



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

OFFICE OF THE SUPERINTENDENT

November 15, 2016

TO: The Honorable Grant Y. M. Chun
Chairperson, Finance and Infrastructure Committee

FROM: 
Kathryn S. Matayoshi
Superintendent

SUBJECT: **Committee Action to Designate the Kalihi to Ala Moana School Impact Fee District**

1. RECOMMENDATION

It is recommended that the Committee on Finance and Infrastructure recommend to the Board of Education (BOE) that:

A designation is made to establish the Kalihi to Ala Moana School Impact Fee District that is comprised of the school service areas of the following elementary schools within the Farrington and McKinley Complex Areas: Fern, Kaahumanu, Kaiulani, Kalihi-Kai, Kalihi Waena, Kauluwela, Likelike, Puuhale and Royal Elementary Schools. The District is illustrated on the cover page of Exhibit A.

The designation is in accordance with Chapter 302A-1604, Hawaii Revised Statutes (HRS).

2. RECOMMENDED EFFECTIVE DATE

Upon approval of the BOE.

3. RECOMMENDED COMPLIANCE DATE (if different from the effective date)

Not applicable.

4. DISCUSSION

a. Conditions leading to the recommendation:

The statutory basis for the Department of Education (DOE) collection of school impact fees is Chapter 302A, Sections 1601 to 1612, HRS. The DOE is permitted to collect school impact fees within defined impact fee districts approved by the BOE.

The DOE, Facilities Development Branch prepared an analysis of the anticipated growth along a four mile stretch of the rail line from the Kalihi Middle Street Station to the Ala Moana terminus station at the Ala Moana Shopping Center. The analysis is attached as Exhibit A.

The content of the analysis is prescribed in Chapter 302A, HRS. It requires a map of the boundaries of the proposed impact district and an analysis to support the need to construct new or expand existing schools in the proposed district in the next 25 years.

The Kalihi to Ala Moana analysis concluded that if all the residential development allowed by the City and County was built over the next twenty-five (25) to thirty (30) years, there would be a need to provide school facilities to approximately 8,500 additional DOE students.

Chapter 302A-1604 requires at least one public hearing in the area proposed for the district. Copies of the analysis must be made available to the public at least 30 days before the hearing. A public notice is also required.

There were a few public presentations on the proposed district including meetings of the Hui for Educational Excellence, or HEE; the Ala Moana-Kakaako Neighborhood Board and the Kakaako Our Kuleana community organization.

A "Notice of Public Hearing" advertisement appeared in the September 28th and October 26th editions of the Honolulu Star Advertiser. A copy of the notice is attached as Exhibit B.

Two public hearings were held in the Kalihi to Ala Moana area, the first was Wednesday November 2, 2016, at Farrington High School and the second was Thursday, November 3, 2016, at McKinley High School.

Total public attendance at both hearings was approximately 37 people. Attendance at the Farrington hearing was approximately 22 people and media representatives. Attendance at the McKinley hearing was approximately 15 people.

There were two people presenting oral testimony at the Farrington hearing. Kathy Sokugawa, Acting Deputy of the City and County, Department of Planning and Permitting, said her department opposes the proposed district because it will dampen development potential for affordable housing. Corey Rosenlee, President of the Hawaii State Teachers Association, spoke in favor on the proposal and suggested that impact fees should be collected statewide and be used for repair and maintenance as well as new facilities.

There were five people presenting testimony at the McKinley hearing. Each testifier with one exception also submitted written testimony which is attached. Kevin Carney, Vice President of EAH Housing, stated that his organization has an affordable project in Kakaako getting ready for permitting. He said the project cannot cover the additional expense of school impact fees and would have to search for additional government funding.

Harrison Rue, City and County, Department of Planning and Permitting, said his department is opposed to the impact fee proposal. He said the DOE has plenty of land to redevelop on its existing school sites and did not need additional land.

Kris Coffield, Executive Director of the Imua Alliance, testified in strong support of the proposed impact fee. He said the population of Kakaako is expected to double in the next 15 years without a demographically sustainable strategy to subsidize new schools. He added that poor people deserve quality schools, perhaps more than their wealthy peers.

Corey Rosenlee reiterated his comments from the Farrington hearing supporting the impact fee proposal. He called for a greater investment in school facilities.

Honolulu City Council Member Carol Fukunaga welcomed the DOE's analysis and public discussion. She would like planning and coordination for infrastructure, and amenities for education, social services and recreation.

Written testimony and the sign-in sheet for both hearings are attached as Exhibit C.

b. Previous action of the Board on the same or similar matter:

The BOE voted to direct the DOE to hold a public hearing in the Kalihi to Ala Moana area on the proposal to create a Kalihi to Ala Moana School Impact Fee District. Board action was taken on April 19, 2016.

The BOE approved the West Hawaii School Impact Fee District in 2009. The DOE could not get cooperation from Hawaii County to implement fee collections. The 2009 analysis is now outdated. Efforts are now underway to update the analysis. Then the DOE would return to Hawaii County to seek cooperation.

The Board approved the Central Maui and West Maui School Impact Fee Districts in 2010. Collection of fees began in 2011.

The Board approved the Leeward Oahu School Impact Fee District in 2012. Collection of fees began in 2013.

c. Other policies affected:

None.

d. Arguments in support of the recommendation:

The City and County of Honolulu and the Hawaii Community Development Authority have plans to approve up to 35,000 additional residential units in the areas surrounding nine transit stations from Middle Street in Kalihi to Kona Street in Ala Moana. The Hawaii Public Housing Authority has announced 4,000 additional units in its redevelopment plans for four housing projects close to the rail line.

The approximately 39,000 new residential units would generate roughly 10,000 additional DOE students in the Farrington and McKinley complex areas. The DOE estimates existing schools serving the rail line area can accommodate approximately 1,500 additional students. The balance of new students would need up to six new elementary schools, one and a half middle schools, and one and a half high schools.

e. Arguments against the recommendation:

None.

f. Other agencies or departments of the State of Hawaii involved in the action:

None.

g. Possible reaction of the public, professional organizations, unions, DOE staff and/or others to the recommendation:

The Legislature supports the collection of school impact fees. During the 2016 session, two bills passed adding language to Chapter 302A to add flexibility in how the fees are spent in urban Honolulu and in transit-oriented zoning districts. The Hawaii State Teachers Association testified in support of school impact fees at the 2016 Legislature and at the April 19, 2016 Board of Education meeting authorizing public hearings on the proposed Kalihi to Ala Moana School Impact Fee District.

h. Educational implications:

Adoption of the Kalihi to Ala Moana School Impact Fee District will require residential developers to meet with DOE and pay fees or provide land for schools to mitigate their development's enrollment impact on DOE schools.

The fees would be used for school expansion or new schools that would reduce enrollment pressure on existing schools in the area. It will also add flexibility to the type of school sites provided, including facilities in high rise buildings, remodeling of structures, and redevelopment of school sites.

i. Personnel implications:

None.

j. Facilities implications:

See (h.) above.

k. Financial implications:

The Legislature designed the impact fee law to collect 10 percent of estimated school construction costs and 100 percent of school land costs from each new residential development planned within a school impact fee district. The amount of fees are on a per new residential unit basis.

The Legislature would still need to provide 90 percent of the anticipated school facility construction cost. Chapter 302-A was amended during the 2016 legislative session to add flexibility to how fees in lieu of land can be spent. DOE is now able to use land impact fees with greater flexibility.

5. OTHER SUPPLEMENTARY RECOMMENDATIONS

None.

KSM:jmb

Exhibits: A: Analysis of the Kalihi to Ala Moana School Impact Fee District.

B: Star-Advertiser, Notice of Public Hearings

C: November 2, 2016 and November 3, 2016 public hearing sign-in sheets and written testimony.

c: The Honorable Lance A. Mizumoto, Chairperson, BOE
Office of School Facilities and Support Services
Facilities Development Branch

DRAFT ANALYSIS OF THE KALIHI TO ALA MOANA SCHOOL IMPACT DISTRICT



MAP 1: The Kalihi to Ala Moana District with Schools Serving the Area and the 1/2 mile Radius Around Each Rail Station

Draft Analysis of the Kalihi to Ala Moana School Impact District

This report was prepared in accordance with Act 245, Session Laws of Hawaii 2007, and Act 188, Session Laws of Hawaii 2010. The legislation is now codified in Chapter 302A, Sections 1601 to 1612, Hawaii Revised Statutes.

The Board of Education must approve taking this report out to public hearing before final Board action.

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Executive Summary

The purpose of this analysis is to determine whether there is a need to establish a school impact fee district to address the anticipated growth in Department of Education (“DOE”) schools resulting from expected residential growth in the four-mile area along the eastern most path of the Honolulu Area Rapid Transit in urban Honolulu. The nine transit stations and the schools serving the four-mile route are pictured on the cover page map.

The City and County of Honolulu (“City”) and the State of Hawaii’s Hawaii Community Development Authority (“HCDA”) have plans to approve up to 35,000 additional residential units in the areas within a half-mile radius of the nine transit stations from Middle Street to Ala Moana. The State of Hawaii’s Hawaii Public Housing Authority (“HPHA”) also announced plans to redevelop four housing projects in areas close to the rail line with an estimated 4,000 net new units. The total for all proposed units is 39,000.

The number of additional DOE students generated by the full build out of 39,000 multi-family units would be approximately 10,000. After filling all estimated excess classroom capacity in existing schools, there would still be a need to establish facility space for slightly more than 8,500 elementary, middle school and high school students. If the Board of Education (“BOE”) guidelines for school size prevail, the need translates into up to six new elementary schools, one and a half middle schools, and one and a half high schools.

The area being studied has roughly 70,000 to 80,000 people and had been expected to increase by 21,000 in the next 20 years. The additional 39,000 transit-related units now being proposed for the area will require the City to update its population growth projections for the urban core of Honolulu.

This analysis has determined that the per-unit Kalihi to Ala Moana school impact fee should be \$584 for construction and .0016 acres for land. If a fee in lieu of land is charged, the land amount is \$8,790. The total all-cash fee would be \$9,374 per new unit. The maximum amount of school impact fees that could be collected within the district, if all 39,000 additional units were built, would be 63.5 acres of land and \$22,736,872 in construction contributions.

THE KALIHI TO ALA MOANA SCHOOL IMPACT DISTRICT

Section 1. Introduction

The Department of Education (“DOE”) anticipates that the establishment of a rail line from East Kapolei to Ala Moana will encourage, shape, and concentrate the pattern of future residential growth in the Honolulu urban corridor. Growth in urban Honolulu is expected in the areas closest to the nine train stations which start at Middle Street in Kalihi and terminate at Kona Street at the Ala Moana Shopping Center. Where there is residential growth, there will be enrollment growth in the DOE schools that serve the new residents.

For many years, the DOE’s method of building schools was based on a model relying on proposed suburban plans for vacant, former agricultural lands. New school sites were provided by residential developers according to requirements set by state and county governments. Developers of large projects were agreeable to providing school sites in their planned neighborhoods because the schools and their facilities were part of the amenities offered to buyers.

The proposed Kalihi to Ala Moana School Impact Fee District is a departure from the suburban model as there are very few residential projects already announced by area landowners across the district. Instead, the district is proposed on the basis of transit-oriented development (“TOD”) plans being made by the City and County of Honolulu’s (“City”) Department of Planning and Permitting (“DPP”) and the State of Hawaii’s Hawaii Community Development Authority (“HCDA”) and Hawaii Public Housing Authority (“HPHA”).

The DOE is relying on the City’s plans that set a maximum number of new residential units that will be permitted near each rail station. These residential developments will take place in areas the City will rezone into TOD zoning areas. The maximum number of new TOD units does not include the number of units being planned for redevelopment by HPHA, which have only been revealed relatively recently. The HPHA projects, however, are dependent on receiving TOD zoning in order to build as densely as planned.

Because the demographics of public housing differ from what is expected from the City’s TOD development, this analysis uses a different variable to estimate more precisely the enrollment impacts of public housing. But this analysis proposes that the same formula to calculate fees is applied to both private and public-agency developed housing units. Affordable and public housing projects are not exempt from paying school impact fees.

The proposed district is much smaller than the other impact fee districts adopted by the Board of Education (“BOE”). There are no large land holdings where a suburban-style school campus can be easily accommodated within a proposed project. The DOE will have to provide school facilities in areas where most existing single parcels of land are not large enough to build conventional size school campuses. And, the price of land per acre far exceeds the price of any other land the DOE has ever considered purchasing.

The proposed Kalihi to Ala Moana district also differs from other school impact districts because the anticipated residential growth will be primarily in the form of multi-family (“MF”) units.

The DOE anticipates the new housing to be located almost exclusively in high density, high-rise buildings. If there is an exceptional case of single-family housing being developed in the district, the DOE believes the impact on school enrollment of so few units will not add significantly to school enrollment. Thus, there will be no difference in the fee amounts paid for single-family and MF units.

The school impact fee formula explained in this analysis takes into account these urban housing differences and expects fewer DOE students per residential unit (with the exception of public housing). The formula also reflects the higher cost per acre of potential, future school sites within the proposed district.

Urban Area Exceptions

There are two sections of the Impact Fee Law, Chapter 302-A 1604 (b) (7) and 1605, that provide flexibility to the DOE, to plan for “non-traditional facilities” in existing urban areas. The DOE must take advantage of those options in the Kalihi to Ala Moana district. This analysis seeks three different exceptions to the law.

The first exception is to rely on the actual acreage per student within the Kalihi to Ala Moana district rather than the statewide acreage provided per student in recent new schools (this is referred to in the law as “school site area averages”). This is an acknowledgement that new urban schools will not provide the same acres per student as recent suburban schools, but they will provide at least the same amount as is currently being provided in the district. The DOE must adapt to the reality that new or expanding urban school sites will be small and very expensive.

The second exception is the need to amend the law itself to broaden the purposes for expending fee in lieu of land funds, Chapter 302-A-1608 (e). The law now restricts fees in lieu of land to be spent only on school site acquisition and related expenses, and not for construction costs. The DOE is seeking an amendment to Chapter 302-A-1608, so that within the Kalihi to Ala Moana School Impact Fee District, fees in lieu of land can be used to acquire finished square footage within high-rise buildings. In the urban area, the definition of a school site would include securing acreage on the ground as well as the square footage of floor space layered on top of each other. A draft copy of the proposed amendment will be circulated soon.

The third exception is a practicality based on the best estimates of the type of new housing that would be built in the impact district. The DOE assumes that almost all of the units will be multi-family (“MF”) units and proposes that only the MF fee amount applies whether a unit is single-family (“SF”) or MF.

What follows is the analysis required by law in order to implement school impact fees. It is a best guess about the future and can only rely on recent history and predictions about the pace of urban growth in the core of Honolulu.

Background

Residential developers in Hawaii have provided land and money for public schools since the early 1980's. The DOE collected payments of school land and cash when developers were required to make "fair-share contributions" by the State Land Use Commission or the counties as a condition of project approval.

The DOE was only granted its own authority to collect impact fees with the passage of Act 245, Session Laws of Hawaii 2007 ("Act 245"). The impact fee law is codified into Chapter 302A, Sections 1601 to 1612, Hawaii Revised Statutes.

The groundwork for Act 245 was done by the School Impact Fee Working Group (hereinafter "Group") created by the State Legislature in 2005. The Group submitted its findings and recommendations in a report, *Hawaii School Impact Fee Working Group Report* (hereinafter "2007 Report"). The 2007 Report provided a framework, or procedure, for determining fee schedules for those areas of the state experiencing enough new residential development to require new or expanded school facilities.

The Impact Fee Law

The Legislature determined that new residential developments within identified school impact districts create 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. The land or fees charged are based on each new development's proportionate share of the additional demand on public school facilities.

Act 245 incorporated many of the findings and recommendations in the 2007 Report. It determined that it cost the State of Hawaii approximately \$17,102 in school construction to cover the additional students generated by each new unit of single-family housing from 1997 to 2007, and \$8,499 for each multi-family unit. Every 100 units of new single-family homes required 0.856 acres of school land and .425 acres for every 100 multi-family units.

Act 245 requires developers to provide most of the land needed for new schools, or pay a fee in lieu of land. In addition, developers are also required to contribute either ten percent (10%) of all new school construction costs, or ten percent (10%) of the construction costs of expanding an existing school. The 90% balance of school construction funds would continue to come from state tax revenues.

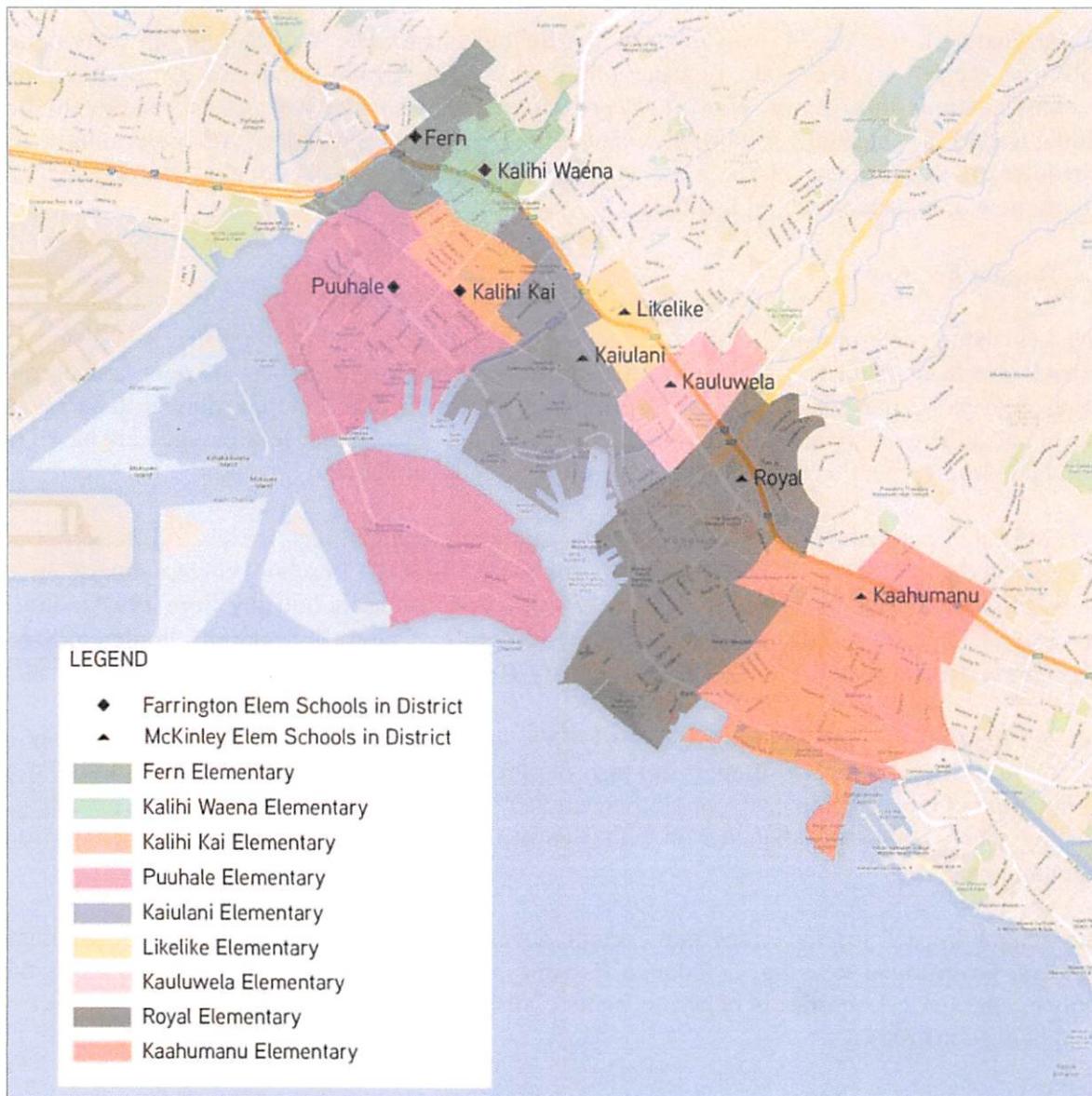
The school impact fee law does not exempt developers of small projects, individual home builders, government housing, or other affordable housing projects. For the purposes of this analysis, the term developer is meant to include all home builders regardless of the number of units being constructed.

The law requires the DOE to identify impact districts where school impact fees should be charged. It also requires the DOE to conduct an analysis of each of the proposed districts to verify the need for new school facilities and to determine the amount of fees charged. The

written analysis must contain a map showing the boundaries of the impact district, and analysis to support the need to construct new or expand existing school facilities within the next 25 years to accommodate projected growth in the district.

The school impact fee law was amended by Act 188, Session Laws of Hawaii 2010 (“Act 188”). Act 188 clarified many mechanical aspects of implementing the school impact fee law.

Map 2: Elementary School Service Areas that make up the Boundaries for the Kalihi to Ala Moana Impact Fee District



Section 2. Describing the Kalihi to Ala Moana School Impact District

Act 245 defines “school impact district” as a geographic area designated by the BOE where anticipated growth will create the need for one or more new schools or the expansion of one or more existing schools. These schools are, or will be, located within the district and will primarily serve new housing units within the area. The analysis must demonstrate that growth and development are occurring and creating the need for new or expanded school facilities.

A train running across the south shore of Oahu might not by itself increase the already forecasted population growth along the general area of its route, but the train will very likely concentrate future growth in the vicinity of the train stations. It is expected that new, denser residential developments will be encouraged and permitted within a quarter and half mile of the stations.

The City’s plans to encourage development projects in proximity to rail stations describe the anticipated new housing as being communities for full-time, year-round residents. This differs from residential development in other areas of the state that may have a larger transient or vacation component and fewer students per unit.

District Defined by Elementary School Service Areas

The proposed Kalihi to Ala Moana School Impact District would be defined by the attendance area boundaries of the elementary schools that serve the areas surrounding the nine train stations from the Middle Street station in Kalihi through Downtown and Kakaako and ending at the Ala Moana Station. There are nine elementary schools serving the approximately four-mile stretch from west to east: Fern, Kalihi Waena, Puuhale, Kalihi Kai, Likelike, Kaiulani, Kauluwela, Royal, and Kaahumanu. The attendance area of each elementary school is illustrated in Map 2.

Those elementary schools primarily feed into Kalakaua and Central Middle Schools and then eventually Farrington and McKinley High Schools. A small subset of elementary students in schools making up the proposed district will attend middle schools generally mauka of the proposed school impact district boundaries and mauka of the H-1 freeway. However, they will only make up a small portion of the population served by the mauka middle schools. Washington Middle also serves half of Kakaako and most of the Ala Moana area, but it also serves a much larger area, east of the proposed district.

Linapuni Elementary is a small elementary school located in the Kuhio Park public housing area. It is defined as an Early Childhood Center and has pre-kindergarten, kindergarten, and first grade students only. Students finishing at Linapuni go on to Fern and Kalihi Waena elementary schools. Because the school is small (enrollment for 2015-2016 was 133 students) and draws almost exclusively from the Kuhio projects, it is not expected to be impacted by TOD or HPHA expansion plans and was not included in this analysis.

City and County Neighborhood Areas

The City studies and sorts data for various neighborhoods to provide a closer look at community characteristics. There are 35 Neighborhood Areas (“NA”) that correspond roughly to the

boundaries of the 35 neighborhood boards. Census data by census blocks are sorted into the NAs.

The NAs that most closely correspond to the four miles of the rail line are the Kalihi-Palama NA #15; Downtown NA #13; and Ala Moana-Kakaako NA #11.

Census Tracts

The proposed Kalihi to Ala Moana School Impact District covers 20 census tracts. The western boundary of the district coincides with the western boundaries of Tract 62.01 Kam IV Road, Tract 60 Umi Street, and Tract 59 Mokauea Street. Their common western boundary is Middle Street.

The eastern boundary of the district is the same as the eastern boundaries of Tract 36.03 Ahana Street, Tract 36.04 Kaheka-Makaloa Streets, and Tract 37 Ala Moana. The common boundary on the east is Kalakaua Avenue.

Section 3. Recent General Population Trends

The population of the City has grown by roughly 80% since statehood 50 years ago. However, the rate of growth, as measured every ten years by the US Census, has declined since the first two high growth decades after statehood, the 1960's and 1970's. Table 1 illustrates the slowing rate of growth from 1990 to 2000 and a return in the past ten years (2000 to 2010) to growth rates similar to the 1980's.

The total population of the Kalihi/Palama NA of around 40,000 people is much larger than the Downtown and Ala Moana/Kakaako areas, with close to 15,000 and 19,000 people, respectively. The Kalihi/Palama population has been relatively stable since 1980. In contrast, the Ala Moana/Kakaako area almost doubled in population since 1980, with the highest rate of growth between 2000 and 2010. The Downtown NA has grown by 70% since 1980, with most of the growth occurring between 1980 and 2000 and very little growth between 2000 and 2010.

In the 30 years between 1980 and 2010, the larger stable population of the Kalihi/Palama area balances out the higher rates of growth in the Downtown and Ala Moana/Kakaako areas so that the combined rate of growth is very close to the rate of growth county-wide. The combined population of the three NAs remains steadily at around 7.7 % of the population of the City.

TABLE 1
Population Trends by County, Neighborhood Areas, and Age

| | 1960 | 1970 | 1980 | 1990 | 2000 | 2010 |
|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Honolulu County | 500,409 | 630,528 | 762,565 | 836,231 | 876,156 | 953,207 |
| Neighborhood Area | | | | | | |
| Kalihi/Palama NA#15 | | | 40,144 | 40,147 | 37,987 | 40,385 |
| Ages 5-17 | | | 9,189 | 7,515 | 7,239 | n/a |
| Downtown NA #13 | | | 8,674 | 11,752 | 14,570 | 14,662 |
| Ages 5-17 | | | 806 | 1,214 | 1,315 | n/a |
| Ala Moana/Kakaako NA#11 | | | 10,032 | 10,943 | 14,186 | 19,187 |
| Ages 5-17 | | | 759 | 632 | 1,146 | n/a |
| Total Kalihi to Ala Moana | | | 58,850 | 62,842 | 66,743 | 74,234 |
| Ages 5-17 | | | 10,754 | 9,361 | 9,700 | n/a |
| <i>Kalihi to Ala Moana NA share of Total Honolulu Population</i> | | | 7.72% | 7.51% | 7.62% | 7.79% |
| Growth Trends | | | | | | |
| | 1960-1970 % change | 1970-1980 % change | 1980-1990 % change | 1990-2000 % change | 2000-2010 % change | 1980-2010 % change |
| Honolulu County | 26.0% | 20.9% | 9.7% | 4.8% | 8.8% | 25.0% |
| Neighborhood Area | | | | | | |
| Kalihi/Palama NA#15 | | | 0.0% | -5.4% | 6.3% | 0.6% |
| Ages 5-17 | | | -18.2% | -3.7% | n/a | n/a |
| Downtown NA #13 | | | 35.5% | 24.0% | 0.6% | 69.0% |
| Ages 5-17 | | | 50.6% | 8.3% | n/a | n/a |
| Ala Moana/Kakaako NA#11 | | | 9.1% | 29.6% | 35.3% | 91.3% |
| Ages 5-17 | | | -16.7% | 81.3% | n/a | n/a |
| Total Kalihi to Ala Moana | | | 6.8% | 6.2% | 11.2% | 26.1% |
| Ages 5-17 | | | -13.0% | 3.6% | n/a | n/a |

Source: 2010 US Census; The State of Hawaii Data Book 2011, Hawaii State Department of Business, Economic Development and Tourism; City and County of Honolulu Department of Planning and Permitting Research Branch.

Table 2 lists the 2010 population of the 20 census tracts in the proposed impact district. Total resident population is 69,690. This would compare with the slightly larger population of 74,234 in the three combined NA described above.

TABLE 2
2010 Resident Population, Housing, Housing Units and Public School Students by Census Tract, per 100 units

| Tract # | Census Tract Name | 2010 Resident population | Total Housing Units | Public School Students | # of Public School Students per 100 units |
|---------|-------------------|--------------------------|---------------------|------------------------|---|
| 54 | Mayor Wright | 1,637 | 412 | 452 | 109.7 |
| 58 | Waiakamilo | 3,440 | 1,040 | 838 | 80.6 |
| 61 | Kalihi Waena | 4,175 | 864 | 674 | 78.0 |
| 62.01 | Kam IV Road | 6,047 | 1,536 | 1,066 | 69.4 |
| 60 | Umi St. | 5,421 | 1,336 | 684 | 51.2 |
| 59 | Mokauea St. | 3,353 | 687 | 301 | 43.8 |
| 55 | Palama | 2,078 | 640 | 252 | 39.4 |
| 56 | Kapalama | 6,749 | 1,909 | 700 | 36.7 |
| 53 | Aala | 3,636 | 1,544 | 391 | 25.3 |
| 52 | Chinatown | 3,293 | 1,595 | 334 | 20.9 |
| 51 | Foster Botanic | 3,090 | 1,586 | 292 | 18.4 |
| 36.04 | Kaheka-Makaloa | 2,519 | 1,532 | 273 | 17.8 |
| 57 | Iwilei-Anuenue | 2,148 | 935 | 158 | 16.9 |
| 36.01 | Sheridan St. | 4,109 | 2,153 | 300 | 13.9 |
| 36.03 | Ahana St. | 2,807 | 1,775 | 236 | 13.3 |
| 38 | Kakaako | 3,970 | 2,260 | 263 | 11.6 |
| 40 | Central Business | 1,552 | 941 | 87 | 9.2 |
| 42 | Queen Emma | 3,432 | 1,967 | 112 | 5.7 |
| 37 | Ala Moana | 5,579 | 3,659 | 205 | 5.6 |
| 39 | Civic Center | 655 | 242 | 9 | 3.7 |
| | Total | 69,690 | 28,613 | 7,627 | 26.7 |

Source: 2010 Population and Housing Characteristics by Geographic Area, City and County of Honolulu Department of Planning and Permitting.

Population of School-Aged Children

The 2010 Census information in Table 2 provides the total number of public school students living in the 20 selected census tracts. The 7,627 public students make up roughly 11% of the resident population of the selected census tracts.

The 2010 DOE enrollment figures for the nine elementary schools whose service areas define the proposed district, the two middle schools that serve the area, and the two high schools was 9,614 students. The 2015 figure is 9,232 students.

Section 4. Population Projections

County-Wide

The City provides population projections for the County, Neighborhood Areas, and subsets of the population such as school-age children. Other population projections are offered by the State of Hawaii Department of Business, Economic Development and Tourism (“DBEDT”). Tables 3 and 4 provide City estimates for population growth from 2015 to 2035. The county-wide population growth is projected to be a steady gain over the next 20 years, with a total gain of a little more than 10%. The DBEDT provided projection of county-wide school age children indicates Honolulu children will increase at a slightly faster rate than the general population until the growth slows from 2030 to 2035. The percent of population growth predicted for school-age children in the 20-year span is almost 12%.

**TABLE 3
Population Projections for County, School-Age Children and
Kalihi to Ala Moana Neighborhood Areas, 2015 to 2035**

| | 2015 | 2020 | 2025 | 2030 | 2035 |
|---|-------------|-------------|-------------|-------------|-------------|
| Honolulu County Resident Population | 941,847 | 969,467 | 994,632 | 1,017,576 | 1,038,317 |
| Honolulu County School Age Children 5 to 17 | 143,340 | 148,410 | 154,440 | 159,690 | 160,100 |
| Kalihi-Ala Moana Neighborhood Areas Resident Population | 79,390 | 85,137 | 90,560 | 95,843 | 100,789 |

Growth Trends

| | 2015-2020 | | 2020-2025 | | 2025-2030 | | 2030-2035 | |
|---|--------------------|---------------|--------------------|---------------|--------------------|---------------|--------------------|---------------|
| | 5-year gain | % gain |
| Honolulu County Resident Population | 27,620 | 2.9% | 25,165 | 2.6% | 22,944 | 2.3% | 20,741 | 2.0% |
| Honolulu County School Age Children 5 to 17 | 5,070 | 3.5% | 6,030 | 4.1% | 5,250 | 3.4% | 410 | 0.3% |
| Kalihi-Ala Moana Neighborhood Areas Resident Population | 5,747 | 7.2% | 5,423 | 6.4% | 5,283 | 5.8% | 4,946 | 5.2% |

| | 2015-2035 | |
|---|---------------------|---------------|
| | 20-year gain | % gain |
| Honolulu County Resident Population | 96,470 | 10.2% |
| Honolulu County School Age Children 5 to 17 | 16,760 | 11.7% |
| Kalihi-Ala Moana Neighborhood Areas Resident Population | 21,399 | 27.0% |

TABLE 4
Honolulu County Population Projections, Selected Components, 2010-2040*

| | 2010 ^{1/} | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 |
|-------------------------------------|--------------------|----------------|------------------|------------------|------------------|------------------|------------------|
| Total resident population | 955,775 | 976,190 | 1,003,710 | 1,029,410 | 1,052,130 | 1,071,220 | 1,086,710 |
| By age group | | | | | | | |
| Population: 0 to 4 years | 61,183 | 66,030 | 66,960 | 67,240 | 66,900 | 66,850 | 67,390 |
| School Age Children: 5 to 11 years | 80,508 | 78,310 | 83,590 | 87,440 | 88,020 | 87,710 | 87,490 |
| School Age Children: 12 to 13 year | 22,243 | 21,750 | 21,810 | 23,890 | 24,300 | 24,440 | 24,300 |
| School Age Children: 14 to 17 year | <u>47,479</u> | <u>43,280</u> | <u>43,010</u> | <u>43,110</u> | <u>47,370</u> | <u>47,950</u> | <u>48,020</u> |
| Subtotal school age children | 150,230 | 143,340 | 148,410 | 154,440 | 159,690 | 160,100 | 159,810 |
| Population: 18 to 64 Years | 604,033 | 601,400 | 596,470 | 588,420 | 582,600 | 585,730 | 593,900 |
| Population: 65 Years and Over | 140,329 | 165,420 | 191,860 | 219,310 | 242,950 | 258,540 | 265,600 |
| Annual Growth Rates (%) | | | | | | | |
| | 2010-2015 | 2015-2020 | 2020-2025 | 2025-2030 | 2030-2035 | 2035-2040 | |
| Total resident population | 0.4 | 0.6 | 0.5 | 0.4 | 0.4 | 0.3 | |
| By age group | | | | | | | |
| Population: 0 to 4 years | 1.5 | 0.3 | 0.1 | -0.1 | 0.0 | 0.2 | |
| School Age Children: 5 to 11 years | -0.6 | 1.3 | 0.9 | 0.1 | -0.1 | -0.1 | |
| School Age Children: 12 to 13 years | -0.4 | 0.1 | 1.8 | 0.3 | 0.1 | -0.1 | |
| School Age Children: 14 to 17 years | <u>-1.8</u> | <u>-0.1</u> | <u>0.0</u> | <u>1.9</u> | <u>0.2</u> | <u>0.0</u> | |
| Subtotal school age children | -0.9 | 0.7 | 0.8 | 0.7 | 0.1 | 0.0 | |
| Population: 18 to 64 Years | -0.1 | -0.2 | -0.3 | -0.2 | 0.1 | 0.3 | |
| Population: 65 years and Over | 3.3 | 3.0 | 2.7 | 2.1 | 1.3 | 0.5 | |

Source: US Census Bureau, State of Hawaii Department of Business, Economic Development and Tourism.

*Projected values were rounded to the nearest ten

Impact Fee Area

More than 1/5 of the predicted growth for the City, from 2015 to 2035, is expected to come from the population of the three NAs from Kalihi to Ala Moana. Population is expected to grow from 79,390 to 100,789. The projected growth of roughly 5,000 to 5,700 people every five years is spread out evenly across the 20 years.

As an interesting side note, Table 4 illustrates what appears to be a baby boom of children born between 2010 and 2015. The annual growth rate of school-age children in that cohort is higher than all other groups of children through age 17. The far more significant trend illustrated in Table 4 is the growth of those 65 years and older. Sometime between 2010 and 2015, the number of those 65 years and older exceeded the number of school-age children and by 2040, the seniors are expected to outnumber school-age children by more than 100,000.

DOE School Enrollment

The DOE projects enrollment for all schools in its system every year for the next five years. The most recent enrollment projections for the schools within the proposed impact district are discussed on page 17. Those projections take into account some of the anticipated enrollment impacts of new residential development. However, the most recent projections up to the 2020-2021 school year do not take into account the impacts of any accelerated development in the areas surrounding the train stations.

Section 5. Projected Growth Within the School Impact District

The City has released six different Neighborhood TOD Plans that have each included what is identified as “development potential,” additional residential units in each of the plan areas. In the City’s plans for Kalihi, Downtown and Ala Moana, the potential “net new” units are 5,400 for Kalihi’s three station areas; 5,900 for the three downtown station areas; and up to 9,638 units for the single Ala Moana Station.

The HCDA is responsible for the TOD plans for the two stations located within their Kakaako jurisdiction. Under the HCDA’s TOD Overlay Environmental Impact Statement Scenario B, the maximum number of residential units in the redevelopment area is 26,588. By subtracting out the projects approved by HCDA, but not built, and the already occupied units, there is a potential to build an additional 17,970 units.

Midway in the preparation of this analysis, the DOE was informed of plans of the HPHA to redevelop many of its existing housing projects in urban Honolulu. A major part of the plans is to increase the number of units at each project. HPHA plans for Kamehameha and Kaahumau Housing in Kalihi would add up to 1,927 more units. Plans for development of HPHA’s headquarters on School Street would include 1,000 residential units and plans for Mayor Wright Housing would add an additional 1,136 units.

So this analysis is based on more than just the City’s maximum proposed number of permitted units surrounding each rail station. It also includes full build out of the HCDA-controlled areas of Kakaako and the plans for increased density at four different public housing projects. The total number of potential new units in the proposed school impact fee district would be 38,933. The general assumption is that all of these future units would be multi-family structures.

Timelines and Measures for Growth

The DOE is required in its impact fee district analysis to project school facility needs for the next 25 years.

The Neighborhood TOD plans currently under review look at a development span of 25 years. HPHA plans are expected to be executed in the next five years. DOE routinely projects enrollments for five years into the future. All planned development is linked to the completion

of the rail line which is now expected to be fully operational in 2019. To use the best information available, certain assumptions have to be made about multiple estimated timelines.

This analysis seems to illustrate impacts as if all residential development were to take place at the same time. That would be a mistaken impression particularly in this district as we are relying on the City and HCDA plans for the maximum number of new units allowed. The DOE relies on more specific unit counts from residential developers in the analysis of other school impact districts.

The DOE used the most recent actual and projected enrollment figures, but they go out no further than 2020. The DOE also relies on the most recent survey of classroom capacity, the ARTS survey 2012-13 ("ARTS"), which is now three years old. All estimates of future enrollment growth take into account any estimated excess classroom space. Table 6 uses the ARTS numbers to determine net classroom need if all allowable development takes place.

The Kalihi to Ala Moana district analysis has to depend on early growth projections instead of specific project information that will eventually be revealed. However, the DOE cannot postpone establishing an impact district because of the far more complex nature of any future school space in a densely populated area where land ownership is scattered, parcels are small and land is expensive.

Basic Assumptions

The 2010 estimate of the population of the areas in the proposed school impact fee district is roughly between 70,000 and 74,000 depending on reliance of either census tracts or NAs. Population is estimated to grow by roughly 21,400 by 2035.

In 2010, the selected census tracts that fall into the proposed impact district boundaries have 28,613 or 30,507 housing units depending on data by census tract or NA.

The TOD, HCDA and HPHA plans indicate a development potential of 38,933 units in the Kalihi to Ala Moana TOD areas.

So while the general population is expected to grow by 21,000 by the year 2035, the number of residential units that could be approved within a half mile of the train stations would grow by almost 39,000. Clearly this discrepancy with more units permitted than the expected number of new residents will have to be addressed when population projections are updated and housing plans are refined.

Finally, the 2010 estimate of the number of school-age children in the selected census tracts related to the impact fee district is 7,600 students from kindergarten to 12th grade. The 2010 total enrollment in all DOE schools who service some portion of the proposed school impact fee district was 9,614. This mismatch is due to the areas each school serves. They not only serve areas close to the proposed train stations, they also serve some areas outside of the proposed

TOD zoning boundaries. This is particularly true of the high schools and middle schools whose service areas go from the coastline much farther inland than the rail line.

Projected Student Impact of Additional TOD Units

The student generation rate (“SGR”) is the number of expected DOE students, on average, per unit within a particular area or development project. A SGR of 0.5 for a place or project would mean on average there would be 0.5 DOE students per unit, or 5 students per 10 units and 50 students per 100 units. The estimates try to capture the student rate when a project or area has reached a maturation point where the population of children stabilizes and the rate of resident turnover is constant.

Generally, a different SGR is determined for SF housing units (stand-alone) and MF (apartment and row house). It is generally assumed that MF housing will be developed near the urban Honolulu transit stations. MF is defined as units sharing common structural features like walls, floors or roofs. No SGR was determined exclusively for SF because it is assumed there will be so few built within the district that they will not significantly impact enrollments on their own. All housing in the district would pay the same fee per unit, derived from a formula using the MF SGR.

Another significant assumption needed in determining a SGR is the income level of the target market for the proposed housing. Luxury apartments and resort area projects are expected to generate fewer children per unit than middle-income or lower-income housing. Besides the price of a unit, the number of bedrooms in the unit will also impact SGRs.

Public housing has high SGRs because units with several bedrooms are designated for larger families. A building of studio apartments would generate very few students. Housing for senior citizens that prohibit school-age children has no school impact and is exempted by Act 245 from school impact fees.

For the purpose of calculating school impact fee amounts, the DOE proposes an initial total (kindergarten to 12th grade) SGR of .12 for the units to be built in the Kalihi to Ala Moana school impact fee district. That SGR covers TOD and HCDA proposed units. The .12 SGR translates into 12 DOE students for every 100 units built. The elementary SGR would be .06 for elementary schools, kindergarten through grade 5; the middle school SGR would be .03 for grades 6 through 8; and .03 for the high school SGR for grades 9 through 12.

To get a closer estimate of the number of students generated by the redevelopment of several urban public housing projects, this analysis uses a different SGR for HPHA projects. A SGR of 1.5 is being used for public housing units. That includes a rate of .75 for elementary students, .35 for middle school students, and .40 for high school students.

The .12 SGR will be used in the formula to determine Kalihi to Ala Moana fee amounts. It is much lower than the following SGRs for MF units in the West Maui (.18), Central Maui (.22) and Leeward Oahu (.37) school impact districts. Variables in the school impact fee formula

must be updated every three years. It is possible that the SGR will need to be refined and the fees would be adjusted accordingly.

After all planned units are occupied within the district, the total estimated number of additional students expected to reside in the Kalihi to Ala Moana school impact district is roughly 10,278 from kindergarten through grade 12. Table 5 provides a rough estimate of how the growth would be distributed across the district. The largest number of projected new students would attend schools currently located within the McKinley High School Complex.

TABLE 5
Kalihi to Ala Moana Proposed Housing Units and Number of Students Generated

| Number of proposed additional units | | | |
|--|---|--------------------------------|---------------------------------|
| | City & HCDA Proposed Units | HPHA Proposed Units | Total Proposed Units |
| Kalihi | 890 | 1,927 | 2,817 |
| Downtown | 10,410 | 2,136 | 12,546 |
| Kakaako | 17,970 | 0 | 17,970 |
| Ala Moana | 5,600 | 0 | 5,600 |
| Total | 34,870 | 4,063 | 38,933 |

| Student Generation Rate | TOD units | Public Housing |
|--------------------------------|------------------|-----------------------|
| Elementary | 0.06 | 0.75 |
| Middle | 0.03 | 0.35 |
| High | 0.03 | 0.40 |
| Total | 0.12 | 1.50 |

| | Number of TOD Students | Number of Public Housing | Total Number of Students |
|---|-----------------------------------|-------------------------------------|-------------------------------------|
| Farrington Complex | | | |
| Kalihi | | | |
| Elementary Students | 53 | 1,445 | 1,498 |
| Middle School Students | 27 | 674 | 701 |
| High School Students | 27 | 771 | 798 |
| Total | 107 | 2,890 | 2,997 |
| McKinley Complex | | | |
| Downtown | | | |
| Elementary Students | 625 | 1,602 | 2,227 |
| Middle School Students | 312 | 748 | 1,060 |
| High School Students | 312 | 854 | 1,166 |
| Total | 1,249 | 3,204 | 4,453 |
| Kakaako | | | |
| Elementary Students | 1,078 | | 1,078 |
| Middle School Students | 539 | | 539 |
| High School Students | 539 | | 539 |
| Total | 2,156 | | 2,156 |
| Ala Moana | | | |
| Elementary Students | 336 | | 336 |
| Middle School Students | 168 | | 168 |
| High School Students | 168 | | 168 |
| Total | 672 | | 672 |
| Subtotal for McKinley Complex | | | |
| Elementary Students | 2,039 | 1,602 | 3,641 |
| Middle School Students | 1,019 | 748 | 1,767 |
| High School Students | 1,019 | 854 | 1,873 |
| Total | 4,077 | 3,204 | 7,281 |
| Total for Kalihi to Ala Moana District | | | |
| Elementary Students | 2,092 | 3,047 | 5,139 |
| Middle School Students | 1,046 | 1,422 | 2,468 |
| High School Students | 1,046 | 1,625 | 2,671 |
| Total | 4,184 | 6,094 | 10,278 |

* DOE Policy #6701: Maximum BOE design enrollment guidelines for new schools: 750 students for elementary schools; 1,000 students for middle schools; and 1,600 students for high schools

Table 6 applies the estimated additional student count to the current enrollment, classroom capacity, and short-term enrollment projections of the schools serving the area.

TABLE 6
Kalihi to Ala Moana District School Enrollment, ARTS Survey, Projected Enrollment, TOD Impacts, Classroom Space

| | Historic Enrollment | | Average Annual Growth 2010-2015 | ARTS Results | ARTS less 2015 Enrollment | Projected Enrollment | Estimated Additional Students at Full TOD | Projected Average Annual Growth 2015-2020p | ARTS less 2020 Projected Enrollment | Classroom Shortage After Full TOD |
|--|---------------------|-------|---------------------------------|--------------|---------------------------|----------------------|---|--|-------------------------------------|-----------------------------------|
| | 2010 | 2015 | | 2012 | | 2020p | | | | |
| Kalihi - Farrington Complex | | | | | | | | | | |
| Elementary Schools | | | | | | | | | | |
| Fern | 497 | 505 | 2 | 582 | 77 | 560 | | 11.0 | 22 | |
| Kalihi Kai | 605 | 587 | -4 | 746 | 159 | 630 | | 8.6 | 116 | |
| Kalihi Waena | 572 | 525 | -9 | 562 | 37 | 630 | | 21.0 | -68 | |
| Puuhak | 234 | 238 | 1 | 275 | 37 | 258 | | 4.0 | 17 | |
| <i>subtotal</i> | | 1,855 | | 2,165 | 310 | 2,078 | | 11.6 | 87 | |
| Proposed TOD Units of 2,817 | | | | | | | 1,499 | | | -1,412 |
| Middle Schools | | | | | | | | | | |
| Kalakaua | 956 | 989 | 7 | 1,174 | 185 | 902 | | -17.4 | 272 | |
| Proposed TOD Units of 2,817 | | | | | | | 701 | | | -429 |
| High School | | | | | | | | | | |
| Farrington | 2,521 | 2,376 | -29 | 2,227 | -149 | 2,424 | | 9.6 | -197 | |
| Proposed TOD Units of 2,817 | | | | | | | 798 | | | -995 |
| Downtown/Kakaako/Ala Moana - McKinley Complex | | | | | | | | | | |
| Elementary Schools | | | | | | | | | | |
| Kaiulani | 402 | 377 | -5 | 510 | 133 | 420 | | 8.6 | 90 | |
| Kauluvela | 366 | 365 | 0 | 522 | 157 | 365 | | 0 | 157 | |
| Likelike | 351 | 352 | 0 | 476 | 124 | 386 | | 6.8 | 90 | |
| Kaahumanu | 583 | 525 | -12 | 623 | 98 | 564 | | 7.8 | 59 | |
| Royal | 351 | 392 | 8 | 368 | -24 | 380 | | -2.4 | -12 | |
| <i>subtotal</i> | | 2,011 | | 2,499 | 488 | 2,115 | | 20.8 | 384 | |
| Proposed TOD Units of 36,116 | | | | | | | 3,641 | | | -3,257 |
| Middle Schools | | | | | | | | | | |
| Central | 394 | 398 | 1 | 843 | 445 | 335 | | -12.6 | 508 | |
| Proposed TOD Units of 36,116 | | | | | | | 1,767 | | | -1,259 |
| High Schools | | | | | | | | | | |
| McKinley | 1,782 | 1,603 | -36 | 2,012 | 409 | 1,541 | | -12.4 | 471 | |
| Proposed TOD Units of 36,116 | | | | | | | 1,874 | | | -1,403 |
| Adjacent Schools | | | | | | | | | | |
| Farrington Complex | | | | | | | | | | |
| Elementary Schools | | | | | | | | | | |
| Kapalama | 668 | 572 | -19 | 629 | 57 | 630 | | 11.6 | -1 | |
| Lanakila | 406 | 378 | -6 | 495 | 117 | 423 | | 9 | 72 | |
| Kaimuki and Roosevelt Complexes | | | | | | | | | | |
| Elementary Schools | | | | | | | | | | |
| Lunaliho | 486 | 402 | -17 | 573 | 171 | 448 | | 9.2 | 125 | |
| Ala Wai | 469 | 418 | -10 | 610 | 192 | 460 | | 8.4 | 150 | |
| Lincoln | 360 | 320 | -8 | 571 | 251 | 363 | | 8.6 | 208 | |
| Middle Schools | | | | | | | | | | |
| Dole | 756 | 800 | 9 | 1,008 | 208 | 743 | | -11.4 | 265 | |
| Washington | 817 | 845 | 6 | 1,210 | 365 | 748 | | -19.4 | 462 | |
| High Schools | | | | | | | | | | |
| Kaimuki | 1,094 | 741 | -71 | 1,517 | 776 | 704 | | -7.4 | 813 | |
| Roosevelt | 1,417 | 1,368 | -10 | 1,424 | 56 | 1,317 | | -10.2 | 107 | |

Kalihi Elementary Schools

The four elementary schools in the Farrington High School Complex have a 2015 enrollment of 1,855. The DOE's last survey of classroom space indicates space for a total of 2,165 students. The projected 2020 enrollment (without the impact of any TOD-related development) would be 2,078 students, leaving possible classroom space for an additional 87 students. The estimated elementary student impact of the additional TOD-related development is 1,499 students, so the net number of students above the existing capacity of the four schools is 1,412. This indicates a need for two additional elementary schools in the Kalihi area along with adjustments to attendance boundaries, or enlarging school classroom capacity.

Kalakaua Middle School

Kalakaua Middle School is projected to have excess classroom capacity for approximately 272 students in the 2020 school year. The expected middle student impact from proposed development would be 701 students. The balance of additional 429 students, when combined with the expected number of middle school students in adjacent Kapalama and Downtown areas, indicates the need for at least one new middle school between Kalihi and Iwilei.

Farrington High School

There is currently a classroom shortage of roughly 149 students at Farrington. Farrington's enrollment has declined the past five years, but that is expected to change over the next five years with a projected shortage of classroom space for roughly 200 students. The addition of 947 more students generated by TOD/HPHA development in Kalihi would not fill a new high school on its own, but could be combined with the number of high school students generated by proposed new housing in the McKinley complex area.

Downtown/Kakaako/Ala Moana Elementary Schools

The five elementary schools in the McKinley Complex have a combined 2015 enrollment of 2,011 students. There is a combined excess classroom space for approximately 488 additional students. In the 2020 school year, the combined excess space is projected to decline to 384. The projected impact of the new development would be 3,641 additional students. The net effect is a need to house more than 3,257 additional students, with two thirds of the new students in the Kapalama-School Street-Iwilei and Downtown areas, and one third in Kakaako. It would take approximately four new schools to handle that influx of students.

Central Middle School

Central Middle School currently has additional space for close to 445 additional students and projects excess capacity of 508 spaces in 2020. To serve all of the projected 1,767 additional students generated by the TOD developments, it would use all of its projected excess classroom capacity and there would still be a need for space for an additional 1,259 middle school students. If that need is combined with the need for additional middle school space at Kalakaua for 429 students, approximately one and a half middle schools are needed in the impact district.

McKinley High School

There is currently sufficient space for an additional 400 students at McKinley, and that number is expected to stay roughly the same to 2020. The rail and redevelopment impact is projected to be 1,873 additional students. So the projected need for high school classroom capacity in the

McKinley service area is roughly 1,400 students, which is more significant than the need for high school classroom space for 995 students at Farrington. The combined need across the district is for an additional 2,398 high school students, enough for one and a half schools.

The Overflow Capacity of Neighboring Schools

Table 6 also illustrates the limited number of elementary students that might be accommodated by other Kalihi area schools adjacent to the school impact district. Map 3 identifies the schools adjacent to the district. There is also some space in schools adjacent to the Kakaako/Ala Moana end of the impact district. These schools are no longer in the McKinley complex of schools and would involve long commutes for all but the students in the Ala Moana TOD developments.

Dole Middle School could supply some relief to crowded conditions at Kalakaua Middle, and Washington Middle could relieve Central. Currently, Washington Middle serves portions of Kakaako and most of the Ala Moana areas.

The combined impact of TOD development on Farrington and McKinley of more than 2,400 high school students beyond the 2020 projected classroom capacity of the schools seems to call for an additional high school facility somewhere between Farrington and McKinley. Roosevelt High School does not appear as if it will have any significant excess classroom capacity. Kaimuki High School currently has excess capacity and will continue to have capacity in 2020 although its enrollment could grow due to considerations about moving the Kaimuki High service area farther to the east.

Section 6. Conclusion

Over the next 30 years, new residential development around the transit stops from Middle Street to Kalakaua Avenue could generate a maximum of roughly 10,000 additional students to an area that currently serves 9,000 students.

The additional students cannot be solely accommodated by excess classroom space in existing schools. In 2015, the schools currently serving the transit stop area had the capacity to accommodate approximately 1,700 more students, K-12. By 2020, without including any rail development, the amount of excess capacity is expected to decrease to 1,500.

According to the current BOE guidelines for new school sizes, an influx of an additional 8,500 students would require approximately six new elementary schools, one and a half middle schools, and one and a half high schools.

Potential New School Sites

The growth of new schools and school enrollment has followed the massive tide of suburban expansion that describes residential growth in Hawaii since statehood. New schools were built where new houses were being built, facilitated by the need for developers of large-scale projects to provide school sites. Future school sites are still being secured within planned, large-scale residential developments. However, there are very few large-scale developers identified in the urban core between Kalihi and Ala Moana.

Map 3: Identification of Schools Adjacent to the Kalihi to Ala Moana Impact Fee District



Appendix A
Enrollment at Kalihi to Ala Moana Schools

Historic Enrollment 1980 to 2010

There is a general assumption that schools located in older neighborhoods have declining enrollment due to the aging of the general population in the area. There is a further assumption that should leave sufficient school capacity for any new residential development. The assumptions held true for the Kalihi to Ala Moana impact district area in the past, but they may not apply in the future. Table A-1 provides the enrollment activity.

The schools in the impact district have seen enrollment declines in the 30 years from 1980 to 2010, but there has been a change in the enrollment pattern in the past five years, from 2010 to 2015, and the new pattern is expected to continue through 2020.

DOE makes an annual enrollment projection for each school in the system for the next five years. The projections rely mostly on the historic enrollment patterns of each school, but in areas undergoing significant residential growth, the student enrollment impact of the new development is taken into account. DOE does not anticipate a significant amount of enrollment growth due solely to new dwelling units between 2015 and 2020. The greater amount of growth is expected to follow the actual occupancy of many projected units, sometime after 2020.

The six schools in the Farrington Complex that make up the impact district lost 1,261 students from 1980 to 2010, a decline of close to 19%. The seven schools in the McKinley Complex lost 1,548 students, a 27% decline during the same period. It is important to look at the total enrollment losses across the 30 years. The total loss across the 13 selected schools for 30 years is roughly seven students per year, or an annual average decline of .75%.

Enrollment 2010 to 2015

In the past five years, enrollment for many of the selected schools has changed direction. There was enrollment growth in four of the nine impact district elementary schools from 2010 to 2015. The two middle schools serving the district, Kalakaua and Central, had small enrollment gains. The two high schools, Farrington and McKinley, continued to lose students in the past five years and at a higher annual rate than the 30 years prior.

Enrollment Projection 2013 to 2020

The 2015 DOE enrollment projection for the 2020-21 school year anticipates enrollment growth for seven of the nine elementary schools. The numbers of additional students seem small, but they represent annual growth rates of between 1.4% and 2.3%. In the next five years, both middle schools are expected to decline in enrollment along with McKinley High. Farrington High is expected to see an enrollment increase, but at an annual growth rate of .4%, much smaller than the elementary schools.

Table A-1
Historical and Projected Enrollment, Kalihi-Ala Moana School Impact District:
Farrington and McKinley Complexes

| School Name | 1980 School Year | 2010 School Year | 30 Year Change 1980 - 2010 | 2015 School Year | 5 Year Change 2010 to 2015 | 2020 School Year Projected | 5 Year Projected Change 2015 - 2020 |
|-----------------------------|------------------|------------------|----------------------------|------------------|----------------------------|----------------------------|-------------------------------------|
| Farrington Complex | | | | | | | |
| Fern Elementary | 560 | 497 | -63 | 505 | 8 | 560 | 55 |
| Kalihi-Kai Elementary | 1,048 | 605 | -443 | 587 | -18 | 630 | 43 |
| Kalihi Waena Elementary | 704 | 572 | -132 | 525 | -47 | 561 | 36 |
| Puu hale Elementary | 409 | 234 | -175 | 238 | 4 | 258 | 20 |
| Elementary Subtotal | 2,721 | 1,908 | -813 | 1,855 | -53 | 2,009 | 154 |
| Annual Rate of Change | | | -1.0% | | -0.6% | | 1.7% |
| Kalakaua Middle | 1,357 | 956 | -401 | 989 | 33 | 902 | -87 |
| Farrington High | 2,568 | 2,521 | -47 | 2,376 | -145 | 2,424 | 48 |
| Total | 6,646 | 5,385 | -1,261 | 5,220 | -165 | 5,335 | 115 |
| Total Annual Rate of Change | | | -0.6% | | -0.6% | | 0.4% |
| McKinley Complex | | | | | | | |
| Kaahumanu Elementary | 786 | 583 | -203 | 525 | -58 | 564 | 39 |
| Kaiulani Elementary | 434 | 402 | -32 | 377 | -25 | 420 | 43 |
| Kauluwela Elementary | 636 | 366 | -270 | 365 | -1 | 365 | 0 |
| Likelike Elementary | 541 | 351 | -190 | 352 | 1 | 386 | 34 |
| Royal Elementary | 408 | 351 | -57 | 392 | 41 | 380 | -12 |
| Elementary Subtotal | 2,805 | 2,053 | -752 | 2,011 | -42 | 2,115 | 104 |
| Annual Rate of Change | | | -0.9% | | -0.4% | | 1.0% |
| Central Middle | 465 | 394 | -71 | 398 | 4 | 335 | -63 |
| McKinley High | 2,507 | 1,782 | -725 | 1,603 | -179 | 1,541 | -62 |
| Total | 5,777 | 4,229 | -1,548 | 4,012 | -217 | 3,991 | -21 |
| Total Annual Rate of Change | | | -0.9% | | -1.0% | | -0.1% |

Appendix B How the Impact Fee Formula Works

School impact fees consist of a construction fee and a land fee. The land fee is paid by land dedicated from a residential developer or a fee in lieu. The fee amounts are based on the development's proportionate share¹ of the need to build additional public school facilities. Each new residential unit in a district pays the same fee. The number of units each developer builds determines the total amount of fees paid.

For the Kalihi to Ala Moana district, the Department of Education ("DOE") is relying on the flexibility provided in the school impact fee law for "non-traditional facilities" in existing urban areas to modify the impact fee formula. Where the law aims to provide the same average acreage per student provided in the most recent schools built by the DOE across the state; the urban exception is to rely on actual average acreage per student within the 13 schools that comprise the Kalihi to Ala Moana district. The difference between acres per student in recent schools statewide and existing schools in the proposed district can be seen by comparing Table B-1 and Table B-2 on the following page.

DOE will make another urban exception in the Kalihi to Ala Moana district of not making a distinction between single-family ("SF") and multi-family units ("MF"). There will be so few SF units built that the MF fee formula will apply to all units. All units will be referred to as units and will be treated the same in calculating the fee amount.

Land Component

The amount of school land required from developers is based on the following three variables:

- 1) Projected number of new students generated within the Kalihi to Ala Moana impact district;
- 2) The number of dwelling units in the development; and
- 3) The average acreage per student.

The projected number of new students is determined by multiplying the proposed district's Student Generation Rate ("SGR") by the amount of proposed new units. That number is then multiplied by the average acres per student to arrive at the total school land requirement for a particular development.

Based on the DOE's most recently constructed schools in each school type across the state, the school acreage per student figures are shown in Table B-1.

¹ In determining proportionate share, new developments shall be charged for a level of service that is equal to, and no higher than, the current level of service that is being provided to existing residential areas. Level of service is defined by Act 245 to be the percentage of classrooms that are located in permanent structures, but not including classrooms located in portable buildings.

Table B-1
Average Acres per Student Based On Recent School Construction

| Recent Schools Built Across the State | Total Acreage of All Recent Schools | Total Design Enrollment of All Recent Schools | Acres Provided to Each Student |
|--|--|--|---------------------------------------|
| 5 Elementary Schools (2004-2013) | 65.63 | 3,350 | 0.0196 |
| 3 Middle Schools (1999-2011) | 52.95 | 3,600 | 0.0147 |
| 3 High Schools (1997-2000) | 144.34 | 4,930 | 0.0293 |

Source: Hawai'i School Impact Fee Working Group Report, March 2007 and DOE Data

In contrast to the DOE's newest schools, the 13 older schools in the impact district currently provide less acreage per student. The urban schools provide an average acreage per student that is 39% less at the elementary level, 15% less at the middle school level and 38% less at the high school level.

Table B-2
Average Acres per Student for Schools in the Proposed District

| Schools in the District | Total Acreage of All Area Schools | Total 15-16 Enrollment of All Area Schools | Acres per Student |
|--------------------------------|--|---|--------------------------|
| 9 Elementary Schools | 46.123 | 3,866 | 0.0119 |
| 2 Middle Schools | 17.275 | 1,387 | 0.0125 |
| 2 High Schools | 72.104 | 3,979 | 0.0181 |

Source: Hawai'i School Impact Fee Working Group Report, March 2007 and DOE Data

School Land Formula

To calculate the land dedication requirement for an individual project, the acres per student required for elementary, middle and high school is each multiplied by the total number of units in the project. The results are then added together for the total acreage required from each unit in the project. This is shown in Table B-3.

According to the urban exception to the land formula above, the amount of school land required to accommodate new students in the impact district is 0.1632 acres for every 100 dwelling units. If the statewide average acreage per student were used, the school land required would be .250 acres for every 100 units. The total amount of school land required by the formula for the 38,933 proposed units in Kalihi to Ala Moana district is 63.5 acres.

**Table B-3
Calculating the Land Cost Component of the School Impact Fees**

| School Type | (1) Kalihi-Ala Moana SGR | (2) Number of Units per Project | (3) Avg. Acres per Student | Land fee in Acres for 1 Unit | Land fee in Acres for 100 Units |
|---|---------------------------------|--|-----------------------------------|-------------------------------------|--|
| Elementary | 0.06 | 1 | 0.0119 | 0.000714 | 0.0714 |
| Middle | 0.03 | 1 | 0.0125 | 0.000375 | 0.0375 |
| High | 0.03 | 1 | 0.0181 | 0.000543 | 0.0543 |
| Acreage for Kalihi to Ala Moana Proposed Units | | | | 0.001632 | .1632 |

Fee-in-Lieu of Land

If the DOE determines it does not need land, it will notify a developer of a need for a fee-in-lieu of land.

The dollar amount of the fee-in-lieu of land is determined using the following formula: the total school land requirement multiplied by the value per acre of potential future school sites. The value is based on the appraised fair market value of improved land that allows residential development, with all necessary infrastructure improvements. The DOE had appraisals conducted for the value land within the impact district's areas, including land located in Ala Moana and Kalihi. These appraised values were adjusted for the average size of each type of school in the district. The fee-in-lieu values are shown in Table B-4.

**Table B-4
Fee-in-Lieu of Land**

| School Type | Value Per Acre From Appraisal | Land Fee Per Unit (Acres) | Fee-in-Lieu Per Unit |
|---|--------------------------------------|----------------------------------|-----------------------------|
| Elementary | \$7,171,217 | 0.000714 | \$5,120 |
| Middle | \$4,755,124 | 0.000375 | \$1,783 |
| High | \$3,475,429 | 0.000543 | \$1,887 |
| Total Fee-in-Lieu of Land per Unit | | | \$8,790 |

School Construction Component

Developers are also required to provide 10% of all new school construction costs generated by their project.

The construction cost impact fee is based on the following five variables:

- 1) SGR for the Kalihi to Ala Moana Impact District;
- 2) Recent statewide public school construction costs per student;
- 3) The statewide percentages of students in permanent school facilities;
- 4) The Department of Accounting and General Services' ("DAGS") construction cost factor for each of Hawaii's 26 geographically defined cost districts; and
- 5) The number of units in the development.

SGRs were discussed earlier in this document. Recent public school construction costs per student are from the 2007 *Hawaii School Impact Fee Working Group Report*, with the addition of four schools built between 2007 and 2013. Public school construction costs have been escalated from 2006 to December 2013 using the Engineering News Record Construction Cost Index and adjusted for revised construction cost factors as specified by DAGS. The construction cost factor is 1.0 for urban Honolulu. The list of DAGS construction cost factors can be found in Appendix E.

Level of Service: Permanent and Portable Classrooms

The statewide percentage of permanent classrooms to all classrooms is below. In the case of schools with grades of K-8, K-12, or 6-12, the classrooms were pro-rated based on six elementary school grades, three middle school grades, and four high school grades. For example, if a K-8 school had nine permanent classrooms and three portable classrooms; six permanent classrooms and two portable classrooms would be treated as elementary school classrooms, and three permanent classrooms and one portable classroom would be treated as middle school classrooms. Act 245 (2007) defines "level of service" as the percentage of classrooms that are in permanent structures, as opposed to portable buildings. Table B-5 calculates the "Level of Service" used the calculation of construction fees.

Table B-5
Statewide Permanent and Portable Classrooms

| | Permanent Classrooms | Portable Classrooms | Total Classrooms | Percentage of Classrooms that are Permanent |
|--------------|-----------------------------|----------------------------|-------------------------|--|
| Elementary | 4,894 | 988 | 5,882 | 83% |
| Middle | 1,829 | 236 | 2,065 | 89% |
| High | 2,483 | 443 | 2,926 | 85% |
| Total | 9,206 | 1,667 | 10,873 | 85% |

Source: DOE Data, ARTS Survey 2012-2013

Impact fees cannot be used to provide a higher level of service than is already being provided. Impact fees must be based on a level of service standard that "shall apply equally to existing and new public facilities."²

² *Hawaii School Impact Fee Working Group Report*, Duncan and Associates and Group 70 International, Inc., March 2007, page 44.

The Construction Fee Formula for Each Unit

The formula is as follows:

Elementary SGR per unit multiplied by (x) elementary school cost per student (x) percentage of existing elementary students in permanent buildings (x) construction cost district factor;

plus (+)

Middle SGR per unit (x) middle school cost per student (x) statewide percentage of existing middle school students in permanent buildings (x) cost district factor;

plus (+)

High school SGR per unit (x) high school cost per student (x) statewide percentage of existing high school students in permanent buildings (x) cost district factor;

equals (=) school construction cost per unit.

The school construction cost per unit (x) 10% = construction fee amount.³

The construction cost per unit for elementary, middle and high schools is added together and then multiplied by the number of residential units proposed.

Table B-6 illustrates the formula as it applied to the Kalihi to Ala Moana district. Total construction fee per unit is \$584.

**Table B-6
Calculating the Construction Cost Component of the School Impact Fees:
Kalihi to Ala Moana**

| School Type | Kalihi to Ala Moana SGR | Recent School Construction Costs per Student | Discounted by the Percent of Statewide Classrooms in Permanent Structures | Construction Cost Factor for Honolulu | Number of Units in the Project | Construction Costs per Unit | 10% of Cost = Fee Amount |
|---|-------------------------|--|---|---------------------------------------|--------------------------------|-----------------------------|--------------------------|
| Elementary | 0.06 | \$48,084 | .83% | 1.0 | 1 | \$2,395 | \$240 |
| Middle | 0.03 | \$52,928 | .89% | 1.0 | 1 | \$1,413 | \$141 |
| High | 0.03 | \$79,401 | .85% | 1.0 | 1 | \$2,024 | \$203 |
| Total Construction Cost per Unit | | | | | | | \$584 |

³ Act 245 (§302A-1605, Hawaii Revised Statutes) states that the fee for construction shall be 10% of the construction cost per unit.

An Estimated Total of Impact Fees for the District

Based on the foregoing analysis, in the proposed Kalihi to Ala Moana impact district there would be a maximum of 38,933 additional residential units and 10,278 new public school students. The additional residential development would generate a total of 63.5 acres in land fees and \$22.7 million in construction impact fees.

An Illustration of the Board of Education Policy

Table B-2 sets the average acreage per student in the 13 schools that make up the impact district. That is the basis for calculating the land component of the Kalihi to Ala Moana impact fee. To illustrate how the Kalihi to Ala Moana formula compares to the general Board of Education (“BOE”) policy for future schools, the last two tables are added. The BOE policy reflects a range of school sizes, including campus acreage and number of students.

The average acreage per student by BOE policy (Table B-7) is larger than the average acreage in the proposed district (Table B-2).

Table B-7
BOE Policy on Acreage and Enrollment

| | Usable⁴ Acres per School | Enrollment per School⁵ | Acres per Student | Average Enrollment Range |
|------------|--|--|--------------------------|---|
| Elementary | 8-15 | 400 - 750 | .02 | 575 |
| Middle | 15-20 | 500 - 1,000 | .02-.03 | 750 |
| High | 45-55 | 800 - 1,600 | .0343-.0562 | 1,200 |

The final table (Table B-8) illustrates the impact of the projected TOD-related school enrollment growth if no urban exception was taken for the amount of land needed. Table B-8 provides a look at the projected growth as if it were located in a suburban or vacant, former agricultural area.

Table B-8 also applies the BOE policy assuming maximum build-out, meaning 100% of all proposed units were constructed. The additional enrollment would require between 10 to 21 new schools, with a total land requirement of approximately 283 acres.

The calculation in Table B-8 assumes all additional students will be housed in new schools, which is unlikely. Some students will attend existing schools that may be enlarged to accommodate growth in enrollment. Act 245 allows impact fees to be used for the expansion of existing schools in an impact district.

⁴ DOE Policy #6701: Usable is generally defined as land free of encumbrances determined to be unnecessary by the department of education, slope of five percent or less, with no ravines or stream beds. The DOE will make the final determination as to whether land is usable based on an evaluation of the specific property taken in the context of the development as a whole.

⁵ DOE Policy #6701: Design enrollment guidelines for new schools, elementary, middle and high schools

Table B-8
BOE Policy on Number of Schools Required: Minimum, Maximum
and Average Size Schools

| | # of Additional Students Expected in the District | # Schools Based on Minimum Enrollment (400, 500, 800)⁵ | # Schools Based on Maximum Enrollment (750, 1000, 1600) | # Schools, Based on Average Enrollment (575, 750, 1200) | Acres per Student | Acres Needed (Approx.) |
|--------------|--|--|--|--|----------------------------------|---------------------------------------|
| Elementary | 5,139 | 12.9 | 6.9 | 8.9 | 0.020 | 103 |
| Middle | 2,468 | 4.9 | 2.5 | 3.3 | 0.023 | 57 |
| High | 2,671 | 3.3 | 1.7 | 2.2 | 0.046 | 123 |
| Total | 10,278 | | | | | 283 |

Appendix C
Requirements of the School Impact Fee Law

Rational Nexus and Rough Proportionality

Proposed impact fees must meet the “rational nexus” and “rough proportionality” tests established by court decisions.

“Rational nexus” was defined in the case of *Nollan v. California Coastal Commission*, 483 U.S. 825 (1987), as the reasonable connection that must exist between new development and the new or expanded facilities required to accommodate that development. “Rough proportionality” was defined in the case of *Dolan v. City of Tigard*, 512 U.S. 374 (1994), as an expansion of the rational nexus test, adding that there must be a “rough proportionality” between the impact of the new development and burden of the exaction imposed on it.

In this analysis, the required additional public school facilities are a direct result of the anticipated growth in additional residential units and their generation of additional public school students. The proposed Kalihi to Ala Moana school impact district anticipates a maximum of 39,000 new residential units, which could generate 10,000 additional new public school students. To accommodate that great an increase in enrollment, several new schools will need to be developed along with the expansion of existing campuses.

Both the land and construction cost requirement of the school impact fee ensure the proportionality of the fees paid by each new development. The acreage requirements for new school facilities are based on the actual acreage of those schools currently making up the Kalihi to Ala Moana proposed district. The cost of the land, when used to determine the fee in-lieu amount, is the fee simple value of vacant land in the impact district that would be zoned for Business Mixed Use (BMX) which allows residential use. Construction fees are based on actual historical school construction costs.

Each development pays the same fee amount per unit, and the fees can only be used to expand school capacity in facilities serving the students in the impact district.

Current Local Level of Service

Table 6 (page 17) provides information about existing and projected conditions in DOE schools located within the proposed district as well as schools in adjacent areas. The elementary schools in the proposed district range from having 24 students over current classroom capacity to 159 under capacity in the 2015-2016 school year. The middle schools have the more excess capacity, ranging from 158 to 445 classroom spaces for additional students. Farrington High School is currently over capacity by 149 students and McKinley is 409 students under. Table C-1 summarizes the information by school type.

**Table C-1
2013-2014 Enrollment and 2012-2013 Classroom Capacity by School Level**

| School Type | School Capacity Survey: ARTS 12-13 | Enrollment 2015-16 | % of Existing Capacity |
|----------------------|---|---------------------------|-------------------------------|
| 9 Elementary Schools | 4,664 | 3,866 | 83% |
| Middle | 2,017 | 1,387 | 69% |
| High | 4,239 | 3,979 | 94% |
| Total | 10,920 | 9,232 | 85% |

Table 6 also illustrates a classroom shortage for approximately 7,300 students after the approximately 10,000 TOD-related students are added to the current projected 2020 enrollment.

Related Issues

The School Impact Fee Law requires a statewide classroom utilization report, which contains the current design enrollment per school (defined in the law as permanent classrooms, not portables), the current total student enrollment per school, and the current number of classrooms not being used for active teaching. That data can be found in Table D-1.

Table D-1 addresses the possibility of underutilized school facilities. In the 13 schools serving the proposed Kalihi to Ala Mona School Impact District, there were 19 classrooms not being used for teaching or school functions, one third of those rooms were located at Central Middle.

Busing and Redistricting to Relieve Overcrowded Schools

The School Impact Fee Law also requires an analysis of proposed redistricting; listing the advantages and disadvantages by making more efficient use of existing assets.

While redistricting is possible between schools and complexes in the impact district, this would have no effect on the amount of capacity available to students generated from the district. As discussed above, there are very few school facilities in the proposed district that are not being used for instruction or school-level supplemental and support functions.

Redistricting schools within the impact district with schools outside of the impact district is possible. However, the schools adjacent to the impact district do not have enough excess capacity to accommodate the large number of students projected for the district. At projected 2020 enrollment, with the ARTS 2012-13 survey results for classroom capacity, at most 2,200 students could be accommodated by redistricting. As stated above, there are very few classrooms being utilized for non-school level functions within the schools in the proposed impact district, so redistricting would have a very limited effect.

Busing students would create a costly operational expenditure to the DOE at a time when it has reduced its bus services. Similar to redistricting, students would need to be bussed outside of the impact district for there to be any significant reduction in the amount of additional space needed.

As discussed above, the schools in the complexes adjacent to the impact district do not have enough capacity to accommodate the large number of students projected in the District.

School Design Issues

The Act 245 requires an analysis of appropriate school land area and enrollment capacity, which may include non-traditional (i.e. mid-rise or high-rise structures) facilities to accommodate the need for public school facilities in high growth areas within existing urban developments.

The proposed fees for the Kalihi to Ala Moana District rely on two different adaptations for its urban setting. First there is a localized adjustment for campus size (using acreage of existing schools in the district as opposed to recent, average new campus sizes across the state). Second, there will be an urban adjustment that will require amending the Act 245 to permit funds collected as fees in lieu of land to be used to acquire and construct improved classroom space in multi-story buildings. In other words, land fees will be used to buy square footage of vertical space, layers one floor above another.

There are advantages of both single-story and multi-story school construction. Single-story construction eliminates the cost of stairwells and elevators, is more residential in character, and makes it easier to utilize natural light. The main advantage of multi-story schools is that they require a smaller footprint on the site, which allows for smaller sites and/or more open space on a site. Multi-story construction also facilitates stacking of utilities and shorter utility lines.

The DOE encourages the preservation of open space on its school sites, and therefore strongly supports the use of multi-story structures when appropriate. Typically, this has resulted in the stacking of the classroom buildings. Ten of the last 15 schools built by DOE have had multi-story classroom facilities.

The DOE is open to considering non-traditional designs and varying campus sizes for new schools within the proposed impact district. The DOE cannot compromise school size to such a degree that schools are unable to handle the number of students estimated in the area.

Geographic Exceptions

There are numerous reasons why parents request geographic exceptions (“GE”) so their children are able to attend schools outside the service area where they reside. The DOE administrative rules⁶ govern the method of granting a student a GE. The decision to grant or deny GE’s belongs solely with the principal of each school.

The SGR for the proposed impact district is based on students who attend DOE schools in the impact district and who also live in the impact district. The SGR excludes students who live in the impact district and attend a school outside of the impact district, and it also excludes students who live outside of the impact district and who attend a school inside the impact district.

⁶ *Hawaii Administrative Rules*, Title 8, Chapter 12, Compulsory Attendance Exceptions

Very little data exists on the number of students applying or receiving GEs at individual schools, at the complex level, or statewide, but the numbers are generally small. Every school probably has some outside students coming in to attend that school as well as some students from the area going to schools outside the area. The net effect of GEs on enrollment at most schools is minimal. The number of GE students at individual schools can fluctuate year to year by the actions of one or two families.

When a school is crowded or faces the likelihood of overcrowding, a principal can decide not to accept any GE applications. However, any student residing in the school's service area must be allowed to enroll.

The rules of the federal government's No Child Left Behind Act⁷ permit students from failing schools to transfer to schools in good standing. There have been very few requests for transfers based on the federal act.

Charter Schools

Act 245 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 new residential projects that will pay the fees. Therefore, school impact fees may be utilized for charter schools, provided that school directly serves a sufficient amount of students generated from new development in the area. A charter school can enroll students from around the island, but to use impact fees, it would have to provide a specified number of spaces to offset the enrollment impact of the developments creating the need for a school.

Use of Public Land

The primary consideration in determining where to locate a new public school is convenience to public school students. New schools should be located where there will be large numbers of new homes. The DOE locates schools on a case-by-case basis as it negotiates with large landowners, both private and public, and DOE adapts to their development schedules. In the future, it is more likely that larger high school sites will come from state-owned land, as few private development projects are large enough to be required to provide 45 to 55 acres for a high school.

In the past, DOE has used state land for public schools in situations where large amounts of state land are developed for residential use. For example, all of the schools in the Kapolei (Oahu) and Kealakehe (Hawai'i Island) developments were built on state lands. The State of Hawaii retains the fee simple ownership of the property. The management, use and responsibility for school land transfers from the State to the DOE by executive orders from the Governor.

The DOE will continue to seek school sites in any future large development of state land in the same manner as DOE pursues school sites in large developments of private land. Future school sites are reserved in state developments in East Kapolei (Oahu), Keahuolu (Kealakehe), and Lei`alii (Lahaina).

⁷ Public Law 107-110

It is less likely that DOE will receive state parcels that stand alone (without infrastructure improvements), outside of state projects. While private developers provide school sites with infrastructure, if DOE were provided a stand-alone state parcel, the additional costs for improving the school site would most likely be borne by taxpayers.

Appendix D

Act 188 Specified Classroom Report

Act 188 (2010) requires the inclusion of a “statewide classroom utilization report” in this analysis. The report includes the current “design enrollment per school”, the current total enrollment per school, and the current number of classrooms not being used for active teaching. Design enrollment is specifically defined in Act 188 as “the maximum number of students, or student capacity, a permanent school facility is designed to accommodate.”

In Table D-1 below, the design enrollment column will only consist of permanent classroom buildings. In general, a permanent elementary school classroom holds 23 students, and a permanent middle or high school classroom holds 25 students. For example, if an elementary school had ten permanent classrooms, its design enrollment is 230.

For schools with both elementary and middle or high school students, classrooms are pro-rated based on six elementary school grades, three middle school grades, and four high school grades.

For example, an elementary and middle school has nine permanent classrooms. These classrooms are pro-rated based on six elementary school grades and three middle school grades. Six elementary classrooms hold 138 students, and three middle school classrooms hold 75 students, for a total design enrollment of 213.

Design enrollment, as specified by Act 188, differs significantly from school facility capacity calculations because, among other issues:

1. Facility capacity is modified for classrooms used for special education. Special education classrooms generally have significantly fewer students than regular education classrooms.
2. Facility capacity includes temporary classroom facilities. Act 188 design enrollment only consists of permanent school facilities.
3. Facility capacity includes adjustments based on program usage.

Classrooms not used for teaching, school level support, or school-level supplementary programs include classrooms that are used for complex and state offices and programs.

Classroom use data in the following table is from the Annual Room Tracking Survey (“ARTS”) for the 2012-2013 school year. Those schools with an * in the classroom use column rely on the 2011-2012 ARTS survey.

**Table D-1
Classroom Utilization**

| School | Complex | 2013-14 Enrollment | Design Enrollment | Classrooms Not Used for Teaching or School Level Functions |
|----------------------------------|----------------|-------------------------------|------------------------------|---|
| Aiea Elementary School | Aiea | 366 | 759 | 4 |
| Aiea High School | Aiea | 1,083 | 1,825 | 4 |
| Aiea Intermediate School | Aiea | 593 | 1,075 | 0 |
| Alvah Scott Elementary School | Aiea | 521 | 920 | 0.67 |
| Pearl Ridge Elementary School | Aiea | 613 | 506 | 0 |
| Waimalu Elementary School | Aiea | 522 | 690 | 2 |
| Webbing Elementary School | Aiea | 490 | 598 | 0 |
| Baldwin High School | Baldwin | 1,538 | 1,675 | 4 |
| Iao School | Baldwin | 886 | 897 | 0 |
| Waihe'e Elementary School | Baldwin | 775 | 736 | 0 |
| Wailuku Elementary School | Baldwin | 740 | 1,173 | 1.5 |
| Campbell High School | Campbell | 2,890 | 2,675 | 0 |
| Ewa Beach Elementary School | Campbell | 778 | 828 | 0 |
| Ewa Elementary School | Campbell | 1,131 | 897 | 3 |
| Ewa Makai Middle School | Campbell | 827 | 700 | 1.84 |
| Holomua Elementary School | Campbell | 1,361 | 920 | 0 |
| Ilima Intermediate School | Campbell | 887 | 1,518 | 7.5 |
| Iroquois Point Elementary School | Campbell | 758 | 828 | 3.5 |
| Kaimiloa Elementary School | Campbell | 690 | 644 | 2 |
| Keone'ula Elementary School | Campbell | 917 | 828 | 0 |
| Pohakea Elementary School | Campbell | 605 | 690 | 2 |
| Ahuimanu Elementary School | Castle | 330 | 506 | 1 |
| Castle High School | Castle | 1,200 | 1,925 | 1 |
| He'eia Elementary School | Castle | 467 | 828 | 4 |
| Kahaluu Elementary School | Castle | 293 | 552 | 0 |
| Kaneohe Elementary School | Castle | 648 | 805 | 1 |
| Kapunahala Elementary School | Castle | 578 | 690 | 0 |
| King Intermediate School | Castle | 627 | 1,450 | 17 |
| Parker Elementary School | Castle | 324 | 966 | 8 |
| Puohala Elementary School | Castle | 272 | 690 | 7 |
| Waiahole Elementary School | Castle | 71 | 276 | 1 |
| Dole Middle School | Farrington | 841 | 1,225 | *1 |
| Farrington High School | Farrington | 2374 | 3,150 | 2 |
| Fern Elementary School | Farrington | 530 | 667 | 2 |
| Ka'ewai Elementary School | Farrington | 345 | 690 | *2 |
| Kalakaua Middle School | Farrington | 1040 | 1,250 | 0 |
| Kalihi Elementary School | Farrington | 315 | 690 | 4 |
| Kalihi Kai Elementary School | Farrington | 627 | 1,035 | 2 |
| Kalihi Uka Elementary School | Farrington | 259 | 575 | 0 |
| Kalihi Waena Elementary School | Farrington | 583 | 759 | *0 |
| Kapalama Elementary School | Farrington | 633 | 851 | 0 |
| Linapuni Elementary School | Farrington | 191 | 368 | 0 |
| Puuhale Elementary School | Farrington | 262 | 437 | *2 |

Table D-1 (continued)
Classroom Utilization

| School | Complex | 2013-14 Enrollment | Design Enrollment | Classrooms Not Used for Teaching or School Level Functions |
|--|----------------|-------------------------------|------------------------------|---|
| Hana High & Elementary | Hana | 336 | 525 | 0 |
| De Silva Elementary School | Hilo | 429 | 414 | 0 |
| Ha'aheo Elementary School | Hilo | 183 | 184 | 0 |
| Hilo High School | Hilo | 1,249 | 1,925 | *3 |
| Hilo Intermediate School | Hilo | 466 | 1,400 | 17 |
| Hilo Union School | Hilo | 487 | 759 | 2 |
| Kalaniana'ole Elementary and Intermediate School | Hilo | 295 | 1,089 | 10 |
| Kapiolani Elementary School | Hilo | 376 | 713 | 0 |
| Kaumana Elementary School | Hilo | 292 | 299 | 0 |
| Keaukaha Elementary School | Hilo | 407 | 483 | 6 |
| Honoka'a Elementary School | Honokaa | 373 | 483 | 0.7 |
| Honokaa High and Intermediate School | Honokaa | 676 | 1,200 | 1 |
| Paauiio Elementary school | Honokaa | 243 | 355 | 0 |
| Waikoloa Elementary & Middle School | Honokaa | 807 | 757 | 0 |
| Waimea Elementary School | Honokaa | 569 | 805 | 2.25 |
| Waimea Middle-PCS | Honokaa | 284 | 475 | 0 |
| Hauula Elementary School | Kahuku | 308 | 506 | 3 |
| Kaaawa Elementary School | Kahuku | 124 | 92 | 0 |
| Kahuku Elementary School | Kahuku | 493 | 667 | 0 |
| Kahuku High and Intermediate School | Kahuku | 1,464 | 1,875 | 0 |
| Laie Elementary School | Kahuku | 686 | 736 | 2 |
| Lanikai PCS | Kahuku | 352 | 345 | 0 |
| Sunset Beach Elementary School | Kahuku | 477 | 161 | 0 |
| Enchanted Lake Elementary School | Kailua | 510 | 874 | 1 |
| Kaelepulu Elementary School | Kailua | 193 | 368 | 0 |
| Kailua High School | Kailua | 798 | 1,925 | 3 |
| Keolu Elementary School | Kailua | 144 | 598 | 4 |
| Maunawili Elementary School | Kailua | 384 | 690 | 1 |
| Olomana School | Kailua | 91 | 0 | 0 |
| Pope Elementary School | Kailua | 235 | 598 | 0 |
| Waimanalo Elementary and Intermediate School | Kailua | 536 | 1,041 | 0 |
| Ala Wai Elementary School | Kaimuki | 455 | 782 | 1 |
| Aliiolani Elementary School | Kaimuki | 253 | 644 | 1 |
| Hokulani Elementary School | Kaimuki | 373 | 483 | 0 |
| Jarrett Middle School | Kaimuki | 264 | -950 | 4 |
| Jefferson Elementary School | Kaimuki | 465 | 943 | 2 |
| Kaimuki High School | Kaimuki | 813 | 2,175 | 8 |
| Kuhio Elementary School | Kaimuki | 287 | 575 | 1 |
| Lunalilo Elementary School | Kaimuki | 488 | 851 | 0 |
| Palolo Elementary School | Kaimuki | 295 | 897 | 16 |
| Washington Middle School | Kaimuki | 794 | 1,450 | 0 |
| Aina Haina Elementary School | Kaiser | 609 | 736 | 1 |
| Hahaione Elementary School | Kaiser | 541 | 828 | 0 |
| Kaiser High School | Kaiser | 1168 | 1,500 | 0 |

Table D-1 (continued)
Classroom Utilization

| School | Complex | 2013-14 Enrollment | Design Enrollment | Classrooms Not Used for Teaching or School Level Functions |
|--|----------------|-------------------------------|------------------------------|---|
| Kamiloiki Elementary School | Kaiser | 435 | 736 | 0 |
| Koko Head Elementary School | Kaiser | 357 | 851 | 14 |
| Niu Valley Middle School | Kaiser | 891 | 950 | 0 |
| Aikahi Elementary School | Kalaheo | 498 | 690 | 1 |
| Kailua Elementary School | Kalaheo | 370 | 713 | 0.5 |
| Kailua Intermediate School | Kalaheo | 693 | 1,550 | 5 |
| Kainalu Elementary School | Kalaheo | 546 | 966 | 3 |
| Kalaheo High School | Kalaheo | 908 | 1,650 | 2 |
| Mokapu Elementary School | Kalaheo | 921 | 851 | 1 |
| Kahala Elementary School | Kalani | 454 | 736 | 0 |
| Kaimuki Middle School | Kalani | 979 | 1,675 | 11 |
| Kalani High School | Kalani | 1273 | 1,825 | 5 |
| Liholiho Elementary School | Kalani | 469 | 621 | 1 |
| Waikiki Elementary School | Kalani | 513 | 552 | 0 |
| Wilson Elementary School | Kalani | 595 | 644 | 0 |
| Hanalei Elementary School | Kapaa | 326 | 184 | 0 |
| Kapaa Elementary School | Kapaa | 941 | 1,219 | 7 |
| Kapa'a High School | Kapaa | 1,053 | 1,400 | 3 |
| Kapaa Middle School | Kapaa | 594 | 1,225 | 2 |
| Kilauea Elementary School | Kapaa | 290 | 368 | 0 |
| Barbers Point Elementary School | Kapolei | 686 | 920 | 2 |
| Kapolei Elementary School | Kapolei | 1,181 | 874 | 0 |
| Kapolei High School | Kapolei | 2,028 | 2,450 | 1 |
| Kapolei Middle School | Kapolei | 1,464 | 1,425 | 0 |
| Makakilo Elementary School | Kapolei | 559 | 690 | 0 |
| Mauka Lani Elementary School | Kapolei | 652 | 483 | 1 |
| Kau High and Pahala Elementary | Kau | 524 | 939 | 0 |
| Naalehu Elementary & Intermediate School | Kau | 412 | 414 | 0.5 |
| Chiefess Kamakahae Middle School | Kauai | 898 | 1,500 | 1 |
| Kauai High School | Kauai | 1,156 | 1,625 | 0 |
| King Kaumualii Elementary School | Kauai | 648 | 897 | 0.5 |
| Koloa Elementary School | Kauai | 387 | 345 | 1.25 |
| Wilcox Elementary School | Kauai | 870 | 1,081 | 2 |
| Kea'au Elementary School | Kea'au | 808 | 1,035 | 0.5 |
| Kea'au High School | Kea'au | 832 | 1,675 | 0 |
| Kea'au Middle School | Kea'au | 613 | 1,225 | 3 |
| Mountain View Elementary School | Kea'au | 508 | 644 | 3 |
| Holualoa Elementary School | Kealakehe | 510 | 207 | 0 |
| Kahakai Elem. School | Kealakehe | 666 | 805 | 2.5 |
| Kealakehe Elementary School | Kealakehe | 1,058 | 759 | 0.5 |
| Kealakehe High School | Kealakehe | 1,396 | 1,800 | 0 |
| Kealakehe Intermediate School | Kealakehe | 657 | 1,225 | 1 |
| Haiku Elementary School | Kekaulike | 501 | 299 | 0 |
| Kalama Intermediate School | Kekaulike | 788 | 1,225 | 2 |
| Kekaulike High School | Kekaulike | 1,017 | 1,575 | 6.5 |
| Kula Elementary School | Kekaulike | 396 | 460 | 0.5 |

Table D-1 (continued)
Classroom Utilization

| School | Complex | 2013-14 Enrollment | Design Enrollment | Classrooms Not Used for Teaching or School Level Functions |
|--|----------------|-------------------------------|------------------------------|---|
| Makawao Elementary School | Kekaulike | 550 | 598 | 0 |
| Paia Elementary School | Kekaulike | 356 | 483 | 0 |
| Pukalani Elementary School | Kekaulike | 478 | 552 | 0 |
| Kohala Elementary School | Kohala | 411 | 437 | 0 |
| Kohala High School | Kohala | 276 | 575 | 0 |
| Kohala Middle School | Kohala | 180 | 325 | 0 |
| Honauau Elementary School | Konawaena | 129 | 230 | 1 |
| Hookena Elementary School | Konawaena | 139 | 230 | 7 |
| Ke Kula O Ehunukaimalino School | Konawaena | 214 | 72 | 0 |
| Konawaena Elementary School | Konawaena | 567 | 759 | 0 |
| Konawaena High School | Konawaena | 733 | 1,350 | 9 |
| Konawaena Middle School | Konawaena | 563 | 750 | 0 |
| Kamchameha III Elementary School | Lahaina | 813 | 552 | 0 |
| Lahaina Intermediate School | Lahaina | 626 | 650 | 0 |
| Lahainaluna High School | Lahaina | 1,028 | 900 | 0 |
| Nahienaena Elementary School | Lahaina | 761 | 713 | 0 |
| Lanai High and Elementary School | Lanai | 582 | 1,132 | 0 |
| Laupahoehoe High and Elementary School | Laupahoehoe | 211 | 650 | 2 |
| Hale Kula Elementary School | Leilehua | 892 | 920 | 0 |
| Helemano Elementary School | Leilehua | 621 | 575 | 0 |
| Iliahi Elementary School | Leilehua | 454 | 690 | 0.3 |
| Ka 'ala Elementary School | Leilehua | 505 | 690 | 1.5 |
| Leilehua High School | Leilehua | 1,803 | 2,000 | 1 |
| Solomon Elementary School | Leilehua | 1,053 | 966 | 1 |
| Wahiawa Elementary School | Leilehua | 531 | 920 | 5 |
| Wahiawa Middle School | Leilehua | 818 | 1,175 | 0 |
| Wheeler Elementary School | Leilehua | 627 | 851 | 0 |
| Wheeler Middle School | Leilehua | 797 | 1,025 | 0 |
| Kahului Elementary School | Maui | 1064 | 874 | 0 |
| Kamalii Elementary School | Maui | 585 | 897 | 1 |
| Kihei Elementary School | Maui | 947 | 920 | 0 |
| Lihikai Elementary School | Maui | 943 | 736 | 1 |
| Lokelani Intermediate School | Maui | 550 | 625 | 0 |
| Maui High School | Maui | 1,908 | 1,425 | 1 |
| Maui Waena Elementary School | Maui | 1,095 | 1,050 | 0 |
| Pomaikai Elementary School | Maui | 550 | 1,012 | 0 |
| Central Middle School | McKinley | 351 | 1,075 | 7 |
| Ka'ahumanu Elementary School | McKinley | 597 | 782 | 1 |
| Kaiulani Elementary School | McKinley | 421 | 690 | 2 |
| Kauluwela Elementary School | McKinley | 416 | 644 | 1 |
| Lanakila Elementary School | McKinley | 433 | 713 | 1 |
| Likelike Elementary School | McKinley | 401 | 690 | 0 |
| McKinley High School | McKinley | 1677 | 2,625 | 0 |
| Royal School Elementary School | McKinley | 376 | 529 | 0 |
| Kipapa Elementary School | Mililani | 630 | 736 | 1 |
| Mililani High School | Mililani | 2,476 | 2,200 | 3 |

**Table D-1 (continued)
Classroom Utilization**

| School | Complex | 2013-14 Enrollment | Design Enrollment | Classrooms Not Used for Teaching or School Level Functions |
|--|----------------|-------------------------------|------------------------------|---|
| Mililani 'Ike Elementary School | Mililani | 979 | 828 | 0 |
| Mililani Mauka Elementary School | Mililani | 853 | 989 | 0 |
| Mililani Middle School | Mililani | 1,743 | 1,575 | 1 |
| Mililani Uka Elementary School | Mililani | 669 | 920 | 1 |
| Mililani Waena Elementary School | Mililani | 719 | 736 | 1 |
| Kamaile Academy | Moanalua | 899 | 736 | 0 |
| Moanalua Elementary School | Moanalua | 666 | 644 | 0 |
| Moanalua High School | Moanalua | 2,012 | 1,925 | 0 |
| Moanalua Middle School | Moanalua | 832 | 925 | 0.5 |
| Red Hill Elementary School | Moanalua | 459 | 736 | 4 |
| Salt Lake Elementary School | Moanalua | 773 | 897 | 1 |
| Shafter Elementary School | Moanalua | 458 | 460 | 0 |
| Kaunakakai Elementary School | Molokai | 290 | 552 | 0 |
| Kilohana Elementary School | Molokai | 80 | 184 | 0 |
| Kualapuu Public Charter School | Molokai | 336 | 460 | 0 |
| Maunaloa Elementary School | Molokai | 61 | 230 | 0 |
| Molokai High School | Molokai | 336 | 625 | 0 |
| Molokai Middle School | Molokai | 209 | 325 | 0 |
| Nanaikapono Elementary School | Nanakuli | 942 | 1,334 | 0 |
| Nanakuli Elementary School | Nanakuli | 439 | 644 | 4 |
| Nanakuli High and Intermediate School | Nanakuli | 962 | 1,650 | 0 |
| Keonepoko Elementary School | Pahoa | 632 | 736 | 1 |
| Pahoa Elementary School | Pahoa | 432 | 345 | 0 |
| Pahoa High School | Pahoa | 653 | 1,550 | 2.5 |
| Highlands Intermediate School | Pearl City | 937 | 1,175 | 2 |
| Kanoelani Elementary School | Pearl City | 767 | 598 | 0 |
| Lehua Elementary School | Pearl City | 357 | 690 | 1 |
| Manana Elementary School | Pearl City | 462 | 552 | 0 |
| Momilani Elementary School | Pearl City | 423 | 368 | 0 |
| Palisades Elementary School | Pearl City | 418 | 759 | 0 |
| Pearl City Elementary School | Pearl City | 545 | 851 | 1 |
| Pearl City High School | Pearl City | 1,697 | 2,425 | 0 |
| Pearl City Highlands Elementary School | Pearl City | 474 | 690 | 1 |
| Waiau Elementary School | Pearl City | 544 | 552 | 1 |
| Aliamanu Elementary School | Radford | 763 | 920 | 0 |
| Aliamanu Middle School | Radford | 739 | 1,075 | 0 |
| Hickam Elementary School | Radford | 597 | 690 | *0 |
| Makalapa Elementary School | Radford | 680 | 621 | *12 |
| Mokulele Elementary School | Radford | 449 | 690 | 0 |
| Nimitz Elementary School | Radford | 723 | 920 | *2.3 |
| Pearl Harbor Elementary School | Radford | 709 | 920 | *0 |
| Pearl Harbor Kai Elementary School | Radford | 559 | 874 | *0 |
| Radford High School | Radford | 1,315 | 1,800 | *3 |
| Anuenue School | Roosevelt | 394 | 667 | 0 |
| Kawanakoa Middle School | Roosevelt | 850 | 1,200 | 0 |
| Lincoln Elementary School | Roosevelt | 362 | 805 | 1 |

Table D-1 (continued)
Classroom Utilization

| School | Complex | 2013-14 Enrollment | Design Enrollment | Classrooms Not Used for Teaching or School Level Functions |
|--|----------------|-------------------------------|------------------------------|---|
| Ma'ema'e Elementary School | Roosevelt | 666 | 851 | 0 |
| Manoa Elementary School | Roosevelt | 565 | 851 | 3 |
| Noelani Elementary School | Roosevelt | 455 | 460 | 0.5 |
| Nuuanu Elementary School | Roosevelt | 376 | 368 | 0 |
| Pauoa Elementary School | Roosevelt | 324 | 690 | 1 |
| Roosevelt High School | Roosevelt | 1,416 | 1,900 | 0 |
| Stevenson Middle School | Roosevelt | 653 | 1,225 | 1.5 |
| Waiālae Elementary Public Charter School | Roosevelt | 501 | 690 | 0 |
| Waiākea Elementary School | Waiākea | 877 | 989 | 0 |
| Waiākea High School | Waiākea | 1,197 | 1,875 | 7 |
| Waiākea Intermediate School | Waiākea | 892 | 1,100 | 0 |
| Waiākeawaena Elementary School | Waiākea | 714 | 851 | 0 |
| Haleiwa Elementary School | Waialua | 190 | 713 | 6 |
| Waialua Elementary School | Waialua | 585 | 552 | 0 |
| Waialua High and Intermediate School | Waialua | 636 | 1,200 | 4 |
| Leihoku Elementary School | Waianae | 936 | 874 | 0 |
| Mali Elementary School | Waianae | 1001 | 782 | 0 |
| Makaha Elementary School | Waianae | 641 | 690 | 2.5 |
| Waianae Elementary School | Waianae | 634 | 989 | 2 |
| Waianae High School | Waianae | 1,765 | 2,250 | 0 |
| Waianae Intermediate School | Waianae | 884 | 1,325 | 0 |
| Ele'ele Elementary School | Waimea | 458 | 575 | 1 |
| Kalaheo School | Waimea | 521 | 598 | 0 |
| Kekaha Elementary School | Waimea | 375 | 460 | 0 |
| Niihau School | Waimea | 10 | 72 | *0 |
| Waimea Canyon Middle School | Waimea | 399 | 850 | 3 |
| Waimea High School | Waimea | 579 | 1,375 | 2.5 |
| August Ahrens Elementary School | Waipahu | 1,403 | 1,426 | 1 |
| Honowai Elementary School | Waipahu | 794 | 874 | 0 |
| Kaleiopuu Elementary School | Waipahu | 982 | 943 | 0 |
| Waikēle Elementary School | Waipahu | 653 | 805 | 0.5 |
| Waipahu Elementary School | Waipahu | 1,130 | 943 | 2 |
| Waipahu High School | Waipahu | 2,441 | 2,425 | 0 |
| Waipahu Intermediate School | Waipahu | 1,314 | 1,575 | 0 |

Appendix E
Construction Cost Factors

Below is an updated list of Construction Cost Factors from the Department of Accounting and General Services ("DAGS"). These factors are applied in the calculation of historical construction costs in the calculation of the construction fee amount.

TABLE A9
REGIONAL COST FACTORS

| County | Districts | 0% | 5% | 10% | 15% | 20% | 25% | 30% | 35% | Other |
|--------|--------------|----|----|-----|-----|-----|-----|-----|-----|-------|
| Oahu | Honolulu | x | | | | | | | | |
| Oahu | Ewa | | x | | | | | | | |
| Oahu | Wahiawa | | | x | | | | | | |
| Oahu | Waialua | | | | x | | | | | |
| Oahu | Waianae | | | | x | | | | | |
| Oahu | Koolauloa | | x | | | | | | | |
| Oahu | Koolaupoko | | | | x | | | | | |
| Maui | Wailuku | | | | x | | | | | |
| Maui | Lahaina | | | | | | | x | | |
| Maui | Makawao | | | | | | | x | | |
| Maui | Hana | | | | | | | | x | |
| Maui | Lanai | | | | | | | | x | |
| Maui | Molokai | | | | | | | x | | |
| Hawaii | Hilo | | | | x | | | | | |
| Hawaii | Hamakua | | | | | | x | | | |
| Hawaii | South Kohala | | | | | | x | | | |
| Hawaii | North Kohala | | | | | | | | x | |
| Hawaii | Kona | | | | | | x | | | |
| Hawaii | Kau | | | | | | | | x | |
| Hawaii | Puna | | | | | | | x | | |
| Hawaii | Pohakuloa | | | | | | | | x | |
| Kauai | Lihue | | | | x | | | | | |
| Kauai | Koloa | | | | | x | | | | |
| Kauai | Waimea | | | | | | | x | | |
| Kauai | Kawaihau | | | | | x | | | | |
| Kauai | Hanalei | | | | | | | x | | |

12 HONOLULU STAR-ADVERTISER Wednesday 10/26/16

Summons

Summons

Public Hearings

Public Hearings

Public Hearings

Public Hearings

Public Hearings

SUMMONS

STATE OF HAWAII

TO: ROBERT CHARLES LEWIS

YOU ARE HEREBY NOTIFIED that Plaintiff MILILANI TOWN ASSOCIATION has filed a Complaint against you in the Circuit Court of the First Circuit, State of Hawaii, Civil No. 15-1-2443-12 seeking foreclosure due to delinquent common expenses due to the MILILANI TOWN ASSOCIATION, covering Lot 4520 of the MILILANI TOWN ASSOCIATION project, located at 34-206 Noholoa Ct., #32, Mililani, Hawaii 96789, and further identified by tax map key number (1) 9-4-065-132.

YOU ARE HEREBY SUMMONED to appear in the courtroom of the Honorable BERT I. AYABE, Judge of the First Circuit Court, Honolulu, Hawaii, on November 22, 2016, at 9:00 am of said day, or to file an answer or other pleadings and serve it before said date upon Russell H. Ando, attorney for Plaintiff MILILANI TOWN ASSOCIATION, whose address is 888 Mililani Street, 2nd Floor, Honolulu, Hawaii, 96813. If you fail to do so, judgment by default will be taken against you for the relief demanded in the Complaint.

DATED: Honolulu, Hawaii, SEP 26 2016.

N. MIYATA (SEAL)

CLERK OF THE ABOVE-ENTITLED COURT

SA918185 10/5, 10/12, 10/19, 10/26/16

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

CIVIL NO. 16-1-1032-05

(Foreclosure)

AMENDED SUMMONS

ASSOCIATION OF APARTMENT OWNERS OF POINCIANA MANOR, through its Board of Directors, Plaintiff,

vs.

GARRETT ANTHONY DOYLE; et al.; Defendants.

STATE OF HAWAII

AMENDED SUMMONS

TO: GARRETT ANTHONY DOYLE

YOU ARE HEREBY NOTIFIED that Plaintiff ASSOCIATION OF APARTMENT OWNERS OF POINCIANA MANOR has filed a Complaint against you in the Circuit Court of the First Circuit, State of Hawaii, Civil No. 16-1-1032-05, seeking foreclosure due to delinquent common expenses due to the ASSOCIATION OF APARTMENT OWNERS OF POINCIANA MANOR, covering Apartment No. 325 of the POINCIANA MANOR condominium project, located at 1015 Aolaa Place, Kailua, Hawaii, and further identified by tax map key number (1) 4-2-001-048, CPR No. 0088.

YOU ARE HEREBY SUMMONED to appear in the courtroom of the Honorable Bert I. Ayabe, Judge of the First Circuit Court, Honolulu, Hawaii, on Dec. 13, 2016, at 9:00 a.m. of said day, or to file an answer or other pleadings and serve it before said date upon Lettie S. Harada, attorney for Plaintiff ASSOCIATION OF APARTMENT OWNERS OF POINCIANA MANOR, whose address is 888 Mililani Street, 2nd Floor, Honolulu, Hawaii, 96813. If you fail to do so, judgment by default will be taken against you for the relief demanded in the Complaint.

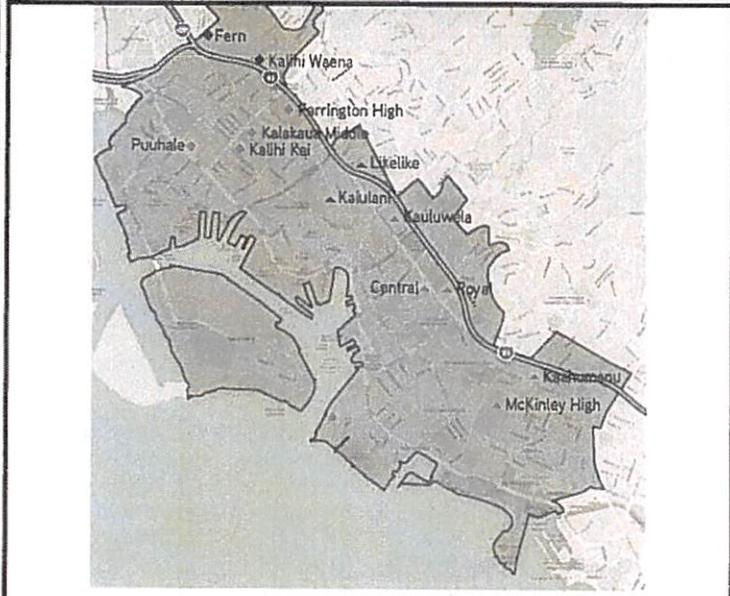
DATED: Honolulu, Hawaii, OCT 6 2016.

F. OTAKE (SEAL)

CLERK OF THE ABOVE-ENTITLED COURT

SA927859 10/26, 11/2, 11/9, 11/16/16

IN THE CIRCUIT COURT OF THE FIFTH CIRCUIT



NOTICE OF PUBLIC HEARING BOARD OF EDUCATION

NOTICE IS HEREBY GIVEN that pursuant to Hawaii Revised Statutes § 1-28.5, the State Board of Education will conduct two public hearings on:

The Proposed KALIHI TO ALA MOANA School Impact Fee District.

Wednesday November 2, 2016 at Farrington High School Library Conference Room, 3 pm to 5 pm

Thursday November 3, 2016 at McKinley High School Hirata Hall, "G" Building, 5 pm to 7 pm.

The Department of Education is authorized by State law to collect impact fees from all new residential development in designated areas. The fees are for new schools and facilities for students residing in the new residential units. The law requires the designation of new impact districts and sets a formula for calculating the amount of required land and fees.

Two public hearing will be held to discuss the proposed Kalihiki to Ala Moana District, which covers areas served in the Farrington Complex by Fern, Kalihiki-Kai, Kalihiki Waena, and Puuhale Elementary Schools; and in the McKinley Complex by Kaahumanu, Kaiulani, Kauluwela, Likelike and Royal Elementary Schools.

Public comments may be submitted at the hearing or emailed to heidimeeker@notes.k12.hi.us by November 3, 2016. A map and information regarding the Kalihiki to Ala Moana Impact Fee District is available at www.hawaiipublicschools.org. Information may be reviewed in person or copies obtained at the DOE Queen Liliuokalani Facilities Campus at 3633 Waialae Avenue, Room C-209, from 8 am. to 4 pm. (Monday through Friday) Interested persons may also contact Heidi Meeker at (808) 784-5095, to have copies mailed to them.

If you require accommodations or auxiliary aid and/or service to participate, please call (808)784-5080, five business days prior to this meeting.

Pursuant to Sections 91-2 Department of Human Services to Chapter 17-2028, Hawaii

Background: Eligibility for requires that the applicant administered by the HPHA, Hawaii, or the Hawaii Housing Authority. This requirement currently seeks to amend the prohibition to pay rent, and do not on Urban Development (HUD) will assist in alleviating the

Public Review: The proposed at the following locations b

Hawaii Public Housing Authority 1002 North School Street, Honolulu, Hawaii 96817

Ka Hale Kahaluu 78-6725 Makolea Street Kailua-Kona, Hawaii 96744

Kapaa 4726 Malu Road Kapaa, Hawaii 96746

Public Hearings: Public hearing on

Hawaii Public Housing Authority 1002 No. School Street, Bl Honolulu, Hawaii 96817

Lanakila Homes Conference 600 Wailoa Street Hilo, Hawaii 96720

Kahekii Terrace Office/Conference 2015 Holowai Place Wailuku, Hawaii 96793

All interested persons are either orally or in writing.

Oral comments should be heard hearing will be considered hearing and prefer not to receive voicemail message.

Written comments may be Housing Authority. Attention comments may also be for comments not presented Wednesday, November 30.

Any person requiring assistance language or limited English the public hearings in order the address above or by call

Hakim Ouansafi Executive Director Hawaii Public Housing Authority Department of Human Services

HPHA does not discriminate ancestry, age, marital status

(SA925978 10/26/16

Court

Court

Court

Exhibit C

BOARD OF EDUCATION PUBLIC HEARING
 PROPOSED KALIHI TO ALA MOANA SCHOOL IMPACT FEE DISTRICT
 FARRINGTON HIGH SCHOOL
 NOVEMBER 2, 2016, 3:00 PM - 5:00 PM

| | NAME (Print) | COMPANY / ORGANIZATION | PHONE | EMAIL |
|------|---------------------|------------------------|----------|------------------------------|
| 1 | Amy Perruso Perruso | HSTA | 351-0980 | aperruso@hsta.org |
| -2 | Cheri Nakamura | HEFE Coalition | 375-5066 | cheri.nakamura@gmail.com |
| -3 | Michael Iosua | Imanaka As-10 | 571-9500 | miosua@imanaka-usato.com |
| 4 | Walter Kalini | Ston Interventiv | 2081123 | |
| 5 | Noelle Fujii | CIVIL BEAT | 304-2333 | noelle@civilbeat.org |
| 6 | Keoki Kerr | HSTA | 226-2908 | kkerr@hsta.org |
| 7 | Chris Schubert | " | " | cschubert@hsta.org |
| 8 | Cory Lum | CIVIL BEAT | 377-0243 | clum@civilbeat.com |
| -9 | Glenn Waka | Senate | 586-8585 | gwaka@capitol.hawaii.gov |
| 10 | Karen Dan | " | " | " |
| 11 | Colleen Matsumoto | DOE | | |
| 12 | Kerek Kamen | DJE | | |
| 1-13 | JOEY MANAHAN | CITY COUNCIL | 768-5007 | jmanahan@hawaii.gov |
| -14 | Katy Sokunam | DPR | 766-8053 | ksokunam@hawaii.gov |
| -15 | Romy M. CACHOLA | STATE HOUSE | 581-6010 | RCACHOLA@CITY.TULAHAWAII.GOV |

BOARD OF EDUCATION PUBLIC HEARING
 PROPOSED KALIHI TO ALA MOANA SCHOOL IMPACT FEE DISTRICT
 FARRINGTON HIGH SCHOOL
 NOVEMBER 2, 2016, 3:00 PM - 5:00 PM

| | NAME | COMPANY / ORGANIZATION | PHONE | EMAIL |
|----|--------------------|----------------------------|----------|----------------------------------|
| 16 | Melissa Paulick | Hawaii Public Policy | 447-1840 | hppoexec@hppo.org |
| 17 | Ka'ano'i Walk | | | kawalk@hawaii.edu |
| 18 | Ruth Silberstein | DOE | 733-4950 | ruth-silberstein@notes.k12.hi.us |
| 19 | CRAIG HIRAI | HHFDR | 587-0641 | craig.k.hirai@hawaii.gov |
| 20 | Herkell Lee Wyr Jr | Farrington High | 305-5000 | trin4588@ychoo.com |
| 21 | Corey Rosenlee | attended by didn't sign in | | |
| 22 | Laura Vines | " " " " | | |
| 23 | | | | |
| 24 | | | | |
| 25 | | | | |
| 26 | | | | |
| 27 | | | | |
| 28 | | | | |
| 29 | | | | |
| 30 | | | | |

BOARD OF EDUCATION PUBLIC HEARING
 PROPOSED KALIHI TO ALA MOANA SCHOOL IMPACT FEE DISTRICT

MCKINLEY HIGH SCHOOL

NOVEMBER 3, 2016, 5:00 PM - 7:00 PM

Testifying?

Y/N

| | NAME | | COMPANY / ORGANIZATION | PHONE | EMAIL |
|----|-------------------|----|------------------------|----------|---------------------------|
| 16 | Myrna Pulmano | N | McKinley HS | 536-0325 | |
| 17 | Kevin Carney | Y | EAA Housing | 523-8826 | |
| 18 | Kris Colford | Y? | Imm Alliance HISA | 674-7457 | |
| 19 | Noelle Fujii | N | AMI Boat | 304-2533 | |
| 20 | Lloyd F. Char | N | Public | 942-1448 | |
| 21 | Nike Hamasu | N | Colliers | 523-9792 | |
| 22 | VINIA | N | | | |
| 23 | Tom Schnell | N | PBR Hawaii | 561-7978 | tschnell@pbrhawaii |
| 24 | VINCENT SHIGEKUNI | N | PBR HAWAII | 521-5631 | vshigekuni@pbrhawaii.com |
| 25 | Jill Puleasi | N | Princess Kaiulani | 832-3160 | Jill_Puleasi@notes.k12.hi |
| 26 | CRAIG WIRAI | N | HHFDC | 587-0641 | cszigkhirai@hawaii.gov |
| 27 | SERY BERHANNU | N | HCDA | 393-7170 | SBERHANNU@GMAIL.COM |
| 28 | Melissa Pauliacu | N | hpps | 447-1840 | mpauliacu@hawaii |
| 29 | Dawn Kobayashi | N | Resident | 348-0390 | public policy |
| 30 | PAUL ALEX | | | | |

Harrison Rue

Y

Attended but did not
 sign
 CTC DPP

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-8041
DEPT. WEB SITE: www.honolulu.dpp.org • CITY WEB SITE: www.honolulu.gov

KIRK CALDWELL
MAYOR



ARTHUR D. CHALLACOMBE
ACTING DIRECTOR

KATHY K. SOKUGAWA
ACTING DEPUTY DIRECTOR

November 1, 2016

Mr. Lance A. Mizumoto
Chair and Boardmembers
Hawaii Board of Education
P.O. Box 2360
Honolulu, Hawaii 96813

Dear Chair Mizumoto and Boardmembers:

Subject: Testimony on proposed School Impact District
from Kalihi to Ala Moana

The Department of Planning and Permitting (DPP) **opposes** the proposed School Impact District from Kalihi to Ala Moana. However, the DPP welcomes the opportunity to work with the Department of Education (DOE) to refine the proposed district and impact fee to something we could support.

Over the past decade, the DPP and the State of Hawaii have been planning for transit-oriented development (TOD) around the future rail stations to concentrate development in the urban core and to offer housing and transportation choices for Oahu residents. Several State agencies are planning TOD projects on State lands around the stations.

Based on our understanding of the proposed School Impact District and the objectives of TOD, we offer the following comments:

- The boundaries of the District extend past what is generally considered for TOD (1/2 mile). The inclusion of this additional area is not necessarily consistent with the stated rationale for establishing the District.
- Creating one district covering multiple neighborhoods and school complexes poses equity concerns that should be considered. The collection of fees in one school complex area (e.g., a high-growth neighborhood) are not required to be spent in the same complex where the rationale for the fee exists.

- Impact fees are levied to mitigate a specific need generated by new development. However, the DOE report fails to specify particular projects that will be connected to the fee. Consequently, there is no guarantee that the fees will actually be used for their intended purpose.
- The proposed Kalihi-Ala Moana District fee of \$9,374 per unit will be more than twice as much (even with the urban exemption to use the actual, versus statewide, acreage per student in the formula) as the Leeward Oahu District fee of \$4,334. The calculation/collection of the fee per residential unit, instead of by residential square footage, disincentivizes the production of smaller, more affordable housing. Additionally, the higher fee encourages sprawl development by making urban Honolulu (where land costs are generally higher) even more costly when compared to Leeward Oahu (where land costs are generally lower). This structure is directly contrary to the City's established growth policies.
 - Within the constraints of Chapter 302A, Hawaii Revised Statutes (HRS), please consider an alternative approach: establishing a district (or districts) with an averaged fee across the Primary Urban Center, Central Oahu, and Ewa Development Plan regions, which are designated by the City for future growth on Oahu. The Development Plans' urban growth boundaries could serve as the boundaries for the School Impact District(s).
- Applying the fee to accessory dwelling units (ADU), affordable housing, and public housing will increase their production costs and, therefore, be counterproductive to their intended purpose. (In fact, the proposed fee is roughly equal to the ADU fees that the City recently waived to incentivize the production of affordable rental housing.) Conversely, treating luxury apartments differently also runs contrary to fostering an affordable environment by putting more burden on the remainder of development projects.
 - Within the constraints of the Chapter 302A, HRS, please consider at least reducing the student generation rates (SGR) for ADUs because it can be assumed that inhabitants of these units do not generally have many children living in these small units. In addition, please consider increasing the SGR for luxury apartments to match middle- and lower-income housing units.
- The DOE report assessed the general need for new school facilities based on current classroom capacity, but it failed to analyze the existing school facilities' ability for vertical expansion or horizontal expansion where space is available, as allowed under Chapter 302A, HRS. (Appendix C mentions amending Act 245 to allow for purchase of vertical square feet, which could potentially be in a non-DOE building. However, if the intent is to apply this to DOE properties, we point

Mr. Lance A. Mizumoto
November 1, 2016
Page 3

that the DOE already owns the air rights over its properties, so in essence, the DOE would be repurchasing its own property.)

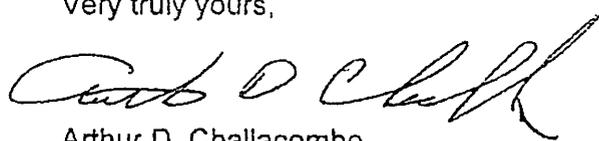
- o Please consider utilizing existing school property in an attempt to significantly reduce the fee amount. This approach would only require covering construction costs and not land. Chapter 302A of the HRS may need to be amended to allow for a higher percentage of the fee to be applied towards construction, including its use for rehabilitation of existing facilities. Regardless, this application seems more equitable given the circumstances.

In consideration of TOD, development will realistically occur incrementally over decades and is not anticipated to result in an overwhelming buildout of the neighborhoods in the near term. Larger developments that add significant numbers of residential units will require approval by the City Council or the DPP Director and, therefore, provide the opportunity to impose special conditions of approval that can address school facilities at that time.

We understand that the DOE must fund its schools, but the current proposal runs contrary to the objectives of TOD, and it will serve to inhibit affordable developments in the urban core. We look forward to working with the DOE to develop a revised proposal that fits with the City's growth policies.

Should you have any questions, please call me at 768-8000.

Very truly yours,



Arthur D. Challacombe
Acting Director

cc: Dann Carlson, DOE Assistant Superintendent
Kenneth Masden
Heidi Meeker



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



David Y. Ige
Governor

John Whalen
Chairperson

Aedward Los Banos
Interim Executive Director

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Website
www.hcdaweb.org

November 1, 2016

Ms. Heidi Meeker
Department of Education
State of Hawaii
Honolulu, Hawaii 96804

Dear Ms. Meeker:

Re: Proposed School Impact District from Kalihi to Ala Moana

The Hawaii Community Development Authority ("HCDA") has reviewed the proposed "Draft Analysis of the Kalihi to Ala Moana School Impact District" and largely supports the proposal with some added suggestions.

The HCDA agrees that the proposed impact fees will allow for the provision of schools to accommodate the projected student population growth and offered the following comments:

1. The impact fees for new developments should be based on square feet and not unit count only. Studies have shown that impact fees that do not take into account unit size and are simply based on unit count are regressive. An impact fee based on units is a flat fee system and brings issues of equity. That is, with the currently proposed system, a small dwelling unit of 600 square feet will pay the same amount as a luxury unit of 8,000 square feet. Over the long-run the larger units will underpay and the smaller units will over pay.
2. The impact fees should also be varied based on unit types. The proposed analysis assumes that most of the upcoming residential developments to be built within the impact district will be multifamily dwellings; and therefore; it proposes that the multifamily fee amount applies whether a unit is a single family or a multifamily dwelling unit. Even though the assumption is correct as this impact district is in the urban core, there are some lots that will have single family dwellings. If unit types are taken into account when calculating the impact fees the fees tend to be more fair and proportional to the impacts.
3. The proposed impact district map should be reviewed. It seems that some of the parcels outside the boundary area are served by the same schools as those within the boundary.

Ms. Heidi Meeker
November 1, 2016
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4. There is much need to develop affordable housing within the urban core in Honolulu and any additional cost to development of affordable housing makes it that much more challenging. We suggest that the Department of Education consider a graduated impact fee scale for affordable housing projects that try to reach the lower levels of affordability.
5. We suggest that the land value be based on neighborhoods instead of averaging of land costs from Kalihi to Ala Moana as it will be more equitable and a fair representation of market conditions.

In general, in order to proportionally distribute the impact fees various variables (i.e., unit size, type, configuration, location) should be taken into account. An impact fee that takes into account different variables will have a rational nexus and it will not negatively impact the development of housing.

Should you have any questions, please contact Mr. Deepak Neupane, P.E., AIA, Director of Planning and Development, at 594-0300.

Sincerely,



Aedward Los Banos
Interim Executive Director

ALB/DN/SB:



November 2, 2016

Mr. Dann Carlson, Assistant Superintendent
Hawaii State Department of Education
Office of School Facilities and Support Services
c/o Heidi_Mecker@hawaii DOE.org

RE: Draft Analysis of the Kalihi to Ala Moana School Impact District

Aloha Mr. Carlson,

Mahalo for allowing Mana'olana Partners to comment on the Draft Analysis of the Kalihi to Ala Moana School Impact District. Mana'olana Partners is currently developing Mana'olana Place, a hotel and residential condominium project on the corner of Kapiolani Boulevard and Atkinson Drive.

Mana'olana Place is located in the proposed Kalihi to Ala Moana School District Impact Fee Zone. According to the draft analysis, the per-unit Kalihi to Ala Moana school impact fee for each new residential unit in this zone should be \$584 for construction and 0.16 acres of land. Alternatively, the in-lieu fee for the land is calculated as \$8,790, which would allow for a total all-cash fee of \$9,374.

This calculation is based on the formula provided in Act 245, S.L.H. 2007, which multiplies the required acreage of land by land value per acre. The required acreage of land is determined by the average area needed for school facilities "based on the recent school construction averages" and the land value per acre is based on the appraisal for the land identified for the new school. Of course, the value per acre for urban areas is much higher than the value per acre in less densely populated areas such as Ewa Beach or Hilo. Consequently, impact fees will be much higher in urban districts than in rural areas.

Although the school impact fees are needed due to the expected increase of school-age residents in the Kalihi to Ala Moana district, the unusually high fees will undoubtedly have a substantial negative impact on the cost of residential units in the TOD area. The negative impact will likely cause a chilling effect on development in the TOD areas, including affordable housing units, which controverts the City's important growth plan for TOD areas. The impact fees assessed on residential units should be balanced with the City's plan to increase the supply of residential units in these target areas. Thus, the fee proposed in the draft plan must be reduced.

These suggested revisions may assist the DOE in striking a fair balance between the importance of these impact fees and the need to foster growth in these areas:

1. Reduce the land requirement for urban areas. Modern designs such as multi-level school facilities are encouraged in urban TOD areas. These school designs have a greater vertical component, meaning less land is required per student than for traditional single or two story facilities built in other areas. Because the cost of land is the main factor in the total cost of construction, reducing the land requirement in urban areas would significantly reduce the school impact fees in the Kalihi to Ala Moana district.



2. Calculate the land cost based on island-wide averages. According to the draft analysis, the value per acre used to calculate the land requirement for in-lieu fees is based on the cost of the land identified for the new school facilities. This higher land cost for urban districts will almost always result in much higher land requirement fees in urban areas due to the higher cost of land. However, this places a disproportionate burden on residential unit purchasers in TOD areas (especially affordable unit purchasers), discourages developers from building in the City's core areas and leads to gentrification as the higher impact fees in urban areas may price non-luxury unit purchasers out of the market.

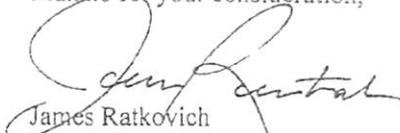
However, if the value per acre was based on an island-wide average, residential unit owners would all share in a more reasonable fee and there would be a greater emphasis on building in strategic areas such as TOD. Further, an island-wide value per acre would reduce the likelihood of gentrification in the urban areas.

There is precedent for this type of averaging as the cost of impact fees for other services is often averaged to offset the higher actual cost of construction in rural areas. For example, the cost of installation for sewer lines and other utilities on a per unit basis is higher in rural areas, but unit owners pay essentially the same costs anywhere on Oahu due to the averaging. The same policy can be applied for schools, especially since the Hawaii school district is not based on municipal boundaries.

3. Allow renovation/upgrades to existing facilities for increased size. Based upon Act 245, S.L.H. 2007, school impact fees cannot be used to upgrade or renovate existing facilities. Assumedly, the reason for this limitation is to focus impact fees on increasing capacity. However, this rule limits the possibilities for greatest use of school land. Schools in the Kalihi to Ala Moana district, including Farrington and McKinley High School sit on valuable urban land. The cost to purchase the same amount of land in the urban core at today's value would be substantially greater. Conversely, using impact fees to upgrade these two schools to modern designs, including multi-level buildings, would significantly reduce the land cost and consequently the total cost of construction.

Mana'olana Partners is greatly concerned that DOE's current calculations for the Kalihi to Ala Moana school impact zone will negatively impact development of residential, especially affordable, housing units in this area. Though there may be limitations in Act 245, S.L.H. 2007 that may need to be amended in order to implement the above revisions, we strongly encourage you to consider these suggestions and explore other potentially viable options for reducing the impact fees to a more reasonable amount.

Mahalo for your consideration,


James Ratkovich
Mana'olana Partners



November 2, 2016

Board of Education

Hearing: November 2, 2016

Time: 3:00 PM.

Subject: Proposed DOE Impact Fee Kalihi to Ala Moana School Impact District

TESTIMONY IN OPPOSITION

Chair Mizumoto and members of the Board:

Thank you for this opportunity to submit testimony in Strong Opposition to the proposed School District Impact Fee of \$9,370 per housing unit in the four-mile area along the eastern most path of Honolulu Area Rapid Transit in urban Honolulu.

I am Kevin Carney, Vice President of EAH Housing. EAH is a 48 year old non-profit public benefit corporation whose mission is to develop, manage and promote affordable rental housing. We are one of the largest non-profit affordable rental housing developers in the western United States. We have developed over 95 affordable rental properties, manage over 100 rental properties and we serve over 20,000 residents in communities in Northern California and Hawaii. The people we serve are primarily those with incomes at or below 60% of the area median income (AMI).

As we understand it the fee would be applicable to housing developments of 50 units or more with the only exception applied to senior housing developments that prohibit children. We also understand that the fee is applicable to for-sale and rental housing with no regard to type of market being served.

We are opposed to this fee because of the additional cost it places on already very difficult to develop low-income rental housing. We trust that you are aware of the housing crisis that is impacting all our islands. Studies show that the greatest need for housing is at or below the 80% level of AMI. At that level of income we are typically referring to rental housing although there are a few non-profits that produce for-sale housing at the 80% level but not on a large scale. In order to make our 60% AMI rental projects financially feasible we need free land and large subsidies. Our rents are fixed by the Department of Housing and Urban Development (HUD). Our largest source of equity is the Low Income Housing Tax Credit Program which is detailed in IRS Code 42. This equity source is typically supplemented by the State's Rental Housing Revolving Fund, HOME Program Funds, Community Development Block Grant Funds and other non-recourse funds that may be available at the county level. In order to pay the DOE proposed impact fee we would have to rely on these types of sources which are limited and in most cases competitive.

Of immediate concern to us is the potential disastrous impact this fee could have on projects we currently have in the pipeline. Depending on when the fee is implemented it could kill or seriously delay the development of 186 affordable rental units in the Kakaako area.

We understand that the DOE is restricted by law and has no flexibility in negotiating a fee that might be more applicable to the type of housing that we provide. At the very least we would like the fee to be deferred to take effect after the next state legislative session. This would give us and other housing advocates an opportunity to approach the legislative about either a waiver for low-income rental housing or a reduced fee.

Thank you for hearing our concerns.

Sincerely,

A handwritten signature in cursive script that reads "Kevin R. Carney". The signature is written in black ink and is positioned above the typed name.

Kevin R. Carney, RB-16444
(PB), NAHP-E
Vice President, Hawaii
EAH Housing, RB-16985



The Hawaii State Department of Education (HIDOE) School Impact District spanning Kalihi to Ala Moana

Bob Fard

to:

heidi_meeker@notes.k12.hi.us

11/03/2016 10:41 AM

Cc:

Bob Fard

Hide Details

From: Bob Fard <Bob.Fard@rhf.org>

To: "heidi_meeker@notes.k12.hi.us" <heidi_meeker@notes.k12.hi.us>,

Cc: Bob Fard <Bob.Fard@rhf.org>

Aloha Ms. Meeker,

My name is Bob Fard and I represent the developer working in collaboration with HPHA on their 6.6 acre School St. site. As a non-profit, faith based, affordable housing developer nationwide, we face constant challenges in our efforts to provide safe, affordable communities for families and our elderly population who make less than Average Median Income (AMI) in their respective area. Due to the disparity of construction costs and statutorily mandated "affordable rents", Hawaii poses one of the most challenging markets in the U.S. to deliver affordable housing—which may explain the current housing crisis underway in Hawaii.

Although senior housing is typically exempt from school fees, we respectfully request that *any* affordable housing project be exempt from school fees on our site. Ideally, we would want to see the HPHA School St project be exempt altogether from this proposed District. School fees would introduce yet another layer of costs which further inhibits our efforts and would probably result in reducing the number of affordable units being constructed. Unlike market rate developers who can generally pass costs on to their future tenants via higher rents, affordable housing has HUD statutory limits on the amount of rents we can charge residents which means any increase in costs/fees directly results in cutting unit counts, amenities, services or worse—abandoning the project altogether. We look forward to working with HIDOE, HPHA and the State of Hawaii in delivering much needed quality, affordable housing for the people of Hawaii. Thank you for your time and consideration. I am available to discuss further at your convenience.

Sincerely,
Bob Fard

Bob Fard
Director of Acquisitions



Retirement Housing Foundation
911 N. Studebaker Road
Long Beach, CA 90815-4900
Direct: 562-257-5352
Fax: 562-493-7042
bob.fard@rhf.org
www.rhf.org

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46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

TESTIMONY FOR HAWAII STATE DEPARTMENT OF EDUCATION,
KALIHI TO ALA MOANA SCHOOL IMPACT FEE DISTRICT

Thursday, November 3, 2016, 5:00 PM
McKinley High School

I am Kris Coffield, representing IMU Alliance, a nonpartisan political advocacy organization devoted to advancing education, socioeconomic equality, and human rights. On behalf of our members, we offer this testimony in strong support of establishing the Kalihi to Ala Moana school impact fee district.

In comparison to school districts of similar size and demographic composition, Hawai'i ranks 227th in per-pupil funding *before* adjusting for cost of living, according to a Ballotpedia analysis of public school spending, at \$11,823 per child. Washington D.C., New York City, Boston, Pittsburgh, and Cincinnati school districts, for example, spend nearly twice as much as Hawai'i per pupil, at well over \$22,000 to over \$26,000 per student. Similarly, local private schools, discounting Catholic institutions, spend nearly \$19,173 dollars per student, with Punahou President Jim Scott revealing, in 2014, "The real cost of our education per student is \$26,000," owing to the school's then-total endowment of \$235 million and fundraising operations of \$12-\$15 million annually.

Our state must consider all possible ways to plug our education funding deficit, including the expansion of school impact fees, which could finance new or existing public school facilities as demand for such facilities increases, including through new residential properties spurred by transit oriented development (TOD). Pursuant to HRS §302A-1601 through HRS §302A-1612, the Board of Education may establish districts in which impact fees are to be applied, with new developers of residential properties in those districts then required to contribute to constructing school facilities that serve the ensuing influx of families and students. There are two types of fees established in state law: construction cost component impact fees and land component impact fees. Put simply, the former are fees paid for the construction of new school facilities, while the latter involve fees paid in lieu of or actual acreage given to the Department of Education to offset the cost of vacant land suitable for a school site. Since new residential developments within designated impact fee districts

create additional need for public school facilities, developers are required to contribute toward the creation of new school space through both of the aforementioned means.

Both the land and construction requirements are based on a proportionate share of the need to provide additional public school facilities, consistent with fair-share principles. New residential developments are not charged for higher levels of service than existing developments demand, which is borne out by the DOE imposing fees based on averages taken from recently built and comparable developments. Notably, construction cost component impact fees, per state law, involve ten percent of the share of the construction cost for a required new school or expansion of existing school facilities—or both—that is attributable to a specific new residential development, with the cost per student meaning the average of actual school construction costs divided by the respective design enrollments (maximum number of students a school facility is designed to accommodate) for schools constructed within approximately the last ten years. Using data from 1997-2007, state law further codifies the construction cost component impact fee averages for different school types as follows:

- (1) Elementary schools: \$35,357 per student;
- (2) Middle and intermediate schools: \$36,097 per student; and
- (3) High schools: \$64,780 per student.

Ergo, the average contribution per student to a developer varies, depending on the type of school(s) being built to accommodate relocating families. In the Kalihi to Ala Moana impact fee district, the total all-cash fee would be \$9,374 per unit, obtained through \$584 for construction and \$8,790 in fees in lieu of land (if charged).

Kaka'ako, an area covered by this proposal, is set to be filled with freshly designed high-rise projects. Nearly 5,000 new condominium units are scheduled to be built by 2018 in Kaka'ako, with the population of the district expected to double to 30,000 people in the next fifteen years, according to the Honolulu Community Development Authority. DOE officials are considering all possible answers to school capacity questions posed by new developments, including mixed use schools that cater to grades K-12 and rededicating unused space at schools operating below their design enrollment—McKinley High School's maximum capacity is 2,100 students, for example, but enrollment is just over 1,600, leaving room for an additional 500 students. These strategies are not demographically sustainable, however, raising the urgency of creating alternative financial instruments to subsidize new schools. TOD,

as previously stated, only exacerbates school capacity problems, as transit hubs incentivize residential and commercial development to accompany the high-traffic, convenient, and readily accessible rail line.

Affordable housing advocates maintain that the impact fee in question may impede forthcoming housing projects. Yet, with regard to affordable housing, it's important to remember that poor people deserve quality schools, perhaps more than their wealthy peers from a social justice perspective. Our state should be willing to provide additional financial assistance through housing-related special and revolving funds, if necessary, to ease developers' concerns about project cost escalations and overruns, so that low socioeconomic status families may send their students to 21st century schools—especially since numerous studies show that socioeconomic status is the biggest determinant of student success.

Therefore, we support the codification of the Kalihi to Ala Moana school impact fee district to address capacity concerns as TOD moves forward. To be frank, we would like to see impact fees established statewide, allowing the department to prevent school overcrowding and facilities dilapidation before it begins. It shouldn't take a falling roof at Farrington High School or the 1,300-student overload at Campbell High School to spur us to act. Additionally, we note that the list of permissible uses for impact fees collected in the urban core, including the Kalihi to Ala Moana district under consideration, was expanded by the legislature in 2016, with the department now being allowed to use revenue generated by the fees for completed construction, constructing new school facilities, leasing land or facilities, or improving or renovating existing structures for school use—a new opportunity for the DOE, as impact fees are not allowed to be used for existing school structures in other impact districts. We hope that in the near future, the Legislature extends these permissions for all impact districts to maximize the department's ability to, again, prevent capacity and facilities problems before they become an education emergency.

Imagine a society in which our schools are the sign and signal of Hawai'i's highest standards of excellence. To realize that vision, we support this proposal.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
530 SOUTH KING STREET, ROOM 202
HONOLULU, HAWAII 96813-3065
TELEPHONE: (808) 768-5010 * FAX: (808) 768-5011

CAROL FUKUNAGA
HONOLULU CITY COUNCIL, DISTRICT 6
PHONE: 768-5006 FAX: 768-1199
EMAIL: cafukunaga@honolulu.gov

November 3, 2016

Heidi Meeker, Planner
Department of Education
1390 Miller Street
Honolulu, Hawaii 96813

Dear Ms. Meeker:

Thank you for the opportunity to submit written testimony on the Department of Education's proposed School Impact District from Kalihi to Ala Moana.

I welcome Department of Education's evaluation of projected growth within the school impact district in order to identify the level of school facilities needed and the best means of financing them. With the State of Hawaii's interest in developing affordable, senior, and permanent supportive housing on its properties in transit-oriented development (TOD) neighborhoods spanning Kalihi, Downtown and Ala Moana, a public discussion of how best to meet projected growth requirements for educational facilities is especially timely.

Through the Hawaii Inter-agency Council for Transit-Oriented Development, state and county policymakers can pursue stronger coordination/planning between state-county agencies, community stakeholders, property owners and business development interests within the transit route and TOD neighborhoods. Improved coordination is critical for key areas like public infrastructure (e.g., sewer, water, drainage, roads and related county upgrades) and for improvements in educational, employment/social services and public recreational amenities that enhance the quality of life in Kalihi to Ala Moana TOD communities.

For example, the City Council adopted **Ordinance 16-26** (2016), which offers state or county housing projects density/development bonuses that are similar to those involving catalytic, market-rate projects under the City's *Interim Planned Development-Transit* law (**Ordinance 14-10**).

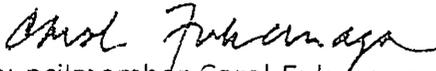
This approach helps to fast-track "public housing projects" (or residential or mixed-use developments housing projects with a significant affordable housing component undertaken by the Housing Finance Development Corporation, Hawaii Public Housing Authority, city housing agency, or their designated developer pursuant to a partnership or development agreement) so that planning/coordination for public

infrastructure and other educational, social services and recreational amenities can be included as part of the community enhancements developed for that community.

As city and state policymakers refine the ranges of affordable housing sought for TOD neighborhoods, I hope our efforts will also help the Department of Education in quantifying the educational facility needs for the Kalihi to Ala Moana School Impact District.

Mahalo for this opportunity to submit comments on the Department's impact fee proposal.

Sincerely,



Councilmember Carol Fukunaga

District 5 (Makiki/Punchbowl, Papakōiea, Downtown
Chinatown, Kakaako, Paūa, Nuʻuanu, Liliha, Alawa,
Kamohamaha Heights, Kalini Valley, Aiea, and Moana ua)