

## **School impact fees for West Hawaii postponed | Hawaii247.com**

### MEDIA RELEASE

The collection of school impact fees in West Hawaii is postponed until further notice.

The state Board of Education approved the department's recommendation to create the state's first "School Impact District" in West Hawaii at its April 15, 2010 meeting. Pursuant to law, school impact fees are to be paid to the DOE to help offset the cost of land and construction costs for new schools.

The West Hawaii school impact district encompasses nearly all of the North Kona and South Kohala judicial districts.

Act 245, which was signed into law in 2007, requires the BOE to designate "school impact districts" where school enrollment growth is expected to create the need for new or expanded schools over the next 25 years.

Currently, developers provide "fair-share contributions" of land and cash to the DOE for new schools. Depending on the type of unit being built and the land value, the proposed impact fees will be assessed at a rate of several thousand dollars per dwelling unit.

By law, school impact fees are designed to collect from home builders the increased need for school land and the cost for new school construction that their projects generate. Act 245 was an attempt by the state Legislature to increase both consistency and transparency in the determination of "contributions" from developers.

If all of the residential projects presently envisioned for the proposed West Hawaii school impact district materialize, DOE projects that between nine and 18 new schools will have to be built by 2035.

According to the act, developers of residential units in the school impact district would have to satisfy the impact requirements before they will be issued a residential building permit by the county.

The DOE estimates the fee would be between \$3,000 and \$5,000 for a single-family dwelling unit and between \$1,500 and \$3,000 for a multifamily dwelling unit. Fees would be adjusted every three years, based on construction cost index.

For projects with 50 or more units, residential developers would sign an agreement with the DOE to provide land for schools, or a fee-in-lieu of land, as well as a construction fee before receiving its land entitlements.

Act 245 (2007) covers all residential development, including homes built by individual lot owners. The law exempts those residential units that by deed covenant prohibit occupancy by school-age children and any form of housing (timeshares) obliged to pay the transient accommodations tax.

The DOE held public hearings on the proposal in Kona in November 2008 and April 2009. At the Jan. 11, 2010, and Feb. 25, 2010, BOE Administrative Services meetings, testimony was presented by representatives of West Hawaii and statewide real estate development groups, and the Hawaii County mayor's office.

