

Introduction

Scope & Framing Question

Civico Development is proposing a housing project in Lincoln of 20 homes under the North Lincoln Overlay District, which requires Town Meeting approval. The housing component is one part of the proposal with the Rural Land Foundation and in collaboration with the Farrington Memorial Nature Linc, to conserve 77 acres of land off of Page Road and Cambridge Turnpike in Lincoln.

This study assesses the potential fiscal impact of new housing production to provide relevant information to the Planning Board, Finance Committee, and Town residents in advance of a warrant article related to the project, which will be presented at the Special Town Meeting on June 25, 2025.

Out of Scope

This study will **not** consider the potential non-fiscal impact relative to:

- Aesthetics
- Environment
- Traffic
- Affordable housing

Methodology

The study will use:

- Analysis framework developed for the Housing choice act fiscal impact study: <https://www.lincolntown.org/DocumentCenter/View/85766/HCA-fiscal-impact-v3f>
- Marginal analysis (i.e. net new housing units, students, taxes, expenses, etc.)
- Fiscal 2025 dollars and tax rates

This study considers fiscal impact to have three components

1 Revenue
Property Tax + Motor Vehicle Excise Tax

2 Operating Expense
Public Education + Public Safety

3 Capital Expense
The project does not anticipate any infrastructure spend beyond what the property owner is expected to provide.

20 units can drive roughly \$205K of net new revenue from taxes



Property taxes from
new housing

\$243K



Foregone property taxes from
the removal of current houses

\$44K

+



New Motor Vehicle taxes

\$6K

Type	No	Sales Price	Taxes	Existing Houses	FY25 Tax	Units	Cars/unit	Tax/unit
3-bed affordable	3	\$0.35M	\$12,778	Panetta 1	\$13,538	17	2	\$185
3-bed	14	\$1M	\$170,373	Panetta 2	\$13,900			
4-bed	3	\$1.65M	\$60,239	Panetta 3	\$16,808			
Total			\$243,390	Farrington	Tax exempt	Total		\$6,290
				Total	\$44,246			

Assumptions

- Tax rate: FY25 residential property rate is 1.281%. (Excludes CPA surcharge of 3% which is conservative.)
- Assessment to Sales Ratio: Assume 95% on par with Lincoln's historic ratio. MA Department of Revenue requires ASR to be within 90-100% as part of its certification process.
- Motor Vehicle tax: Assume 2 vehicles/unit on par with MA average. Assume \$185/car on par with Lincoln average. (Sources: The Census Bureau and MVE Lincoln Tax data)

Notes

K12 enrollment can increase by an additional 8 students

We can triangulate a student/unit value based on multiple data sources.

Examine different scales.

Community	Students	Housing Units	Student Unit
Oriole Landing	2	60	0.03
Lincoln Woods	30	125	0.24
Average 9 MA 100+ unit condo complexes ²	421	2,212	0.19
Lincoln	596	2,100	0.28
Massachusetts	896,103	3,036,334	0.30

Examine correlation with unit size/ # of bedrooms.

MA Housing Unit Structure Type	Student unit	Multifamily examples	1 2 3 bedroom % split/sq ft
Single Family Detached	0.38	Lincoln Woods 125 units	32% 58% 12%
Multifamily 2-4 units	0.32	Oriole 60 unit	50% 50%
Multifamily 5-19 units	0.22	Proposed Mall Complex ~40 units	618-1,023 ft ² 1008-1,423 ft ²
Multifamily 20+ units	0.1		50% 50% 650 850 ft ²

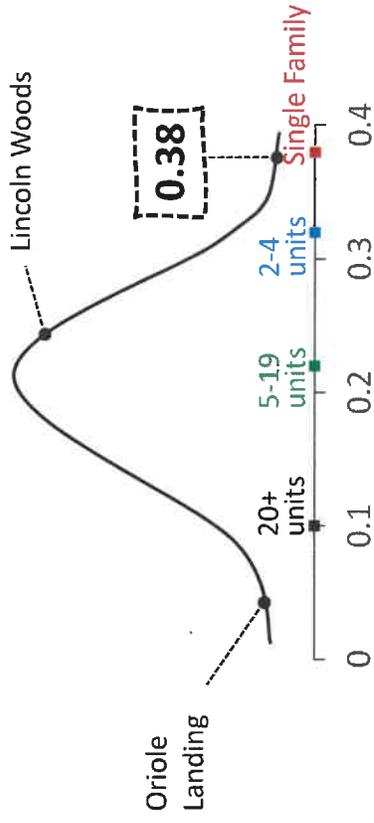
Avoid sample bias.

Not included	Student unit
Hanscom AFB	>1
Ryan Estate	0

Sources:

- LPS and Town of Lincoln
- US Census Bureau, 2022
- One Public School Child for Every Three Homes Special Studies 5 | 1 | 20 By Na Zhao, Ph.D. NAHB Economics & Housing Policy Group
- Fiscal Impact Analysis Oriole Landing 01 | 22 | 18 By Fougere Planning & Development

We can set a “baseline” students/unit ratio based on a probability range



20 units x 0.38 students/unit
~ 8 students¹

The incremental students cluster into LPS and LSRH²

6 students



LPS K-8

2 students



LSRH 9-12

¹ No current students from the existing properties

² Based on current enrollment split

8 incremental public-school students can drive \$114K of new expenses

<i>Public School</i>	<i>Likely Students</i>	<i>Cost/pupil</i>	<i>Total Expense</i>
LPS	6	\$11,980	\$71,880
LSRH	2	\$21,200	\$42,200
Total			\$114,280

- Notes**
- LPS: Marginal cost/pupil calculated based on 2.5% CAGR from 22/23 school year shown in appendix
 - LSRH: Marginal cost/pupil calculated based on 3% CAGR from 22-23 school year shown in appendix

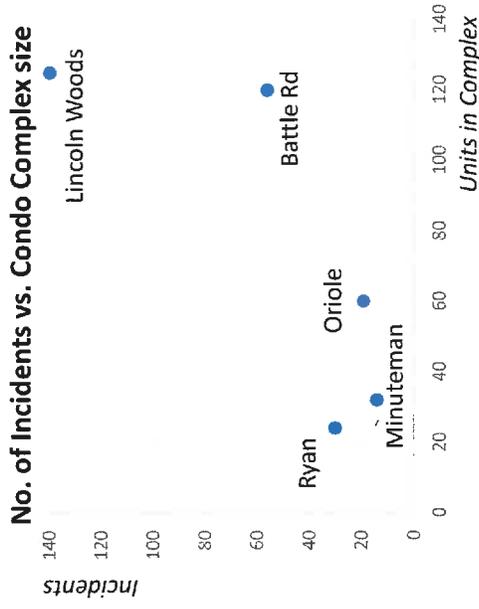
Rise in Public Safety incidents can be managed without financial impact

Lincoln Incidents

2023 Condo Complex Incidents

Fiscal Impact from Population Growth

Police Department

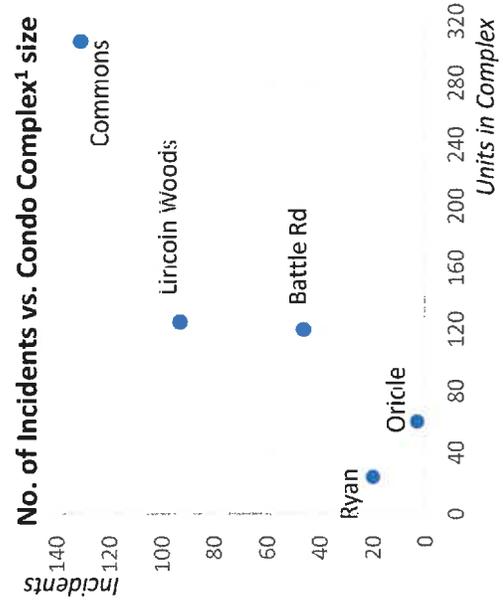


~ 8000

Given the limited scale of the development – adding just 17 net new units – the resulting increase in call volume is expected to have a minimal impact on public safety operations and budgets.

Public safety departments can accommodate the projected demand – estimated to be fewer than 20 additional incidents per year – within current staffing levels, without any significant effect on service levels such as response times.

Fire Department & EMS



~ 1500

Fire and EMS split:
50% | 50%

No. of Incidents vs. Condo Complex¹ size

The project is not expected to have an adverse fiscal impact

Baseline scenario contributes \$91K

Breakeven scenario suggests there is adequate cushion

1

Revenue

Net new taxes

\$205K

2

Operating Expense

Education + Public Safety
\$114K + Negligible

3

Capital Expense

None

- Breakeven is reached at 15 public school students.
- Reaching breakeven requires 0.72 students per unit – nearly double the estimated average for a single-family house.



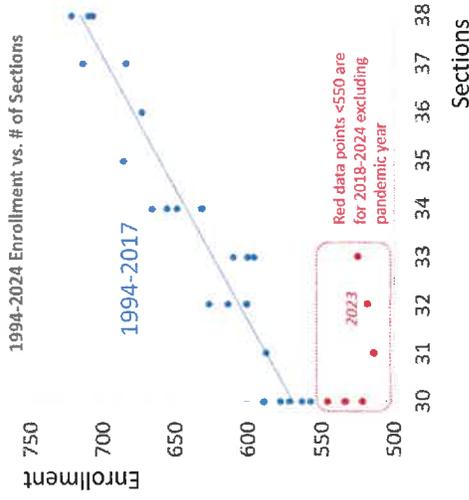
Appendix

School related expenses
Leverages HCA Fiscal Impact Study

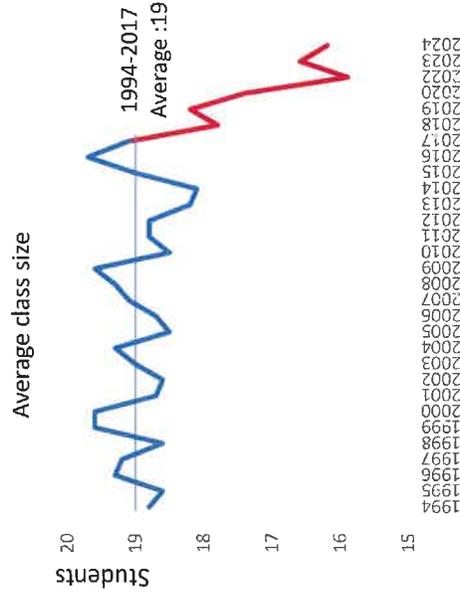
<https://www.lincolntown.org/DocumentCenter/View/85766/HCA-fiscal-impact-v3f>

LPS average class size is below historical norms – suggesting excess capacity

Number of sections have adapted in response to changes in enrollment from 1994 to 2017¹, but this trend did not persist since 2018.

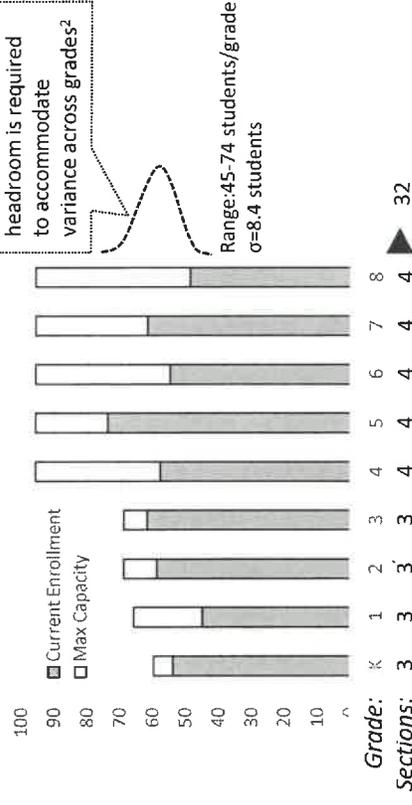


Consequently, average class size has dropped since 2018.



There is significant capacity to increase enrollment without adding additional sections beyond 2023 levels if average class size returns to pre-2018 levels.

2023-2024 Enrollment – 32 sections



Enrollment based on average class size of 19

Enrollment	Sections
570	≤30
589	≤31
608	≤32
627	≤33
646	≤34

19 has historically allowed the school to maintain class size per school committee guidelines

School committee class size guidelines

	K	1	2	3	4	5	6	7	8
Recommend	18	20	21	21	22	22	24	24	24
Maximum	20	22	23	23	24	24	24	24	24

¹ Excludes pandemic year
² K-5 teachers can flex ± 1 grade to accommodate enrollment variances

The LPS marginal cost/pupil for 70 students is \$11.4K for school year 22-23

The costs to run the school roll up to four high-level buckets: Faculty, Student, Transportation, School.

LPS 22-23 Actual Spend Breakdown of \$12.1M
Faculty 63.4% | **Supplies 5.3%** | **Transport 4.1%** | **School 27.2%**

\$7.1M Professional Staff: Regular, Stipend, Subs, Misc	\$1.1M Support Staff: Secretaries, Facilities & Maintenance & Custodial Staff	\$0.9M Administration: Salaries	\$0.27M Out of district expenses
	\$1M Facilities & Maintenance Utilities, custodial services, building projects, etc.	In-district Transportation \$0.5M	
	General Supplies & Materials \$0.64M	Paraprofessional Staff: assistants, tutors	

Average cost per pupil: \$23.3K (22-23) The average cost for 70 extra costs \$11.4K

Incremental costs can be mapped to these four buckets.

Grades	Impact	Faculty	Expense
K-5	4 FTEs	<ul style="list-style-type: none"> Open two new sections based on current capacity. Each section has a fully dedicated teacher & assistant Teacher salary+35% benefits+ 8% stipend, subs, misc: \$114K Instructional Assistant salary+35% benefits: \$47,250 Add 1.5 FTEs for 23 additional students. 1 FTE addresses ~20 students based on current capacity. Middle school can accommodate fractional FTEs. Teacher salary+35% benefits+ 8% stipend, subs, misc: \$114K 	\$323K
6-8	1.5 FTEs	<ul style="list-style-type: none"> 14 special ed students at current participation rate of 20%. A teacher can support 15 special ed students 	\$172K
K-8	1 FTE		\$114K

Grades	Impact	General Supplies	Expense
K-8	70 Misc.	<ul style="list-style-type: none"> Textbooks, software, Published Materials Durable Consumable Supplies at ~\$1300/student 	\$91K

Grades	Impact	Transportation	Expense
K-8	1 Bus	<ul style="list-style-type: none"> Buses aren't operating at capacity, but if route optimization can't match supply and demand, an extra bus is needed. Cost/bus \$80K. A but fits 55-70 students. Bus ridership is ~50%. Option C housing is <2 mi of school, not within transportation policy, but students are offered to ride at a cost 	\$80K

Grades	Impact	School	Expense
K-8	-	<ul style="list-style-type: none"> OoD not included. There're currently two students in the program. Significant fluctuations can be handled by a reserve. Current level of administrators, support staff, and facilities expenses can address the increase 	-

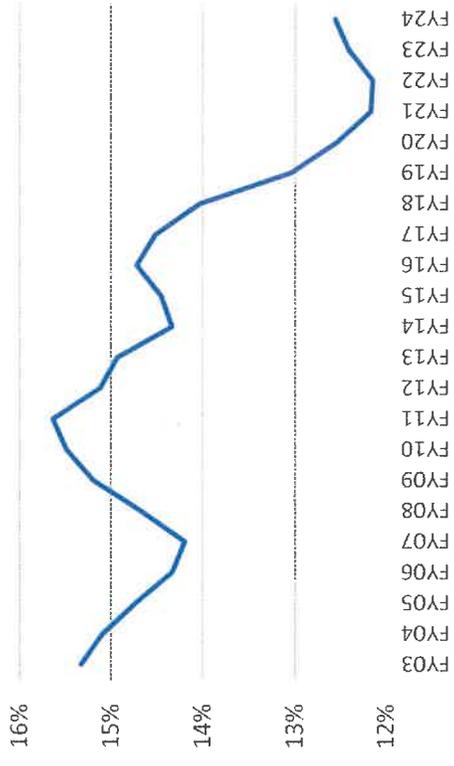
The LSRH marginal cost/pupil for 30 students is \$20K for school year 22-23

The impact of 30 students on LSRH costs is minimal considering the school's substantial total enrollment – 1411 in October 2022. But, Lincoln's portion of the budget varies depending on the enrollment split between the two towns. The budget split is computed using a two-part formula:

1. A three-year rolling enrollment split (\$2M in FY23)
2. A state-defined minimum contribution (\$2M in FY23)

Although the state-defined minimum contribution considers factors beyond enrollment, such as “ability to pay” and “municipal growth”, historically it closely mirrors the enrollment ratio. (i.e. # 1 ≈ # 2) Hence, the fiscal impact will be computed only based on changes in this ratio.

Lincoln % of LSRH Enrollment History



The following table illustrates the change to Lincoln’s contribution to LSRH budget based on FY23 data and a hypothetical increase of 30.

	Enrollment		Enrollment change		Change
	Oct 2022	Actual	Lincoln grows by 30	Sudbury stays flat	
Lincoln	176	176	206	206	30 ³
Sudbury	1235	1235	1235	1235	0
LSRH	1411	1411	1441	1441	30
Lincoln % ¹	12.5%	12.5%	14.3%	14.3%	1.82%

	Budget Split		Budget Split change		Contribution Change
	Lincoln	Sudbury	Lincoln	Sudbury	
Lincoln	\$4.0M	\$4.0M	\$4.6M	\$4.6M	\$0.6M
Sudbury	\$27.9M	\$27.9M	\$27.8M	\$27.8M	(\$0.1M)
Total assessment	\$31.9M ²	\$31.9M ²	\$32.4M ⁴	\$32.4M ⁴	

Assumptions:

- ¹ Rolling 3-year average.
- ² Total assessment= Total budget \$35.9M – total revenue \$4M.
- ³ 30 students can be absorbed into 1411 without any capacity concerns.
- ⁴ Budget growth = 85% enrollment growth. Costs scale linearly with enrollment except for Administration, support staff, facilities'

The average cost for 30 extra students is ~ \$20K.