

Appendix C.7

Fiscal Impact Analysis

FISCAL IMPACT ASSESSMENT

Hilltop Village

Proposed Age Restricted Residential Community

Town of Wappinger, Dutchess County, New York

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**Fiscal Impacts of Hilltop Village at Wappinger,
A Proposed Active Adult Residential Community
In the Town of Wappinger, Dutchess County, New York**

Summary of Findings:

The following report assesses the fiscal impact of a proposed Active Adult Residential Community on the Town of Wappinger in Dutchess County, New York. Detailed assessment of 2009-2011 Town and School District costs and revenues, and calculations of estimated costs and revenues associated with the residential development proposal show that **an Active Adult residential use on this site would be financially beneficial to both the Town and the local Schools.** As detailed in the attached Appendix, residents of an Active Adult community would not only pay their way, they would pay a surplus of funds to the schools and the town, even with a portion of the households claiming an Enhanced STAR tax exemption.

The following summary assumes that the project would include 23 senior affordable housing units; figures in the attached Appendix also calculate the project's fiscal impact without any affordable housing. With the entire project sold at market rates, the net public surplus would rise to more than \$810,000 annually, with about \$752,000 in surplus income going to the Wappingers Central School District each year.

An Active Adult Residential Community built on this site will:

- **Have a net positive fiscal benefit to the community of more than \$793,000 annually;**
- **Give more than \$738,000 of annual property tax revenue to the Wappingers Central School District,** enough to pay the cost of educating 49 additional school children (at \$14,853 per student), without adding to the school population;
- **Provide more than \$55,000 in surplus income to the Town each year;**
- **Have a minimal impact on public services.** The homeowner association will provide trash removal, street maintenance, and recreation facilities, and Active Adults have a much lower community impact than younger residents and families;
- **Generate stable cash flow** to be spent in local businesses and service establishments.
- **Provide 225 homes** for a growing elderly population wishing to downsize to smaller homes.

Positive Surplus Provided by Active Adult Residential Development

	Annual Public Cost	Annual Property Tax Revenue		Annual Net Surplus/Deficit
Town of Wappinger	\$ 99,980	\$ 155,008	=	\$ 55,028
Wappinger Schools	\$ -	\$ 738,767	=	\$ 738,767
TOTAL ANNUAL PUBLIC SURPLUS FROM ACTIVE ADULT HOMES:				= \$ 793,795

**APPENDIX:
FISCAL IMPACT
DATA & CALCULATIONS**

Summary of Development Fiscal Impacts

See following Worksheets for step-by-step calculations.

Positive Fiscal Surplus Provided by Hilltop Village Active Adult Community Including Senior Affordable Housing Units

	Annual Public Cost	Annual Property Tax Revenue		Annual Net Surplus
Town of Wappinger	\$ 99,980	\$ 155,008	=	\$ 55,028
Wappingers Schools*	\$ -	\$ 738,767	=	\$ 738,767
TOTAL ANNUAL PUBLIC SURPLUS FROM ACTIVE ADULT HOMES:			=	\$ 793,795

*Estimated STAR school tax exemptions have been included in all calculations.

Positive Fiscal Surplus Provided by Hilltop Village Active Adult Community NOT Including Senior Affordable Housing Units

	Annual Public Cost	Annual Property Tax Revenue		Annual Net Surplus
Town of Wappinger	\$ 99,980	\$ 158,058	=	\$ 58,078
Wappingers Schools*	\$ -	\$ 752,144	=	\$ 752,144
TOTAL ANNUAL PUBLIC SURPLUS FROM ACTIVE ADULT HOMES:			=	\$ 810,222

*Estimated STAR school tax exemptions have been included in calculations.

Data Sources:

1. Town of Wappinger 2011 Final Budget (used figures reported for actual 2009 costs and revenues)
2. Wappinger Central School District 2011/12 Budget (used actual cost per pupil for 2010-11 school year)
3. New York State Office of Real Property Services website (tax assessment and rate data)
4. US Census Bureau, decennial 2010 Census and 2005-2009 American Community Survey

Worksheet 1: Town Costs and Revenues (2011 Final Budget)

1A. Allocation of Non-Residential Share of Town Costs

Commercial/Industrial Assessed Value:

Total Municipal Assessed Value - all properties in Wappinger (a)	\$ 2,897,092,947
Total Commercial/Industrial Municipal Assessed Value (b)	\$ 630,447,664
Commercial/Industrial Value Percentage (b/a)=c	22%

Commercial/Industrial Parcels:

Total Assessed Parcels in Wappinger(d)	9,569
Commercial/Industrial Parcels (e)	1,675
Commercial/Industrial Parcel Percentage (e/d)=f	18%

Estimated Share of Costs & Revenues from Commercial/Industrial Uses ((c+f)/2):	20%
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Note: This analysis uses the widely accepted per capita multiplier methodology detailed by Drs. Burchell and Listokin in the *Fiscal Impact Handbook*. This method requires that residential and non-residential costs be apportioned so that a more accurate per capita cost of resident services may be determined. Non-residential properties only include those classified as Industrial, Commercial, and Recreation/Entertainment; all other properties, including Residential, Vacant, Public, and Community Service are part of the residential share because the existence of these parcels is supported by resident taxpayers. Source: Ratable Base information is quoted from the 2010 Annual Assessment Rolls for the Town of Wappinger, as reported by the New York State Office of Real Property Services. See attached worksheet of Wappinger Tax Parcels for data used in this calculation.

1B. Town Service Costs (2009 Actual)

Expenditure Category	2009 Actual Expenditures	Residential Share of Costs (80%)	Non-Residential Share of Costs (20%)
General Fund - Townwide:	\$ 3,978,506	\$ 3,182,805	\$ 795,701
General Fund - Part-Town:	\$ 1,703,191	\$ 1,362,553	\$ 340,638
Highway Fund - Townwide:	\$ 2,455,184	\$ 1,964,147	\$ 491,037
Ambulance Fund	\$ 395,243	\$ 316,194	\$ 79,049
Fire District	\$ 985,482	\$ 788,386	\$ 197,096
Grinnell Library	\$ 542,874	\$ 434,299	\$ 108,575
TOTAL 2009 ACTUAL EXPENDITURES:	\$ 10,060,480	\$ 8,048,384	\$ 2,012,096

Note: Figures listed herein are actual 2009 expenses, as quoted from the Town of Wappinger 2011 Budget. Based on the calculations in part 1A, approximately 80% of costs are incurred by residential land uses and 20% of costs are incurred by commercial and industrial land uses. This analysis recognizes that most Special District costs (water, light, sewer, and drainage) are adjusted annually based on actual use within each district, and assumes that new homes will pay assessments commensurate with their use of these services.

1C. Town Revenues (2009)

Revenue Source	Revenue Amount	Percent of Total Revenue
Provided by Residents, Businesses, and Property Owners:		
Property Taxes (and associated tax items):	\$ 5,217,925	57%
Fines, Interest, and Fees:	\$ 1,029,372	11%
Sub-Total of Own Source Revenues:	\$ 6,247,297	69%
Inter-Governmental & Inter-Agency Transfers, and other sources:	\$ 2,853,896	31%
TOTAL 2009 ACTUAL GENERAL FUND REVENUES:	\$ 9,101,193	100%

Note: Figures listed herein are actual 2009 revenues as quoted from the Town of Wappinger 2011 Budget.

1D. Average Town Service Cost Per Resident (2009)

Number of Residents in Town of Wappinger (2010 Census)*: 27,048

*Source: US Census Bureau, 2010 Decennial Census.

	Per Resident
Per Capita Town Service Costs (residential expenditures/ number of residents) :	\$ 298
Portion of Town Costs Covered by Own Source Revenues (69%):	\$ 205

1E. Summary of Community Services Impacts (2009)

Ambulance District Surplus:	\$ 5,401
Current Tax Rate	0.13
Residential Cost	\$ 316,194
Cost per Resident	\$ 12
Cost Additional Cost from Proposed Action	\$ 3,928
Estimated Tax Revenue from Proposed Action	\$ 9,329
Fire District Surplus:	\$ 28,958
Current Tax Rate	0.54
Residential Cost	\$ 788,386
Cost per Resident	\$ 29
Cost Additional Cost from Proposed Action	\$ 9,794
Estimated Tax Revenue from Proposed Action	\$ 38,752
Library District Surplus:	\$ 6,087
Current Tax Rate	0.16
Residential Cost	\$ 434,299
Cost per Resident	\$ 16
Cost Additional Cost from Proposed Action	\$ 5,395
Estimated Tax Revenue from Proposed Action	\$ 11,482
Total Surplus:	\$ 40,447

2D. Estimated Taxable Value of New Homes

	Number of New Homes	Average Market Value Per Home*		Total Market Value
Market Rate Active Adult Single Family Home	132	\$ 350,000	=	\$ 46,200,000
Market Rate Active Adult Town Home	70	\$ 295,000	=	\$ 20,650,000
Senior Affordable Town Home	23	\$ 213,604	=	\$ 4,912,882
Total Homes:	225	TOTAL ASSESSED VALUE:		\$ 71,762,882

Minus STAR School Tax Exemptions:

	Number of STAR Exempt Homes	Exempted Value Per Home		Total STAR Exempt Value
Homes with Basic STAR Exemption (estimated 85%)	172	\$ 47,980	=	\$ (8,238,166)
Market Rate Homes with Enhanced STAR Exemption (estimated 15% qualify)	30	\$ 96,120	=	\$ (2,912,436)
Affordable Homes with Basic STAR Exemption (estimated 85%)	20	\$ 47,980	=	\$ (938,009)
Affordable Homes with Enhanced STAR Exemption (estimated 15% qualify)	3	\$ 96,120	=	\$ (331,614)
Total Homes:	225			

TOTAL MUNICIPAL TAXABLE VALUE**:	\$ 71,762,882
MINUS TOTAL STAR EXEMPTED VALUE:	\$ (12,088,611)
TOTAL SCHOOL TAXABLE VALUE:	\$ 59,674,271

*Source: Based on developer's recent sales figures for similar unit models in similar markets.

**According to the local Level of Assessment (LOA) for 2010, the assessed value of a property in the Town of Wappinger is 100% of its estimated market value, as determined annually by the Town Tax Assessor.

Note: A Basic STAR Exemption is available for all owner-occupied, primary residences regardless of age or income. The basic STAR Exemption exempts the first \$47,980 of the full property value of the home from school taxes. The Enhanced STAR Exemption is available to senior citizen homeowners over the age of 65 who have a qualifying household income not exceeding the statewide standard (\$79,050 or less for 2011). The Enhanced STAR Exemption exempts the first \$96,120 of full property value from school taxes (2010-2011 figures for Wappinger School District). Based on buyer statistics from similar Toll Active Adult Communities, we estimate that a maximum of 15% of the households of the proposed market rate homes would qualify for the Enhanced STAR Exemption, as many residents would have higher incomes and/or lower ages than would qualify. In addition, we assume that all of the senior affordable households will qualify for the Enhanced STAR Exemption.

Worksheet 3: Hilltop Village at Wappinger Community Impact

The following models the impact of the community on 2010/2011 Budgets, as though the development were in place today, and DOES NOT INCLUDE any senior affordable housing units.

3A. Estimated Number of New Residents

Unit Type	Quantity New Homes	Average Number of Residents Per Unit*		New Residents
Market Rate Active Adult Single Family Home	132	1.57	=	207
Market Rate Active Adult Town Home - End Units	70	1.39	=	97
Market Rate Active Adult Town Home - Interior Units	23	1.39	=	32
Total Homes	225	Total New Residents	=	336

Source: Average residents per age-restricted single-family detached and attached home from 1999-2003 American Community Survey statistics for Mid-East US. These are the most recent and accurate figures available.

3B. Estimated Number of New School-Aged Residents

Unit Type	Quantity New Homes	Average Number School Age Residents Per Unit		New School Age Residents
Active Adult	225	0	=	0
Total New Pupils*			=	0

*Statistically, Active Adult developments do not generate school aged children.

3C. Estimated Annual Cost of Services for New Residents

	Average Cost Per Resident or Pupil	Number of New Residents or Pupils		Total Annual Cost
Town of Wappinger*	\$ 298	336	=	\$ 99,980
Wappingers Central SD**	\$ 14,853	0	=	\$ -
TOTAL ANNUAL COST OF PUBLIC SERVICES*:				\$ 99,980

*Note that this calculation does not include water, sewer, or light special service district charges (see Worksheet 1). These annual expenditures are paid for by service fees based on actual use, and infrastructure improvements are assumed to be covered

**Total expenditures per student from 2010/11 Wappingers Central School District Budget.

3D. Estimated Taxable Value of New Homes

	Number of New Homes	Average Market Value Per Home*		Total Market Value
Market Rate Active Adult Single Family Home	132	\$ 350,000	=	\$ 46,200,000
Market Rate Active Adult Town Home - End Units	70	\$ 295,000	=	\$ 20,650,000
Market Rate Active Adult Town Home - Interior Units	23	\$ 275,000	=	\$ 6,325,000
Total Homes:	225	TOTAL ASSESSED VALUE:		\$ 73,175,000

Minus STAR School Tax Exemptions:

	Number of STAR Exempt Homes	Exempted Value Per Home*		Total STAR Exempt Value
Homes with Basic STAR Exemption (all households)	191	\$ 47,980	=	\$ (9,176,175)
Market Rate Homes with Enhanced STAR Exemption (estimated 15% qualify)	34	\$ 96,120	=	\$ (3,244,050)
Total Homes:	225			

TOTAL MUNICIPAL TAXABLE VALUE**:	\$ 73,175,000
MINUS TOTAL STAR EXEMPTED VALUE:	\$ (12,420,225)
TOTAL SCHOOL TAXABLE VALUE:	\$ 60,754,775

*Source: Based on developer's recent sales figures for similar unit models in similar markets.

**According to the local Level of Assessment (LOA) for 2010, the assessed value of a property in the Town of Wappinger is 100% of its estimated market value, as determined annually by the Town Tax Assessor.

Note: A Basic STAR Exemption is available for all owner-occupied, primary residences regardless of age or income. The basic STAR Exemption exempts the first \$47,980 of the full property value of the home from school taxes. The Enhanced STAR Exemption is available to senior citizen homeowners over the age of 65 who have a qualifying household income not exceeding the statewide standard (\$79,050 or less for 2011). The Enhanced STAR Exemption exempts the first \$96,120 of full property value from school taxes (2010-2011 figures for Wappinger School District). Based on buyer statistics from similar Toll Active Adult Communities, we estimate that a maximum of 15% of the households of the proposed market rate homes would qualify for the Enhanced STAR Exemption, as many residents would have higher incomes and/or lower ages than would qualify.

3E. Estimated Tax Revenue Generated by New Homes

Receiving Entity	Tax Rate per \$1000 of Assessed Value		Total 2009 Tax Revenues
Town (Outside Village) - Homestead Rate	1.46	=	\$ 106,836
Grinnell Library District - Homestead Rate	0.16	=	\$ 11,708
Ambulance District - Homestead Rate	0.13	=	\$ 9,513
Fire District - New Hackensack	0.54	=	\$ 39,515
Wappingers Ctrl. School District - Homestead Rate	12.38	=	\$ 752,144
TOTAL PROPERTY TAX REVENUE:			= \$ 919,715

Note: Sewer, Light, Drainage and Water District costs incurred by the special service districts are billed based on actual metered usage, therefore they are not included in this calculation.

Town of Wappinger 2010 Parcel Counts and Assessment Values

As reported by the NYS Office of Real Estate Property Services

(used to determine average cost per person of providing municipal services to residents, by subtracting a portion of costs that are incurred by services to commercial and industrial properties)

Property Class	Total Parcel Count	Total Assessed Value	Municipal Taxable	School Taxable	%Exempt - Municipal	%Exempt - School
Agricultural	19	\$9,627,300	\$5,474,189	\$5,278,229	43%	45%
Residential	6,938	\$2,141,973,075	\$2,062,504,916	\$1,770,919,890	4%	17%
Vacant	726	\$120,515,935	\$107,361,807	\$107,561,807	11%	11%
Commercial	1,639	\$625,161,395	\$614,717,664	\$583,688,551	2%	7%
Rec. and Entertain.	31	\$16,137,000	\$12,050,000	\$12,050,000	25%	25%
Community Service	73	\$156,645,235	\$7,329,650	\$7,329,650	95%	95%
Industrial	5	\$3,680,000	\$3,680,000	\$3,680,000	0%	0%
Public Service	129	\$121,704,761	\$83,974,721	\$83,974,721	31%	31%
Public Parks	9	\$5,266,500	\$0	\$0	100%	100%
TOTAL:	9,569	\$3,200,711,201	\$2,897,092,947	\$2,574,482,848		

(All figures include any applicable tax exemptions.)

Total Residential/Other Properties:		7,894
Percent of All Properties:	82%	
Total Commercial/Industrial Properties:		1,675
Percent of All Properties:	18%	
TOTAL Number of Properties in Wappinger:		9,569

Total Municipal Taxable Value Residential/Other:		\$2,266,645,283
Percent of All Properties:	78%	
Total Municipal Taxable Value Commercial/Industrial:		\$630,447,664
Percent of All Properties:	22%	
TOTAL Municipal Taxable Value of Properties in Wappinger:		\$2,897,092,947

Total School Taxable Value Residential/Other:		\$1,975,064,297
Percent of All Properties:	77%	
Total School Taxable Value Commercial/Industrial:		\$599,418,551
Percent of All Properties:	23%	
TOTAL School Taxable Value of Properties in Wappinger:		\$2,574,482,848

Affordable Housing Calculation

Used to determine average sales prices for Senior Affordable Housing

1. General Definition of Affordable Housing

It is generally accepted by mortgage underwriters that a household should not pay more than 30% of its gross income on housing costs to avoid being unable to meet other financial obligations. According to the US Department of Housing and Urban Development (HUD), the definition of "affordable housing" generally means a rental or owned property that costs less than 30% of the gross income of a household that makes 80% of the area median household income. This is the standard for moderate-income affordability. Low-Income affordability applies to households making 60% of the area median.

Moderate Income Household	=	Between 60-80% of Median Household Income for Area
Low Income Household	=	Less than 60% of Median Household Income for Area
Affordable Moderate Income Housing	=	Costs Less Than 30% of Moderate Income Household's Gross Annual Income
Affordable Low Income Housing	=	Costs Less Than 30% of Low Income Household's Gross Annual Income

2. Affordable Housing in the Town of Wappinger

HUD uses the "Area Median Income" to determine affordability. The local area is Dutchess County.

2009 Median Household Income*	=	\$71,504
Moderate Income Household makes	=	Between \$42,900 and \$57,200
Low Income Household makes	=	Less than \$42,900
Affordable Moderate Income Housing	=	Costs Less Than \$17,160 per year or \$1,430 per month
Affordable Low Income Housing	=	Costs Less Than \$12,870 per year or \$1,072 per month

***Source:** U.S. Census Bureau 2005-2009 American Community Survey 5-Year Estimates for Dutchess County, New York; Data is in 2009 inflation-adjusted dollars.

3. Affordable Senior Housing at Hilltop Village at Wappinger

Determining what is "affordable" takes many factors into account including but not limited to financing terms, mortgage products, variation in utility costs, and different levels of net worth. For this calculation, we believe the average moderate-income family desiring to live in Hilltop Village at Wappinger will have some personal savings to put toward a down-payment on a new home, at least 20%, due to the sale of another residence. This calculation estimates an annual income of \$57,200, or 80% of the Town of Wappinger median household income, including 2% of available assets, with no personal debt and a good credit rating for the moderate-income affordable homes. The calculation estimates an annual income of \$42,900, or 60% of the Town of Wappinger median household income, including 2% of available assets, with no personal debt and a good credit rating for the low-income affordable homes.

How much house can a moderate income household afford?

Affordable Moderate Income Housing		
Max. Cost Per Month (30%)	=	\$1,430
Minus:		
monthly property tax (average)	-	\$334
monthly property insurance	-	\$65
monthly homeowners' association fees	-	\$225
equals max. monthly mortgage pmt.	=	\$806
loan term (years)	=	30 years
interest rate (fixed)	=	3.9%
maximum loan amount allowed	=	\$170,883
Maximum Home Price (20% down)	=	\$213,604

How much house can a low income household afford?

Affordable Low Income Housing		
Max. Cost Per Month (30%)	=	\$1,073
Minus:		
monthly property tax (average)	-	\$334
monthly property insurance	-	\$65
monthly homeowners' association fees	-	\$225
equals max. monthly mortgage pmt.	=	\$449
loan term (years)	=	30 years
interest rate (fixed)	=	3.9%
maximum loan amount allowed	=	\$95,088
Maximum Home Price (20% down)	=	\$118,860