

Bill Allen
44 Holmesbrook Road
Basking Ridge, NJ 07920
908-766-2876
w.w.allen@optonline.net

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To: **Chair and Members of Bernards Township Planning Board**

Subject: **Homes, Schools and Taxes; Follow-Up to Presentation on June 24**

I was glad to have the opportunity to present the highlights of my letter dated June 17 at your Master Plan meeting last night. And I thank Fran Florio for providing each of you who attended with a hard copy of the letter. She also emailed copies to each member. I thank David Schley who installed the letter on the Smart Board. The hour was late, and to save time I didn't use that display.

I hope you will read the letter carefully. I welcome any comments or questions you have. Give me a call or send an email. [Email address above is correct. One on June 17 letter is not.] Some additional comments follow.

Fiscal Profits and Losses: I wrote on page 3: "**In the aggregate, multifamily homes generate fiscal profits; single family homes produce fiscal losses.**" Table 4 shows the average assessed value supporting each public student from a multifamily home and the same for each student from a single family home. I neglected to provide context in terms of average school cost per student. That analysis follows.

Analysis of Data for 2004-2005 School Year	All Multifamily Dwellings	All Single Family Dwellings
Average assessment per student	\$1,588,000	\$759,000
Tax revenue per student at school rate of 0.01034	\$16,420	\$7,848
Tax levy per student	\$10,525	\$10,535
Fiscal profit or loss per student	\$5,895 profit	\$2,687 loss

Because this analysis rests on data from essentially all township homes, one may not deny the conclusion drawn from it that opens the paragraph above for the year 2004-2005. But have things changed? I address that question below.

Anecdotal Evidence: I have heard the argument that parents, who want a good education for their children and who can not afford a single family home here, are moving into the multifamily units. I talked to a woman who had made this claim in 2005. It turned out that she and her husband lived in a townhouse on Penns Way in Society Hill. They had three children in public schools during the year I analyzed. There were two other families on her street with three children. I suspect she was thinking of her family and the other two when she made her claim.

Penns Way has 234 townhouse units and 194 of these had zero school children that year. The average for the whole street was 0.24 public school student per unit.

A voting list from September 2006 shows that the woman's family moved to a single family house in another part of town. A list I just received shows they are still there.

This story is interesting. But, like all anecdotes, it can't prove or disprove a trend. It does illustrate a feature of multifamily homes that none of us, who planned for these units in the 70s, anticipated. I know several families who started in these lower priced units, liked the community, and then moved on to single family homes. That's a great outcome.

New Analysis: A lot of work went into the analysis I made in 2005. I know of no new data that points to a change in the pattern that produces the fiscal conclusion. However, if the board suspects that the pattern really has changed, then it is possible to replicate the analysis for the 2008-2009 school year. I will do this if the board asks me to and authorizes me to get the necessary data from Bill Draper and the tax assessor.

Bill Allen