

Infrastructure and Public Facilities Needs Assessment

Planning Department
County of Hawai`i

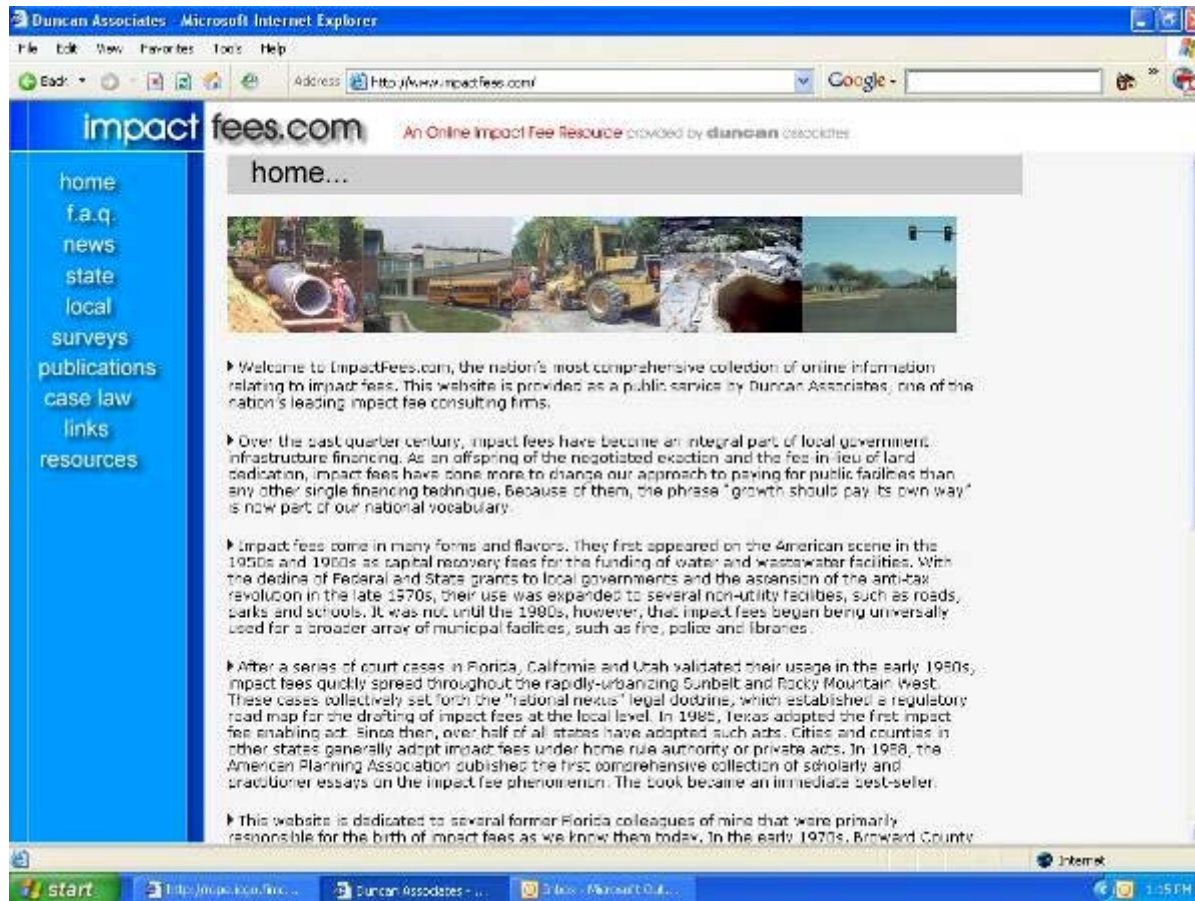


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PLANNERS

August 16, 2006

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associates

Introducing ImpactFees.com





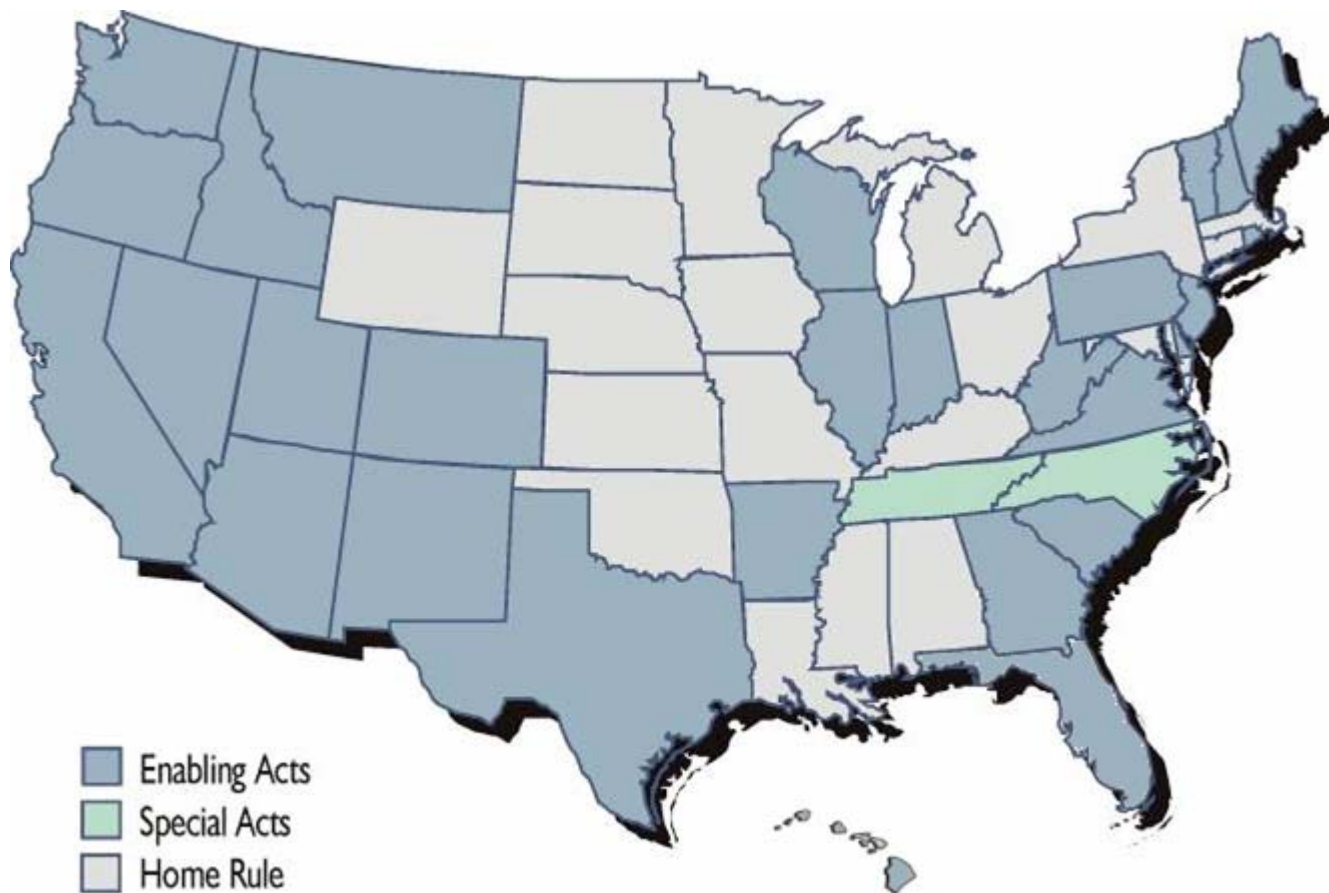
The Rational Nexus Test

- Must create **need** for new facilities
- Must receive **benefit** from new facilities
- Must only pay **fair share** of new facilities





State Impact Fee Authority



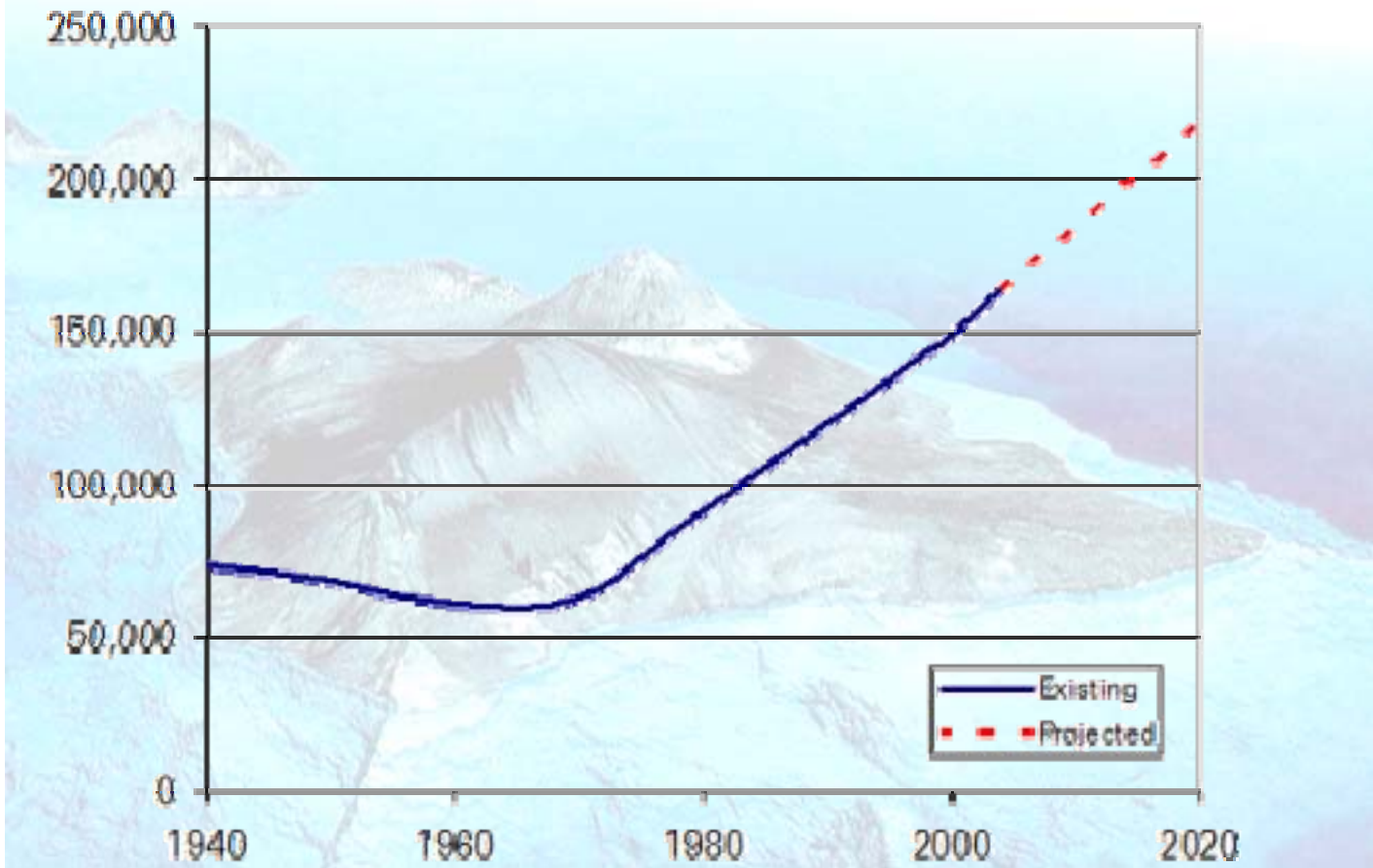


1992 Hawaii Impact Fee Act

- Authorizes Counties to adopt impact fees
- Based on established legal constitutional standards
- Eligible facilities are those specifically identified in comprehensive plan or facility needs assessment study.
- Specify service level standards for each facility
- Can not be charged for higher than existing service levels
- Funds and interest earned earmarked by facility
- Past property tax payments must be credited
- Spend on planning, design and construction
- Spend within seven years or refund
- Collected prior to issuance of grading or building permit
- Other available funding options must be examined
- Only use has been 2002 Honolulu road fee for EWA region



Island Growth





Current Fair Share Assessments

- Current assessment based on 1990 study
- Current assessment = \$9,761 per dwelling unit
 - Roads, parks, fire, police and solid waste
- Subject to assessments:
 - Residential uses requiring rezonings
 - Hotels requiring rezonings
- Not subject to assessments:
 - Existing zoned lots (11,000)
 - Existing subdivided lots (53,000)
 - Non-residential uses
- Performance record:
 - \$74.0 million assessed
 - \$3.6 million collected
 - \$15.2 million in credits



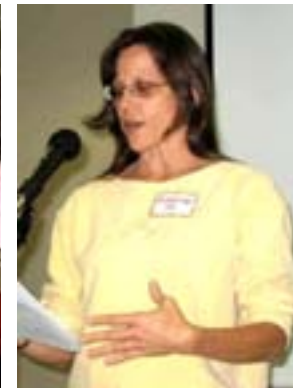
Public Outreach Effort

- ❑ November 18, 2005 - Hilo Focus Group
- ❑ November 20, 2005 - Kona Focus Group
- ❑ November 21, 2005 - County Council
- ❑ January 17, 2006 - Video Conference
- ❑ March 8, 2006 - Kona Workshop
- ❑ March 9, 2006 - Planning Commission
- ❑ March 10, 2006 - Hilo Workshop



What We Heard from Stakeholders!

- Impact fees should be adopted by Hawai'i County
- Impact fees should be part of larger funding plan
- Impact fees should not be waived for existing lots
- Impact fees should be paid at building permit
- Impact fees should be countywide and uniform
- Impact fees should vary by size of dwelling unit
- County should pay fees for affordable housing
- County should give one year fee grace period





Infrastructure and Public Facilities

- Roads
- Parks
- Fire/EMS
- Police
- Solid Waste
- Wastewater





■ POLICY ISSUES



Treatment of Existing Lots

OWNERSHIP OF VACANT RESIDENTIAL LOTS

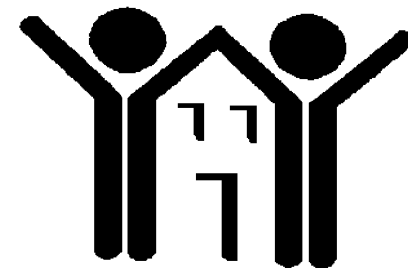
Ownership	# of Lots	Percent
Big Island-Single Owner	9,123	14.20%
Big Island-Multiple Owners	175	0.30%
Mixed Big Island/Other Owners	10,747	16.70%
No Big Island Owners	44,175	68.80%
Total Vacant Residential Lots	64,220	100.00%

OPTIONS:

1. Fee waiver for first dwelling
2. County grant for first dwelling
3. Transition exemption for first dwelling
4. Exclude selected areas
5. Everyone pays

Affordable Housing

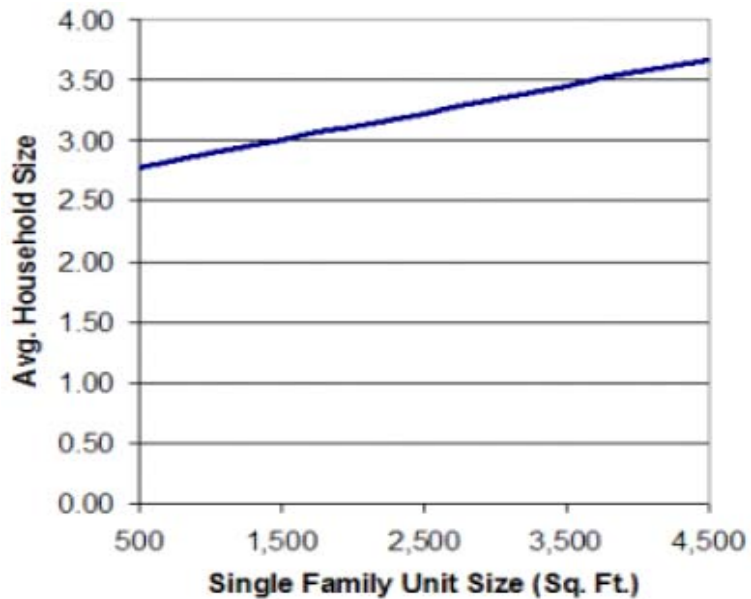
- County assists:
 - first-time homebuyers
 - earning less than 140 percent median income
 - purchasing less than median-priced home
 - using home as primary residence
- Type of assistance:
 - zero interest loan for amount of fee
 - payable when home sold or rented



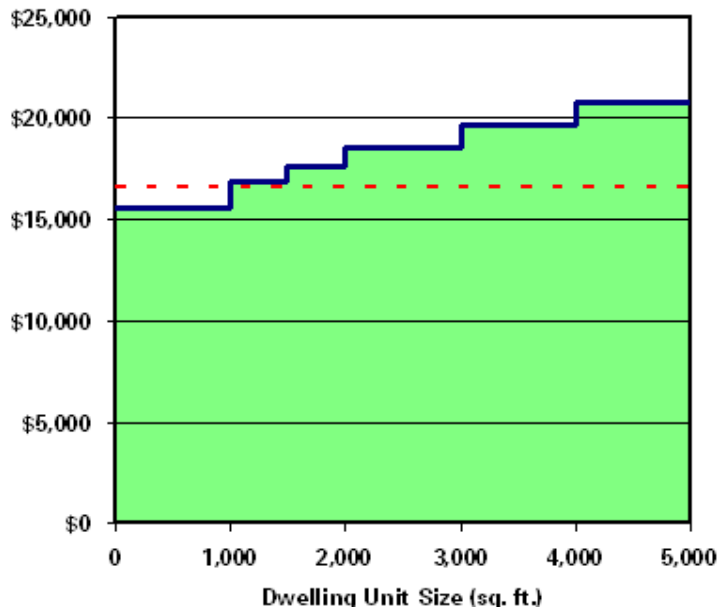


Progressive Residential Fees

Residents by Unit Size



Impact Fees by Unit Size





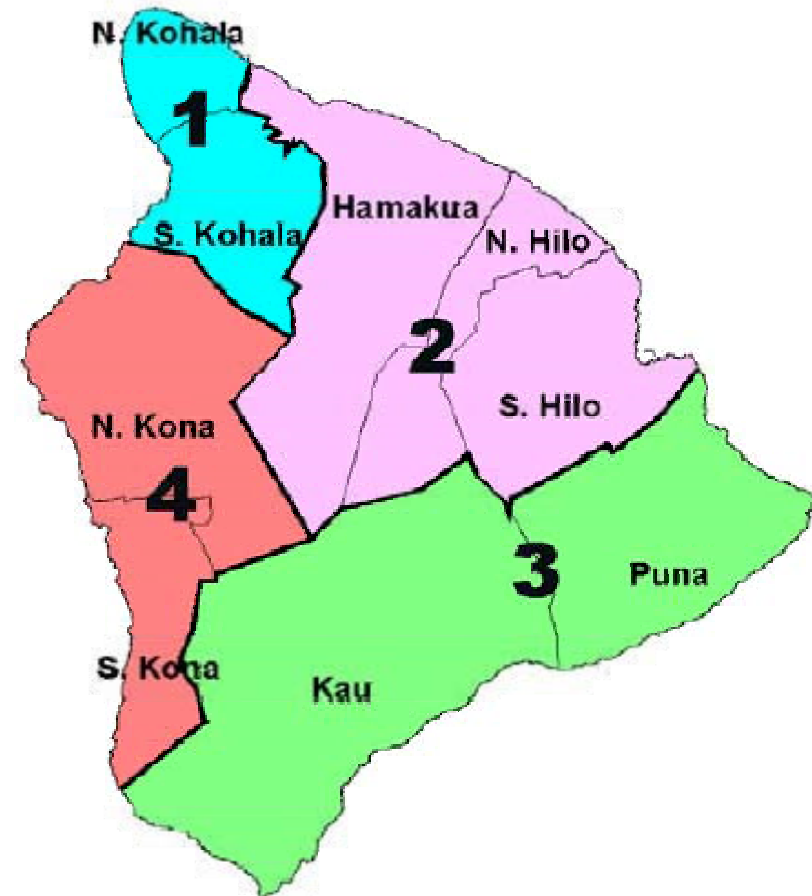
Time of Collection

- Fair share assessments
 - assessed at zoning
 - collected at subdivision for single-family
 - collected at site plan for multi-family or non-residential
- Impact fees collected at building permit
- Fee assessment could be at subdivision, but that would permanently exempt all existing lots

Assessment and Benefit Districts

- Recommend county-wide assessment district for all facilities
- Recommend four benefit districts for all facilities –
 - Kona
 - Kohalo
 - Hilo/Hamakua
 - Kau/Puna

PROPOSED BENEFIT DISTRICTS





Pre-Ordinance Credits

- Fair share fees assessed but not paid would be replaced with obligation to pay impact fees
- Fair share fees paid could be reimbursed to developer or credited to lot owner
- Recommendation:
 - Credit to lot owner to offset fees
 - No reimbursement of any excess credit
- Rationale: Avoids developer windfall



Post-Ordinance Reimbursements

- Developers often make improvements or dedicate ROW to county roads as condition of development approval
- Value of improvements or ROW could be reimbursed to developer or credited to lot owner
- Recommendation: Reimburse developer directly
- Rationale: Administrative simplicity



Phase-In Period

- Effective date: Fees go into effect one year after adoption
 - Give public/developers/homebuilders adequate notice
 - Allow staff time to establish implementation measures
- No additional phase-in:
 - Developers already paying substantial fair share fees
 - Phase-in would provide a windfall

Maximum Allowable Impact Fees

- Maximum fees likely higher than current fair share
- Ultimate fees could be less than 100% of maximum

COMPARATIVE IMPACT FEE PER SINGLE-FAMILY UNIT

Facility	Maximum Impact Fee	Current Fair Share Assess.	California Average	National Average
Roads*	\$4,758	\$4,281	\$4,210	\$2,270
Parks	\$6,566	\$4,818	\$5,890	\$2,055
Fire	\$549	\$459	\$633	\$365
Police	\$657	\$232	\$861	\$345
Solid Waste	\$242	\$201	na	\$189
Total	\$12,772	\$9,991	\$11,594	\$5,224
Wastewater	\$3,785	na	\$4,716	\$2,587

Maximum Allowable Impact Fees

Land Use Type	Unit of Measurement	Roads*	Parks	Fire/EMS	Police	Solid Waste	Waste-water**	Total
Less than 1,000 sq. ft.	Dwelling	\$4,190	\$6,369	\$533	\$637	\$235	\$3,672	\$15,637
1,000 - 1,499 sq. ft.	Dwelling	\$4,758	\$6,763	\$566	\$677	\$250	\$3,899	\$16,912
1,500 - 1,999 sq. ft.	Dwelling	\$4,879	\$7,026	\$582	\$696	\$257	\$4,050	\$17,580
2,000 - 2,999 sq. ft.	Dwelling	\$5,232	\$7,420	\$621	\$742	\$274	\$4,277	\$18,566
3,000 - 3,999 sq. ft.	Dwelling	\$5,481	\$7,879	\$659	\$788	\$291	\$4,542	\$19,640
4,000 sq. ft or more	Dwelling	\$5,675	\$8,404	\$703	\$841	\$310	\$4,845	\$20,778
Single-Family (flat rate)	Dwelling	\$4,758	\$6,566	\$549	\$657	\$242	\$3,785	\$16,557
Multi-Family	Dwelling	\$3,338	\$5,187	\$429	\$512	\$0	\$2,990	\$12,456
Hotel/Motel	Room	\$4,767	\$3,086	\$258	\$309	\$0	\$1,779	\$10,199
Retail/Commercial	1,000 sq. ft.	\$8,114	\$0	\$830	\$992	\$0	\$606	\$10,541
Office	1,000 sq. ft.	\$6,187	\$0	\$467	\$558	\$0	\$606	\$7,817
Industrial	1,000 sq. ft.	\$3,909	\$0	\$291	\$348	\$0	\$606	\$5,154
Warehouse	1,000 sq. ft.	\$2,287	\$0	\$187	\$223	\$0	\$606	\$3,302
Church/Synagogue	1,000 sq. ft.	\$3,121	\$0	\$467	\$558	\$0	\$606	\$4,752
Elem./Sec. School	1,000 sq. ft.	\$1,134	\$0	\$467	\$558	\$0	\$606	\$2,765
Hospital	1,000 sq. ft.	\$9,875	\$0	\$467	\$558	\$0	\$606	\$11,505
Nursing Home	1,000 sq. ft.	\$2,780	\$0	\$467	\$558	\$0	\$606	\$4,410
Other Institutional	1,000 sq. ft.	\$6,187	\$0	\$467	\$558	\$0	\$606	\$7,817



Impact Fee Advantages

- **Greater Revenue Potential**
 - County now annually receives only about \$2 million total
 - Nonresidential road impact fees would alone return \$12 million
 - Just half of all new residential permits would return \$10 Million

- **Greater Equity**
 - All development pays, not just residential that needs rezoning
 - Larger homes pay more based on greater impact

- **Greater Legal Defensibility**
 - Complies with State Impact Fee Act



Lessons Learned!

- Impact fees alone will not solve the County's infrastructure problems. They are only one source of partial financing.
- The County needs to take a more comprehensive look at financing infrastructure, share that vision with the public and encourage creative public and private collaborate efforts.
- There are no easy answers on how to address the effect of impact fees on affordable housing. Fees can not be waived, but they can be paid from other sources.
- Should a fee be implemented, current administrative procedures will need to be retooled and staff resources reallocated.
- Fees may imposed at less than 100 percent the maximum allowable amount.
- Fees may be tailored to reflect the unique personality of Hawaii County (i.e., specific fees can be excluded from certain districts).



Questions? . . .

