

**Questions and Answers Concerning
the Kalihi to Ala Moana School Impact Fee District**

Will I need to pay the impact fee?

Please see the table below.

My Status	Will I need to pay the impact fee?
I live outside the impact district and will continue to live in a residence outside the district.	No.
I live in an existing residence in the impact district and plan to continue living there.	No.
I am adding a room to an existing residence in the impact district.	No.
I am going to tear down my house within the impact district and build a new one.	No, provided that proof that the new house is a replacement unit is provided and there is no net increase in units on the property.
I am going to build an ohana unit or a second unit on my property in the impact district.	Yes.
I have a vacant lot in the impact district and plan on building a house in the future.	Yes, fees would be paid before a building permit is issued.
I am a developer in the impact district with an executed education contribution agreement with the DOE.	No, provided that the terms of the education contribution agreement are adhered to.
I am a developer in the impact district, and I don't have an executed education contribution agreement with the DOE.	Yes.
I am a developer who is building senior housing in the impact district.	No, provided that there is a prohibition against school-aged children residing on the property.
I am a developer who is building a government housing project, affordable housing, or a Hawaii Revised Statutes 201-H project in the impact district.	Yes.
I am building a commercial or industrial project in the impact district.	No.
I am building a hotel in the impact district, and my units will pay the transient accommodations tax.	No.

The Department of Education will send a letter to all applicants of residential building permits who are required to pay school impact fee. Any further questions should be directed to Robyn Loudermilk, Planning Section, Facilities Development Branch at (808) 784-5080.

How is a School Impact District identified?

The school impact fee law requires the Board of Education to adopt school impact fees in areas that: 1) are experiencing overall enrollment growth; 2) are expected to experience enough residential development within the next ten years to require additional school facilities; and 3) have very little vacant classroom capacity in their existing school facilities.

Why do builders/buyers of new homes pay impact fees, and not all residents of the district?

The Legislature determined that new residential developments within an identified school impact districts create additional demand for public school facilities. Therefore, developers of new housing are required to pay a portion of the cost of providing new or enlarged public schools to serve the additional students who will be living in the new housing.

If a developer chooses to pay the land requirement through a fee-in-lieu, along with the construction cost requirement, where would the future school land come from?

The DOE negotiates with developers about possible school locations. Developers can't choose between paying a fee-in-lieu and providing land.

How do you determine fee amounts when housing projects aren't all built at the same time?

Impact fees will change over time as the variables in the impact fee formula change. Those variables include: actual school construction and school land costs, the ratio of permanent to portable classrooms, the acreage provided to each student in recent school construction, cost factors, and student generation rates.

What if I tear down my old house and build a new one, on my own, and not part of a big development? What about enlarging my house?

If you are replacing a residential unit and there is no net increase in the number of units, no impact fees will be charged. There is no fee for increasing the size of a unit.

What if I don't have kids? Do I still need to pay the fee?

Yes. The initial owner of a new home may not have children but the next owner might. Projects that permanently prohibit children, such as senior housing, do not pay impact fees.

How is the student generation rate determined?

The student generation rate is the average number of students expected to reside in each residential unit. It's based on the number of DOE students currently living in the area divided by and the total number of residential units in the area.

How do you determine how many units will be built in a given area over the next 25 years?

The DOE collects development information from a wide variety of sources including residential developers. The data only provides an estimate of an area's growth. School needs are based on the actual number of units built, which is within a shorter time frame.

How do you justify this impact fee? DOE's analysis of residential development over the next 25 years indicates there could be as many as 39,000 new residential units in the proposed district.

That number of units would be expected to eventually generate 3,000 to 4,000 additional students in urban Honolulu schools.

If one high school is overcrowded, and a neighboring high school is not crowded, is there a way to reconcile that so that each school is being utilized as efficiently as possible?

The DOE can adjust school service boundaries to relieve an overcrowded school. However, high schools tend to be located a considerable distance from each other. The DOE has to weigh the costs to schools and the community of having students transported long distances. Bussing students over long distances and for long periods of time is not popular with parents and students, and it impacts a student's ability to participate in extracurricular activities.

How do you avoid situations where in older neighborhoods, schools that were once filled with students are now half empty?

The DOE does consider the consolidation and closing of schools when enrollment declines, if there is sufficient capacity in neighboring schools, and when there is no likelihood of a future population surge.

Why can't the DOE use state land for needed schools, instead of seeking land from developers?

DOE has previously used state land for schools and DOE expects to continue to seek state lands, particularly within state-sponsored housing developments. However, the primary consideration in determining where to locate a new public school is convenience to public school students. State land isn't always situated in an ideal location, close to development. Also, state land often has no infrastructure, while land provided by developers must be ready to build. The DOE also has competition from other state agencies interested in using state-owned lands.

When a district is adopted are its boundaries flexible, or are they set in stone?

There is no specific language in the school impact fee law addressing adjustment of district boundaries. In the future, it is possible the Board of Education could add or withdraw areas in an existing impact district.

How does this impact fee affect charter schools?

The impact fee law is silent on the use of impact fees for charter schools. The intent of the impact fee is to provide school facilities for the additional students generated by the development paying the impact fees. Therefore, school impact fees could be used for a charter school if that school serves a sufficient amount of students generated from the development.

How much is the proposed impact fee?

The current proposed impact land and construction fee for the Kalihi to Ala Moana School Impact Fee District is \$3,864 per unit. The fees are set by statutory formula as detailed in the Analysis of the Kalihi to Ala Moana School Impact District. Impact fees will change over time as the DOE is required to update some of the factors used to calculate the fees.

Projects will pay a construction fee and *either* contribute land *or* pay a cash fee-in-lieu of land for each residential unit. The fee-in-lieu of land for projects that are not providing land (e.g., individual homes or projects with a small number of units) is based on the value of school land within the District.