



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

OFFICE OF THE SUPERINTENDENT

January 17, 2012

TO: The Honorable Wesley Lo, Chairperson
Board of Education

FROM: *K. Matayoshi* Kathryn S. Matayoshi, Superintendent

SUBJECT: Designation of Leeward Oahu School Impact District

1. RECOMMENDATION

It is recommended that Leeward Oahu (the Aiea, Pearl City, Waipahu, Campbell, and Kapolei complexes), as outlined on the map on the cover page of Exhibit A, be designated as a school impact district pursuant to Chapter 302A-1604, Hawaii Revised Statutes.

2. RECOMMENDED EFFECTIVE DATE

It is recommended that the designation become effective upon approval by the Board of Education.

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

It is recommended that the effective date (the start date for the imposition of impact fees) be April 1, 2012.

4. DISCUSSION

a. Conditions leading to the recommendation

Act 245 (2007) established the statutory basis for determining geographic areas within which new residential developments create additional demand for public school facilities. New residential developments within these "school impact districts" must contribute toward the construction of new or expansion of existing public school facilities.

Prior to Act 245, the Department of Education had implemented a "fair share" formula for determining the contribution of land and/or cash that developers would pay to the Department for the construction of new or expanded Department school facilities. Because the Department did not have statutory authority for exacting such

contributions, the contributions were made pursuant to a condition placed by the Land Use Commission on reclassifications of land into the urban district or by the counties on general plan, community plan, or rezoning approvals. The condition required the developer to enter into an "educational contribution agreement" with the Department to contribute to the Department land and/or cash that would be applied toward the development of new or expanded schools.

Act 245 has been incorporated into the Hawaii Revised Statutes as Chapter 302A-1601 through 1611.

Pursuant to Chapter 302A-1604, the Department prepared a written analysis to support the need to construct new or expand existing school facilities in Leeward Oahu (defined for this purpose as the area encompassed by the Aiea, Pearl City, Waipahu, Campbell, and Kapolei complexes and including the not-yet-developed areas known as Koa Ridge and Waiawa Ridge) within the next 25 years to accommodate projected growth in the area based on various state and county land use, demographics, growth, density, and other applicable plans, and a map of the proposed school impact district. This analysis is attached as Exhibit A.

Chapter 302A-1604 requires the Board to hold at least one public hearing in the area proposed for the school impact district. The Department held a public hearing on the proposed Leeward Oahu school impact district at Waipahu High School on December 28, 2011. The public hearing was attended by six members of the public, including the Waipahu High School principal. The sign-in sheet is attached as Exhibit B. No written testimony was submitted at the meeting. DOE staff responded to questions. None of the questions or discussion, or the written testimony received from two individuals prior to the meeting, were related to the appropriateness of the proposed Leeward Oahu school impact district.

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

At its November 15, 2011 general business meeting, the Board approved the holding of a public hearing on the proposed Leeward Oahu school impact district.

At its November 18, 2010 general business meeting, the Board approved the designation of the West Maui and Central Maui school impact districts.

At its April 15, 2010 general business meeting, the Board approved the designation of the West Hawaii school impact district.

c. Other policies affected

None.

d. Arguments in support of the recommendation

The designation of the Leeward Oahu school impact district as proposed will provide clear and consistent direction to owners and developers of residential and to-be-designated residential property of their obligation to assist in the provision of school

facilities that will be needed to support students who will live in the proposed development or on a currently-vacant residential lot.

e. Arguments against the recommendation

None.

f. Findings and conclusions of the Board committee

The Committee on Finance and Infrastructure voted at its January 10, 2012 recommend the Board approve the designation of Leeward Oahu (as defined above) as a school impact district.

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

None.

h. Possible reaction of the public, professional organizations, unions, DOE staff and/or others to the recommendations

Those who support the premise that developers should contribute toward the cost of new and expanded school facilities will be pleased. Developers will agree that predictability is important and will generally prefer that the proposed Leeward Oahu school impact district be adopted, rather than having the Department continue with individual educational contribution agreements developer-by-developer. Developers of projects with fewer than 50 units and owners of single residential lots are not now subject to a requirement for an educational agreement. They will be subject to contributing toward new and expanded schools once the proposed Leeward Oahu school impact district is adopted, and they are likely to be unhappy.

i. Educational implications

None. The recommended Leeward Oahu school impact district implements Act 245, which was enacted to codify the Department's "fair share" approach to having developers pay for a portion of the cost of new and expanded schools. Act 245 was designed to be cost-neutral, in that it was not intended to have private landowners provide more resources for expanded school facilities that they were providing under the Department's "fair share" program.

j. Personnel implications

None.

k. Facilities implications

None.

I. Financial implications

None.

5. OTHER SUPPLEMENTARY RECOMMENDATIONS

None.

KSM:RGM:ck

Exhibits:

- A – Analysis of the Leeward Oahu School Impact District.
- B – December 28, 2012 public hearing sign-in sheet.

c: Office of School Facilities and Support Services