

# **FISCAL IMPACT STUDY**

**PLAINFIELD PIKE:  
PROPOSED RESIDENTIAL DEVELOPMENT**

**CITY OF CRANSTON, RI**

**FOR:**

**AR DEVELOPMENT COMPANY**

**PREPARED BY: JDL ENTERPRISES -  
JOSEPH D. LOMBARDO, AICP**

**JUNE 2022**

## **INTRODUCTION ~**

This Fiscal Impact Study (FIS) has been prepared to supplement a Major Land Development Application for a planned Residential Development. Plainfield Pike is proposed as a 180-unit Residential Development accessed off of Plainfield Pike in Cranston, Rhode Island. The subject parcel is AP 37 Lot # 14 and comprises 9.15 acres of land. The FIS will use the per capita multiplier method for estimating anticipated public revenues and expenses associated with the proposed development. The per capita multiplier is a generally accepted planning method to complete this study for review by the City of Cranston. The FIS will attempt to estimate both future revenues and expenses utilizing past and present statistics and financial data from a variety of sources, to be noted.

## **SUMMARY ~**

**The City of Cranston will realize total estimated Revenues of \$499,860 from Property Taxes on an annual basis with the development of the proposed at Plainfield Pike. By subtracting the total expense estimate of \$416,868 from the total anticipated revenue of \$499,860, the City of Cranston will actually realize a Net Revenue Gain of \$82,992 with regard to expenses and revenues on an annual basis with the full development at Plainfield Pike.**

## **BASELINE INFORMATION ~**

In order to begin the FIS, baseline information needs to be presented, including; population, housing units, Town budget numbers, and school age children. The following table presents this information, and will establish per capita multipliers for Cranston, and this particular development proposal at Plainfield Pike.

**TABLE # 1:  
PER CAPITA MULTIPLIERS - BASE YEAR OF 2022 - CITY OF CRANSTON**

	<b>PUBLIC SCHOOL PUPILS</b>	<b>MUNICIPAL BUDGET</b>	<b>SCHOOL BUDGET</b>	<b>HOUSING UNITS</b>	<b>POPULATION</b>
<b>TOTAL</b>	10,258	\$130,211,569*	\$169,641,583*	32,969	81,259
<b>PER HOUSEHOLD</b>	N/A	\$1,602*	N/A	2.46	N/A
<b>PER PUPIL</b>	N/A	N/A	\$16,537	0.31	

NOTES: \* Source: Town of Cranston Town Budget: FY 2021-22 Budget, not including debt  
Pupils: RI Dept of Education as of October 1, 2021  
School Budget is City contribution to Cranston School District  
Housing Units & Population from: Housing Fact Book – Housing Works RI 2021  
Cranston received \$68,914,704 in State Aid for Education

Therefore, in summary, the Per Capita Multipliers for Cranston are:

➤	Municipal Budget per capita.....	<b>\$1,602</b>
➤	Revised Municipal Budget per capita .....	<b>\$1,280</b>
➤	School Budget per capita .....	<b>\$16,537</b>
➤	Population Multiplier per household .....	<b>2.46</b>
➤	School age multiplier per household.....	<b>0.31</b>

Revised Municipal Multiplier @80% due to private services provided by the development and typical projected expenses will not occur as this site development is maintained by a private developer/owner versus typical residential development that has town roadways and public works related expenses on site.

## **PLAINFIELD PIKE DEVELOPMENT ESTIMATES**

Based on the per capita multipliers presented above, Table 2 presents the anticipated population projections for Plainfield Pike – Residential Development:

**TABLE # 2: POPULATION PROJECTIONS -  
PROPOSED PLAINFIELD PIKE DEVELOPMENT - 2022  
TOWN OF CRANSTON**

	PER UNIT	# OF UNITS	TOTALS
POPULATION - STUDIO	1.00	57	57
POPULATION - 1 BDR	1.50	64	96
POPULATION - 2 BDR	2.05*	59	121
<b>TOTALS</b>		180	274

\* The per capita population estimates of 2.05 for the 2-bedroom units reflect national, regional and local residential housing data, particularly as illustrated in Appendix F and G, and as described below.

In order to determine the school age children that may result from a development such as proposed, normally it can be expected to mirror the national, regional and more closely, local state averages of 0.05 students per household, or 5 students per 100 households. To verify the number of school age children that may result from a development such as proposed, numerous studies over the past 10-12 years have shown this to be an average rate of school-age children.

Similar ratios have been determined to exist in several other Apartment & Condominium developments around the state and nearby Connecticut (Refer to Appendix C), notably Greenwich Place and River Farm in Cranston (Refer to Appendix B & D). With regard to apartment complexes, at Cumberland Crossing, a 258-unit two-bedroom style apartment complex, there were only 14 school age children residing at that location in Cumberland in 1806. (See Appendix A & E for additional information on apartment complexes).

Appendix F is a recent compilation of the existing Apartment & Condominium developments in Smithfield, RI which also indicates similar ratios for school age children in that community. Thus, to estimate the school age children that may result from the proposed residential development as proposed for Plainfield Pike, it can be expected to mirror 0.05 students per household or 5 students per 100 households that have been determined to exist Cranston.

Thus, at 0.05 students per household for the 59 two-bedroom units, **four (4) students** would be expected from the residential development proposed within the Plainfield Pike development. That is primarily due to the proposed design of two (2) bedroom units that typically do not attract or retain families with children as potential residents, and in particular, neither the studio nor the one (1) bedroom units. (Refer to Appendix G – Empirical data from AR Development Company)

A total of **274** people (including the school age children) will be projected to be residents. Review of Conclusions from the Addendum will substantiate the projected number of school age children from the proposed residential development. The projected school-age children will be spread between the City's' elementary, middle and high school, during any particular school year.

## **PLAINFIELD PIKE REVENUE ESTIMATES ~**

Based on the projections presented above in Tables 1 & 2, Table 3 presents the projected total municipal revenue for the Residential Development:

**TABLE # 3:  
TOTAL PROJECT REVENUE PROJECTIONS -  
PLAINFIELD PIKE RESIDENTIAL DEVELOPMENT –  
BASE YEAR OF 2022  
TOWN OF CRANSTON**

		ASSESSED VALUE *	TAX RATE *	UNITS	TOTAL REVENUE PER UNIT	TOTAL REVENUE
<b>RESIDENTIAL MULTI-FAMILY UNITS MARKET RATE</b>		\$100,000/Unit Average	\$27.77/ \$1000	180	\$2,777	\$499,860
Studio, 1 bdr & 2 bdr units						
<b>TOTALS</b>				180		\$499,860

+ Per AR Development Co – Plainfield Pike

\* Per Town of Cranston Tax Assessor's Office 2022 – Residential rate: 6+ unit building @100%  
Multi-family buildings @average of \$100,000 reflecting similar nearby apartment's assessments

**Total gross revenue from the proposed residential development at  
Plainfield Pike is: \$499,860**

## ADDITIONAL REVENUE ~

**There will be one-time fee revenue collected for Building Permits, Water and Sewer connections, and Site Plan Review that will accrue to the community for the building and construction of the Plainfield Pike project.**

## PLAINFIELD PIKE EXPENSES ESTIMATES ~

Based on the per capita multipliers and population and school age children projections presented above, Table 4 presents the projected total municipal expenses for the Plainfield Pike Development:

**TABLE # 4:  
TOTAL PROJECT EXPENSES PROJECTIONS –  
PLAINFIELD PIKE  
TOWN OF CRANSTON - 2022**

	SCHOOL PUPILS	MUNICIPAL BUDGET	HOUSING UNITS	POPULATION
TOTAL	4	N/A	180	274
PER CAPITA	N/A	\$1,280*	Varies	N/A
PER PUPIL	\$16,537 <sup>+</sup>	N/A	---	N/A
TOTAL EXPENSES	\$66,148	\$350,720	N/A	N/A

\*Revised Municipal Multiplier @80% due to private services provided by the development

<sup>+</sup> School Multiplier reflects City contribution only and does not include RI State Aid contribution towards the total school budget.

Therefore, the actual cost to the City for school and municipal expenses for the proposed residential project is **\$416,868.**

The municipal expenses highlighted above in Table 4 are conservative as some of that projected expense will not occur as this site development is maintained by a private developer/owner versus typical residential development that has City roadways and public works related expenses on site.

**PLAINFIELD PIKE ANTICIPATED  
REVENUE AND EXPENSE COMPARISON~**

Based on information and statistics presented above in Tables 1-4, Table 5 presents a comparison of the projected total municipal revenue with total projected expenses for Plainfield Pike, as anticipated:

**TABLE # 5:  
PLAINFIELD PIKE REVENUE AND EXPENSE COMPARISON –  
BASE YEAR OF 2022 - CITY OF CRANSTON**

	TOTAL MUNICIPAL COSTS	TOTAL SCHOOL COSTS	TOTAL COSTS	TOTAL ESTIMATED REVENUE	NET RESULTS
TOTAL PROJECT	\$350,720	\$66,148 (4 students)	\$416,868	\$499,860	\$82,992

**SUMMARY ~**

The City of Cranston will realize total estimated Revenues of \$499,860 from Property Taxes on an annual basis with the development of the proposed at Plainfield Pike. By subtracting the total expense estimate of \$416,868 from the total anticipated revenue of \$499,860, the City of Cranston will actually realize a Net Revenue Gain of \$82,992 with regard to expenses and revenues on an annual basis with the full development at Plainfield Pike.

*Joseph D. Lombardo, AICP*  
JDL ENTERPRISES  
DATE: June 2022



## **ADDENDUM – CONCLUSIONS RE: MULTIFAMILY HOUSING & SCHOOL AGE CHILDREN**

In order to determine and substantiate the number of school age children that may result from a residential development of apartments or Apartment & Hotels, normally it can be expected to mirror the national, regional and more closely, local state averages. Empirical data collected over the past 10 years primarily in Rhode Island and a lesser degree from Connecticut, a ratio of 0.05 students per household, or 5 students per 100 households has been verified numerous times.

To verify the number of school age children that may result from any such development that is to be newly constructed, in densities exceeding 50 units, contain one- and two-bedroom units, the selection of the developments to study over the years of research of similar type developments is key.

Usually this involves an inquiry to the local School Department or bus company to quantify the number of students residing in the various selected residential developments. This will produce a ratio of school age children per 100 units to be used as a multiplier. These ratios have been determined to exist in numerous Apartment & Hotel and apartment developments throughout Rhode Island and Connecticut over the past 10 years.

Based on a recent study in October of 2011 by Community Opportunities Group, Inc. for the Town of Maynard, MA, the following findings and conclusions verify and substantiate the projection of a ratio of 0.05 students per household, or 5 students per 100 households:

- Statistics derived from the Census Bureau's new American Community Survey (ACS) indicates virtually no school-age children in one-bedroom units, and very few in two-bedroom multi-family units
- Households in new multifamily housing are quite different from their counterparts in older multi-family developments. The differences range from household size and composition to household income and employment characteristics. A key factor separating new from old developments is that the former are frequently designed to cater to childless households.
- The number of school-age children in new multi-family housing is driven primarily by the size of the dwelling units (number of bedrooms) and whether the units are subject to age restrictions. For non-age-restricted housing, two-bedroom units attract a mixed population, including some families with school-age children; and one-bedroom units rarely have dependent children, especially older children.

In addition to unit sizes, new multi-family developments have a lesser tendency to attract families based on:

- *Density.* Higher - density developments tend to have fewer children of any age than lower density developments. This seems to correlate with unit size because very high-density developments are usually dominated by one- and two-bedroom units.
- *Other choices in the housing market.* Since new multifamily developments are so often designed to discourage family occupancy, families seeking rental housing will choose other options if available in the same market area
- *Housing costs.* In a given market area, the higher the rent, the more likely it is that a renter household will not have school age children
- *Older multi-family dwellings* are more likely to house families with children because they are relatively small buildings with yards, and the rents (or Apartment & Hotel sale prices) tend to run below market. Families that can afford to own a home generally purchase one.

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IN SUMMARY, statistics gathered in a broader manner for an entire community may not accurately reflect the anticipated number of school age children that will be residents of newly constructed, more dense multi-family housing. Townwide averages blend all multifamily residents and do not account for the large differences that determine the choices a family with children will make based on age, density, amenities and most importantly, number of bedrooms. There have been very few studies completed in the three-state region (MA, RI & CT) during the past 10-15 years to really assist any particular community to assess the impact of school age children that may reside in a proposed residential development. Given all the specific and detailed data collection prepared by JDL ENTERPRISES and the chosen methodology, there is a higher degree of confidence in predicting school age children for a new development, such as proposed for the City of Cranston, RI than attempting to utilize generalized older studies that do not reflect the actual project being reviewed by the community.

**Appendix A**  
**COMAPARABLE APARTMENT COMPLEXES**  
**SCHOOL AGE CHILDREN (SAC)**

<i>COMMUNITY</i>	<i>APARTMENT NAME</i>	<i>TOTAL UNITS</i>	<i>SCHOOL AGE CHILDREN</i>	<i># SAC PER 100 UNITS</i>
<b>Cranston</b>	Springfield	216	9	4.1
<b>No. Prov.</b>	Windsor	240	6	2.5
<b>Warwick</b>	Villa Del Rio	391	25	6.3
<b>Warwick</b>	Briarwood Meadows	456	6	1.3
<b>Providence</b>	Centre Place	225	2	.8
<b>Narragansett</b>	Pier Village	99	0	0
<b>W. Warwick</b>	Greenwich Place	168	15	8.9
<b>TOTALS</b>		1794	63	3.5

Source: Community Impact Study for South County Commons, LLC, So. Kingstown, RI  
By Dan Varin – March 1803

**Appendix B**  
**COMAPARABLE APARTMENT &**  
**HOTEL/APARTMENT COMPLEXES**  
**SCHOOL AGE CHILDREN (SAC)**

<i>COMMUNITY</i>	<i>DEVELOPEMNT NAME</i>	<i>TOTAL UNITS</i>	<i>SCHOOL AGE CHILDREN</i>	<i># SAC PER 100 UNITS</i>
<b>Cumberland</b>	Cumberland Crossing	258	14	5.4
<b>Westerly</b>	7 Complexes	268	7	2.6
<b>W.Warwick</b>	Riverview Farm	125	4	3.2
<b>Stonington, CT</b>	8 Complexes (detail in Appendix C)	209	5	2.4
<b>TOTALS</b>		860	30	3.5

Source: JDL ENTERPRISES – March 1806

## APPENDIX C

### ~TOWN OF STONINGTON, CT ~

#### PUBLIC SCHOOL STUDENTS: EXISTING CONDOMINIUM DEVELOPMENTS

• Stonington Landing	54 units	1 Student
• Whitehall Pond Rte ( Mystic)	26 units	0 Students
• Whitehall Landing	24 units	4 Students
• Hewitt Road(Mystic )	12 units	0 Students
• Mystic River Square	25 units	0 Students
• Broadway School (Mystic)	21 units	0 Students
• Riverwalk Condos ( Pawcatuck)	37 units	0 Students
• Pequot Run ( Pawcatuck)	10 units	0 Students
TOTAL =		209 UNITS
		5 STUDENTS

**AVERAGE NUMBER OF STUDENTS PER UNIT =  $209/5 = 0.024$   
OR 2.4 STUDENTS PER ONE HUNDRED APARTMENT & HOTEL UNITS**

#### SOURCES OF INFORMATION:

1. First Student Bus Company – (Data Released by Mr. Frank Connolly of the Stonington School Dept. – Business Office)
2. Tax Assessor – Town of Stonington, CT

**Date: February 15, 1806**

**Appendix D**  
**ADDITIONAL COMAPARABLE APARTMENT &**  
**HOTEL COMPLEXES**  
**SCHOOL AGE CHILDREN (SAC)**

<i>COMMUNITY</i>	<i>DEVELOPEMNT NAME</i>	<i>TOTAL UNITS</i>	<i>SCHOOL AGE CHILDREN</i>	<i># SAC PER 100 UNITS</i>
<b>No. Cranston</b>	Silver Pines	29	1	3.5
<b>Woonsocket</b>	Laurelwood (age- restricted)	162	0	0
<b>Cumberland</b>	3 complexes	57	1	1.7
<b>TOTALS</b>		248	2	<1

Source: JDL ENTERPRISES – March 1806

**Appendix E**  
**ADDITIONAL COMPARABLE APARTMENT &**  
**HOTEL/APARTMENT COMPLEXES**  
**SCHOOL AGE CHILDREN (SAC)**

<i>COMMUNITY</i>	<i>DEVELOPEMNT NAME</i>	<i>TOTAL UNITS</i>	<i>SCHOOL AGE CHILDREN</i>	<i># SAC PER 100 UNITS</i>
<b>W. Greenwich (Apts)</b>	Centre of NE*	240	21	8.75
<b>S. Kingstown (Apts) #</b>	So County Commons	234	16	6.84
<b>S. Kingstown (Condo)#</b>	Preserve	52	0	0.00
<b>Coventry</b>	Centre of NE + – Hopkins Hill	90	4	4.44
<b>TOTALS</b>		<b>616</b>	<b>41</b>	<b>6.65</b>

Source: JDL ENTERPRISES – February 1809

\*Per City of West Greenwich Planning Dept – as of Dec 1, 1808. A total of 26 of the 240 units are 3 bedroom units. The balance of units is mostly 2 bedroom units, and some 1 bedroom units. These are apartments for rent.

+ Per Universal Properties – as of Dec. 30, 1808

# Per Vin Murray – Planning Director – City of South Kingstown – Current school year statistics

# Appendix F

## APARTMENT & HOTEL COMPLEXES

### SCHOOL AGE CHILDREN (SAC)

#### Town of Smithfield, RI

<u>Condo</u>	<u>Total #</u> <u>Units</u>	<u>Student total</u>	
Apple Valley Condo	74	7	
Apple Valley Estates	48	3	
Autumn Run	86	5	
Cedar Crest	38	2	
Homestead Mills Apts.	125	14	
Orchard Meadow	94	5	
Pheasant Run	94	4	
Pleasant View condos	54	8	
Shadowbrook	68	1	
Stonehenge	48	1	
Tamarac	84	5	
Timberlane	84	5	
Village at Summerfield (Detached 1- fam.)	125	2	
Village in the Woods (Detached 1- fam.)	<u>31</u>	<u>11</u>	
	1053	73	0.069326
			Students Per Unit Average

Source: Unit Count - Smithfield Planning Department

Student count by development provided by Smithfield School Department - October 2014



## Appendix G

### School Aged Children:

The Applicant has researched current similar developments within the area that they own as well as others they do not and looked at regional studies on the influence of housing production on public school enrollment. The information is summarized below and shows that the generation of school children by this type of development, and housing production in general over recent years, is insignificant.

In A.R. Building's experience, the proposed type of development does not generate a high number of school children, mainly due to the smaller unit design and the lack of amenities such as playgrounds, activity rooms, etc. that would attract families with small children. A.R. did a survey of some of their local developments and found the following school children counts:

- 60 Mansfield – Semi-Urban 104 Unit Development of 1 and 2 bedrooms in New London, CT – 0 children
- Highland Hills – Suburban 198 Unit development of 1, 2 and 3 bedrooms - 19 children, (14) 6 or under
- Kettle Point – Urban 135 units leased (93 under construction) Development of 1 and 2 bedrooms – 10 children, (6) 5 or under
- Dowling Village – Suburban 88 Unit Development within a Commercial Shopping Center of 1,2 and 3 bedrooms - 2 children

This data shows a total of 31 children (11 school age) over 525 units, or an average of 0.06 total children per unit and an average of 0.02 school aged children per unit. For the proposed 240-unit development, this would translate to 15 children with 5 of the children being of school age.

Additional reports on the generation of school children for similar developments were studied and found that a slightly higher generation of 0.035 school aged children per unit (9 children for the proposed 240-unit development) can be forecasted (studies can be provided if requested).

In October of 2017, the *Massachusetts Metropolitan Area Planning Council* released a report titled "The Waning Influence of Housing Production on Public School Enrollment in Massachusetts" (can be provided if requested). The study analyzed 234 Massachusetts school districts and found no relationship between housing production and school enrollment growth. The executive summary states the following:

*One of the most widespread worries about new housing development, especially in suburban communities, is that it will drive up school enrollment. Many local officials and residents assume that new housing, and especially new multifamily housing, will attract families - families with children who will inevitably increase enrollment in the local public schools - creating additional education costs outweighing any new revenue the housing generates.*

*These apprehensions are rooted in the demographic and development patterns of the late 20th century, when Baby Boomers were in their prime child-rearing years. Their residential choices caused housing stock, enrollment, and school expenditures to grow quickly in many suburbs. Many communities even considered limiting housing development in hopes of curbing school budget increases and the need for more tax revenue.*

*Over the past 15 years, however, multiple studies have examined the enrollment and fiscal impacts of individual housing developments and found that concerns about those impacts are commonly overstated. To complement this work, MAPC examined housing permit and enrollment trends across 234 public school districts over the past 6 years, from 2010 to 2016, inclusive.*

*We find that the conventional wisdom that links housing production with inevitable enrollment growth no longer holds true. At the district level, we observe no meaningful correlation between housing production rates and enrollment growth over a six-year period. While it is true that schoolchildren occupying new housing units may cause a marginal change in enrollment, they are one small factor among many. In cities and town with the most rapid housing production, enrollment barely budged; and most districts with the largest student increases saw very little housing unit change. The rate of housing unit growth is not a useful predictor of overall enrollment change, nor is rapid housing development a precondition to sudden enrollment increases. It appears that broad demographic trends, parental preferences, and housing availability now play a much larger role in enrollment growth and decline. Our findings raise important issues related to capital planning, education finance, and housing incentive programs.*