

Fiscal Impact of New Development in Newton – Updated

This analysis looks at 32 projects representing 3,800 units from 2016 through those under review as of March 2023.

Annual New Revenue		
Property Tax Residential	\$ 14,712,000	Additional Revenue not included: Local Meals Tax: From both new restaurants and additional customers at existing restaurants
Property Tax Commercial	\$ 5,918,900	
Excise Tax	\$ 402,500	
CPA Local & State Funds	\$ 262,000	
Prior Property Tax Deducted	\$ 3,175,000	Property tax, less expenses, on what had been on the land prior to the new development..
Annual New Revenue	\$ 18,120,400	
Additional Expense		
Education	\$ 10,402,000	
Fire/EMS	\$ 2,485,100	
Police	\$ 862,300	
Additional Expense	\$ 13,749,400	
Annual Net Benefit to the City of Newton	\$ 4,371,000	
Annual Spending in Newton by New Residents	\$72,000,000	For example: Groceries, Restaurants, Coffee Shops, Childcare and Kids Activities, Pet Care, Car Repair, Professional Services, and Personal Care & Services
Additional One Time Payments		This represent about 60% of the total units included in this analysis.
Water & Sewer Infrastructure Payments	\$ 7,187,000	Water and Sewer infrastructure mitigation payments (AKA Inflow & infiltration mitigation) are required based a a city ordinance.
Other Public Benefit Funding	\$ 22,797,000	Includes new traffic and pedestrian safety measures, undergrounding utilities, and funds for schools, parks and public open space.
Building Permit Fees	% of Construction Cost	These fees are not included as they are calculated when applying for building permits. Riverdale, for example, has paid over \$330,000 for building permits as of 03/2023.

Fiscal Analysis of New Development in Newton – Assumptions & Sources

Recently Built, Under Construction, Permit Approved, In Permit Process as of March 2023

Number of Units	Special Permit documents including Planning memos, inclusionary unit memos
# of Affordable Unit	Special Permit documents including Planning memos, inclusionary unit memos
# of Market Rate Units	Special Permit documents including Planning memos, inclusionary unit memos
REVENUE	
Retail, Office and Lab Space (SF)	Special Permit documents including planning memos and presentations
Estimated Value of Apartments (or actual if already completed)	\$390,000/unit; Based on Apartments Built After 2015; Assessor's database -- Ausitn St., Trio and Hancock Estates
Estimated Value of Affordable Condo Units	\$290,000/unit; Based on affordable condos sold at 429 Cherry St and 68 Los Angeles St. during 2020 and 2021
Estimated Value of Market Rate Condo Units	\$900,000/unit; Based on new condos sold or for sale in 2021 and 2022 in Newton
Estimated Value for Senior Housing	Sunrise on Wash. St. is actual assessed value; Cabot Park, Golda Meir and Haywood House similar to current value/unit; Crafts St. based on their fiscal analysis; Herrick Rd and Sunrise on Rt. 9 similar to Crafts St.; Opus more than Coleman House but less than market. Avg. of \$240,000/unit.
Estimated Value (or actual if already completed)	\$350/sf for Retail & Office; \$460/sf for Lab Space
Property Taxes	Based on residential tax rate for FY23 of 10.18 and a commercial rate for FY23 of 19.07
Excise Tax/Car	\$150/car; Estimates of tax per car ranged from \$52 to \$225; Average of 0.8 cars/unit in apartments and condos and 1 car/4 units in senior housing. Fiscal analysis for Riverside, Northland, 1114 Beacon St and Crafts St. Senior Housing
Number of Cars/Unit	Average of 0.8 cars/unit in apartments and condos and 1 car/4 units in senior housing.
Community Preservation Act Funds	1% of property tax plus matching funds from the State. Recently the match has been about 25% of the CPA tax.
Inflow & Infiltration Mitigation Payments	One time payment made to the city based on projected water and sewer use to upgrade water and sewer system.
Community Benefit Agreements	Additional benefits to the city from the project. Includes: Undergrounding utilities, Local traffic and roadway improvements, Funds for Countryside School, Funds for affordable housing in lieu of onsite units, Forte Park Improvements and lights, Splash Park, Stormwater control, stream daylighting, public plazas...
Spending in Newton by New Residents	\$19,000/household based on fiscal analysis for Austin St. and 1114 Beacon St.
EXPENSES	
Number of Students/Unit	Based on NPS Enrollment Analysis thru 2028 when available; Walnut St, Watertown St, WN Armory, Santander Building and Northland-Charlemont based on average students/unit for apartments in NPS analysis; Walker St. same as average for condos
Number of Students	Based on NPS Enrollment Analysis thru 2028 when available; Walnut St, Watertown St, WN Armory, Santander Building and Northland-Charlemont based on average students/unit for apartments in NPS analysis; Walker St. same as average for condos
Cost for Education	The average of two methods was used. 1) Cost per student covered by Newton's property taxes: FY23 school budget divided by number of students = \$22,374.; property taxes covered 75% of the budget in FY21. State and federal funds cover about 25%. Therefore the cost for Newton would be \$16,780/student. 2) Marginal cost per student: NPS provided information for the Northland fiscal analysis. It was \$14,400/student. Assume some increase in expenses since that analysis; Additional 10% added. = \$15,840/student Average used: \$16,310
Police	\$500/call; Residential .45/unit -- The fiscal analysis for Riverside, Northland, and 1114 Beacon St; Senior Housing = .75/unit -- fiscal analysis for Crafts St.
Fire & EMS	\$2,500/ call; Residential = .2/unit; -- From the fiscal analysis for Riverside, Northland, and 1114 Beacon St; For Senior Housing = .54/unit -- From the fiscal analysis for Crafts St.
Assessed Value Prior to Sale to Developer	Most are the assessed value for 2021; Others were the year just before assessed at the higher value due to completed new development..
Property Tax Prior to Development	Based on commercial rate FY23 of 19.07; Most properties were commercial prior to new development. Net property tax less expenses – including Fire, Police, Education for a few students – estimate of 10% of taxes.
Sources of Data	
1114 Beacon St. Fiscal Impact Analysis – 05/2021	Northland RKG Peer Review Fiscal Analysis 2019
Community Preservation Act State Matches	NPS Enrollment Analysis 2021 – 2027 12/2021
Council Orders for Projects	NPS Enrollment Analysis 2022 – 2028 01/2023
Craft St. Elder Housing Fiscal Analysis – 2022	NPS Proposed School Budget FY2023
My Mass Home: Affordable Condos	Riverside Fiscal Analysis 2021
Newton Assessor's Database	U.S. Census American Housing Survey (AHS) Table Creator 2017 Data
Northland: Fougere response to peer review 02/2019	Washington St Vision Plan Fiscal Impact Analysis

Revenues and Expenses for Newton from New Development

Apartments, Condominiums and Senior Housing: Recently Built, Under Construction, Permit Approved, and In Permit Process as of March 2023

	Amount of Residential & Commercial				Annual Revenue for Newton						One Time Payments		Annual Expenses for Newton				Estimated Value After Completion			Prior Assessed Value	
	Number of Units	Afford-able	Market Rate	Retail, Office and Lab Space (SF)	Property Taxes on Residential (Rate 10.18)	Property Taxes on Retail, Lab (Rate 19.07)	Total Property Tax Revenue	Add'l Rev. CPA Local & State Funds	Excise Tax	Total Revenue for Newton	Inflow & Infiltration	Additional Community Benefit Agreements*	Cost to Newton for Students	Police (.45/unit @\$450/call)	Fire & EMS (.2/unit @\$2,500/ call)	Education, Police, Fire and EMS Expenses for Newton	Residential Estimated Value (or actual if already completed)	Commercial Estimated Value (or actual if already completed)	Total Estimated Value (or actual if already completed)	Prior Assessed Value	Property Tax Prior to Development Residential - 10.18/ Commercial - 19.07
28 Austin St.	68	23	45	5,000	193,818	33,373	227,191	2,885	8,160	238,236	750,000	1,050,000	293,580	13,770	34,000	341,350	19,039,100	1,750,000	20,789,100	1,284,900	-
Hancock Estates	88	12	76	-	417,869	-	417,869	5,307	10,560	433,736	NA	NA	195,720	17,820	44,000	257,540	41,048,000	-	41,048,000	2,300,000	23,414
400 Langley	20	4	16	-	90,852	-	90,852	1,154	2,400	94,406	NA	NA	48,930	4,050	10,000	62,980	8,924,600	-	8,924,600	1,000,000	10,180
Trio	140	35	105	47,000	592,863	271,795	864,658	10,981	16,800	892,439	782,880	1,000,000	293,580	28,350	70,000	391,930	58,238,000	14,252,500	72,490,500	13,329,800	254,199
Rivendale	204	51	153	22,300	809,921	148,841	958,762	12,176	24,480	995,418	446,000	300,000	733,950	41,310	102,000	877,260	79,560,000	7,805,000	87,365,000	7,185,400	137,028
15 -21 Lexington St.	24	5	19	-	95,285	-	95,285	1,210	2,880	99,375	269,660	NA	81,550	4,860	12,000	98,410	9,360,000	-	9,360,000	765,600	14,600
1114 Beacon St.	34	6	28	-	134,987	-	134,987	1,714	4,080	140,781	59,505	238,020	130,480	6,885	17,000	154,365	13,260,000	-	13,260,000	2,428,000	46,302
1314 Washington St. (Santander)	50	9	41	4,119	198,510	27,492	226,002	2,870	6,000	234,872	96,435	289,000	171,255	10,125	25,000	206,380	19,500,000	1,441,650	20,941,650	3,373,300	64,329
Northland	800	140	660	295,000	3,176,160	1,968,978	5,145,138	65,343	96,000	5,306,481	1,850,000	17,500,000	2,479,120	162,000	400,000	3,041,120	312,000,000	103,250,000	415,250,000	50,103,600	955,476
West Newton Armory	43	43	-	-	96,303	-	96,303	1,223	5,160	102,686	NA	NA	147,279	8,708	21,500	177,487	9,460,000	-	9,460,000	1	-
Riverside	524	101	423	380,000	2,080,385	3,333,436	5,413,821	68,756	62,880	5,545,456	1,402,520	NA	1,500,520	106,110	262,000	1,868,630	204,360,000	174,800,000	379,160,000	38,647,000	736,998
Dunstan East	292	73	219	7,771	1,159,298	51,868	1,211,166	15,382	35,040	1,261,588	515,510	150,000	1,190,630	59,130	146,000	1,395,760	113,880,000	2,719,850	116,599,850	13,033,700	248,553
1149-1151 Walnut St.	25	5	20	1,300	99,255	8,677	107,932	1,371	3,000	112,303	116,160	NA	81,550	5,063	12,500	99,113	9,750,000	455,000	10,205,000	1,478,700	28,199
Northland - Charlemont	410	82	328	10,430	1,627,782	69,615	1,697,397	21,557	49,200	1,768,154	NA	NA	1,402,660	83,025	205,000	1,690,685	159,900,000	3,650,500	163,550,500	18,903,300	360,486
528 Boylston St.	244	61	183	-	968,729	-	968,729	12,303	29,280	1,010,312	NA	NA	835,724	49,410	122,000	1,007,134	95,160,000	-	95,160,000	3,607,200	68,789
TOTAL APARTMENTS	2,966	650	2,316	772,920	11,742,016	5,914,074	17,656,090	224,232	355,920	18,236,243	6,288,670	20,527,020	9,586,529	600,615	1,483,000	11,670,144	1,153,439,700	310,124,500	1,463,564,200	157,440,501	2,948,550
Condominiums	Number of Units	Afford-able	Market Rate	Retail, Office and Lab Space (SF)	Property Taxes on Residential (Rate 10.18)	Property Taxes on Retail, Lab (Rate 19.07)	Total Property Tax Revenue	Add'l Rev. CPA Local & State Funds	Excise Tax	Total Revenue for Newton	Inflow & Infiltration	Additional Community Benefit Agreements*	Cost to Newton for Students	Police (.45/unit @\$450/call)	Fire & EMS (.2/unit @\$2,500/ call)	Education, Police, Fire and EMS Expenses	Residential Estimated Value (or actual if already completed)	NA	Total Estimated Value (or actual if already completed)	Prior Assessed Value	Property Tax Prior to Development Residential - 10.18/ Commercial - 19.07
429 Cherry St	13	3	10	-	95,056	-	95,056	1,207	1,560	97,823	NA	NA	48,930	2,633	6,500	58,063	9,337,500	-	9,337,500	1,184,900	22,596
68 Los Angeles St	20	3	17	-	164,000	-	164,000	2,083	2,400	168,483	NA	NA	81,550	4,050	10,000	95,600	16,110,000	-	16,110,000	1,294,200	13,175
20 Kimonth	20	4	16	-	158,401	-	158,401	2,012	2,400	162,812	NA	NA	97,860	4,050	10,000	111,910	15,560,000	-	15,560,000	3,775,700	72,003
283 Melrose / Turtle Lane	16	2	14	?	134,172	-	134,172	1,704	1,920	137,796	NA	NA	65,240	3,240	8,000	76,480	13,180,000	-	13,180,000	2,255,100	43,005
386 -394 Watertown St	10	2	8	725	39,702	4,839	44,541	566	1,200	46,307	18,780	56,335	48,930	2,025	5,000	55,955	3,900,000	253,750	4,153,750	1,478,700	15,053
92 Walker St. / 967 Washington St.	28	6	22	-	219,277	-	219,277	2,785	3,360	225,422	73,725	221,180	97,860	5,670	14,000	117,530	21,540,000	-	21,540,000	2,788,800	28,390
50 Jackson St	12	2	10	-	97,524	-	97,524	1,239	1,440	100,203	44,985	134,960	130,480	2,430	6,000	138,910	9,580,000	-	9,580,000	1,635,600	31,191
106 River St.	9	1	8	-	76,248	-	76,248	968	1,080	78,297	11,140	33,420	81,550	1,823	4,500	87,873	7,490,000	-	7,490,000	1,014,300	19,343
Walker Center	16	2	14	-	134,172	-	134,172	1,704	1,920	137,796	59,315	177,945	163,100	3,240	8,000	174,340	13,180,000	-	13,180,000	5,267,900	100,459
TOTAL CONDOS	144	25	119	725	1,118,553	4,839	1,123,392	14,267	17,280	1,154,939	207,945	623,840	815,500	29,160	72,000	916,660	109,877,500	253,750	110,131,250	20,695,200	345,214
TOTAL CONDOS & APARTMENTS	3,110	675	2,435	773,645	12,860,569	5,918,913	18,779,482	238,499	373,200	19,391,182	6,496,615	21,150,860	10,402,029	629,775	1,555,000	12,586,804	1,263,317,200	310,378,250	1,573,695,450	178,135,701	3,293,764
TOTAL CONDOS, APARTMENTS, COMMERCIAL					18,779,482																
Senior Housing:	Number of Units	Afford-able	# of Beds	NA	Property Taxes on Residential (Rate 10.18)	NA	Total Property Tax Revenue	Add'l Rev. CPA Local & State Funds	Excise Tax	Total Revenue for Newton	Inflow & Infiltration	Additional Community Benefit Agreements*	NA	Police (.75/unit @\$450/call)	Fire & EMS (.54/unit @\$2,500/ call)	Police, Fire and EMS Expenses	Residential Estimated Value (or actual if already completed)	NA	Total Estimated Value (or actual if already completed)	Prior Assessed Value	Property Tax Prior to Development Residential - 10.18/ Commercial - 19.07
Sunrise on Washington St.	85	3	108	-	266,726	-	266,726	3,387	4,050	274,164	NA	NA	0	28,688	114,750	143,438	26,201,000	-	26,201,000	4,199,700	42,753
Golda Meir Expansion (60 affordable)	68	60	-	-	103,836	-	103,836	1,319	2,550	107,705	NA	NA	0	22,950	91,800	114,750	10,200,000	-	10,200,000	-	-
Haywood House	55	42	-	-	83,985	-	83,985	1,067	2,063	87,114	NA	NA	0	18,563	74,250	92,813	8,250,000	-	8,250,000	2,081,000	21,185
39 Herrick Rd. (age 55+)	9	1	-	-	73,296	-	73,296	931	338	74,564	NA	NA	0	3,038	12,150	15,188	7,200,000	-	7,200,000	-	-
Cabot Park Village (118 total units)	18	3	-	-	43,978	-	43,978	559	675	45,211	NA	NA	0	6,075	24,300	30,375	4,320,000	-	4,320,000	-	-
Opus -Newton (Coleman House)	174	9	-	-	354,264	-	354,264	4,499	6,525	365,288	387,480	487,520	0	58,725	234,900	293,625	34,800,000	-	34,800,000	-	-
Crafts St. Elder Housing	185	pm in lieu of	230	-	632,178	-	632,178	8,029	8,625	648,832	302,955	1,158,855	0	62,438	249,750	312,188	62,100,000	-	62,100,000	2,290,900	43,687
Sunrise on Rt. 9	95	4	120	-	293,184	-	293,184	3,723	4,500	301,407	NA	NA	0	32,063	128,250	160,313	28,800,000	-	28,800,000	3,700,000	70,559
TOTAL Senior Housing	689	122	567	-	1,851,447	-	1,851,447	23,513	29,325	1,904,285	690,435	1,646,375	0	232,538	930,150	1,162,688	181,871,000	-	181,871,000	12,271,600	234,019
TOTAL	3,799	797	3,002	773,645	14,712,016	5,918,913	20,630,929	262,013	402,525	21,295,467	7,187,050	22,797,235	10,402,029	862,313	2,485,150	13,749,491	1,445,188,200	310,378,250	1,755,566,450	190,407,301	3,527,784