

To: 1 HMB Property Owner, LLC

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Subject: 1 Half Moon Bay – Public School Children Analysis

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Project Description

In order to facilitate development of the 1 Half Moon Bay (“Project Site”) multi-family residential development project (“Proposed Project”), 1 HMB Property Owner, LLC (“Applicant”) is requesting a rezoning of the Project Site from the Village of Croton-on-Hudson Board of Trustees (“BOT”). The Project Site will serve as Transit Oriented Development as it is located approximately 1-mile from the Croton Harmon Train Station.

Table 1: 1 Half Moon Bay Unit Mix

Unit Type	Market Rate	Affordable	Number
Studio	11	1	12
One Bedroom	116	13	129
Two Bedroom	110	13	123
Three Bedroom	14	2	16
Total	251	29	280

Public School Impacts

Whenever multifamily housing is proposed, there is concern about how many school-age children will be generated and about the resulting fiscal impact on the local school district. This concern is understandable given the misconception that multifamily rental housing generates a high number of school-age children. However, it is important to understand changes in demographics, the resulting changes in housing preferences, and the proposed development target market in order to accurately project the number of school age children likely to be generated by the Proposed Project.

Demographic Shifts and Target Market

Birthrates have been declining in the United States since the 1950s. This national trend is also true in New York State and in Westchester County. Figures 1 and 2 shows that birth rates in New York State and Westchester County, which reached a 20-year low in 2019. Births in New York State declined by 13.2% between 1999 and 2019 and by 22% in Westchester County during this same time¹.

¹ Croton-Harmon Union Free School District Long Range Planning Study 2022-21 Update. <https://resources.finalsite.net/images/v1699980607/chufsdorg/qsjqnhk82y5dhrnnqncd/CHUFSDDemographiReport2020-2021.pdf>

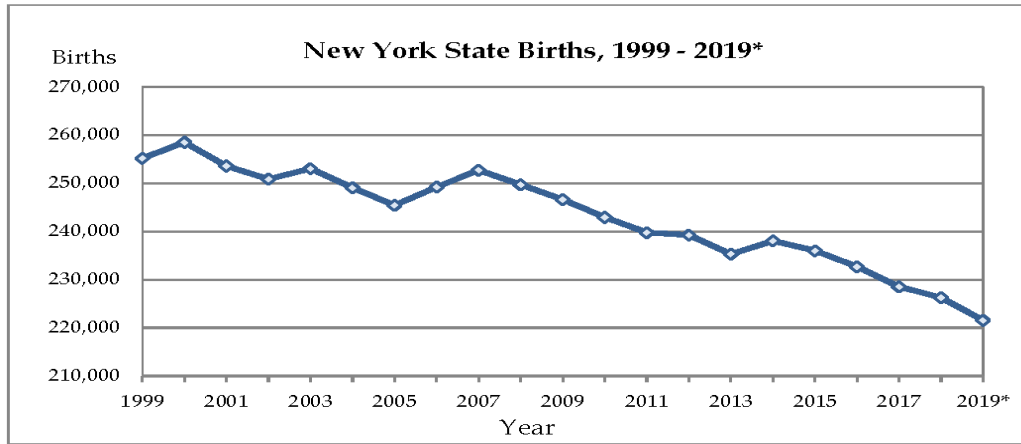


Figure 1 - New York State Births, 1999 - 2019*
 *2019 birth data is provisional

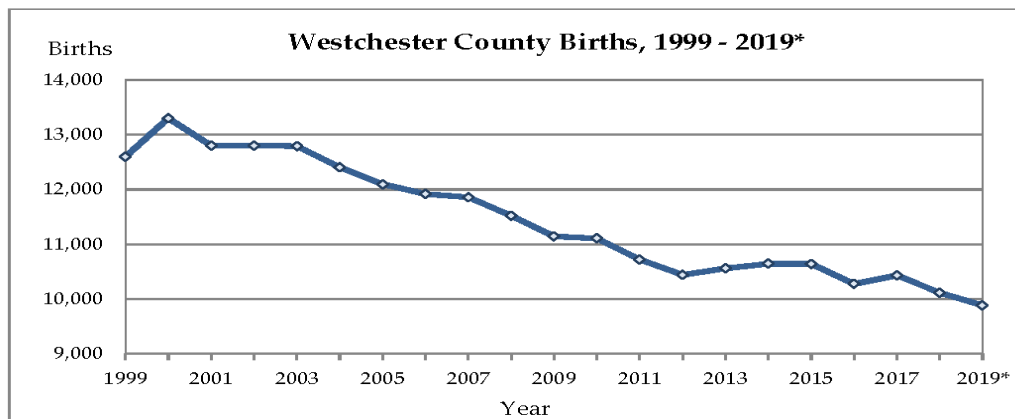


Figure 2 - Westchester County Births, 1999 - 2019*
 *2019 County birth data is provisional

The Covid-19 pandemic has only increased the decline in birth rates nationally; the number of births in 2020 was four percent lower than the number in 2019². The combination of long-term declines in birth rates and the acute decline caused by the Covid-19 pandemic is expected to have impacts that last throughout the decade. These trends may ease potential strains on school district capacity and lessen concerns about the generation of school age children by new developments.

Further, long-term demographic trends will lead to unusually strong apartment demand for at least the next 10 years. These trends also demonstrate a shift in the make-up of the average household. According to U.S. Census data (See Table 2), the number of households with children is decreasing. In 1960, 50% of households had children. In 2020, the number of households with children decreased to 28%, down 2% from 2010 and 5% from 2000.

² Tavernise, Sabrina. "Pandemic Led to Faster Drop in U.S. Births." *The New York Times*, May 5, 2021.

Table 2: Demographic Trends

Households	2000	2010	2020
With Children	33%	30%	28%
Without Children	67%	70%	72%
Single	26%	27%	28%

Source: US Census, 2020

As the people born between 1977 and 1994 enter their household formation years and the people born between 1946 and 1964 begin to downsize their housing, the number of households without children will grow and rapidly increase the demand for multifamily housing. The proposed development will attract young professional singles, couples who have not yet started a family, and empty-nesters whose family-rearing responsibilities have ended. All groups will likely have few or no school-aged children.

Anticipated School Children Generation

The number of public-school age children generated by a residential development is dependent on several variables including housing type, number of bedrooms and rental or sales price. This report utilizes data from a number of sources to estimate the school children generation for 1 Half Moon Bay. The first source is a formula developed by the Rutgers University Center for Urban Policy Research. This report also provides “real world” data from recently built comparable multi-family developments.

Rutgers Study

In July 2018, the Rutgers University Center for Real Estate published a study titled "School-Age Children in Rental Units in New Jersey: Results from a Survey of Developers and Property Managers," which provides estimates for the number of school-age children associated with new developments of market-rate and affordable rental units in New Jersey. The study involved a large-scale survey of developers and property managers of multi-family rental buildings. The data and analysis show that there are three main variables which can be used to accurately predict the number of school age children:

1. The distribution of the number of bedrooms, separately for affordable and market rate units
2. The product type of the development (high-rise, mid-rise, or low-rise), and
3. The expected household income of market rate residents.

This information can be used to determine the expected number of school-age children using the information in Table 3 below. The ratios pertaining to the Proposed Development, highlighted in yellow, include data from mid-rise developments (4-9 floors) with renters earning between \$50k - \$100k (affordable units) and renters earning more than \$100,000 in average household income. In general, the analysis shows that school-age children increase with the number of bedrooms; decreases with household income; and decreases with the density of the product type.

Table 2: School-Age Children Ratios

Unit Size	Affordable	Market Rate Units - Average HH Income						
		<\$50K		\$50K - \$100K		>\$100K		
	All Units	High-rise/ Mid-rise	Low-rise	High-rise/ Mid-rise	Low-rise	High-rise	Mid-rise	Low-rise
studio or 1br	0.103	0.026	0.114	0.016	0.076	0.040	0.013	0.019
2br	0.721	0.436	0.126	0.134	0.567	0.022	0.089	0.282
3br and larger	0.109	1.000	1.379	0.176	0.630	0.043	0.239	0.618

Source: *School-Age Children in Rental Units in New Jersey: Results from a Survey of Developers and Property Managers*. Rutgers Center for Real Estate – White Paper Series. Davis, Frame, Ladall and Tantleff. July 2018.

Tenants of the 251 market-rate units in 1 Half Moon Bay are expected to have household incomes over \$100,000, and therefore generation rates for households in mid-rise buildings that would have an annual income greater than \$100,000 were used. To be eligible for the 29 workforce/affordable units, a household must have an annual income of 80 percent of the Area’s Median Income (AMI), which is set by the United States Department of Housing and Urban Development (HUD). In 2022, the AMI for a family of four in Westchester County was \$138,600; 80 percent of the AMI is \$110,900. Since the 30 workforce/affordable units in 1 Half Moon Bay would require an annual household income of \$110,900, it is more conservative to project the number of school age children in these units using the high-rise/mid-rise generate rates for market tenants with an annual income between \$50,000 and \$100,000.

Table 4 below shows the generation rates for multi-family units by bedroom count for the unit mix proposed for 1 Half Moon Bay. The data predicts a schoolchild generation of approximately 17.1 school-aged children. This projected number of children represents all school age children, including those that are enrolled in public and private schools. Data from the New York State Education Department estimates that in the 2019 – 2020 school year, approximately 95.6% percent of school age children in Croton-on-Hudson attended a public school³. Therefore, the number of projected public-school children is 17.

³ According to the Croton-Harmon UFSD Long Range Planning Study Update, 2020-21.

Table 4: Estimated Number of New Public School Age Children (Rutgers Center)

Development Type	Unit Type	Number of Units	School Children Multiplier Rate	Estimated Number of School Children
Mid-Rise Development	Studio and 1-Bedroom			
	Market Rate Units	127	0.013	1.65
	Affordable Units	14	0.016	0.224
	2-Bedroom			
	Market Rate Units	110	0.089	9.79
	Affordable Units	13	0.134	1.74
	3-Bedroom			
	Market Rate Units	14	0.239	3.35
	Affordable Units	2	0.176	0.35
			TOTAL	17.1

Total All School Children (inc. private schools): 17.1

Percentage of public-school enrollment*: 95.6%

Public school children: 17

Notes: *According to the Croton-Harmon UFSD Long Range Planning Study Update, 2020-21.

Source: *School-Age Children in Rental Units in New Jersey: Results from a Survey of Developers and Property Managers*. Rutgers Center for Real Estate – White Paper Series. Davis, Frame, Ladall and Tantleff. July 2018.

The 2018 Rutgers study also recognizes a few secondary variables that may correlate with school-age children. For example, units in newer market rate buildings, or those built after 2000 were seen to have significantly fewer school-aged children compared to units in buildings built before 2000. The report argues that older and newer market-rate units differ by product type, the composition of the number of bedrooms, and the income of market-rate residents and these differences account for the variation in the number of school-age children.

Data from Comparable Multi-Family Developments

For this study, actual public school enrollment data from eleven comparable multifamily developments in Pelham, Mamaroneck, Tuckahoe, Elmsford, White Plains, and Stamford were obtained from their respective school district, planning departments and building operators. The identified projects are similar to the proposed development in that they are newer developments with upscale and high-quality design, similar resident amenity packages, and proximity to downtowns/train stations. In the aggregate, they contained a total of 1,675 apartment units and generated 85 school children. These findings are summarized in Table 5 below.

Table 5: Public School-Age Children in Selected Comparable Multi-Family Rental Developments

Development	Location	Unit Mix	Total Units	School-Age Children	Ratio	Source of Data
Marbury Corners	Pelham, NY	1 BR, 2 BR, 2 BR Loft	66	8	0.121	Pelham UFSD
Avalon Willow	Mamaroneck, NY	1 BR, 2 BR, 2 BR Loft	227	15	0.066	AvalonBay Communities, Inc.
270 Waverly Ave	Mamaroneck, NY	N/A	96	10	0.104	Mamaroneck Planning Dept.
690 Mamaroneck Ave	Mamaroneck, NY	N/A	21	2	0.095	Mamaroneck Planning Dept.
422 East Boston Post Road	Mamaroneck, NY	N/A	13	1	0.077	Mamaroneck Planning Dept.
Quarry Place	Tuckahoe, NY	N/A	108	8	0.074	Tuckahoe
Avalon Green	Elmsford, NY	1-bed, 2-bed	105	7	0.067	Elmsford
One City Place	White Plains, NY	1 br, 2-br, 3-br	311	14	0.045	White Plains
Avalon at Greyrock	Stamford, CT	1-br, 2-br, 3-br	306	11	0.036	Stamford Public
Avalon at Stamford	Stamford, CT	Studio, 1-br, 2-br, 3-br	328	8	0.024	Stamford Public
The Boulevard	Stamford, CT	1-br, 2-br	94	1	0.011	Stamford Public
TOTAL			1,675	85	0.051 (Avg/unit)	

Using the observed average number of school age children per unit shown in Table 5 to project the number of school age children that would be generated by the 1 Half Moon Bay development shows that the 280 units in the 1 Half Moon Bay project would produce 15 school age children (see Table 6).

Table 6: Projected Number of School Age Children (Comparable Developments)

Units	School Children Multiplier	Projected Number of School Age Children
300	0.051	14.3 (Round up to 16)
Total Projected Number of School Children		15

Range of Projected School Age Children

Table 7 shows the school age children projections for the 1 Half Moon Bay project using data from the 2018 Rutgers study and data from comparable developments in Westchester County. These two projections show that a range of 15 to 17 school age children may be generated by the proposed development. These projections include all school age children, and although we expect most of them would attend the Croton Harmon UFSD, some may attend

private school, and therefore this represents a conservative projection.

Table 7: Comparison of School Age Children Projections

Projection Source	Projected Number of School Age Children
Modified Rutgers Data (2018)	17
Comparable Developments in Westchester County	15

Financial Impact on the Croton-Harmon Union Free School District

The Project Site is located in the Croton Harmon Union Free School District (“School District”). According to the adopted budget for the School District, the total budget for the 2022-2023 academic school year is \$52,672,111 (including Administrative, Program and Capital Components; excluding \$7,557,123 in New York State aid). According to the New York State Education Department⁴, enrollment for the 2022-2023 school year was 1,525 students [a decrease of 176 students from peak enrollment in the 2013-14 school year enrollment of 1,701 (see Table 8 below)]. With a current enrollment of 1,525 students, total budgeted expenditures per pupil are therefore approximately \$29,583. This is a very conservative estimate of the cost to educate a school child as it does not discount for fixed costs relating to overall administration, capital costs, debt service, etc.; these costs do not relate to actual costs that would be incurred to educate additional school children.

As stated above, future development of the Project Site has the potential to generate approximately 16 to 17 additional public-school children. These additional public-school children would have an annual cost to educate ranging from \$443,745 to \$502,911 annually.

The project is estimated to result in the construction of 280 new multifamily units. Residential construction is an economic engine for the local economy, which provides new income and jobs for residents as well as additional revenue for local governments. As outlined in the May 2024 Economic and Fiscal Impacts Assessment prepared by Urbanomics (submitted to the Village under separate cover), the proposed project will generate approximately \$2.5 million in property taxes: \$798,000 to the Village, \$228,700 to Westchester County and the Town of Cortlandt, and \$1.5 million to the CHSD. As stated above, the additional public-school children would have an annual cost to educate ranging from \$443,745 to \$502,911. This will yield a net benefit of \$1 million to \$1.06 million to the School District each year.

School District Enrollment and Projections

According to the New York State Education Department, School District enrollment has been steadily declining for the past 10 years⁵. As shown in Table 8, enrollment peaked in the 2013-2014 school year with a total of 1,701 students and declined by more than 10%, or 176 students, over the past ten years to a total of 1525 students in the

⁴ <https://data.nysed.gov/enrollment.php?year=2022&instid=800000034999>

⁵ <https://data.nysed.gov/profile.php?instid=800000035699>

2022-23 school year.

Table 8: Croton-Harmon Union Free School District Enrollment

School Year	Enrollment	Change from Previous Year	
		Total	Percent
2013-14	1,701	--	--
2014-15	1,656	-45	-2.6%
2015-16	1,636	-20	-1.2%
2016-17	1,637	1	0.1%
2017-18	1,608	-29	-1.8%
2018-19	1,573	-35	-2.2%
2019-20	1,584	11	0.7%
2020-21	1,524	-60	-3.8%
2021-22	1,533	9	0.6%
2022-23	1,525	-8	-0.5%
Change 2013-14 to 2022-23		-176	-10.3%

Source: New York State Education Department

The Croton-Harmon Union Free School District Long Range Planning Study 2022-21 Update⁶ provides enrollment projections through 2030. These projections show that enrollment will continue to decline over the next six years to 1,482 in 2026 (project build year) and 1,430 by 2030. That is a loss of an additional 43 students by the year the project is anticipated to be leasing up units (2026) and a loss of 95 students within the next six years. Based on actual enrollment data and the projected data, the School District will have lost a total of 271 students between 2014 and 2030.

Conclusion

Based on the above analysis, the addition of an estimated 15-17 additional public-school students resulting from the 1 Half Moon Bay Project will not result in significant impacts to school enrollment given the enrollment trends and projections presented above. Further, the project is anticipated to have a fiscal benefit to the School District through the generation of additional tax dollars to be paid to the School District well in excess of the additional cost to educate the estimated 15-17 additional students. For these reasons, it is determined that the proposed 1 Half Moon Bay project will not have a significant impact on the School District.

⁶ <https://resources.finalsite.net/images/v1699980607/chufsdorg/qsjqnhk82y5dhrnnqncnd/CHUFSDDemographiReport2020-2021.pdf>