

Estimation of the Impact on Carlisle Town Budget

Assumptions

- 1 It costs the town at least \$20,000 on average per student annually to educate a child in its school systems after state reimbursement.
- 2 We estimate an average of 1 child per new housing unit assuming these are 2-3 bedrooms each.
- 3 We assume that the distributed cost for the non-education portion of the town budget is roughly \$5,000 annually per household, and that these costs rise in a roughly linear fashion over time with additional police, fire, DPW, and other municipal employees needed to service a growing community.
- 4 The model uses a representative subset of town housing to simplify the model. The model assumes an existing mix of larger, new homes and older, smaller homes. The expectation is that the dense housing will command about the same tax revenue as the existing smaller homes, because new construction commands a higher market price but would likely be offset by the unit's smaller finished footprint and denser use of the land.
- 5 Our model assumes no capex expense like school additions, which is a strong possibility and would dramatically increase costs.
- 6 The model assumes a full build-out of 95 units. All indications from other towns are that developers are eager to develop and will do so.

Carlisle Today

Revenue	Expenses			Comments/ Deficit	Students	Units
	Taxes	Tuition	Other			
Big Property 1	\$25,000.00	\$40,000.00	\$5,000.00	2 students	2	1
Big Property 2	\$25,000.00	\$20,000.00	\$5,000.00	1 student	1	1
Small Property 1	\$15,000.00	\$0.00	\$5,000.00	No students	0	1
Small Property 2	\$15,000.00	\$0.00	\$5,000.00	No students	0	1
Totals	\$80,000.00	\$60,000.00	\$20,000.00	\$0.00	Good	

This example is essentially how Carlisle balances its budget today. The town has a mix of older properties with older residents and larger, newer properties, some with school-age children. The larger properties pay more in taxes and the childless households (roughly half) subsidize those with school age children.

Alternative - MBTA compliant sub-division

		Expenses				
	Taxes	Tuition	Other	Deficit	Students	Units
Build 12 unit condo	\$180,000.00	\$240,000.00	\$60,000.00		12	12
Totals	\$180,000.00	\$240,000.00	\$60,000.00	-\$120,000.00	Bad	

New dense sub-division(s) are built but no loss of existing property. Newer, more affordable housing attracts young families with more school age children.

MFCC as proposed by Planning Board

		Expenses				
	Taxes	Tuition	Other	Comments/ Deficit	Students	Units
Loss of Big Property 1	-\$25,000.00	\$0.00	-\$5,000.00	No students	0	1
Loss of Big Property 2	-\$25,000.00	\$0.00	-\$5,000.00	No students	0	1
Loss of Small Property 1	-\$15,000.00	\$0.00	-\$5,000.00	No students	0	1
Loss of Small Property 2	-\$15,000.00	\$0.00	-\$5,000.00	No students	0	1
Build 3 unit cluster	\$45,000.00	\$60,000.00	\$15,000.00		3	3
Build 3 unit cluster	\$45,000.00	\$60,000.00	\$15,000.00		3	3
Build 3 unit cluster	\$45,000.00	\$60,000.00	\$15,000.00		3	3
Build 3 unit cluster	\$45,000.00	\$60,000.00	\$15,000.00		3	3
Totals	\$100,000.00	\$240,000.00	\$40,000.00	-\$180,000.00	Worse	

2 big properties and 2 small properties are demo'd or repurposed into multi-unit clusters. The former homeowners' kids have grown up and are replaced with one child per unit on average.

Conclusion

we expect any dense housing built to attract families with school age children, because the combination of a quality education with relatively affordable housing makes these units a great value for young families. The subdivision plan, which only builds new housing, adds approximately \$10,000 per unit in excess cost over revenue due to the addition of school age children to properties taxed at a lesser amount. The MFCC plan adds about \$15,000 per unit constructed due to the fact that it is replacing existing childless properties with those likely to attract young families and school age children

Final tally @ 95 units

Common deficit (both plans)	\$950,000.00
Additional MFCC deficit	\$475,000.00
Total	\$1,425,000.00