

LINDA LINGLE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

KATHRYN S. MATAYOSHI  
SUPERINTENDENT

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OFFICE OF THE MAYOR

OFFICE OF THE SUPERINTENDENT

November 30, 2010

The Honorable Charmaine Tavares  
Mayor, County of Maui  
200 South High Street  
Wailuku, HI 96793

Dear Mayor Tavares:

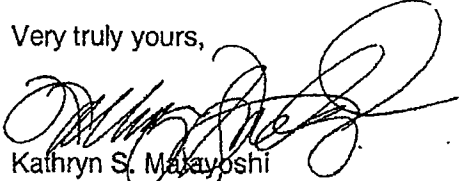
The Department of Education (DOE) is ready to begin collecting school impact fees for new residential units located in West Maui and Central Maui areas currently being served by DOE schools in the Lahainaluna, Baldwin, and Maui High School complexes. We held two public hearings on Maui at the end of October and the Board of Education approved the designation of the West and Central Maui school impact districts on November 18, 2010.

The DOE is prepared to implement the collection of fees in the West Maui, Central Maui, and West Maui school impact districts starting on January 1, 2011. To facilitate this, our DOE staff would like to meet with the directors of your Public Works and Planning Departments. I would appreciate your assistance in scheduling these meetings as soon as possible and will follow up with a call to your office.

DOE staff has prepared forms for impact fee payments and a flowchart to identify when homebuilders in the impact districts need to contact the DOE to determine when and how the fees will be paid. We think that through discussion with your directors we will be able to best fit our process with current County practices.

For general background, enclosed is the Maui school impact fee schedules and a question and answer information sheet. If you have any questions, please call Heidi Meeker in our Facilities Development Branch at (808) 377-8301.

Very truly yours,

  
Kathryn S. Matayoshi  
Superintendent

KSM:ck

HONUA'ULA EXHIBIT 7

Enclosures

c: Mr. Bruce Anderson, Complex Area Superintendent  
Mr. Lindsay Ball, Complex Area Superintendent  
Office of School Facilities and Support Services

EXHIBIT " 7 "

## **Maui School Impact Fee Districts Questions and Answers**

### **How is a school impact district identified?**

The 2007 impact fee law (Act 245, 2007) requires the Board of Education to designate as school impact districts 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 limited additional student capacity in their existing school facilities.

### **Why does this impact fee need to be paid by new development, and not by all residences?**

The Legislature determined that new residential developments within identified school impact districts create additional demand for public school facilities. Therefore, developers of new housing (including an owner who is building a house on an individually-owned vacant lot) 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.

### **How much will this impact fee add to my home price?**

Impact fees for the West Maui and Central Maui school impact districts are listed on the attached fee schedule. Residential projects that are not providing land (e.g., individual homes or projects with a small number of units) will pay a fee-in-lieu of land that is based on the value of school land within the school impact district.

### **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 Department of Education (DOE) negotiates with developers about whether there will be a school located in their project, or not. Developers are not able to 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, such as: actual school construction and school land costs, or, if the ratio of permanent to portable classrooms changes.

### **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?**

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, or the average number of public school students expected to reside in each residential unit within an impact district, is based on reviewing the actual numbers of public school students living in a mixture of residential projects resembling the mixture in the proposed district. The total number of students in an area and the total number of existing units are also considered.

### **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.

**Newspapers report that overall school enrollment is declining, even if there are more homes being built. How do you justify this impact fee?**

Enrollment has declined statewide, but has grown in the schools serving the Maui school impact districts. Schools serving Central Maui grew by 536 students from 2000 to 2009 and are expected to grow by an additional 1,115 students by 2015. West Maui schools grew by 170 students from 2000 to 2009 and are expected to grow by an additional 231 students by 2015.

DOE's analysis of residential development over the next 25 years indicates there could be close to 29,000 new residential units in the Central and West Maui Districts. That number of units would be expected to eventually generate 11,000 additional students in West and Central Maui 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 plan to avoid situations where in older neighborhoods, schools that were once filled with students are now half empty?**

The DOE bases its student generation rate on the average number of students expected to live in a development once the development has reached maturity. The demographic patterns of where students live and for how long are not always constant. 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 school impact district is adopted, is its boundaries flexible, or 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 will be asked to add or withdraw areas in an existing impact district.

**How does this impact fee affect charter schools?**

While the impact fee law is silent as to whether impact fees can or cannot be used for charter schools, the intent of the impact fee is to provide school facilities for the students generated by the development paying the impact fees. Therefore, school impact fees could be used for charter schools, provided that school serves a sufficient amount of students generated from the development.

### Central Maui Impact District Fee Schedule - Wailuku Cost District

Range of Possible Fees: Total payment includes the construction requirement and either a land or fee-in-lieu requirement

Estimate of Impact fees in Central Maui Impact District- includes 2010 Central Maui Impact District student generation rates, Wailuku construction cost differential of 1.15, and land and construction fees based on 1997 to 2007 historic school land and construction amounts and a 2010 school land appraisal.

No. and Type of Units	Est. No. Students, all grade levels	Construction Fee		Land Amount		Fee-in-lieu of Land	Construction and Fee-in-lieu
		Per Unit	Total	Acres Per Unit	Total Acres		
single family							
1	0.49	\$2,153	\$2,153	0.009388	0.009 *	\$3,220	\$5,373
100	49	"	\$215,300	"	0.939	\$322,000	\$537,300
1000	490	"	\$2,153,000	"	9.388	\$3,220,000	\$5,373,000
multi-family							
1	0.22	\$913	\$913	0.003998	0.004 **	\$1,458	\$2,371
100	22	"	\$91,300	"	0.400	\$145,800	\$237,100
1000	220	"	\$913,000	"	3.998	\$1,458,000	\$2,371,000

\* 409 sq.ft

\*\* 174 sq.ft.

### Central Maui Impact District Fee Schedule - Makawao Cost District

Range of Possible Fees: Total payment includes the construction requirement and either a land or fee-in-lieu requirement

Estimate of Impact Fees in Central Maui Impact District- includes 2010 Central Maui Impact District student generation rates, Makawao construction cost differential of 1.25, and land and construction fees based on 1997 to 2007 historic school land and construction amounts and a 2010 school land appraisal.

No. and Type of Units	Est. No. Students, all grade levels	Construction Fee		Land Amount		Fee-in-lieu of Land	Construction and Fee-in-lieu
		Per Unit	Total	Acres per unit	Total acres		
single family							
1	0.49	\$2,340	\$2,340	0.009388	0.009 *	\$3,220	\$5,560
100	49	"	\$234,000	"	0.939	\$322,000	\$556,000
1000	490	"	\$2,340,000	"	9.388	\$3,220,000	\$5,560,000
multi-family							
1	0.22	\$993	\$993	0.003998	0.004 **	\$1,458	\$2,451
100	22	"	\$99,300	"	0.4	\$145,800	\$245,100
1000	220	"	\$993,000	"	3.998	\$1,458,000	\$2,451,000

\* 409 sq.ft

\*\* 174 sq.ft.

### West Maui Impact District Fee Schedule - Lahaina Cost District

Range of Possible Fees: Total payment includes the construction requirement and either a land or fee-in-lieu requirement

Estimate of Impact Fees in West Maui Impact District- includes 2010 Central Maui impact district student generation rates, Lahaina construction cost differential of 1.30, and land and construction fees based on 1997 to 2007 historic school land and construction amounts and a 2010 school land appraisal.

No. and Type of Units	Est. No. Students, all grade levels	Construction Fee		Land Amount		Fee-in-lieu of Land	Construction and Fee-in-lieu
		Per Unit	Total	Acres per unit	Total acres		
single family							
1	0.5	\$2,508	\$2,508	0.00965	0.01 *	\$3,270	\$5,778
100	50	"	\$250,800	"	0.965	\$327,000	\$577,800
1000	500	"	\$2,508,000	"	9.65	\$3,270,000	\$5,778,000
multi-family							
1	0.18	\$877	\$877	0.00337	0.003 **	\$1,078	\$1,955
100	18	"	\$87,700	"	0.337	\$107,800	\$195,500
1000	180	"	\$877,000	"	3.37	\$1,078,000	\$1,955,000

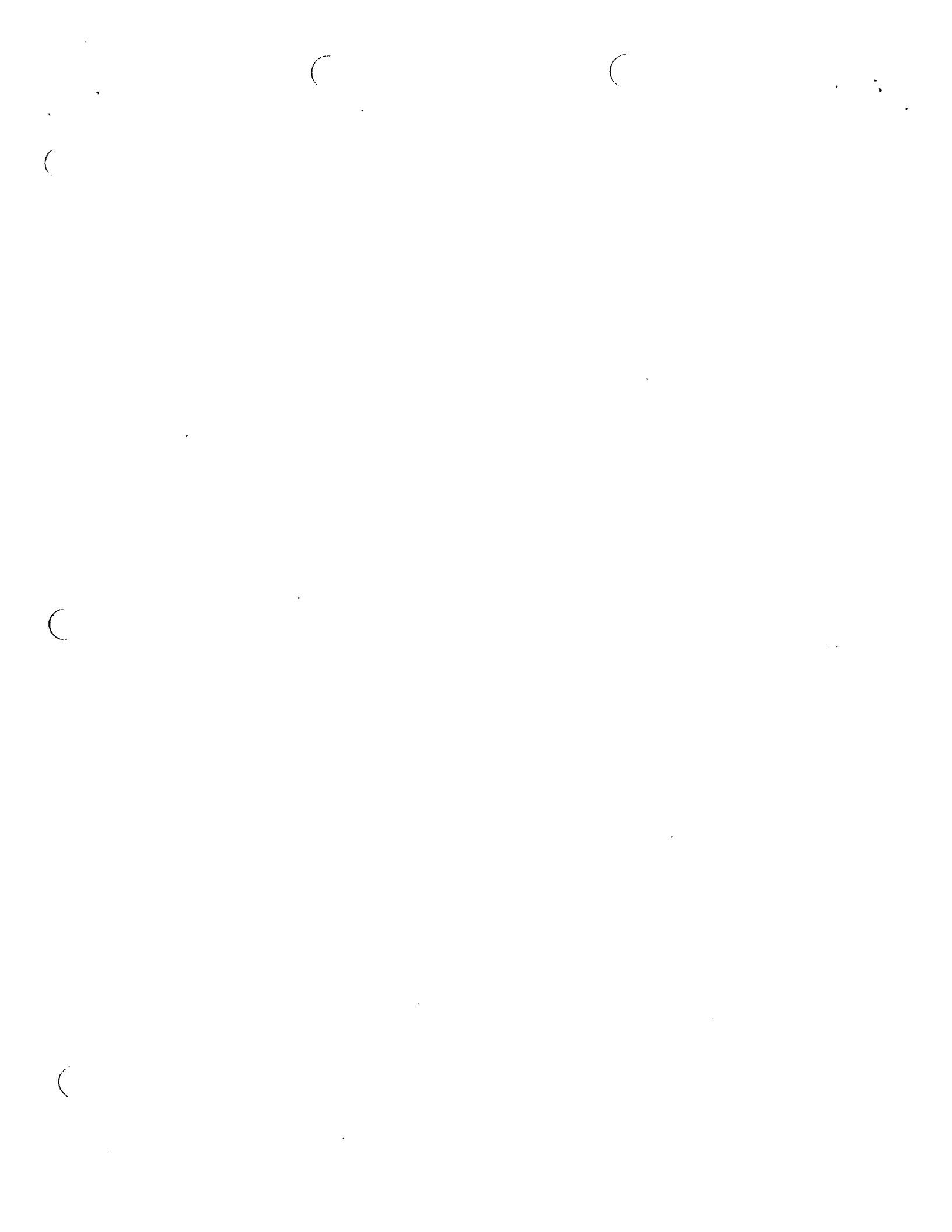
\* 420 Sq. ft.

\*\* 147 sq.ft.

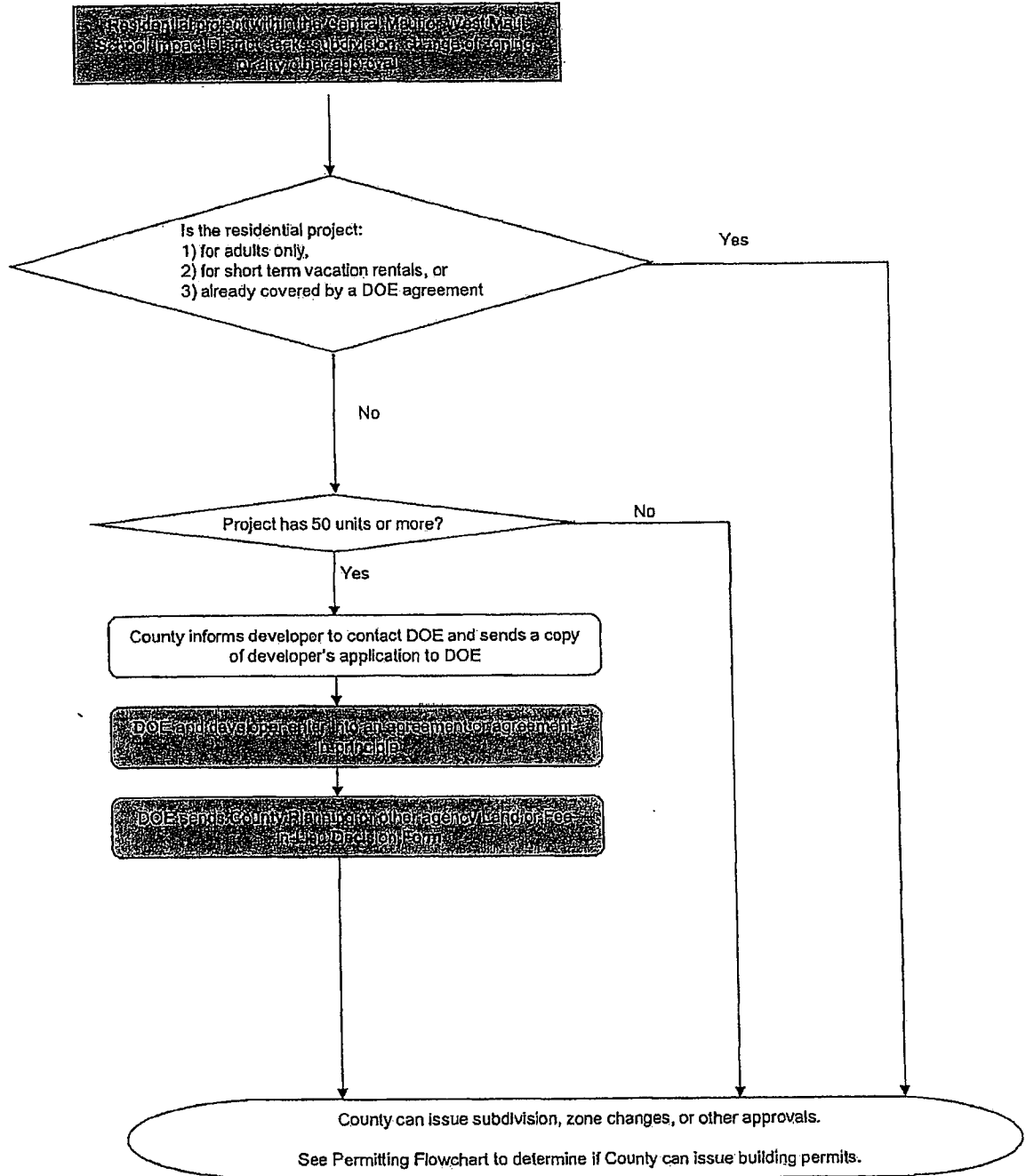
## Comparison of Proposed School Impact Fees: Central Maui-Wailuku, Central Maui-Makawao & West Maui

No. and Type of Units	Est. No. Students, all grade levels*	Construction fee per unit based on # of students	Construction Cost Factor	Construction Cost Component		Land Cost Component		Fee-in-lieu of Land	Construction and Fee-in-lieu
				Per Unit	Total	Acres Per Unit	Total Acres		
<b>Central Maui-Wailuku Construction Cost District</b>									
single family									
1	0.49	\$1,872	1.15	\$2,153	\$2,153	0.009388	0.009	\$3,220	\$5,373
1000	490	"	"	"	\$2,153,000	"	9.388	\$3,220,000	\$5,373,000
multi-family									
1	0.22	\$794	1.15	\$913	\$913	0.003998	0.004	\$1,458	\$2,371
1000	220	"	"	"	\$913,000	"	3.998	\$1,458,000	\$2,371,000
							* 409 sq.ft.		
							** 174 sq.ft.		
<b>Central Maui-Makawao Construction Cost District</b>									
single family									
1	0.49	\$1,872	1.25	\$2,340	\$2,340	0.009388	0.009	\$3,220	\$5,560
1000	490	"	"	"	\$2,340,000	"	9.388	\$3,220,000	\$5,560,000
multi-family									
1	0.22	\$794	1.25	\$993	\$993	0.003998	0.004	\$1,458	\$2,451
1000	220	"	"	"	\$993,000	"	3.998	\$1,458,000	\$2,451,000
							* 409 sq.ft.		
							** 174 sq.ft.		
<b>West Maui - Lahaina Construction Cost District</b>									
single family									
1	0.5	\$1,930	1.30	\$2,508	\$2,508	0.00965	0.01	\$3,270	\$5,778
1000	500	"	"	"	\$2,508,000	"	9.65	\$3,270,000	\$5,778,000
multi-family									
1	0.18	\$675	1.30	\$877	\$877	0.00337	0.003	\$1,078	\$1,955
1000	180	"	"	"	\$877,000	"	3.37	\$1,078,000	\$1,955,000
							* 420 Sq. ft.		
							** 147 sq.ft.		

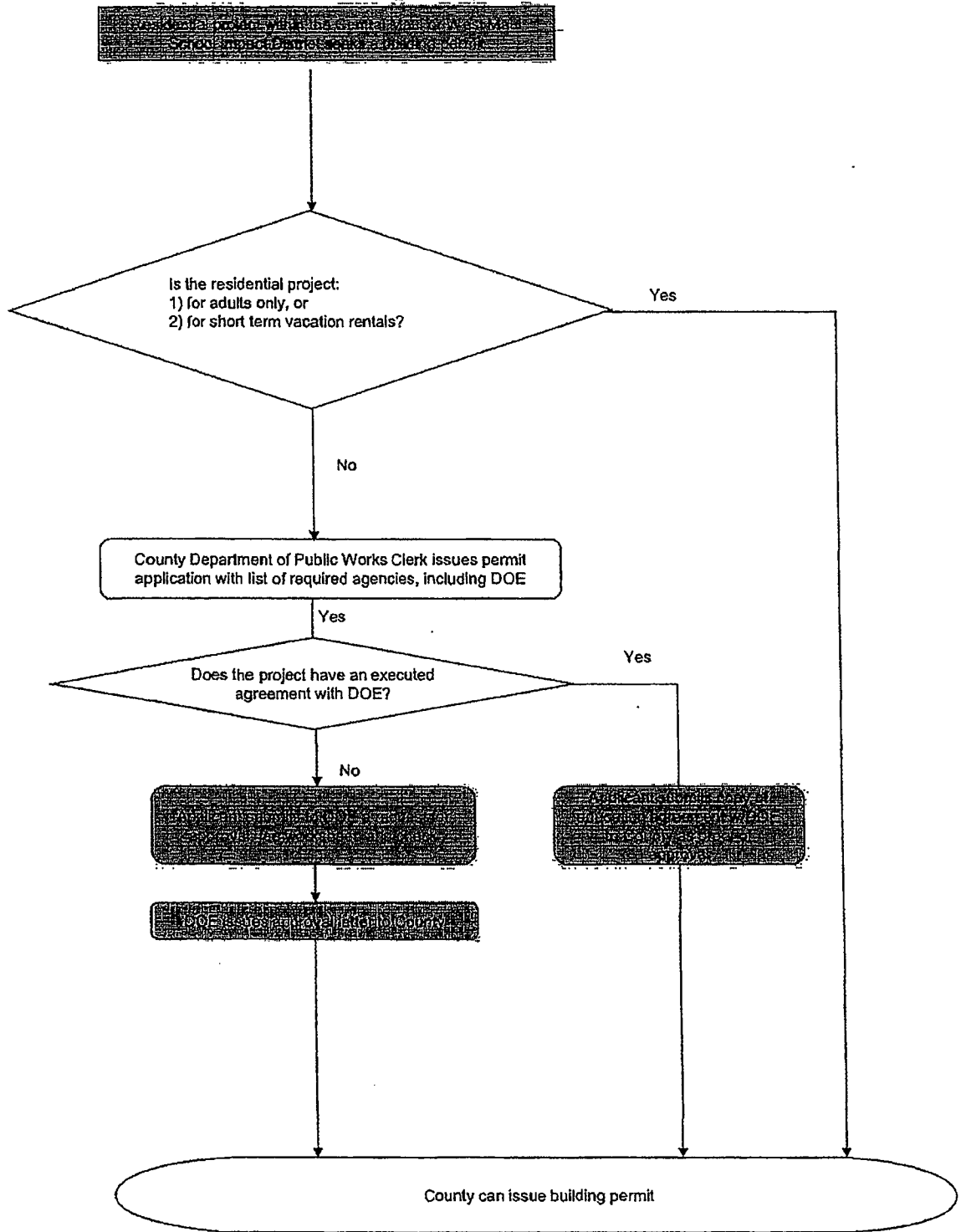
\* based on District Student Generation Rate



# School Impact Fee Flowchart: Planning Phase



# School Impact Fee Flowchart: Permitting Phase





# Central Maui School Impact Fee Application - Wailuku Cost Area

Use this form if your project is within the Central Maui School Impact District and it is in the Wailuku Cost Area. This includes Waihee, Wailuku, Kahului, and the portion of Kihei that is makai of Piilani Highway and North of Kilohana Drive.

## I. Applicant Information

Name	Business Name (if applicable)	Phone Number
Mailing Address	City, State, ZIP	Email Address

## II. Project Status

Is your property already covered by a DOE Educational Contribution Agreement? Please check one of the following three options and complete the remainder of this form as applicable.

- a) Yes. The agreement or project name is:   
STOP and submit this Application to the DOE Facilities Development Branch.
- b) No. Complete this application and submit fees to the DOE Facilities Development Branch.
- c) Unknown. Complete this application and submit to DOE Facilities Development Branch, who will confirm if the property is covered by a prior agreement.

## III. Building Permit Information and Fee Calculation: Construction and Fee-in-Lieu of Land

If additional space is needed for more parcels, please attach a separate sheet of paper with the parcel information.

Location of Units (Street Address or Other Description)	Name of Project	TMK(s)

Please write in the number of units and, if needed, the total payment information.

A single family unit is a detached dwelling unit not connected to any other dwelling unit, or a detached building with two dwelling units (duplex). A multi-family unit is any dwelling unit other than a single family unit. This includes an 'ohana, accessory or secondary unit that is allowed in addition to a primary dwelling unit.

Number of Units	Housing Type	Impact Fee Per Unit	Total Impact Fee
<input style="width: 50px;" type="text"/>	single family units x	<span style="border: 1px solid black; padding: 2px;">\$ 5,373.00</span>	= <input style="width: 100px;" type="text"/>
<input style="width: 50px;" type="text"/>	multi-family units x	<span style="border: 1px solid black; padding: 2px;">\$ 2,371.00</span>	= <input style="width: 100px;" type="text"/>
Total Payment Amount (Sum of right column's top two numbers)			<input style="width: 100px;" type="text"/>

The Application Form and payment for fees must be submitted together if b) was checked under Section II above. Fees must be paid by check made out to "State of Hawaii, Department of Education" and sent to:

DOE Facilities Development Branch  
4680 Kalaniana'ole Highway, TB1A  
Honolulu, HI 96821

If you have questions on the DOE's impact fees, please call 808-377-8301 or email [heid\\_meeker@notes.k12.hi.us](mailto:heid_meeker@notes.k12.hi.us).

# Central Maui School Impact Fee Application - Makawao Cost Area

Use this form if your project is within the Central Maui School Impact District and it is in the Makawao Cost Area. This includes the portion of Kihei that is either mauka of Piilani Highway or South of Kilohana Drive.

## I. Applicant Information

Name	Business Name (if applicable)	Phone Number
Mailing Address	City, State, ZIP	Email Address

## II. Project Status

Is your property already covered by a DOE Educational Contribution Agreement? Please check one of the following three options and complete the remainder of this form as applicable.

- a) Yes. The agreement or project name is:   
STOP and submit this Application to the DOE Facilities Development Branch.
- b) No. Complete this application and submit fees to the DOE Facilities Development Branch.
- c) Unknown. Complete this application and submit to DOE Facilities Development Branch, who will confirm if the property is covered by a prior agreement.

## III. Building Permit Information and Fee Calculation: Construction and Fee-in-Lieu of Land

If additional space is needed for more parcels, please attach a separate sheet of paper with the parcel information.

Location of Units (Street Address or Other Description)	Name of Project	TMK(s)

Please write in the number of units and, if needed, the total payment information.

A single family unit is a detached dwelling unit not connected to any other dwelling unit, or a detached building with two dwelling units (duplex). A multi-family unit is any dwelling unit other than a single family unit. This includes an 'ohana, accessory or secondary unit that is allowed in addition to a primary dwelling unit.

Number of Units	Housing Type	Impact Fee Per Unit	Total Impact Fee
	single family units x	\$ 5,560.00	
	multi-family units x	\$ 2,451.00	
Total Payment Amount (Sum of right column's top two numbers)			

The Application Form and payment for fees must be submitted together if b) was checked under Section II above. Fees must be paid by check made out to "State of Hawaii, Department of Education" and sent to:

DOE Facilities Development Branch  
4680 Kalaniana'ole Highway, TB1A  
Honolulu, HI 96821

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# West Maui School Impact Fee Application

## I. Applicant Information

Name	Business Name (if applicable)	Phone Number
Mailing Address	City, State, ZIP	Email Address

## II. Project Status

Is your property already covered by a DOE Educational Contribution Agreement? Please check one of the following three options and complete the remainder of this form as applicable.

- a) Yes. The agreement or project name is:   
STOP and submit this Application to the DOE Facilities Development Branch.
- b) No. Complete this application and submit fees to the DOE Facilities Development Branch.
- c) Unknown. Complete this application and submit to DOE Facilities Development Branch, who will confirm if the property is covered by a prior agreement.

## III. Building Permit Information and Fee Calculation: Construction and Fee-in-Lieu of Land

If additional space is needed for more parcels, please attach a separate sheet of paper with the parcel information.

Location of Units (Street Address or Other Description)	Name of Project	TMK(s)

Please write in the number of units and, if needed, the total payment information.

A single family unit is a detached dwelling unit not connected to any other dwelling unit, or a detached building with two dwelling units (duplex). A multi-family unit is any dwelling unit other than a single family unit. This includes an 'ohana, accessory or secondary unit that is allowed in addition to a primary dwelling unit.

Number of Units	Housing Type	Impact Fee Per Unit	Total Impact Fee
<input style="width: 50px;" type="text"/>	single family units x	<input style="width: 80px;" type="text" value="\$ 5,778.00"/>	= <input style="width: 100px;" type="text"/>
<input style="width: 50px;" type="text"/>	multi-family units x	<input style="width: 80px;" type="text" value="\$ 2,055.00"/>	= <input style="width: 100px;" type="text"/>
Total Payment Amount (Sum of right column's top two numbers)			<input style="width: 100px;" type="text"/>

The Application Form and payment for fees must be submitted together if b) was checked under Section II above. Fees must be paid by check made out to "State of Hawaii, Department of Education" and sent to:

DOE Facilities Development Branch  
4680 Kalaniana'ole Highway, TB1A  
Honolulu, HI 96821

If you have questions on the DOE's impact fees, please call 808-377-8301 or email [heidi\\_meeker@notes.k12.hi.us](mailto:heidi_meeker@notes.k12.hi.us).

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# School Impact Fee Flowchart: Planning Phase

