POTENTIAL IMPACTS OF THE TOWN OF EAST HAMPTON'S RECOMMENDED FIFTY UNIT (100 BEDROOMS) ROUTE 114 COMMUNITY HOUSING PROJECT ON THE WAINSCOTT COMMON SCHOOL DISTRICT

THE TOWN'S CURRENT PROPOSAL

On December 6, 2022, the Town Board appointed Route 114 Working Group presented its **recommendations** at an East Hampton Town Board Work Session regarding the size of the proposed Route 114 Community Housing Project (the "Project"). The Project is proposed to be located within the boundaries of the Wainscott Common School District (the "District").

The Route 114 Working Group did not include any objective Wainscott community members or a representative of the District¹.

The Route 114 Working Group recommended that the Project be comprised of fifty (50) units with the following recommended mix of unit sizes: Sixteen (16) one-bedroom units; eighteen (18) two-bedroom units; and sixteen (16) three-bedroom units. That mixture translates into one hundred (100) total bedrooms.

The Route 114 Working Group claims that the proposed Project will generate an estimated **Two Hundred Eleven (211) total occupants**, including an estimated **thirty-five (35) children aged 0 to 18 years.** To date, no data or analysis justifying those estimates have been proffered by the Town or the Route 114 Working Group.

Importantly, the Working Group's recommendation represents a one hundred percent (100%) or two-fold increase in the number of proposed bedrooms from the Town Board's last public presentation on the Project on May, 17, 2022. At that time, the Town Board publicly stated that all fifty units would be one-bedroom (or a total 50 Bedrooms).

Neither the Town nor the Route 114 Working Group consulted the Board of Trustees of the District prior to the disclosure of the Route 114 Working Group's recommendations on December 6, 2022.

In 2013 the Town proposed a 48 unit (84 bedrooms) affordable housing project to be located on Stephen Hands Path next to the existing soccer fields. That proposal was later withdrawn in large part due to its potential profound adverse effects upon the District. There is no doubt the Town Board and the Route 114 Working Group are aware of the potential for

¹ Edward Reale is a resident of Wainscott but he is listed on the Route 114 Working Group's December 6, 2022 slide presentation as a representative of the Sag Harbor Community Housing Trust, an owner of one of three contiguous parcels comprising the proposed Project. All other members of the Route 114 Working Group are Town or East Hampton Housing Authority officials. None of those officials reside within the District.

significant adverse effects upon the District from any large-scale housing project (affordable or otherwise).

During the last decade members of the Town Board have consistently assured the Wainscott community that any community housing projects proposed by the Town within the District would consider potential impacts on the District, particularly the operation of its Schoolhouse and in-house educational programing.

WAINSCOTT'S CURRENT POPULATION

The Hamlet of Wainscott is a Census Designated Place for the purpose of the United States Census Bureau's Decennial Census. Wainscott has the lowest total population in the Town of East Hampton at 904 in 2020.² From 2010 to 2020, its total population increased by 39%.

The United States Census Bureau's 2020 census determined there are 342 year-round Wainscott residents living in 169 households. 111 of those households are families. Both those totals are the lowest in the Town. The average household size in Wainscott is 2.

The 211 total occupants estimated by the Town to be generated by the proposed Project would increase Wainscott's year-round population from 342 to 553 people; representing a sixty-two percent (62%) increase in Wainscott's year-round population. It is crystal clear that the proposed Project will have a disproportional impact on the entire Wainscott Community.

Any single source increase in year-round population of that magnitude will undoubtably have a significant adverse impact on Wainscott's existing community character. In addition, there are no current proposals for any increase in services needed to meet the demands of such a large increase in year-round residents. The District does not believe a single source increase of that magnitude is in the interest of good planning.

THE WAINSCOTT COMMON SCHOOL DISTRICT

The District is one of the most unique school districts in New York State. Its small size and limited facilities reflect the fact that the Hamlet of Wainscott has by far the smallest year round population in the Town, and except for the Hamlet of Sagaponack, the entire South Fork.

Our Schoolhouse, located in Wainscott's most historic setting, hosts the District's highly acclaimed K-3 individualized instruction program, in an open class format that promotes a highly collaborative and caring learning environment. The District's stated mission and vision is to honor the District's traditions of individualized instruction that the Wainscott community has generously supported and expected since the School's founding in 1730, while preparing its students to be successful, global citizens of the 21st Century.

² Includes both year-round and second homeowners.

Currently the District has 116 total students living in 72 households³. By way of comparison, the Hamlet of Sagaponack has 262 year-round residents and a total of 12 students in their school district⁴. In other words, while Sagaponack has 23% less year-round residents than Wainscott, it generates 90% fewer total students than neighboring Wainscott. This comparison establishes that Wainscott is already providing a large number of affordable housing units which produce an inordinately large number of students relative to its size.

The District's Pre-K students are given the opportunity to attend either the Sag Harbor Learning Center or the Eleanor Whitmore Early Childhood Center. Our 4-12 students are afforded the choice of attending East Hampton, Sag Harbor or Bridgehampton district schools. Wainscott pays tuition for all these students. ⁵

The District's Schoolhouse presently educates 28 K-3 students. The Schoolhouse was designed to accommodate 24 students and is presently operating at 116% of its capacity.

The Old Schoolhouse is also located on the District's property located at 47 Main Street. The Old Schoolhouse is a small, outdated one room schoolhouse built in 1927. It has one former classroom, two bathrooms (each with one toilet and a sink) and a closet that was formerly used as the District's office and which is currently used for storage of District records. The Old Schoolhouse is currently also used by the District for the students' lunchtime, physical education during inclement weather, group activities, student presentations and public meetings. The Old Schoolhouse was also used as a temporary classroom during the height of the Covid Pandemic. It also serves as Wainscott's polling place for municipal elections.

Presently, the District has 88 students that we pay tuition to attend either pre-K or grades 4-12 at the neighboring districts described above or out of district special education placements. Tuition payments for those 88 students totals \$2,842,143.00 dollars for the 2022-23 school year. This equates to an average tuition payment of \$32,297.00 for each tuition student.

The District's total budget for the current school year is \$4,127,568.00. Historically, approximately 61% of the District's budget covers out of District tuition and transportation expenses. Approximately 28.5 % of the District budget covers the costs of educating our K-3 students in the schoolhouse, 4.5 % covers our District Administration costs and the remaining 6% funds the District's legally mandated administration of the Ross Schools' special education program.

The District's annual budget is funded almost entirely by the District's taxpayers. The District receives very limited Federal and State aid. The District is not eligible to receive funds

³ This total number of students does not include students residing in the District who attend private schools at their own expense.

⁴ Sagaponack has 262 year-round residents, 105 households, 69 families and an average household size of 3 per the 2020 Censes. It currently has 5 children in their Pre-K-3 program in their schoolhouse and 8 tuition students (4-12) for a total of 12 students.

⁵ Pre-K tuition ranges from \$15,578 to \$17,500 per student. Tuition for Special Ed Pre-K ranges from \$55,000 to \$69,000 per student. Tuition for 4-6th grade ranges from \$17,500 to \$29,578 per student. Tuition for Special Ed 4-6th ranges from \$55,000 to \$70,734 per student. 7-12th grade tuition ranges from \$17,500 to \$25,383 per student. Tuition for Special Ed 7-12th grade ranges from \$50,000 to \$70,453 per student. BOCES out of district placements typically cost in excess of \$100,000 per student. This Tuition rates do not include transportation costs also paid by the District.

from the State's principal education aid program ("Foundation Aid") due to its small size. The District has a lower tax rate than all neighboring school districts except Sagaponack.

The District is run by a small group of dedicated staff and administrators. The administrative expenses of the District account for approximately 4.5% of our annual budget. The District's administrative staff consists of a part-time Superintendent; a part-time Treasurer/Business Manager; and a full-time School Secretary/ District Clerk. Our teaching staff consists of three full-time teachers; a part time Special Education Coordinator; a part-time nurse; various part-time teachers (art; music; physical education; and technology); and various part-time service providers (speech therapy; occupational therapy; ESL; reading specialist; psychologist; and social worker). The District is overseen by its the Board of Trustees consisting of three community members elected to serve three-year terms without compensation.

The Wainscott School has enjoyed the consistent support of its community who view the school as one of the few community-controlled institutions that define the Wainscott Community. The Wainscott Community has consistently requested that the Town consider the potential adverse impacts upon the District's facilities, educational programing and finances when considering any Town sponsored housing projects within the District's boundaries.

POTENTIAL SIGNIFICANT ADVERSE IMPACTS OF THE PROJECT ON THE WAINSCOTT COMMON SCHOOL DISTRICT

There is no doubt that the Project has the real potential to have severe adverse impacts on the District's existing facilities, educational programing and finances.

EXISTING FACILITIES

The District's existing facilities have a limited capacity to absorb new students.

The District's existing facilities consist of a two-acre parcel located at 47 Main Street, Wainscott, NY. The principal structures at that location are the 4,200 sq. ft. Schoolhouse built in 2007 and the 1,145 sq. ft. Old Schoolhouse built in 1927. A version of the Schoolhouse has been located on this parcel continuously since 1730. The Schoolhouse is the fifth schoolhouse located on the parcel and the Old Schoolhouse is the fourth schoolhouse located on the parcel.

The District built the Schoolhouse fifteen years ago. The District paid off the bonds issued to finance that structure in June 2022. The Schoolhouse was designed for 24 students and represents the largest schoolhouse format permitted under New York Department of Education Regulations. Any additional classroom or other space added to the Schoolhouse building will trigger a New York State Department of Education requirement to build a full format school, including various common areas. The District does not believe that its lot is large enough to support a full format school.

The District does not own any other real property. Therefore, if a new facility is needed a new site would have to be located and purchased for a new full-format school. The District believes the purchase of a new site within the District and the development of a full format school and related facilities thereon would cost the District taxpayers in excess of forty million

dollars. The District notes that in an era of falling public school enrollments on Long Island, no new public school has recently been proposed or built on Long Island. This trend cannot be ignored by the Town. The District is genuinely concerned that any new facility built to accommodate a large single influx of students would become underutilized consistent with the long-term trend facing public schools across Long Island, including East End districts.

As stated above, the Schoolhouse is presently operating at 116% capacity. The District has already been forced to make changes to its educational programs and operations to accommodate its existing students. For example, this year the library has been converted into a second grade classroom. Due to space limitations, our students are no longer able to eat lunch together in our kitchen which previously also served as a cafeteria. Our students currently eat lunch together in the Old Schoolhouse. There is no added room in the Schoolhouse for any additional classroom space. There is only limited space in our existing classrooms for additional students. The Board of Trustees believes that the Schoolhouse can accommodate no more than 10 additional students.

It is not realistic to use the one room Old Schoolhouse for additional classroom space on an ongoing basis. That space was used for that purpose on an emergency basis during the Pandemic in order to meet the minimum distance requirements between students in effect during that time. The District would have been forced to offer our K-3 program remotely for the entire period of the Pandemic that required minimum distance requirements between students had the Old Schoolhouse not been available for emergency use. Its conversion to a full-time classroom would eliminate the District's flexibility to continue its in-house instruction in the case of any future health related or other emergencies.

Due to the increase in the number of K-3 students over the past few years the daily student activities conducted in the Old Schoolhouse have become an integral part of the K-3 school day. Its conversion to a full-time classroom would eliminate all such current school uses, including students eating their lunches together, physical education during inclement weather, group activities and student presentations. In short, its conversion to a full-time classroom would eliminate the last remaining common area on the District's campus. As a result, the Board of Trustees believes the conversion of the Old Schoolhouse into a permanent classroom would have a significant adverse impact on the District's daily operations.

Based upon the above, the Board of Trustees believes that the District's existing facilities can accommodate no more than 10 additional K-3 students in the aggregate.

EDUCATIONAL PROGRAMING

As described above, the District conducts its highly acclaimed K-3 educational program in the Schoolhouse. Our K-3 program emphases individualized instruction, in an open class format that promotes a highly collaborative and caring learning environment. The District is justifiably reluctant to further alter the structure of this program which has served its students well for many years.

Moreover, the District's ability to absorb additional students in the Schoolhouse is also constrained by law. It is a basic tenant of educational law that if a school district offers a grade or program in house it must offer it to all eligible students residing in its District. This means that if

the District offers a third-grade program in its Schoolhouse it must offer it to all third graders in the District. It may not offer it to up to 8 third graders in house and then tuition out any remaining third graders to neighboring districts even if the parents do not object to their child's disparate treatment. If there are too many students in one grade than can be accommodated in the Schoolhouse, the District would be forced to tuition the entire class out to neighboring districts. If that occurs with the first or second grade, the continuity of the District's existing K-3 program would be destroyed.

DISTRICT FINANCES

As explained above, the District's annual budget is financed almost entirely by our District's taxpayers. The District's low tax rate reflects the fact that Wainscott is by far the smallest Hamlet in the Town and next to Sagaponack the smallest Hamlet on the South Fork. Any costs imposed upon the District for new facilities needed to accommodate new students will significantly increase the tax burden on all District Taxpayers. A new full-format school located on the newly purchased site (if available) could easily cost in excess of forty million dollars. Tuition for added students will also increase our taxpayers' tax burden. Presently, the District is expending an average of \$32,298.00 per tuition student. In general, the District has experienced a significant increase in special education expenses over the last three school years. Future average expenditures per tuition student will increase if additional students require special education services.

In short, there is little doubt that any significant increase in the District's student population will result in a significant increase in the District's budget and tax payments by our taxpayers.

The Town should be aware that unlike budgets of municipalities, school budgets are subject to the approval of a District's taxpayers. There is no guarantee that the District's taxpayers will approval a significant increase in their taxes resulting from a need to purchase additional property, to build a new school and/or to pay the tuition for a significant number of tuition students living in the Project. Their refusal to do so would have a catastrophic impact on the District and the community.

THE PROJECT'S POTENTIAL TO PRODUCE NEW STUDENTS

The Route 114 Working Group claims their recommended 50 unit/100 aggregate bedroom proposal will generate an "estimated 35 children aged 0 to 18 years". They immediately hedge their estimate by stating that "[f]or planning purposes we recommend utilizing 39 students aged 0 to 18 years (+10%)".

The Board of Trustees believes that the above estimate severely understates the Project's potential to generate school aged children (4-18).

The Route 114 Working Group's estimate is clearly understated when compared to the District's actual experiences and what outside experts had predicted for a prior but smaller Town affordable housing proposal.

Our District presently generates 116 students from 72 household units. That equates to 1.61 students per household unit. That rate applied to the Project's 50 units yields 80 additional students in the District. Those 80 additional students translate into a 69% increase in the District's current student population (116 increased to 196).

In 2013, our outside educational experts predicted that the 48-unit (84 bedrooms) project proposed by the Town on Stephens Hands Path in Wainscott would generate between 75 students and 100 students. The expert's low estimate of 75 (for a project with 19% less bedrooms) is much closer to the District's above-described actual experience than the Route 114 Working Group's 35/39 estimate.

The Town's 35/39 student estimate does not survive even a cursory review and as a result lacks credibility. For example, the 16 three-bedroom units alone could easily yield more than 35 students. If one child occupied each of the 32 bedrooms not occupied by a parent or guardian the number of children would be 32. If 16 of the 32 bedrooms not occupied by a parent or guardian yield one child and the other 16 bedrooms yield two children the number of children would increase to 48. If two children are in each bedroom not occupied by a parent or guardian the number of children would increase to 64. These totals do not consider the children residing in the 18 two-bedroom units and the 16 one-bedroom units.

The 18 two-bedroom units alone could easily yield 36 students if 2 children occupied each of the 18 bedrooms not occupied by a parent or guardian.

The 16 one-bedroom units will also yield children as the Town has advised the District that single parents with children may occupy those units.

Frankly, the Town has not provided any evidence that would allow the District to reasonably conclude that the 35/39 estimate is reasonable or valid.

Even more objectionable is the fact that the Route 114 Working Group's estimate is just that. The Town has not offered to cap the number of children living at the Project. Therefore, the entire risk of their estimate being understated is shifted to District and its taxpayers with no recourse to the District or its taxpayers or any consequence to the Town or the East Hampton Town Housing Authority for understating the Project's impact on the District.

THE POTENTIAL IMPACTS OF THE PROJECT'S ADDITIONAL STUDENTS ON THE WAINSCOTT SCHOOL

As discussed above, the District's existing facilities can accommodate no more than 10 additional students in the aggregate. In addition, the District believes that the actual number of students that will be produced by the Project is between 80 and 100 students.

As explained below, 39 additional students generated by the Project would include an estimated 10 new K-3 students. Depending on the per grade breakdown of those new 10 K-3 students, the District believes that it could make the necessary adjustments to its existing facilities and education programs to accommodate those students.

If the Project produces more than 10 K-3 students in the aggregate the District will be forced into one of the following three undesirable and costly choices: (i) eliminate one or more grades from its current K-3 program and tuition those grades out to neighboring districts; (ii) locating and purchasing a new parcel within the District and building a full format school thereon; or (iii) become an "administrative district" by eliminating its K-3 program in its entirely, closing the Schoolhouse and sending all its students to neighboring districts on a tuition basis.

The District's Limited Capacity to Accommodate Additional Students within its Existing Facilities

The District is justifiably reluctant to alter the structure of its educational program which has served its students well for many years.

In any event, that option is only relevant if the number of total students generated by the Project is not more than the 39 estimated by the Town. Again, the District strongly believes that the Town's estimated 39 additional students is severely understated for the reasons set forth above. Assuming for the sake of argument the 39 student estimate is correct, based upon our current demographics that number of new students would yield 10 new K-3 students and 29 new tuition students⁶.

Depending on the breakdown per grade of those new 10 students, the District believes that it could make the necessary adjustments to its existing facilities and education programs to accommodate those students.

Any such change would also increase our budget to include an additional teacher, one or more teaching assistants and other professional salaries. A full-time teacher and one teaching assistant would increase our annual budget by approximately \$150,000.00.

In addition, the 29 additional tuition students would raise our annual tuition payments by approximately \$936,642 (based upon our current average of \$32,298.00 per tuition student). That represents a 33 percent increase in the District's annual tuition expense based upon current tuition rates. We note that tuition rates are increased annually by our various sending Districts.

The above increases in our annual tuition payments and a new teacher would alone increase our annual budget by approximately \$1,086,642, representing a 26% increase in our current annual budget. All these added costs will be passed on to our District taxpayers in the form of increased yearly school tax payments.

⁶ The District's current student population of 116 students includes 28 K-3 students or 24% of our total students. 24% of 39 students estimated by the Town would equal 10 new K-3 students.

Importantly, this is the best case scenario for the District but one that the District should not reasonable be forced to accept without an iron clad guarantee by the Town that the student population would in all events be capped at no more than 39 aggregate students.

The Possible Elimination of One or More grades from the District's Current K-3 Program

If the number of new students generated by the Project includes more than 10 K-3 Students, the District will be forced to eliminate one or more grades from its K-3 program and tuition out all students in the eliminated grades to neighboring school districts.

This would have the impact of destroying the continuity of our extraordinarily successful K-3 in-house program. It would also have an attendant increase in our annual tuition payments.

This option quickly disappears if the number of additional K-3 students is significantly more than the 10 students based upon the Town's 39 estimate. For example, if the District's low end estimate of 80 total students holds true the 19 additional K-3 students included in that total would lead to the elimination of more than one grade. The District believes that result would effectively eliminate the beneficial impact of any educational programing in the Schoolhouse.

Locating and purchasing a new parcel within the District and building a full format school thereon

The District will be forced to consider this option if the District's estimated 80 to 100 new students from the Project is realized.

As stated above, the District does not believe that its existing campus located at 47 Main Street would support the construction of a mandated full format school and related facilities. Therefore, the District will be forced to locate and purchase a new property within its District. The District is not aware of any available parcel that would support a new school facility. In addition, this option would forever alter the Wainscott School's historical mission to the detriment of our current and future students.

In addition, the cost to the District's taxpayers would be significant. The District believes that the cost of any suitable new site and building would easily exceed forty million dollars. It would also greatly increase the District's annual operating budget. All these additional costs will fall entirely to the District's taxpayers.

Frankly, the fact that the proposed Project may well force the District to build a new school should serve as a red flag to the Town Board that the impact of its proposed Project is both unreasonable and disproportionate on the Wainscott community, the District and its taxpayers.

⁷ The District's high end estimate of 100 total new students would include 24 new K-3 Students.

Finally, this option would result in the elimination of the Wainscott School and its K-3 program that has served the Wainscott community and its children so well for many decades. Any such result would be highly destructive to the fabric of the Wainscott Community.

Become an "Administrative District" by eliminating its K-3 program in its entirely and tuition all its students to neighboring districts

The District will also be forced to consider this alternative option if the District's estimate of 80 to 100 new students from the Project is realized.

Given the difficulty and significant expense of relocating the District and building a full format school, the District will be forced to consider converting into an "Administrative District" under the New York State Education Law.

An administrative district provides no instruction to its students. In lieu thereof, it pays tuition to neighboring Districts to educate all its students. A handful of small District's located in the rural parts of upstate New York operate as administrative districts. Ironically, they have opted to do so because their student population is too small to justify operating a school building. The District is not aware of any district being forced to operate in this mode due to a Town's conscious decision to inflict a disproportionate impact upon a district.

Assuming the low end of estimate of 80 new students, tuition costs for a total 196 students would equal \$6,330,408.00 (based upon our current average of \$32,298.00 per tuition student). That total translates into a 53% increase in our District's current budget. Significant transportation and the administrative costs to operate the District would only add to that total.

Finally, this option will also result in the elimination of the Wainscott School and its K-3 program that has served the Wainscott community and its children so well for many decades. Any such result would be highly destructive to the fabric of the Wainscott Community of which the Wainscott School is a significant part.

Again, the very real prospect of this impact upon Wainscott Community and the District should force the Town reconsider the disproportionate impact of the Project upon the Wainscott community, the District and its taxpayers.

THE TOWN'S DUTY TO MITIGATE THE POTENTIAL ADVERSE IMPACTS UPON THE DISTRICT AND THE WAINSCOTT COMMUNITY

The Town and the East Hampton Housing Authority (an Agency of the Town) are the sponsors of the Project. The Project will be considered an "unlisted action" under the New York State Environmental Quality Review Act ("SEQR").

Adverse impacts upon community character are considered environmental impacts under SEQR.

There is also no doubt that the Wainscott School in its current configuration and function is an integral part of Wainscott's community character. As discussed above, there is also no doubt the Project has the potential to have significant adverse impacts upon District's existing facilities, educational programing and finances.

In addition, the proposed 64 % increase in Wainscott's year-round population from the Project will also have an adverse impact upon Wainscott's community character.

Under SEQR, the Town and the East Hampton Housing Authority have the legal obligation to mitigate significant adverse impacts upon the District and the Wainscott community that may result from the Project. The duty to mitigate under SEQR includes considering measures that could reduce or minimize adverse impacts such as the Town's agreement to reduce the size of the Project or to cap the number of new students generated by the Project to its estimated 36/39 students.

The District intends to ensure that the Town and the East Hampton Housing Authority fulfill their statutory duties under SEQR and will vigorously resist any attempt by either entity to illegally shift their statutory burdens onto the District and its taxpayers.

CONCLUSION

Based upon the above, there is no doubt that the Project has the real potential to have significant adverse impacts on the District's existing facilities, educational programing and finances and on Wainscott's community character. Both the Town and the East Hampton Housing Authority have the legal obligation to mitigate the significant adverse impacts upon the District and Wainscott's community character that may result from the Project.

Dated: February 15, 2023

THE TRUSTEES OF THE WAINSCOTT COMMON SCHOOL DISTRICT

David E. Eagan, President Kelly Anderson William A. Babinski, Jr.