

FISCAL IMPACT STUDY

**KREG NEW HOMES, LLC:
PROPOSED RESIDENTIAL DEVELOPMENT**

TOWN OF COVENTRY, RI

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

MARCH 2023

INTRODUCTION ~

This Fiscal Impact Study (FIS) has been prepared to supplement a Major Land Development Application for a planned Residential Development. KREG NEW HOMES, LLC is proposed as a 153-unit Residential Development with 40 Low /Moderate Income Housing (LMI @ 80-120% AMI) rental units accessed off Nooseneck Hill Road in Coventry, Rhode Island. The subject parcel is AP 18 – Lot #86, and AP 10 – Lot #29 and comprises 30.3 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 Town of Coventry. 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 Town of Coventry will realize total estimated Revenues of \$764,440 from Property Taxes on an annual basis with the full development of the proposed KREG NEW HOMES, LLC residential project. By subtracting the total expense estimate of \$372,626 from the total anticipated revenue of \$764,440, the Town of Coventry will actually realize a Net Revenue Gain of \$391,814 with regard to expenses and revenues on an annual basis with the full development at KREG NEW HOMES, LLC project site. One important additional benefit to the sizable net revenue gain, is the provision for 40 more Low & Moderate Income housing units added to the inventory in Coventry and thus counted towards the 10% goal mandated by the State of Rhode Island. According to the 2022 Factbook from Housing Works RI, the Town stood at 5.21% towards that goal.

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 Coventry, and this particular development proposal by KREG NEW HOMES, LLC.

**TABLE # 1:
PER CAPITA MULTIPLIERS - BASE YEAR OF 2022 –
TOWN OF COVENTRY**

	PUBLIC SCHOOL PUPILS	MUNICIPAL BUDGET	SCHOOL BUDGET	HOUSING UNITS (2020 Census)	POPULATION (2020 Census)
TOTAL	4,267	\$35,960,655 *	\$50,534,308*	15,037	34,747
PER HOUSEHOLD	N/A	\$1,035*	N/A	2.31	N/A
PER PUPIL	N/A	N/A	\$11,843	0.28	

NOTES: * Source: Town of Coventry Town Budget: FY 2023
Pupils: School Superintendent’s Office as of October 1, 2022
School Budget is Town contribution to Coventry School District. Town received \$24,194,119 from State of RI
US Census Data – 2020 & HousingWorksRI 2022 Factbook

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

- Municipal Budget per capita.....**\$1,035**
- Revised Municipal Budget per capita**\$828**
- School Budget per capita**\$11,843**
- Population Multiplier per household**2.31**
- School age multiplier per household..... **0.28**

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.

KREG NEW HOMES, LLC DEVELOPMENT ESTIMATES

Based on the per capita multipliers presented above, Table 2 presents the anticipated population projections for the KREG NEW HOMES, LLC Residential Development:

**TABLE # 2: POPULATION PROJECTIONS -
PROPOSED KREG NEW HOMES, LLC DEVELOPMENT - 2023
TOWN OF COVENTRY**

	PER UNIT	# OF UNITS	TOTALS
POPULATION - 2 BDR Market Condos	2.07*	51	105
POPULATION - 2 BDR LMI Condos (@120% AMI)	2.07	18	37
POPULATION - 2 BDR Market Rate Apartments	2.07	52	107
POPULATION - 2 BDR LMI Rate Apartments (@ 80% AMI)	2.07	18	37
POPULATION - 1 BDR LMI Rate Apartments (@ 80% AMI)	1.50	4	6
POPULATION - 1 BDR Market Rate Apartments	1.50	10	15
TOTALS		153	307

*The per capita population estimates of 2.07 for the 2-bedroom units reflect national, regional and local residential housing data, particularly as illustrated in Appendix F, Addendum 1 and Addendum 2 and as described below. Estimates for 1-bedroom units is 1.50 per unit.

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 0.05-07 students per household, or 5-7 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 10-15 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 West Warwick (Refer to Appendix B & D). With regard to apartment complexes, at Coventry Crossing, a 258-unit two-bedroom style apartment complex, there were only 14 school age children residing at that location in Coventry in 2006.

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 KREG NEW HOMES, LLC, it can be expected to mirror 0.07 students per household or 7 students per 100 households that have been determined to exist Coventry.

Addendum 1 discusses the type of school-age children to be expected from multi-family development, and particularly two (2) bedroom condominiums. In addition, Addendum 2 provides regional recent compilation of school-age children populations in multi-family developments. No school-age children are projected from the one-bedroom units.

Thus, using the higher number of the range from 0.05-0.07, at 0.07 students per household, **ten (10) students** would be expected from the residential development proposed within the KREG NEW HOMES, LLC development. That is primarily due to the proposed design of all 139 of the two (2) bedroom units proposed that typically do not attract or retain families with children as potential residents.

A total of **307** 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 multi-family residential development. The projected school-age children will be spread between the Town's elementary, middle and high school, during any particular school year.

KREG NEW HOMES, LLC 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 -
KREG NEW HOMES, LLC –
BASE YEAR OF 2023
TOWN OF COVENTRY**

		ASSESSED VALUE *	TAX RATE *	UNITS	TOTAL REVENUE PER UNIT	TOTAL REVENUE
2 BDR Market Rate Condos		\$465,000/Unit (ave)	\$/19.57 \$1000	51	\$9,100	\$464,100
2 BDR LMI Condos (@120% AMI)		\$284,978/Unit (ave)	\$/19.57/ \$1000	18	\$5,575	\$100,350
2 BDR APARTMENTS Market & LMI(@80% AMI)		\$125,000 (ave)	\$/19.57/ \$1000	70	\$2,446	\$171,220
1 BDR APARTMENTS Market Rate		\$105,000 (ave)	\$/19.57/ \$1000	14	\$2,055	\$28,770
TOTALS				153		\$764,440

Per KREG NEW HOMES, LLC

* Per Town of Coventry Tax Assessor’s Office 2022 – Residential rate @100%
Low/Mod units at 80% % of AMI. Preliminary estimate only, in consultation with the Tax Assessor. Initial rental rates are: \$1,547-\$1,740 for LMI units

Total gross revenue from the proposed residential development is: \$764,440

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 KREG NEW HOMES, LLC project.

KREG NEW HOMES, LLC PROJECT 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 KREG NEW HOMES, LLC Development:

**TABLE # 4:
TOTAL PROJECT EXPENSES PROJECTIONS –
KREG NEW HOMES, LLC PROJECT
TOWN OF COVENTRY - 2023**

	SCHOOL PUPILS	MUNICIPAL BUDGET	HOUSING UNITS	POPULATION
TOTAL	10	N/A	153	307
PER CAPITA	N/A	\$828*	Varies	N/A
PER PUPIL	\$11,843 ⁺	N/A	---	N/A
TOTAL EXPENSES	\$118,430	\$254,196	N/A	N/A

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

⁺ School Multiplier reflects Town contribution only and does not include RI State Aid contribution towards the total school budget.

Therefore, the actual cost to the Town for school and municipal expenses for the proposed residential project is **\$372,626.**

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 town roadways and public works related expenses on site.

**KREG NEW HOMES, LLC PROJECT 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 KREG NEW HOMES, LLC project, as anticipated:

**TABLE # 5:
KREG NEW HOMES, LLC PROJECT
REVENUE AND EXPENSE COMPARISON –
BASE YEAR OF 2023 - TOWN OF COVENTRY**

	TOTAL MUNICIPAL COSTS	TOTAL SCHOOL COSTS	TOTAL COSTS	TOTAL ESTIMATED REVENUE	NET RESULTS
TOTAL PROJECT	\$254,196	\$118,430 (10 students)	\$372,626	\$764,440	\$391,814

SUMMARY ~

The Town of Coventry will realize total estimated Revenues of \$764,440 from Property Taxes on an annual basis with the full development of the proposed KREG NEW HOMES, LLC residential project. By subtracting the total expense estimate of \$372,626 from the total anticipated revenue of \$764,440, the Town of Coventry will actually realize a Net Revenue Gain of \$391,814 with regard to expenses and revenues on an annual basis with the full development at KREG NEW HOMES, LLC project site. One important additional benefit to the sizable net revenue gain, is the provision for 40 more Low & Moderate Income housing units added to the inventory in Coventry and thus counted towards the 10% goal mandated by the State of Rhode Island. According to the 2022 Factbook from Housing Works RI, the Town stood at 5.21% towards that goal.

**Joseph D. Lombardo, AICP
JDL ENTERPRISES
DATE: March 2023**

ADDENDUM 1 – 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, 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 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 KREG NEW HOMES, LLC project 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.

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 KREG NEW HOMES, LLC project. 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 Town of Coventry, 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 residential housing in the three (3) state area, A.R. Building, has compiled data similar to the proposed type of development and illustrates that the KREG NEW HOMES, LLC will 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. 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
No. 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
Coventry	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. Kingstown, RI
 By Dan Varin – March 2003

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>
Coventry	Coventry 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

~TOWN 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 & 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, 2006

Appendix D
ADDITIONAL COMPARABLE 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>
No. Coventry	Silver Pines	29	1	3.5
Woonsocket	Laurelwood (age- restricted)	162	0	0
Coventry	3 complexes	57	1	1.7
TOTALS		248	2	<1

Source: JDL ENTERPRISES – March 2006

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>
W. Greenwich (Apts)	Centre of NE*	240	21	8.75
S. Kingstown (Apts) #	So County Commons	234	16	6.84
S. Kingstown (Condo)#	Preserve	52	0	0.00
Coventry	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 – City of Coventry – 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	Students Per Unit
			0.069326 Average

Source: Unit Count - Smithfield Planning Department

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