

INFRASTRUCTURE/PUBLIC FACILITIES NEEDS ASSESSMENT  
KONA STAKEHOLDER WORKSHOP – March 8, Capt. Cook

FACILITATORS REPORT FORMS – COMPILED BY ISSUES IN ALPHA ORDER

**ISSUE A: TYPES OF FEES**

Kona Group 2

- Summary of discussion:
- Is there a better method to supply water to those who do not have access except catchment?
- Can impact fees remedy this if charter were changed, or what could be done?
- Agree that we need the fees. Would like to include water but we don't know how.
- FINAL POLL: Group checked "Yes" but no number of how many polled.
- Would like to include water (see above)

Kona Group 4

- Summary of discussion:
- Can Impact Fees cover public buildings?
- Can we include water systems in the Impact Fees?
- Impact Fees to cover new flood channels and flooding issues? Parking lots? Underground utilities? But lots of options discussed we had a different idea about covering flooding.
- (Did not do Poll)

**ISSUE B: EXISTING LOTS OF RECORD**

Kona Group 1

- Summary of discussion:
- Why exclude Puna and Ka`u- they are lacking in infrastructure and should be included.
- We agree they SHOULD BE INCLUDED.
- We agree possibly have a share cost with County for low-income owner.
- *Option 5*: Treat everyone equally, with some subsidy to low-income homebuilder on single-family lots.
- One year to implement – grace period during which time fair share assessment would still apply.
- FINAL POLL: Zero for Options 1 – 4. No written number on poll on Option 5 except as noted in discussion above.

Kona Group 2

Summary of discussion:

- There is a consensus that we decide to add #5 that all existing lots should be assessed an impact fee to be collected at the time of pulling building permit.
- *Option 5*: We have a consensus that we want to add alternative #5. All existing lots should be assessed an impact fee to be collected at time of pulling building permit.
- (Did not do Poll)

### Kona Group 3

#### Summary of discussion:

- Puna & Ka`u don't have service? If not going assess fees in Puna & Kau where is money coming from?
- If more lots zoned than houses #1 without paying fee (if #1) double.
- Why shouldn't everyone pay?
- What affect on affordable housing does everyone pays have?
- How can we assess three options without knowing what is wrong with current system?
- Are these options mutually exclusive?
- No rationale for exempting.
- *Option 5*: Fees same across the line. All new buildings pay impact fees.
- Adjustment for lower income.
- Progressive schedule.
- *Option 6*: Existing lots of record with existing owners of record with a grace period of 2-5 years to build without impact fee.
- FINAL POLL: 3 for Option 5; 1 for Option 6

### Kona Group 4

- Summary of discussion:
- Exclude Ka`u and Puna means no services. Reject #4
- Why is there no option #5 that says we charge full fees for development?
- Why would Puna and Ka`u be excluded?
- The poor should not have to pay impact fees for their housing. This fits in at time of permits.
- *Option 5*: We charge full fees to everyone (residence, commercial, industrial, multi-family) at building permit level.
- FINAL POLL: Zero for Options 1, 2 and 4. 1 for Option 3; 4 for Option 5.

### Kona Group 5

- Summary of discussion:
- Most of the group felt that the unintended consequences associated with an exemption or exemption period would create negative impacts.
- Most of the group voted to have NO exemption.
- Most of the group would like to have the no exemption approach coupled with a sliding scale based upon the size (square footage) of the residence.
- Questions arose as to what was included in the counted lots (were ag. lots included?).
- A question was raised as to whether social engineering was behind the impact fee policy.
- *Option 5*:
  - a. No exemption for existing lots, but provide a sliding scale based upon home size (Sq. Ftge.)
  - b. No exemption and no sliding scale
- FINAL POLL: Zero for Options 1, 2 and 4; 2 for Option 3; 6 for Option 5a; 3 for Option 5b

## Kona Group 6

### Summary of discussion

- What is the magic of a 5-year period? What is the nexus?
- Does 2-5 year period provide an advantage to developers vs. local residents?
- *Option 5*: Bonafide farm dwelling (2<sup>nd</sup> house for workers) should be exempt and not give time advantage to big any developer over local residents.
- FINAL POLL: As written: Option 1 No Option 2 No Option 3 Mixed Option 4 unconstitutional best if can include option 5

## **ISSUE C: TIME OF COLLECTION**

### Kona Group 1

#### Summary of discussion:

- Agree with recommendations collect at time of building permit.
- Will impact fees lead to more non-permitted (illegal) construction
- More site inspections for illegal buildings to collect impact fees/taxes
- (No "FINAL POLL" printed on worksheet) Group checked "Yes" and noted "with above recommendations"

## **ISSUE D: PRE-ORDINANCE CREDITS**

### Kona Group 4

- No reimbursement of fees? If the fair share is less than the impact fee does the developer get charged more?
- FINAL POLL: Confusing question.

## **ISSUE E: ORDINANCE REIMBURSEMENTS**

### Kona Group 5

#### Summary of discussion:

- Question/Comment was made that while the proposed (Raleigh) approach may be easier for administration, but it may not be fair to the developer.
- Comments were made as to the benefits of the CFD process, including fairness to the developer and spreading out the impacts of fees on residents.
- Adjustments should be made under the Raleigh approach for the time value of money.
- FINAL POLL: No Vote.

### Kona Group 6

#### Summary of discussion:

- After ordinance date, why should developers who paid for eligible improvements be reimbursed from impact fees?
- Developers should be exempt.
- (No "FINAL POLL" printed on that particular section of worksheet) Group noted: needs clarification

## **ISSUE F: ASSESSMENT DISTRICTS**

### Kona Group 5

Summary of discussion:

- May be unfair if same schedule used around the island. (recorder drew arrow with this noted to point to underneath "Final Poll")
- FINAL POLL: 4 Yes; 3 No

## **ISSUE G: BENEFIT DISTRICTS**

### Kona Group 1

Summary of discussion:

- We agree that there should be 9 districts.
- The majority of fees kept in their respective districts, with just a % to island-wide fund rather than split East/ West.
- FINAL POLL: Group checked "No" but no number of how many polled. Responded to "If NO, how many?" with: 9 as noted above

### Kona Group 2

Summary of discussion:

- Divide into East-West first, then after a period of 2 years perform a mandatory review to determine if this is a fair and workable plan.
- (Did not do poll)

### Kona Group 3

Summary of discussion:

- Benefits should be based on needs.
- How does benefits district help?
- Puna & Ka`u will be isolated.

FINAL POLL: [ALICE NOTES: this is confusing...they have written 11 for Yes, agree with 2 benefit districts then they wrote under that and circled "abstain" then there is what looks like a tally with hash marks – three hash marks with "4 or 5" after them and 1 hash mark with "4 – 9" after it]

### Kona Group 4

Summary of discussion:

- Can we expand benefit districts from 2-4?
- Can we create sub-districts within Benefit Districts?
- Can we list different infrastructure needs and level of service by Judicial District?
- Can 50% of fees in Judicial District be spent there and 50% within district?
- FINAL POLL: "DISAGREE UNANIMOUS"
- Other Option: 50% of fees in Judicial District be spent there and 50% within district

### Kona Group 5

- Summary of discussion:

- Most participants would like to have the resources generated in the area kept as close to the impact as possible.
- Most of the group wanted at least 2 benefit districts, and if only 2, that they should be segregated East/West.
- Most of the group, however, would like to see more than 2 districts.
- Five members of the group voted to have the districts established by existing districts (e.g. a district for Kau, a separate district for S. Kona, a separate district for N. Kona, etc...)
- Three member of the group voted to see the benefit districts co-formed with the Five proposed park districts.
- FINAL POLL: see below
- Other Options: 1 for North/South; 5 for East/West; 3 for 9 Districts; 5 for 5 Districts (based on park districts)

### Kona Group 6

#### Summary of discussion:

- Proposed park districts seem to be a fairer spread in relation to infrastructure needs --- based on population density but might be inadequate (there should be different maps for the different services -police, fire, etc.) but proposed east/west districts.
- Fig. 1 relates better to what actually exists.
- All services are not equal.
- FINAL POLL: Do you agree with the recommendation of *EAST/WEST* benefit districts *per figure 1*? YES with equity and level of service.

## **ISSUE H: AFFORDABLE HOUSING**

### Kona Group 3

#### Summary of discussion:

- Rational nexus. Need, benefit, fair share-everybody pays.
- Capacity enhancing
- Inequity created—everybody pays.
- Legal Implications
- What is wrong with existing system- not broke why fix?
- Current system- before I.F. act- legal defensibility issue.
- Fairness issue-commercial.
- All not zoned not paying? Renewal issue- not getting money. County exempted commercial.
- FINAL POLL: 6 agree with recommendation; 0 do not agree

## **ISSUE I: PROGRESSIVE RESIDENTIAL FEE**

### Kona Group 3

#### Summary of discussion:

- Should fees be based on distance from urban core?
- Higher level of fees- some do increase with distance- trip rates and trip length- Fees can be used. Can be variable- more complicated- second generation fee.
- Boundaries can be changed-lineal cash increases with distance.

- Benefit district/assessment fee-
- Impact fee capacity enhancing new development
- Charge same for every home- progressive fees.
- Socially regressive fee- rational nexus = supply and demand.
- Create a need = need to pay. Made a gesture toward affordability.
- FINAL POLL: 5 agree with recommendation; 1 did not agree
- Other Option: Add value.

#### Kona Group 6

##### Summary of discussion:

- How does this relate to multi-family? (Ohana)
- Should be different issue from single family.
- FINAL POLL: Group checked "No" but no number of how many polled.
- Why? Flat fee would reflect reality of island living verses square footage up to 4,500 sq. ft.
- Other Option: Suggestion: No fees for units up to 4,500 sq. ft.

### **ISSUE J: COST RECOVERY**

#### Kona Group 1

##### Summary of discussion:

- Impact fees can be used for studies for water, sewer, police, fire, and PARKS, community plans purchasing easements for public access. 100% adoption is okay- Yes.
- Exception where county subsidizes lower income single family lots.
- FINAL POLL: Group checked "Yes (with option)" but no number of how many polled.
- Other Option: 100% with exception of lower income/county subsidizes

#### Kona Group 2

##### Summary of discussion:

- Suggested to charge maximum 100% at least as we begin until we see how the system operates.
- We have a large shortfall on infrastructure now, we need to catch up.
- FINAL POLL: Group checked "Yes" but no number of how many polled. Noted "100% Charge."

#### Kona Group 6

##### Summary of discussion:

- What will the actual cost impact fees?
- Won't there be a disparity/inequity of services. East Hawaii vs. West Hawaii?
- FINAL POLL: Group checked "Yes" but no number of how many polled. Noted "See issue G"

**COUNTY OF HAWAII  
INFRASTRUCTURE AND PUBLIC FACILITY NEEDS ASSESSMENT PROJECT (IPFNA)  
LOCAL RESOURCE TEAM**

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|---|--|
| <b>Purpose of the Committee:</b>                  | The Local Resource Team (LRT) is intended to supplement the public outreach effort currently being advanced by the IPFNA Project Team (Planning Dept.; Helber Hastert & Fee Planners, Inc.; Duncan Associates; Alice Moon & Co). It is intended that the LRT will discuss problematic issues that are highlighted during the Group Meetings being conducted in Kona and Hilo, and will brainstorm with the Project Team on how to deal with these issues during formulation of an ordinance to establish an impact fee system within the County Hawai'i.   |
| <b>Why individuals were selected for the LRT:</b> | The solicitation of "individuals" was based on a number of factors, including organizational affiliation, presence in the development industry, participation in community affairs, and interest in the impact fee issue. The goal was to obtain a wider perspective on the issues facing the adoption of an impact fee ordinance in Hawai'i County. The LRT is intended to: 1) provide a more granular look at problem issues and concerns; 2) provide a 'big picture' perspective; and, (3) introduce a creative approach to problem solving. Composition of the LRT was based on a combination of factors, including previous experience with and knowledge of impact fees, experience in government, dual familiarity with the development process from a public, private and community sector basis, and the ability to provide a local and island-wide perspective.  |
| <b>When will the LRT meet?</b>                    | The LRT will be convened, as needed, by the Impact Fee project team, to sort through and discuss problematic issues as they arise. The first meeting of the LRT will be held the week after a Workshop meetings to be held in Hilo and Kona on March 8 <sup>th</sup> and 10 <sup>th</sup> . Future meetings will depend on the course of the project.  |
| <b>First Meeting:</b>                             | March 17, 2006; 11:00 a.m.-2:00 p.m.<br>Planning Department  |
| <b>LRT:</b>                                       | <p>Lee Ann Crabb - <a href="mailto:leeann@onipaa.org">leeann@onipaa.org</a><br/> Mary Finley - <a href="mailto:mceocmf@verizon.net">mceocmf@verizon.net</a><br/> Keith Kato - <a href="mailto:keith@hicdc.org">keith@hicdc.org</a><br/> Bob Hunter - <a href="mailto:bob@webpatent.com">bob@webpatent.com</a><br/> Bob McGraw - <a href="mailto:rmcgraw@haseko.com">rmcgraw@haseko.com</a><br/> Bill Moore - <a href="mailto:bmoore@hawaii.rr.com">bmoore@hawaii.rr.com</a><br/> Harold Murata - <a href="mailto:zarley2k@msn.com">zarley2k@msn.com</a><br/> Ben Tsukazaki - <a href="mailto:rbt@lava.net">rbt@lava.net</a><br/> Dean Uchida - <a href="mailto:duchida@lurf.org">duchida@lurf.org</a><br/> Ann Usugawa - <a href="mailto:ausagawa@hhsc.org">ausagawa@hhsc.org</a><br/> <i>Project Team:</i><br/> Scott Ezer - <a href="mailto:sezer@hhf.com">sezer@hhf.com</a><br/> Susan Gagorik - <a href="mailto:sgagorik@co.hawaii.hi.us">sgagorik@co.hawaii.hi.us</a><br/> Alice Moon - <a href="mailto:amoon@bigisland.com">amoon@bigisland.com</a><br/> Amy Self - <a href="mailto:aself@co.hawaii.hi.us">aself@co.hawaii.hi.us</a></p> |