO. 398

Honolulu, Hawaii

FEB 16 2023

RE: S.B. No. 874

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committees on Housing and Education, to which was referred S.B. No. 874 entitled:

"A BILL FOR AN ACT RELATING TO SCHOOL IMPACT FEES,"

beg leave to report as follows:

The purpose and intent of this measure is to exempt certain housing developments from the assessment of school impact fees.

Your Committees received testimony in support of this measure from the Office of the Governor; Hawaii Public Housing Authority; NAIOP Commercial Real Estate Development Association, Hawaii Chapter; Building Industry Association of Hawaii; Complete Construction Services Corp.; BKF & Associates, LLC; and one individual. Your Committees received testimony in opposition of this measure from the Center for Hawaiian Sovereignty Studies. Your Committees received comments on this measure from the Department of Education; Department of Hawaiian Home Lands; School Facilities Authority; EAH Housing; and Tax Foundation of Hawaii.

Your Committees find that there are an overwhelming number of Hawaii residents on the public housing waiting list, but the demand far exceeds the current supply of affordable housing projects. Your Committees also find that, although important for the funding of new school facilities, school impact fees required by section 302A-1603, Hawaii Revised Statutes, present a substantial barrier to the development of affordable housing projects in Hawaii as a result of the increase costs for



developers. Several developers of affordable housing projects rely on funds from the State's Rental Housing Revolving Fund or other state appropriations to offset the cost of the school impact fee to make affordable housing projects financially viable. Your Committees believe that an exemption from school impact fees for certain housing projects as proposed by this measure will both allow those housing projects to be more cost-effective and able to proceed more quickly to meet the desperate demand for housing in the State.

As affirmed by the records of votes of the members of your Committees on Housing and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 874 and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committees on Housing and  
Education,



MICHELLE N. KIDANI, Chair



STANLEY CHANG, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:* <b>SB 874</b>	Committee Referral: <b>HOU/EDU, WAM</b>	Date: <b>02/09/2023</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
AQUINO, Henry J.C.	✓			
RHOADS, Karl	✓			
AWA, Brenton			✓	
<b>TOTAL</b>	<b>4</b>		<b>1</b>	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Education**  
**EDU**

Bill / Resolution No.:* <b>SB 874</b>	Committee Referral: <b>HOU/EDU, WAM</b>	Date: <b>2/9/23</b>
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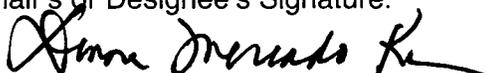
The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312     
  Pass, with amendments 2311     
  Hold 2310     
  Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KIDANI, Michelle N. (C)	/			
KIM, Donna Mercado (VC)	/			
KANUHA, Dru Mamo	/			
RICHARDS, III, Herbert M. "Tim"				/
FEVELLA, Kurt	/			
<b>TOTAL</b>	<b>4</b>			<b>1</b>

Recommendation:     
 Adopted     
 Not Adopted

Chair's or Designee's Signature:  


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