

FISCAL IMPACT STUDY

**RESIDENCES AT OAKLAWN AVENUE:
ONE & TWO BEDROOM APARTMENT
RESIDENTIAL HOUSING**

CITY OF CRANSTON, RI

FOR:

CARPIONATO GROUP, LLC

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

JANUARY 2023

INTRODUCTION ~

This Fiscal Impact Study (FIS) has been prepared to supplement an application for a planned One & Two-bedroom Twelve (12) unit Apartment Residential Development contained within one new building, with four (4) one-bedroom units, and Eight (8) two-bedroom units. Two (2) of the twelve (12) units will be designated as Low and Moderate Income Units (LMI). The Residences at Oaklawn Avenue residential development project is located on about 0.80 acres of land off Oaklawn Avenue in Cranston, Rhode Island. The subject parcel is described as AP 17-3 on Lot #670. The current zoning designation is A-8, but such designation will subject to an amendment of the zoning map to a new designation, B-2, with conditions. The FIS will the Per Capita Multiplier method for estimating anticipated public revenues and expenses associated with the proposed development. The Per Capita Multiplier are generally accepted planning methods 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 Net Revenues of \$42,201.00 from Property Taxes on an annual basis with the development of the proposed The Residences at Oaklawn Avenue Development

By subtracting the total expense estimate of \$41,103.00 from the total anticipated revenue of \$83,304.00, the City of Cranston will actually realize a Net Revenue Gain of \$42,201.00, with regard to expenses and revenues on an annual basis with the full development of The Residences at Oaklawn Avenue as projected in this FIS. In addition, Two (2) of the twelve (12) units will be designated as Low and Moderate Income Units (LMI).

BASELINE INFORMATION ~

In order to begin the FIS, baseline information needs to be presented, including: population, housing units, City 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 the Cranston site.

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

	MUNICIPAL BUDGET	HOUSING UNITS (2020 Census)	POPULATION (2020 Census)
TOTAL	\$144,711,000*	34,182	82,934
PER HOUSEHOLD	\$1,744*	2.43	N/A

NOTES: * Source: City of Cranston City Council Budget: FY 2023 - Budget includes: Administration, Safety Services, Public Works, Parks & Recreation, Library, Senior Services and Debt Service.
US Census Data - 2020

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

- Municipal Budget per capita.....**\$1,744**
- Revised Municipal Budget per capita.....**\$1,396**
- Population Multiplier per household**2.43**

The Municipal Budget Multiplier per capita was reduced to 80% due to the nature of the proposed Residences at Oaklawn Avenue project. Considering that this residential project will be a private development, it is anticipated that need for typical City services will be less than a standard single-family home neighborhood. The likely uses of City services would include, some City Hall offices, perhaps Tax Collector & City Clerk, Police, Fire, Senior Center, Library and Parks and Recreation. Thus, the reduction of 80% in Municipal Budget Multiplier.

BASELINE INFORMATION ~

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

	PUBLIC SCHOOL PUPILS		SCHOOL BUDGET	HOUSING UNITS (2020 Census)	POPULATION (2020 Census)
TOTAL	10,258		\$106,592,000*	34,182	82,934
PER HOUSEHOLD	N/A		N/A	2.43	N/A
PER PUPIL	N/A		\$10,391	0.30	0.12

NOTES: * Source: City of Cranston City Council Budget: FY 2023 Budget, Municipal contribution portion only. State Aid totals \$68,769,000.
Enrollment - Superintendent’s Office as of October 2021-22
US Census Data - 2020

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

- School Budget per capita**\$10,391**
- Population Multiplier per household**2.43**
- School age Multiplier per household **0.30**

The City received \$68,769,000 in this fiscal year as State Aid for Education. This represents 39% of the total school budget of \$175,361,000 and thus reducing the actual cost to the community to \$10,391 per student.

RESIDENCES AT OAKLAWN AVENUE SITE
DEVELOPMENT ESTIMATES ~

Based on the per capita multipliers presented above, Table 2 presents the anticipated population projections for The Residences at Oaklawn Avenue Residential Development:

**TABLE # 2: POPULATION PROJECTIONS - PROPOSED ONE & TWO-BEDROOM APARTMENT DEVELOPMENT - 2022
CITY OF CRANSTON**

	PER UNIT*	# OF UNITS	TOTALS
POPULATION	2.07	8	16
Two-Bedroom Units			
One-Bedroom Units	1.50	4	6
Grand Total		12	22

* The per unit population estimates of 2.07 for the 2-bedroom Apartment units reflects national, regional and local residential housing data as presented and compiled in the attached Appendices which average 5-7 school-age children per 100 units. One-bedroom units will not generate school-age children.

For the purposes of this FIS, **One (1) school age child** will be projected to be residents of the proposed development at Residences at Oaklawn Avenue. A total of **22** people (with 1 school age child) will be projected to be residents.

RESIDENCES AT OAKLAWN AVENUE RESIDENTIAL REVENUE ESTIMATES ~

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

**TABLE # 3:
TOTAL PROJECT REVENUE PROJECTIONS -
THE RESIDENCES AT OAKLAWN AVENUE
RESIDENTIAL DEVELOPMENT
BASE YEAR OF 2022
CITY OF CRANSTON**

	UNIT MARKET VALUE	ASSESSED VALUE +	TAX RATE *	UNITS	PER UNIT	TOTAL REVENUE
One & Two Bedroom Apartments	\$250,000 (ave)	\$250,000 (ave)	\$27.77 / 1000	12	\$6,942	\$83,304
TOTALS				12		\$83,304

+ Per Carpionato Group, LLC Project ProForma Construction estimate and Site Improvements

* Per City of Cranston Tax Assessor’s Office for 6+ unit buildings – Residential rate @100%

Total gross revenue from the proposed one & two-bedroom apartment residential development is: \$83,304.00.

ADDITIONAL REVENUE ~

Also, one-time fee revenue for Building Permits, Water and Sewer connections, and Site Plan Review will accrue to the community for the building and construction of The Residences at Oaklawn Avenue project.

RESIDENCES AT OAKLAWN AVENUE EXPENSES ESTIMATES ~

Based on the per capita multipliers and population projections presented above, Table 4 presents the projected total municipal expenses for the Residences at Oaklawn Avenue Development:

**TABLE # 4:
TOTAL PROJECT EXPENSES PROJECTIONS –
THE RESIDENCES AT OAKLAWN AVENUE
RESIDENTIAL DEVELOPMENT
CITY OF CRANSTON - 2022**

	EDUCATION	MUNICIPAL BUDGET	HOUSING UNITS	POPULATION
TOTAL	1 Student		12	22
PER CAPITA		\$1,396*	2.05	N/A
PER PUPIL	\$10,391	N/A		N/A
TOTAL EXPENSES	\$10,391	\$30,712	N/A	N/A

*Revised Municipal Multipliers – See Table 1 &1A

Therefore, the actual cost to the City for projected municipal and educational expenses for this project is **\$41,103.00**

The municipal expenses highlighted above assume that maintenance repairs for roads, drainage and utilities for the onsite development is to be maintained by a private developer/owner versus typical residential development that has City roadways and public works related expenses on site.

**THE RESIDENCES AT OAKLAWN AVENUE
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 The Residences at Oaklawn Avenue project, as anticipated:

**TABLE # 5:
 THE RESIDENCES AT OAKLAWN AVENUE
 REVENUE AND EXPENSE COMPARISON
 BASE YEAR OF 2022
 CITY OF CRANSTON**

	TOTAL MUNICIPAL COSTS	EDUCATION COSTS	TOTAL COSTS	TOTAL ESTIMATED REVENUE	NET RESULTS
TOTAL PROJECT	\$30,712	\$10,391	\$41,103	<u>\$83,304</u>	\$42,201

SUMMARY ~

The City of Cranston will realize total estimated Net Revenues of \$42,201.00 from Property Taxes on an annual basis with the development of the proposed The Residences at Oaklawn Avenue Development

By subtracting the total expense estimate of \$41,103.00 from the total anticipated revenue of \$83,304.00, the City of Cranston will actually realize a Net Revenue Gain of \$42,201.00, with regard to expenses and revenues on an annual basis with the full development of The Residences at Oaklawn Avenue as projected in this FIS. In addition, Two (2) of the twelve (12) units will be designated as Low and Moderate Income Units (LMI).

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 Apartments, 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 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 City 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 sale prices) tend to run below market. Families that can afford to own a home generally purchase one.

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. Citywide 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.

ADDENDUM 2: School Aged Children – RI, MA & CT

Research of current similar developments within RI, MA & CT, plus regional studies on the influence of housing production on public school enrollment 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.

A housing developer that has constructed multi-family housing in the three (3) state area, A.R. Building, has compiled data similar to the proposed type of development and illustrates that The Residences at Oaklawn Avenue would not generate a high number of school-age 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. Building 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.

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.

The remainder of the report discusses the decreasing enrollment in Massachusetts schools, an analysis of housing production rates and their impacts on school populations.

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>
Cranston	Springfield	216	9	4.1
N. Prov.	Windsor	240	6	2.5
Warwick	Villa Del Rio	391	25	6.3
Warwick	Briarwood Meadows	456	6	1.3
Providence	Centre Place	225	2	.8
Narragansett	Pier Village	99	0	0
W. Warwick	Greenwich Place	168	15	8.9
TOTALS		1794	63	3.5

Source: Community Impact Study for South County Commons, LLC, So. KingsCity, RI
 By Dan Varin – March 2003

Appendix B
COMPARABLE APARTMENT/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>
Cumberland	Cumberland Crossing	258	14	5.4
Westerly	7 Complexes	268	7	2.6
W. Warwick	Riverview Farm	125	4	3.2
Stonington, CT	8 Complexes (detail in Appendix C)	209	5	2.4
TOTALS		860	30	3.5

Source: JDL ENTERPRISES – March 2006

APPENDIX C

~CITY OF STONINGTON, CT ~

PUBLIC SCHOOL STUDENTS: EXISTING CONDOMINIMUM 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 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 – City of Stonington, CT

Date: February 15, 2006

Appendix D
ADDITIONAL COMPARABLE 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>
N. Smithfield	Silver Pines	29	1	3.5
Woonsocket	Laurelwood (age- restricted)	162	0	0
Cumberland	3 complexes	57	1	1.7
TOTALS		248	2	<1

Source: JDL ENTERPRISES – March 2006

Appendix E
ADDITIONAL COMPARABLE
APARTMENT/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>
W. Greenwich (Apts)	Centre of NE*	240	21	8.75
S. Kingstown (Apts) #	S. County Commons	234	16	6.84
S. Kingstown (Condo)#	Preserve	52	0	0.00
Cranston	Centre of NE + – Hopkins Hill	90	4	4.44
TOTALS		616	41	6.65

Source: JDL ENTERPRISES – February 2009

*Per City of West Greenwich Planning Dept – as of Dec 1, 2008. 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, 2008

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

Appendix F
APARTMENT COMPLEXES
SCHOOL AGE CHILDREN (SAC)
City 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	Students Per Unit
		0.069326	Average

Source: Unit Count - Smithfield Planning Department

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