

School Enrollment Assumptions and Costs

Presentation to Planning Board Public Hearing

September 5, 2024

WHAT'S CHANGED IN 48 HOURS (number of units)

RKG issued its final report on 4/30/24, and in the past 48 hours, a new report has been issued (dropped Wednesday morning 9/4/24).

Key metrics of the plan have changed:

a) **100 West** (the Carter building) flipped from “not likely” to “likely” to be developed

b) Now there are **more units** in both proposals

Base plan, full build-out	1,868 units to 1,924 units
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Neighborhood plan, full build-out	3,294 units to 3,350 units
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c) Now there's a **higher likelihood to build** (a higher “propensity to change”)

Base plan	11.9% to 24.2%
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Neighborhood plan	33.4% to 40.0%
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WHAT'S CHANGED IN 48 HOURS (school enrollment)

Because there are more units...

4) there are now **more students** projected

Base plan, full build-out	151 students to 243 students
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Neighborhood plan, full build-out	264 students to 422 students
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5) the **student-to-household ratio** has increased in both proposals from 8/100 to 13/100 (correction on SAC in 2 bedroom apartments)

and since schools are the largest element in the town budget (39%)

6) the projected "**net fiscal impact**" of the two proposals has changed as well.

A FOCUS ON COSTS NOT CONCEPTS

The concept of more housing in Needham is fine, but every **concept** has a **price**. We need to understand what the MBTA rezoning proposals will **cost** us before we vote.

Lots of potential costs, but I focused on **student enrollment**, because

- 1) it's the most **immediate** consequence of occupancy
- 2) it drives spending "by the head" (**incremental costs** for every new student) and so has an immediate impact on the town budget and taxes
- 3) it can exacerbate **existing problems** (aging facilities, overcrowding, etc.), and
- 4) it impacts a key element of **Needham's "brand"** -- the quality of our schools draws young families to the town.

I asked four basic questions.

QUESTION 1:

How many kids in an apartment?

Analysis of School Enrollment Assumptions

ARE THESE REALISTIC NUMBERS?

Approx Sq Feet	People per unit	Approx cost/mo	ORIGINAL RKG REPORT		NEW RKG REPORT	
			4/30/24	9/4/24	4/30/24	9/4/24
			<u>SAC RATIO/UNIT</u>		<u>SAC RATIO/UNIT</u>	
			Generates 8/100		Generates 13/100	
MARKET RATE (87% of units)						
500	1 to 2	\$2,000	Studio	0.0	0.0	0.0
750	1 to 2	\$3,000	1 bedroom	0.0	0.0	0.0
1,050	2 to 4	\$,4000	2 bedroom	0.06	0.16	0.16
1,250	3 to 5	\$5,000	3 bedroom	0.50	0.50	0.50
AFFORDABLE (13% of units)						
500	1 to 2		Studio	0.0	0.0	0.0
750	1 to 2		1 bedroom	0.0	0.0	0.0
1,050	2 to 4		2 bedroom	0.06	0.38	0.38
1,250	3 to 5		3 bedroom	1.20	1.20	1.20

A page 41, original RKG report in HONE packet 4/30/24

B page 49, new RKG report 9/4/24

QUESTION 2:

What's a realistic student projection?

Analysis of School Enrollment Assumptions

WHAT'S A REALISTIC PROJECTION OF STUDENTS?

COMPARABLE STUDENT-TO-HOUSEHOLD RATIOS

SAC/HH

Towns with top-rated schools (Wellesley, Medfield, Sharon, etc) 54/100

Current Needham SAC/HH ratio 49/100

ESI Residential Demographic Multiplier, all multifamily units 29/100

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ESI Residential Demographic Multiplier, 5+ unit multifamily units 18/100

"Needham Report 2025" 17/100

City of Boston (65% multifamily housing) 17/100

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City of Boston (65% multifamily housing) 17/100

NEW RKG student projection 13/100

ORIGINAL RKG student projection 8/100

QUESTION 3:

When do we have to start paying for growth?

Analysis of School Enrollment Assumptions

FISCAL IMPACT OF ORIGINAL RKG ESTIMATE – 8/100

				BASE PLAN	NEIGHBORHOOD PLAN
				FULL BUILD-OUT	FULL BUILD-OUT
				1868 units/151 students ^d	3294 units/264 students ^d
Total Property Taxes^a				\$6,174,263	\$11,036,330
Municipal Costs^b	(\$1,136 per unit)			-2,122,048	-3,741,984
Education Costs^c	(\$12,128 per student)			<u>-1,831,328</u>	<u>-3,201,792</u>
Net Fiscal Impact				\$2,220,887	\$4,092,554

ORIGINAL RKG ESTIMATE GOES NEGATIVE AT 18/100

				BASE PLAN	NEIGHBORHOOD PLAN
				FULL BUILD-OUT	FULL BUILD-OUT
				1868 units/151+183 students ^g	3294 units/264+337 students ^g
Total Property Taxes ^a				\$6,174,263	\$11,036,330
Municipal Costs ^b	(\$1,136 per unit)			-2,122,048	-3,741,984
Education Costs ^c	(\$12,128 per student)			<u>-4,062,880</u>	<u>-7,301,056</u>
Net Fiscal Impact				- \$10,665	- \$6,710

FISCAL IMPACT OF NEW RKG ESTIMATE – 13/100

				BASE PLAN	NEIGHBORHOOD PLAN
				FULL BUILD-OUT	FULL BUILD-OUT
				1924 units/243 students ^e	3350 units/422 students ^e
Total Property Taxes^a				\$6,620,864	\$11,530,661
Municipal Costs^b	(\$1,136 per unit)			-2,185,664	-3,805,600
Education Costs^c	(\$12,128 per student)			<u>-2,947,104</u>	<u>-5,118,016</u>
Net Fiscal Impact^f				\$1,488,096	\$2,607,045

NEW RKG ESTIMATE GOES NEGATIVE AT 19/100

				BASE PLAN	NEIGHBORHOOD PLAN
				FULL BUILD-OUT	FULL BUILD-OUT
				1924 units/243+123 students ^g	3350 units/422+215 students ^g
Total Property Taxes^a				\$6,620,864	\$11,530,661
Municipal Costs^b	(\$1,136 per unit)			-2,185,664	-3,805,600
Education Costs^c	(\$12,128 per student)			<u>-4,438,848</u>	<u>-7,725,536</u>
Net Fiscal Impact				- \$3,648	- \$475

WHEN DO WE START PAYING FOR STUDENT GROWTH?

<u>COMPARABLE STUDENT-TO-HOUSEHOLD RATIOS</u>	<u>SAC/HH</u>
Towns with top-rated schools (Wellesley, Medfield, Sharon, etc)	54/100
Current Needham SAC/HH ratio	49/100
ESI Residential Demographic Multiplier, <u>all</u> multifamily units	29/100
NEW RKG student projection – Fiscal Impact goes NEGATIVE	19/100
ORIGINAL RKG student projection – Fiscal Impact goes NEGATIVE	18/100
ESI Residential Demographic Multiplier, 5+ unit multifamily units	18/100
"Needham Report 2025"	17/100
City of Boston (65% multifamily housing)	17/100
NEW RKG student projection	13/100
ORIGINAL RKG student projection	8/100

QUESTION 4:

What's a more realistic range for planning?

Analysis of School Enrollment Assumptions

WHAT'S A REALISTIC RANGE FOR SCHOOL PROJECTION?

COMPARABLE STUDENT-TO-HOUSEHOLD RATIOS

SAC/HH

Towns with top-rated schools (Wellesley, Medfield, Sharon, etc) 54/100

Current Needham SAC/HH ratio 49/100

ESI Residential Demographic Multiplier, all multifamily units 29/100

NEW RKG student projection – Fiscal Impact goes NEGATIVE 19/100

ORIGINAL RKG student projection – Fiscal Impact goes NEGATIVE 18/100

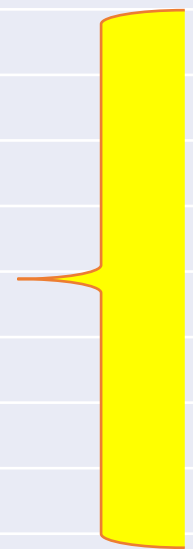
ESI Residential Demographic Multiplier, 5+ unit multifamily units 18/100

"Needham Report 2025" 17/100

City of Boston (65% multifamily housing) 17/100

NEW RKG student projection 13/100

ORIGINAL RKG student projection 8/100



A FOCUS ON COSTS NOT CONCEPTS

The concept of more housing in Needham is fine, but every **concept** has a **price**. We need to understand what the MBTA rezoning will **cost** us before we vote.

There's still have work to do on costing out the school enrollment bump that would be expected from the MBTA Communities Act rezoning. We need to understand

- 1) the **variable costs** (per student)
- 2) the **fixed costs** (at what point do we need more teachers and staff), and
- 3) the **capital costs** (impact on the School Master Plan).

In my opinion, the RKG estimates are far too low and need to be reexamined so we don't have surprises in taxation or overrides.

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Appendices

STUDENT-TO-HOUSEHOLD RATIOS – COMPARABLE TOWNS

	Town Base			School Output		
	<u>Population</u>	<u>Households</u>	<u>Owner/ Occupied</u>	<u>High School Rank in MA</u>	<u>K-12 Students</u>	<u>Student/HH Ratio</u>
Weston	11,645	3,741	87%	10	2,022	0.54
Medfield	13,088	4,463	87%	16	2,531	0.57
Westwood	16,244	5,377	86%	20	2,914	0.54
Sharon	18,442	6,386	89%	22	3,591	0.56
Hopkinton	19,540	6,674	88%	13	4,196	0.63
Wellesley	30,733	8,956	84%	15	4,218	0.47
Needham	32,157	11,312	86%	19	5,547	0.49
Boston	653,833	276,053	35%	n/a	45,742	0.17

Mover Sample Multipliers: Massachusetts

MA

Housing Configurations	School-Age Children			Total Persons		
	Per Household Estimates	90 Percent Confidence Interval		Per Household Estimates	90 Percent Confidence Interval	
		Lower	Upper		Lower	Upper
<i>All Housing Types</i>						
Own or Rent						
All Sizes	0.383	0.376	0.390	2.384	2.372	2.397
1 Bedroom or Studio	0.035	0.030	0.039	1.369	1.355	1.382
2 Bedroom	0.270	0.260	0.280	2.202	2.184	2.219
3 Bedroom	0.619	0.600	0.638	3.017	2.987	3.048
4 Bedroom	0.904	0.872	0.936	3.646	3.599	3.693
Own Only						
1 Bedroom or Studio	0.032	0.019	0.045	1.437	1.393	1.482
2 Bedroom	0.121	0.109	0.134	1.950	1.925	1.976
3 Bedroom	0.435	0.415	0.455	2.768	2.733	2.803
Rent Only						
1 Bedroom or Studio	0.035	0.030	0.039	1.364	1.350	1.377
2 Bedroom	0.314	0.302	0.326	2.276	2.257	2.296
3 Bedroom	0.795	0.765	0.826	3.256	3.215	3.298
<i>Single-Family Units</i>						
All Single-Family, Own or Rent						
All Sizes	0.560	0.546	0.574	2.876	2.855	2.898
3 Bedroom	0.522	0.500	0.544	2.856	2.820	2.891
4 Bedroom	0.858	0.830	0.886	3.538	3.495	3.581
Detached, Own or Rent						
All Sizes	0.588	0.572	0.605	2.952	2.928	2.977
Attached, Own or Rent						
All Sizes	0.179	0.399	0.460	2.529	2.483	2.576
<i>Multi-Family Units</i>						
All Multi-Family, Own or Rent						
All Sizes	0.289	0.282	0.297	2.126	2.110	2.141
2 Bedroom	0.280	0.268	0.291	2.221	2.199	2.243
2-4 Unit Structure, Own or Rent						
All Sizes	0.421	0.408	0.434	2.478	2.452	2.503
5+ Unit Structure, Own or Rent						
All Sizes	0.175	0.167	0.184	1.820	1.805	1.835

Multiplier estimates pertain to a mover sample of units that householders moved into the unit between 2008 and 2015. If the value of the lower limit is negative, zero is reported.

