

Fiscal Impact Analysis

For the Tamposi Brothers
Housing Development
in Brookline, New Hampshire

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Brookline, NH Housing Development

I. Introduction

Carol Ogilvie, a Planning Consultant, has been engaged by the Tamposi Brothers to conduct a Fiscal Impact Analysis on a housing project they are proposing in Brookline, NH. The objective of this analysis is to estimate new revenue streams from the project relative to estimated costs of anticipated municipal services.

The project consists of 98 units of mixed housing:

- 30 workforce housing units (pursuant to NH RSA 674:58-61) with 1-2 bedrooms
- 10 market rate housing units with one (1) or two (2) bedrooms
- 58 age-restricted (55+) affordable housing units with one (1) or two (2) bedrooms

The project is to be developed on 126 acres located on the east side of NH State Route 13 in the central area of Town. The proposed road servicing the development will be private; each building will have on-site septic and all will be served by a community well. All of these amenities would be managed and maintained by the owners. The development is to be phased as follows:

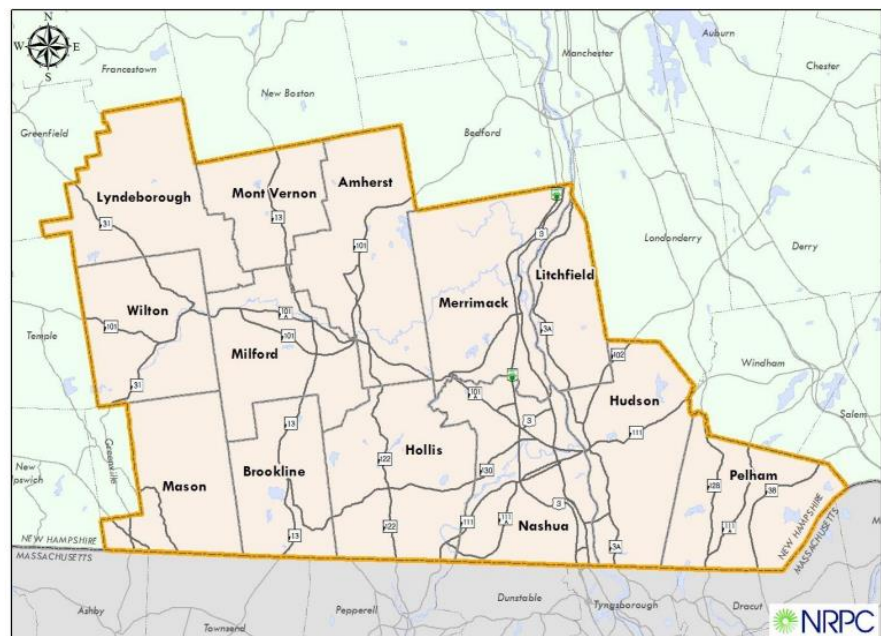
Phase I: 58 Age-Restricted one- or two-bedroom units in 14 four-unit buildings and one duplex building.

Phase II: 40 General Occupancy units in eight (8) five-unit Townhouses.

II. Brookline Profile

Brookline is geographically located in the southeastern part of the state, bordering Massachusetts. The Nashua Regional Planning Commission's 2023 Regional Housing Needs Assessment ([HOUSING NEEDS ASSESSMENT FOR THE NASHUA REGION \(revize.com\)](https://www.revize.com/housing-needs-assessment-for-the-nashua-region)) describes the area in this way:

"Generally, low-density residential development has characterized growth in the region's outlying communities, while higher-density development has occurred in the City of Nashua, along the F.E. Everett Turnpike/DW Highway corridor in Merrimack, in west-central Hudson and in the center of Milford. Located only 40 miles north of Boston, the region's proximity to the Boston MSA has been the driving factor in stimulating the region's growth since the mid-20th century and has had a direct impact on the region's housing market."



The Town of Brookline's Master Plan recognizes the need for diversity in housing types to support the needs of current and future residents, stating the following ' According to the Town's vision, Brookline should be a community for a lifetime. Therefore, long term affordability is essential. As such, the Town should allow for the provision of a variety of housing, in terms of types and costs, and should consider the housing needs for all ages.'" (Town of Brookline Master Plan - 2012 Executive Summary, Page 16)

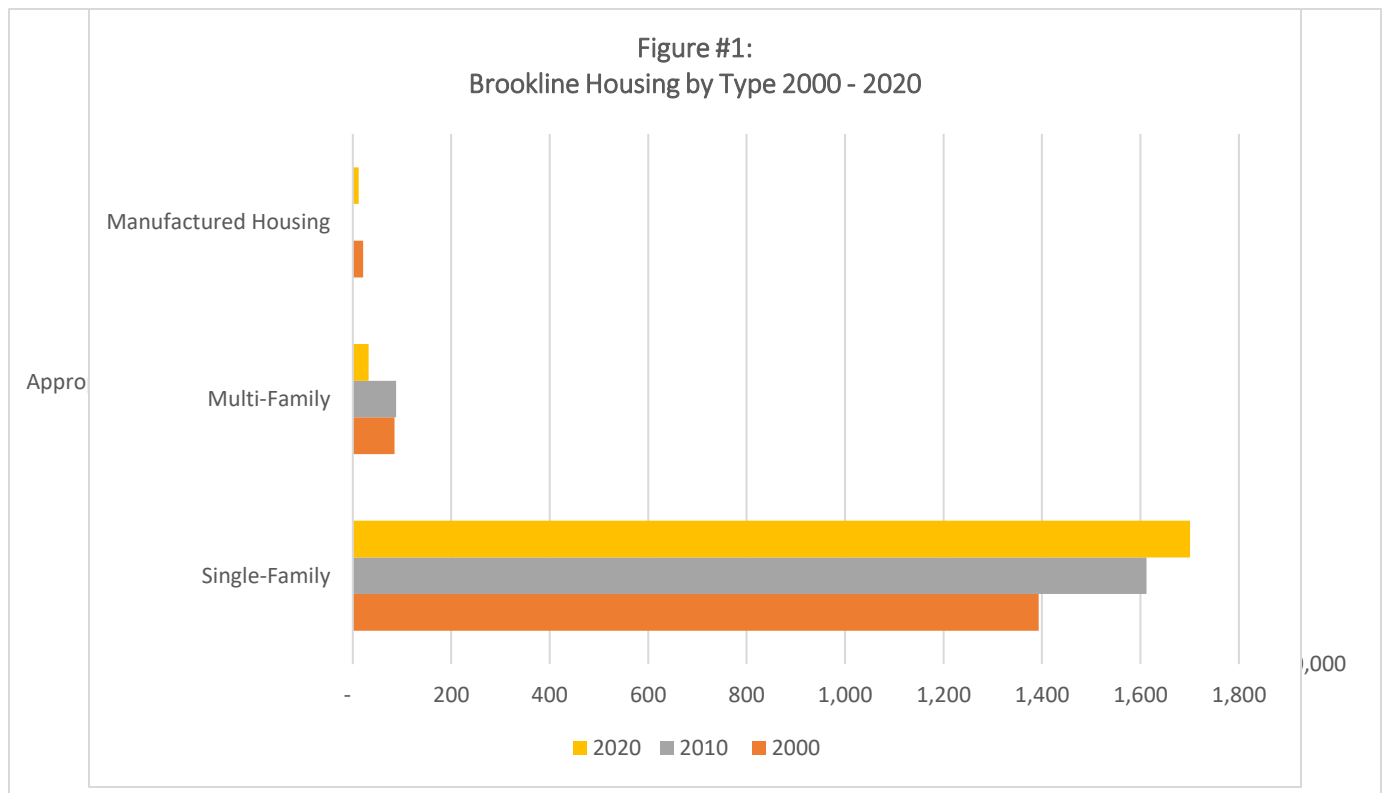
https://www.brooklinenh.gov/sites/g/files/vyhli2876/f/file/file/execsummary_implement_standalone.pdf)

According to the U. S. Census' American Community Survey, Brookline's estimated 2022 population is 5,659, which is 20 people more than were counted in the 2020 decennial census. Over the past two decades, Brookline's population grew by just under 1500 people; this represents an average increase of 71 people a year, or just under 2% annually for 20 years.

| Table 1: Brookline Population 2000 - 2020 | | | | | |
|--|-------|-------|-------|-----------|--------------------|
| Year | 2000 | 2010 | 2020 | 2000-2020 | Avg. Annual Change |
| Population | 4,211 | 4,991 | 5,639 | 1,428 | 71.4 |
| % Change | - | 19% | 13% | 34% | 1.7% |
| Source: U.S. Census | | | | | |

Population projections developed by the NH Office of Planning and Development ([NH-Population-Projections-2020-2050-Final-Report-092022.pdf](#) [\(nheconomy.com\)](#)) indicate that by 2040 (the benchmark for the statewide housing needs assessments) Brookline will gain 539 people, approximately 26 new people a year over the 20-year period from 2020.

The housing stock in Brookline consists predominantly of single-family homes; as of the 2020 decennial census, that number was 97%, which is an increase over the previous two census counts. Note, however, that the way in which information is collected can change, and that affects the numbers. For example, in 2000 the Census counted 21 manufactured homes, and only 12 in 2020; it is important to recognize that when a manufactured home has had an addition, the Census no longer counts it as a manufactured home, but as a single-family home. Despite these slight differences, it remains clear that the greatest percentage of housing in Brookline is of the single-family type. Figure #1 on the following page also clearly illustrates that the proportion of single-family homes in Brookline has increased since 2000.



Housing in Brookline is also predominantly owner-occupied, at 95%. As for home values, according to Realtor.com ([Brookline, NH 2024 Housing Market | realtor.com®](https://www.realtor.com/research/brookline-nh-2024-housing-market)) the median listing price for a single-family home as of this writing is \$759,000 and the median sold price is \$560,000. And according to Zillow ([Brookline NH Home Prices & Home Values | Zillow](https://www.zillow.com/brookline-nh/home-values/)) the current average home value is \$579,423.

III. Town Budget

Table #3 and Figure #2 present the appropriations for selected Town Departments for the 2022 calendar year. As is typical for New Hampshire, schools make up the greatest share of the budget. Town Government, Public Works and Police are the next three largest components of these selected departments.

| Table #3: Brookline 2022 Selected Department Budgets | | |
|--|----------------------|------------|
| Town Department/Service | Appropriation | % of Total |
| General Government | \$ 1,437,657 | 7.1% |
| Police | \$ 1,022,701 | 5.0% |
| Fire | \$ 528,214 | 2.6% |
| Ambulance | \$ 318,137 | 1.6% |
| Public Works | \$ 1,248,540 | 6.1% |
| Health & Welfare | \$ 40,800 | 0.2% |
| Parks & Recreation | \$ 43,750 | 0.2% |
| Library | \$ 313,078 | 1.5% |
| Debt Service | \$ 350,128 | 1.7% |
| Schools | \$ 15,052,616 | 73.9% |
| TOTAL | \$ 20,355,621 | |
| <i>Source: Town of Brookline, NH 2022 Annual Town Report</i> | | |

IV. Fiscal Impact Methodology

There are several methodologies used to estimate fiscal impacts of development, the Per Capita and Marginal Cost approaches being the most common for this type of development. The Marginal Cost approach, however, relies on town-specific data of expenditures related to specific services. While Brookline does have Town departments with full-time staff, it is not always feasible to directly attribute expenditures to particular population numbers. The Fire Department, for example, may respond to very few fires but devote time and resources to other services such as inspections. In previous interviews with the Fire Chief, Police Chief, and Road Agent, all acknowledged that they could not ascribe a specific cost for their services. For these reasons, this analysis is using the Per Capita method for all relevant Town departments, since the budget and the population are discreet numbers that are available. Certain assumptions can be made about level of service, but lacking the specific data, using the Per Capita approach seems to be the most reasonable, even though this approach is more likely to **overestimate** the costs associated with a development compared to using marginal cost; thus, this analysis is potentially more conservative than what the actual costs will ultimately be.

For the school, neither the per capita methodology nor cost per student is used, as neither is truly reflective of projected costs to the Town. Data from a report¹ demonstrate that property taxes are not the only revenue source for school costs, and therefore the marginal cost of education is much less than the average cost. The study concluded that additional children in public schools will not necessarily raise the property tax rate.

V. Local Revenues

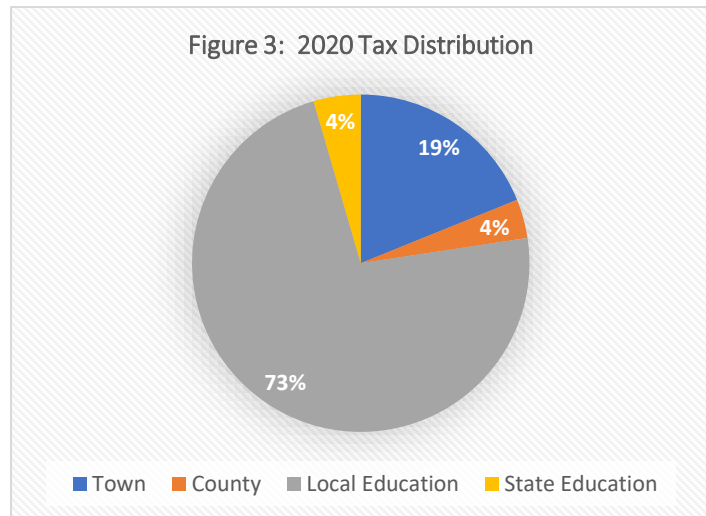
A. Property Taxes

Local property taxes contribute the largest share of revenue for New Hampshire municipalities. The total tax rate levied is comprised of four components: the municipal, county, local education, and state education taxes. Table #4 presents the tax rate broken out by these four components for 2022; and Figure #3 illustrates the proportion of property taxes that go toward each of these four categories. As can be clearly seen, the local school tax rate is the highest by far of all four, at 73% of the total tax rate of \$29.72 for the 2022 tax year.

| Table #4: Brookline 2022 Tax Rate | | |
|---|----------|------------|
| Tax Components | Amount | % of Total |
| Town | \$ 5.61 | 19% |
| County | \$ 1.11 | 4% |
| Local Education | \$ 21.66 | 73% |
| State Education | \$ 1.34 | 5% |
| Total Tax Rate | \$ 29.72 | 100% |
| Source: Town of Brookline, NH 2022 Annual Town Report | | |

¹ Will More Kids in Town Raise the Local Tax Rate? A Report to the NH Association of Realtors; Richard W. England, Ph.D; August 15, 2019.

Given that local property taxes make up the largest share of revenues for NH municipalities, it is important to gauge revenue that could be anticipated from this or any other project. Typically, property tax revenues are calculated based on the assessed valuation of the property. In this case, however, since the project is deemed affordable housing pursuant to RSA 75:1-a, the property taxes are assessed based on calculated income. It is anticipated that this development will generate \$169,200 annually in property taxes.



B. Miscellaneous Annual Revenues

As noted above, the property tax is the predominant revenue source for NH municipalities; there are, however, two other sources of revenue that bear noting: one is motor vehicle permit fees; and the other is revenue from the current use land change tax that is assessed when land is taken out of its current use (inactive) status and put to some active use.

1. Motor Vehicle Permit Fees

Table #5 presents an estimate of revenue that could be collected through motor vehicle registrations. In 2022 the Town collected \$1.32 million in permit fees for registering nearly 8,000 vehicles. This reflects an average of \$170 per registration. Using an assumption of 100 vehicles for all 98 units, this would generate approximately \$17,080 in permit fees.

| Table #5: Estimated MV Registration Fees | |
|---|-----------------|
| 2022 Permit Fees | \$ 1,325,550.50 |
| # of 2022 Permits | 7,761 |
| Average Fee Amount | 170.80 |
| Estimated # of New Vehicles | 100 |
| Estimated Fees from Project | \$ 17,079.64 |
| Source: Town of Brookline, NH 2022 Annual Town Report | |

2. Current Use Penalty

The subject parcel is in current use and as such is being taxed at a reduced rate from that of developed properties. Should this project go forward, there will be a current use change tax levied by the Town. The change tax is 10% of the fair market value at the time of the change. This parcel is over 126 acres, although approximately 58 acres are proposed for the housing development. Depending on the fair market value of those 58 acres at the time of development, there will be revenue to the Town, although this will only be a one-time payment and not recurring annually.

C. Total Projected Revenues

Table #6 presents the combined projected annual revenue from property taxes and motor vehicle permit fees. The current use change tax is not included in this calculation given that it would only be a one-time payment.

| Table #6: Projected Annual Gross Revenue | |
|---|-------------------|
| Revenue Source | Estimated Revenue |
| ▪ Property Taxes | \$ 169,200 |
| ▪ Auto Registrations | \$ 17,080 |
| Total Projected Revenues | \$ 186,280 |
| <i>Source: Town of Brookline, NH, 2022 Annual Town Report</i> | |

VI. Fiscal Analysis

A. Municipal Service Cost

As noted above, any new development would be expected to have some level of impact on town services. A housing development could reasonably be expected to impact Police, Fire, Public Works, and the School Districts. These four are examined as well as the Parks & Recreation & Library budgets. Note that a per capita method is used to estimate costs for all municipal services except for the schools. For the municipal services, it was not possible for the departments to estimate with any accuracy the level of service increase that might be expected. Therefore, the most reasonable approach is to calculate the cost of the service per person in town.

Note that an additional 98 dwelling units with one and two bedrooms will increase Brookline's population; the question is, by how much. According to the Nashua Regional Planning Commission 2023 Regional Housing Needs Assessment ([NRPC RHNA 2023 Final.pdf](#)), the average person per household for the Nashua region is 2.57, and for Brookline specifically it is 3.10. If this figure is applied to the 98 units, the population would increase by 303 people. It seems unlikely, however, that rental apartments with one or two bedrooms will generate 3.10 persons per household. Statewide ([2023-NH-Statewide-Housing-Needs-Assessment.pdf \(nhhfa.org\)](#)), the majority of renter-households live in multi-unit structures, and tend to have smaller households. The Nashua Regional Planning Commission's 2019 Regional Housing Needs Assessment ([HOUSING NEEDS ASSESSMENT FOR THE NASHUA REGION \(revize.com\)](#)) provided data for rental units specifically, which ranged from 2.01 to 2.5 persons per unit, and the 2022 American Community Survey of the U.S. Census calculated rental occupancy of 2.45 person per unit. If one assumes a maximum of two persons for the age-restricted units (116 persons), and 2.45 for the 40 general occupancy (98 persons), this development would increase Brookline's population by 214 people, which is a 3.8% increase. Note that this estimate is certainly high, given that it is unlikely that each of the 58 age-restricted units will be occupied by two people; there are, however, no available data on 55+ persons per household.

1. Police

The Brookline Police Department is staffed by nine full-time sworn officers and one full-time civilian and two part-time sworn officers. Table #7 calculates a projected increase in the Police budget of \$38,674, which represents a 3.8% increase.

| Table #7: Projected Police Department Costs | |
|--|--------------|
| 2022 Budget | \$ 1,022,701 |
| 2022 Population | 5,659 |
| Cost Per Capita | \$ 180.72 |
| Projected Increased Population | 214 |
| Projected Increased Cost | \$ 38,674.33 |
| Cost Per Capita with Adjusted Population | \$ 174.05 |
| <i>Source: Town of Brookline, NH 2022 Annual Town Report</i> | |

2. Fire and Ambulance

The Brookline Fire Department operates with 34 call firefighters and a full-time Chief and Fire Inspector, as well as a part-time Administrative Assistant. Ambulance service in Brookline is provided by a third-party agency (Brookline Ambulance Service, that operates twenty-four (24) hours per day, three hundred and sixty-five (365) days a year. The Department is staffed by two full time employees (a Paramedic and a Paramedic Chief) who cover Monday through Friday 8 am to 4 pm and the remaining time is covered by active Call Members which consist of nine (9) Emergency Medical Technicians, four (4) Advanced EMT's, and two (2) Paramedics.

Tables #8 & 8-a on the following page show combined projected increased costs of \$32,006, representing a 3.7% and 3.8% increase in fire and ambulance service, respectively.

| Table #8: Projected Fire Department Costs | |
|--|--------------|
| 2022 Budget | \$528,214 |
| 2022 Population | 5,659 |
| Cost Per Capita | \$ 93.34 |
| Projected Increased Population | 214 |
| Projected Increased Cost | \$ 19,974.87 |
| Cost Per Capita with Adjusted Population | \$ 89.89 |
| <i>Source: Town of Brookline, NH 2022 Annual Town Report</i> | |

| Table #8-a: Projected Ambulance Costs | |
|--|---------------|
| Ambulance | \$ 318,147.00 |
| 2023 Population | 5,659 |
| Cost Per Capita | \$ 56.22 |
| Projected Increased Population | 214 |
| Projected Increased Cost | \$ 12,031.01 |
| Cost Per Capita with Adjusted Population | \$ 54.14 |
| <i>Source: Town of Brookline, NH 2022 Annual Town Report</i> | |

3. Highway & Solid Waste

The Brookline Public Works Department operates with three full-time employees, including the Public Works Director. In addition to maintaining all of the Town roads, the Department is also responsible for operating the Transfer Station. Brookline does not have curbside pickup. Residents are responsible for bringing their trash to the Transfer Station, or hiring a disposal service. The Transfer Station charges fees for certain items, whereas others – such as recyclables, are disposed of for no charge.

The road that would serve the development is proposed to be private, therefore having no direct impact on the Highway budget. Trash collection for the development will be privately contracted, therefore minimal impact on the transfer station usage is expected, and therefore there will be no direct impact on the solid waste budget. An assumption can be made that some of the traffic from the development would use some Town roads. However, considering that the projected population would only increase the Town's total population by approximately 3-4%, it does not seem likely that these changes would be needed in the immediate future.

Based on a per capita calculation, the Public Works budget would increase by \$47,215. Given the factors noted above, however, that number is reduced by @10%, allocating \$5,000 for this service.

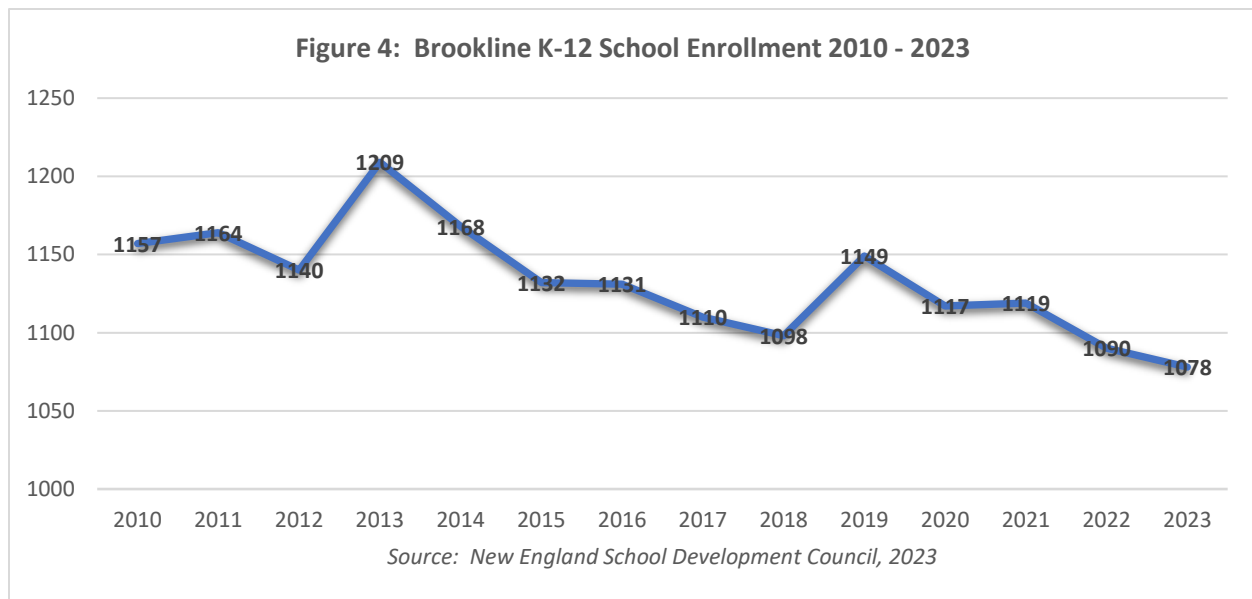
4. Library/Parks & Recreation

The Town of Brookline provides a full-service Library, with a staff of eight; two positions are full-time, including the Library Director, and the remaining positions are part-time. A Recreation Commission, with members appointed by the Select Board, is responsible for maintaining the Town's ball fields and the town beach on Lake Potanipo. These two functions are combined in Table #9 for what can be considered cultural services provided by the Town. The projected increase of \$13,494 represents a 3.8% increase in the Library budget.

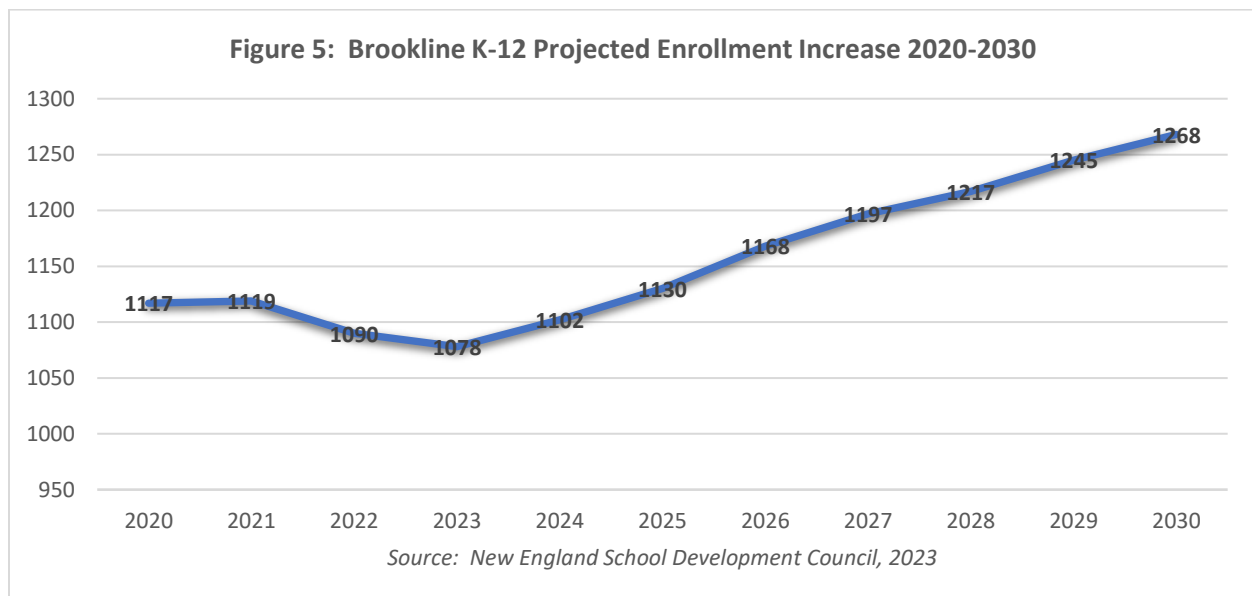
| Table #9: Projected Parks & Recreation/Library Costs | |
|---|---------------|
| 2022 Budget | \$ 356,828.00 |
| 2022 Population | 5,659 |
| Cost Per Capita | \$ 63.05 |
| Projected Increased Population | 214 |
| Projected Increased Cost | \$ 13,493.76 |
| Cost Per Capita with Adjusted Population | \$ 60.73 |
| <i>Source: Town of Brookline, NH 2022 Annual Town Report</i> | |

B. Schools

As was illustrated in Figure #3, 74% of Brookline's tax revenue goes towards local education, which is typical in New Hampshire communities. Therefore, it is important to be able to estimate a tax impact from any residential development. To gain an understanding of what could be expected, it is instructive to first look at past enrollment trends. Figure #4 below illustrates student enrollment for Brookline from 2010 to 2023, showing that enrollment over these years declined by 79 students.



Projected enrollment for K-12 is illustrated in Figure #5, where it is projected to increase by 121 students by the year 2030. It is not clear from the report what is driving this rather sharp projected increase, since it diverges so dramatically from the previous enrollment numbers. There is some variation for different grade levels; this analysis does not address that, as it is not possible to predict the ages of children that might occupy this development.



The primary question for this analysis is how many school-age children could be expected to reside in the proposed development. There are several data points to refer to in answering this question. A study prepared by Applied Economic Research² analyzed public school generation by housing type and found that a multi-family building with five or more units generated 0.17 students per unit – the lowest of all housing types.

A more recent analysis by the Nashua Regional Planning Commission³ found that 78% of the households in the Region are comprised of three or fewer persons. As for numbers of school children, the analysis found that for one- or two-bedroom homes, the number of school-aged children averaged less than 0.1 per unit. Overall, consistent with the findings of Applied Economic Research, single-family homes generate the most school-aged children, and multi-family the least, especially those with five or more units. Finally, a study prepared for NH Housing Finance Authority⁴ that specifically looked at rentals that were eligible for low-income tax credits found an average of 0.43 students per unit for one- two-bedroom units.

This project anticipates approximately nine (9) school-age children for the 40 non-age-restricted units. These children will likely be spread across all grades, thereby having minimal impact on school costs. The majority of school costs are fixed costs--building and facilities costs, teacher and administrative salaries, bond payments, etc. The addition of 1 or 2 students per grade will not add to any of these costs. \$25,000 has been budgeted to account for any increased school costs

VII. Fiscal Summary

Table #10 presents the summary of estimated revenues, estimated costs to the Town, and the difference between the two. Revenues from property taxes and vehicle registrations are anticipated to be \$186,280, and costs to the Town are anticipated to be \$114,174, resulting in a net benefit to the Town of \$72,106. Bearing in mind that the population estimates – especially for the 55+ units are overestimated, it is likely that the net benefit will be even higher.

As noted above, certain assumptions have been made for this analysis, in lieu of having specific department estimates of cost for services. Nevertheless, the assumptions used seem reasonable. Key findings supporting these conclusions and assumptions include:

| Table #10: Fiscal Impact Summary | |
|--|---------------------|
| Gross Tax Revenue: | |
| Property Taxes | \$ 169,200 |
| Auto Registrations | \$ 17,080 |
| Total Revenues | \$ 186,280 |
| Estimated Town Costs: | |
| Police | \$ (38,674) |
| Fire | \$ (19,975) |
| Ambulance | \$ (12,031) |
| Highway & Solid Waste | \$ (5,000) |
| Library/Parks & Recreation | \$ (13,494) |
| Schools | \$ (25,000) |
| Total Costs | \$ (114,174) |
| Net Fiscal Impact (Benefit to the Town) | \$ 72,106 |

² Housing and School Enrollment in New Hampshire: A Decade of Dramatic Change; Applied Economic Research; June 2012.

³ NRPC Housing Needs Assessment 2023.

⁴ Affordable Rental Housing Developments: Characteristics of Residents of New Hampshire Low Income Housing Tax Credit Apartments; BCM Planning, LLC; September 2017.

- ♦ The project would be phased, therefore minimizing impacts on Town and school budgets.
- ♦ The project would have very little impact on highway and solid waste services.
- ♦ The school enrollment projections are very low, and considering the consistent decline in student population over the last 13 years, it is unlikely that the projected school-age children from this development would have any negative affect on the schools.
- ♦ The projected increase in population is overestimated, due largely to the lack of specific person-per-household data for a senior age demographic.