

Smith Legacy Partners Series LLC



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November 1, 2012

Sami Baghdady
Chairman
Town of Belmont Planning Board
Homer Municipal Building – Office of Community Development
19 Moore Street
Belmont, MA 02478

Dear Chairman Baghdady and members of the Board:

I am writing in regards to our application for Special Permit and Site Plan Review for Cushing Village (CV) submitted by Smith Legacy Partners Series, LLC (SLP) and currently under review by the Planning Board.

During the October 9th public hearing, the Board requested additional documentation on the school-age children (SAC) studies cited in the Financial Impact Report (FIR) submitted by the Applicant. This correspondence is intended to be responsive to that request and in that regard have provided copies of the following to Jeffrey Wheeler in electronic format:

1. “The Fiscal Impact of New Housing Development in Massachusetts: A Critical Analysis” February 2003, by the UMASS Donahue Institute.
2. “Housing the Commonwealth’s School-Age Children: The Implications for Multi-Family Housing Development for Municipal and School Expenditures”, August 2003, CHAPA.
3. A good summary newspaper article that covers the results of this study was in the September 18, 2003, Boston Globe. A copy of this article as presented on their website is provided, for the convenience of the Board, as an attachment to this correspondence.

In addition to the above sources, we have attached redacted portions of three (3) additional analysis conducted relative to SAC from multifamily developments and which were provided in conjunction with the Belmont Uplands development. The excerpts were derived from information readily available in the public domain and provide a reasonable benchmark for the conclusions made a part of the FIR. The excerpts are from the following: 1) Bonz Associates Survey on 2,520 Apartment Units, 2) Avalon Bay’s Survey on 3,489 Apartment Units and 3) Connery Associates Survey on 3,489 Apartment Units in Methuen, MA. Excerpts from these reports are set forth in Attachment A of this correspondence.

Additional Data

Since the drafting of the CV FIR, the CV team has found information on a recent study performed by the Town of Sudbury as (see Attachment B of this letter or <http://sudbury.ma.us/departments/CHO/news2215/>) indicating the following:

- Using applicant data from affordable housing lotteries in Sudbury over three years, they found that an affordable 2 BR unit is home to 0.5 pupils.
- From the last lottery in December 2007, more than half the pupils in the lottery were already in the Sudbury school system.

It should be noted that the Town of Sudbury's findings support the SAC multiplier of 0.5 used by the CV team for affordable 2 bedroom units. Further, the study suggested that the SAC multipliers used are overly conservative and suggests that relocations should be factored into CV's SAC projections.

The second new source of information that may be of assistance to the Board is the report dated October, 2011 by Community Opportunities Group, Inc. ("COGI") for the Town of Maynard relative to the evaluation of proposed zone changes so as to permit the specific redevelopment of an underutilized building (<http://www.townofmaynard-ma.gov/wp-content/uploads/2010/07/pb-ctp-school-impact20111017.pdf>) (the "Maynard Report"). In evaluating the impact of SAC, the report states the following:

People often assume that new apartments will attract scores of families with children. In fact, the experience throughout Eastern Massachusetts is that unlike older rental housing developments, the new projects have strikingly few school-age children. If one looks closely at key characteristics of the state's recently built apartments, the absence of children is not very surprising: in most cases, the projects have been designed to discourage family occupancy. Developments limited to one and two bedroom units, with little if any open space and no on-site play areas, and buildings mixed with professional and business offices and customers coming and going all day long, do not appeal to families.

COGI is a regionally recognized source of information relative to the fiscal impacts of multifamily development. The firm is often retained by Communities to evaluate the impact of both residential and commercial developments. Its internal database is often cited for its comprehensiveness and reliability on the issue of SAC. Its conclusions regarding SAC and cited in the Maynard Report are therefore particularly compelling:

In addition, our firm has been tracking enrollment statistics in thirty-two multi-family developments in Eastern Massachusetts since 2003. The average number of children per unit in developments with three-bedroom units has increased somewhat in the past few years, probably because of the housing market. However, the average number of children per unit in dense developments with one and two bedroom units has remained stable and in some communities it has declined. This applies to all types of communities, too, from very affluent towns with prestigious schools to middle-income, maturely developed suburbs and small cities.

Based upon the available data on SAC studies, we believe that the numbers of SAC resulting from Cushing Village will be very low and consistent with those reflected in the FIR. Based upon the surveys, census data and case studies performed by others and based upon the current CV proposal, we believe that the proposed SAC multipliers utilized in the FIR are conservatively high for the following reasons:

- Rental apartments, like CV, generate lower SAC than their ownership (condo) equivalent.
- High-density multi-family developments, like CV, are less attractive to families with children than those that are less dense with fewer units per building.
- Developments that offer yards, walkways and common open space (e.g., woods) typically house more children.
- New multi-family developments often attract renters who already live in the community. Families relocating in Town are not accounted for within the SAC multipliers.
- Affordable housing units generate more SAC than market rate units and cannot be extrapolated to CV where the affordable component is only 12.5% of all of the units.
- In communities new multi-family developments attract fewer families with SAC.
- Upscale apartments, like those in the CV proposal, generally attract fewer SAC per unit than lower end units.
- Newer apartment complexes generally are more expensive and generally house fewer SAC per unit.

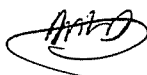
- According to the CHAPA study, Belmont had the 7th lowest SAC per apartment ratio of the 41 municipalities studied by CHAPA with only 7 students per 100 apartments (0.07), whereas the average was 24 per 100 [CHAPA p.4.25]. Applying this overall ratio to CV's proposed 118 apartments would indicate that 8 SAC would live in CV, thus indicating that our estimate of 12 SAC is a high-side conservative estimate.

Thank you for your thoughtful consideration.

Sincerely,



Chris Starr
Principal



Appendix 2. School Children Generation Studies.

1. Abbott Development, Boston Ma.

The following is summary analysis of 9 apartment developments in Northern Rhode Island. The study surveyed 2,166 one and two bedroom units, and a small percentage of three bedroom units (less than 3%) produced 20 school-aged children. The survey was conducted in May of 2000. The study was completed as part of a proposal for a 330-unit apartment development in Lincoln Rhode Island

<u>Total Units</u>	<u>Toddlers</u>	<u>School Aged</u>	<u>20-50</u>	<u>Over 50</u>
2,166	56	20	2,247	1,314

Source Abbott Development, Boston Massachusetts. May 2000

The projects surveyed had as few as 109 units and as many as 348 units. The ratio of school-aged children was **1 school-aged child per 108 units, or .009 per unit.**

It is interesting to note that the total number of children was 76 but the school-aged population (5 to 19) was only 20. Essentially, the data illustrates the attrition rate from pre-school to school aged children and the mobility of families that use an apartment dwelling as a first dwelling prior to moving to another residential form.

The survey also indicated the average population per unit was 1.68

2. Avalon Bay Corporation

Avalon Bay Corporation examined 3,489 studio, one, and two bedroom units in their Massachusetts apartment inventory.

<i>Type</i>	<i>Units</i>	<i>School Aged Children</i>	<i>Students per Unit</i>
Market Studio	174	0	0
Market 1 BR	1,730	21	0.012
Market 2 BR	1,585	32	0.020
Totals	3,489	53	0.015

3. Archstone Properties

A 476 unit Comprehensive Permit project in Methuen Massachusetts with Archstone Properties of Lexington Massachusetts.

Affordable Units and Estimated School Children, Pie Hill Methuen

<i>Type</i>	<i>Number</i>	<i>School Children</i>	<i>School Children/Unit</i>
1 bedroom	48	11	0.23 per unit
2 bedroom	57	34	0.60 per unit
3 bedroom	13	23	1.8 per unit
Total	118	68	0.58 per unit

The project noted above also contained 312 conventional units, initially 90 one bedroom and 222 two bedroom units. **The projected school children generation rate was 0.01 per unit for the one-bedroom units and 0.03 for the two bedroom units.**

3. Melrose Massachusetts, August 2001

Connery associates surveyed 450 one and two bedroom market rate units as part of a fiscal impact study prepared for Pembroke Real Estate i.e. the 576 unit Oak Grove Village proposal. All buildings surveyed were within one half mile of the proposed project site. The student per unit ratio was 1 per 112 units.

Property	# Units	Students	Student per Unit
Towne Estate Apts.	260	2	1 per 130
Pine Banks Apt.	44	0	0
288 Main	20	0	0
296 Main	24	1	1 per 24
306 Main	16	0	0
314 Main	16	0	0
3 Mt. Vernon	20	0	0
12 Mt. Vernon	24	1	0
333 Main	26	0	0
Total	450	4	1 per 112

The Melrose Study noted above also examined 4 properties within the same geographic study area that contained affordable (section 8) tenants. The data indicated there were 20 two bedroom affordable units of a total 102 units in four buildings. **The 20 affordable units generated 8 students or 0.40 students per unit.**

4. Bonz Associates, Boston Massachusetts

Comparative School Impact Analysis

Bonz / REA, Inc., a Boston based, real estate advisory firm that serves private, public, and institutional clients nationally, has been engaged to under take an analysis of the relative impact rental apartment housing upon the school systems in Massachusetts' communities. The consultants undertook two separate analyses.

The first involved a comparison of the number of school-age children generated by apartments, using US Census data for using US Census data for the Greater Boston Area

as defined by the US Census¹, excluding the City of Boston. This analysis focused upon garden and mid-rise, apartments and included the entire market rate, assisted, and mixed-income housing stock, ranging from recently built housing to older existing housing. Since these data do not differentiate by age of housing, it is possible that these statistics are not reflective of new apartment housing developments; however, they are generally reflective of the existing housing in the Greater Boston Area.

A second analysis was also undertaken which involved a survey of more than 2,500 mixed income and market rate apartments in the Greater Boston area. This group of apartments represents recently developed or renovated properties and is representative of the type of rental and mixed-income housing currently being developed in the Greater Boston Area.

US Census Data

The major findings of the analysis of Census data indicate that:

- On a per unit basis, the existing stock of garden and mid-rise apartments generate few school age children.
- The data show that one-bedroom units generate an average of 0.01 children per bedroom and per unit for garden apartments and 0.037 per unit in mid-rise apartments.
- The number increases slightly for two-bedroom units, with 0.114 per bedroom for two-bedroom garden apartments and 0.089 for mid-rise buildings.
- As might be expected, there is an increase in the number of children in three-bedroom units, with 0.186 children per bedroom in three-bedroom garden apartments and 0.107 in three-bedroom mid-rise apartment buildings.

The following exhibit shows the average number of children per dwelling unit by age classification and housing type for the Greater Boston area, excluding the City of Boston. The data were obtained directly from the US Census from unpublished data. The special run of the Census data provides the numbers of children by age classification and type of housing, as well as the number of housing units by type for each Census' defined zone in the Greater Boston Area. Each category of housing reflects only occupied housing, including market rate, mixed income, and affordable housing in the communities, without differentiation by age of housing.

¹ The area consists of portions of Bristol, Essex, Middlesex, Norfolk, Plymouth, Suffolk, and Worcester counties, excluding Boston. The names of communities by Census-defined zone are attached.

**Comparison of Children per Dwelling Unit
Greater Boston Area, Excluding City of Boston**

	Number of Children by Dwelling Unit		
	1-Bedroom	2-Bedrooms	3-Bedroom
Garden Apartments			
Pre-School Age	0.019	0.074	0.095
Elementary and Middle School	0.006	0.088	0.116
High School	0.003	0.026	0.069
Average School Age Children per Unit	0.010	0.114	0.186
Midrise Apartments			
Pre-School Age	0.026	0.057	0.092
Elementary and Middle School	0.013	0.070	0.057
High School	0.024	0.019	0.049
Average School Age Children per Unit	0.037	0.089	0.107

Notes:

* indicates data not available from US Census

Source:

US Census Bureau, HUD Boston Housing Survey, 1998, special analysis of unpublished data

The estimated number of children reflects the US Census data for the entire suburban portion of the Greater Boston area. The figures reflect the actual household composition of the housing stock in the area, but do not necessarily reflect the household composition of newly developed rental apartment housing. Using these data, we have estimated the likely number of children in a hypothetical 160-unit garden apartment complex, consisting primarily of one and two bedroom units. As the following example shows, the likely number of children based on Census data would total 10, or 0.064 per unit. The numbers may not tally due to rounding of the generation factors.

**Estimated Number of Children per Dwelling Unit based on Census Data
Hypothetical 160-Unit Apartment Complex**

Unit Mix	Dist.	Units	Children/DU	Children
One Bedroom	50.0%	80	0.010	0.78
Two Bedroom	47.5%	76	0.114	8.67
Three Bedroom	2.5%	4	0.186	0.74
Total School Age Children	100%	160	0.064	10.19
			Rounded	10

Analysis of 2,520 Rental Apartments

The major findings of the analysis of more than 2,520 recently built garden and low-rise rental apartment units, including mixed-income family housing indicate that:

- Market-rate apartments generate a relatively low number of children are a relatively low number of children, both per unit and per bedroom. These figures are similar to the Census data.
- Affordable units generate slightly more school age children than do comparable market-rate units; however, affordable units usually comprise only 25% of the total

units in a mixed-income development, and the impact of the additional children is mitigated in the overall development. These figures indicate a greater number of children than do the Census data.

- The data show that one-bedroom market rate units generate an average of 0.01 children per bedroom and assisted units generate 0.14 children per unit.
- The number increases slightly for two-bedroom market rate units, with 0.09 children per unit, while assisted units average 0.60 per unit.
- As might be expected, there is an increase in the number of children in three-bedroom units, with 0.34 children per unit in market rate units and 1.24 per unit in assisted units.
- These generation figures are consistent with the findings of an analysis of some 3,140-units in 19 mixed-income apartment complexes in the Greater Boston and southern New England area.

Our analysis of recently developed market-rate units, both in market-rate and mixed-income developments, is that a single person will occupy a market rate one or two bedroom apartment and a childless couples frequently will occupy a two or three bedroom unit, using the extra bedrooms as a den or guest rooms. Program requirements generally do not permit such occupancy patterns in affordable units.

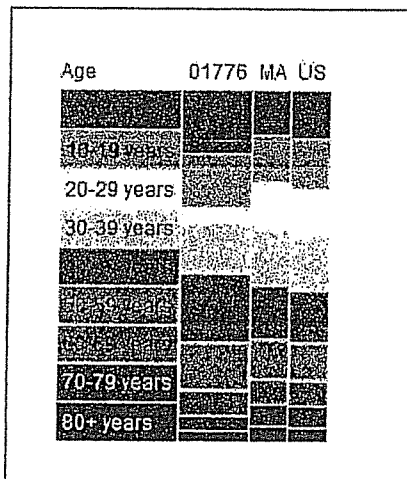
ATTACHMENT B



Community Housing Office

Sudbury, Massachusetts

Information on number of school-aged children in smaller homes and condominiums



In these times of budget pressures and financial market downturns, this is a real concern for residents. There have been regional studies conducted to look at this issue including the most recent one - Fiscal Impact of Mixed-Income Housing Developments published by the University of Massachusetts Donahue Institute - to determine whether mixed-income developments that have been built in the state did, in fact, place new burdens on their communities. They incorporated extensive field work in seven municipalities with mixed-income, homeownership developments, and found that 40B projects - mixed-income housing units - have the same fiscal impact as the vast majority of single family subdivisions.

On a more local level, we evaluate the impact on the school system. Research (Housing School Aged Children) finds that larger detached homes house more children than smaller homes and condominiums. This published data on Middlesex county reports that there are on average 1.6 pupils per family.

Using applicant data from affordable housing lotteries in Sudbury over three years, we find that an affordable 2 BR unit is home to 0.5 pupils. Most new affordable units are 2 BR, so we use that unit size for an example. For 3BR units, this increases to

1.6 pupils per household. (See page 10 of the Analysis of Impediments to Fair Housing Choice for more information.)

Other information gathered from the Sudbury Housing Program:

- From the last lottery in December 2007, more than half the pupils in the lottery were already in the Sudbury school system
- Half of the affordable homes (4 of 8) are owned by teachers in the school system, and all 8 homes were purchased by households with Sudbury connections. The Town Housing program provides preferences for those who live and work in Sudbury which benefits the schools by supporting the District's staff hiring and retention objectives and providing more local connections among its staff members, some of whom may be eligible for such housing. For these reasons, the SPS School Board has formally supported the Town Housing Program.

Exploring these figures for a 6-unit project, with a mix of 1, 2 and 3 bedroom unit sizes; this would house 5 students, across all three school levels, contrasting to 11 students for 6 new single family homes. Students are enrolled in all grades across the four elementary schools, the middle school and the high school.

The rental model is different, and one with little data in Sudbury. However, in nearby Lexington, an affluent suburb also with excellent schools, a large 40B rental project of 387 units estimates 111 students, or 0.25 students per unit.

From the fiscal impact perspective, many families in this town do not ~~cover~~ their costs. In very general terms, it takes about a \$1.5 million dollar house to cover the school and municipal costs for a household with two pupils. But the schools and other municipal services do not operate on a ~~pay per use~~ basis. We all pay for everyone. We know that Sudbury has one of the highest percentages of households with children, 51%, and this is a major factor in the Town's operating budget and school costs. (See chart from 2000 census data)

By state statute, the density in 40B developments can be higher than what is allowed under current zoning and that may result in a higher student population due to the increased number of units.

Housing is only one component of the Town. Through Town Meeting, the community has committed to both preserve large open space parcels such as Nobscot, and also voted to create housing opportunities in areas where that makes sense. The housing and open space plans work together, serving the community's interests first and foremost.

Wednesday, September 24, 2008