



**LEBANON HOUSING TASK FORCE  
SEPTEMBER 15, 2025 - 8:15 AM  
COUNCIL CHAMBERS, CITY HALL OR  
REMOTE VIA VIRTUAL PLATFORM  
LEBANONNH.GOV/LIVE**

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**1. Call to Order**

- A. To participate in this meeting, please [join live via Microsoft Teams](#) or call 929-229-5356 (access code: 239 121 336#). If you have trouble accessing this meeting, please email [Nate Reichert](#).

**2. Approval of Minutes**

- A. August 18, 2025

**3. Study Items**

- A. Public Engagement Events Update  
B. Housing Opportunity Grant: Final Fiscal Analysis from RKG Consulting

**4. Other Business**

**5. Future Agenda Items**

- A. Incentives the City can do to promote construction

**6. Adjournment**

**The order of agenda items is subject to change.**

Meetings are open for in-person and remote attendance. Members of the public who wish to attend remotely may do so by going to [LebanonNH.gov/Live](#) where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupt virtual or phone connection(s), the meeting will continue without remote access capabilities.

Any person with a disability who wishes to attend this public meeting and needs additional accommodation, please contact the ADA coordinator at City Hall by calling 603-448-4220 at least 72 hours in advance so that the City can make any necessary arrangements.

If you have any questions, please contact the Planning and Development Department by sending an e-mail to [planning@lebanonnh.gov](mailto:planning@lebanonnh.gov), or by calling 603-448-1457, or by visiting the Planning and Development Office located in City Hall during regular work hours, Monday through Thursday, 7AM to 5PM. You can view the entire agenda packet on the City's website at [LebanonNH.gov/Agendas](#).

DRAFT

**LEBANON HOUSING TASK FORCE  
REGULAR MEETING MINUTES  
Remote Via Microsoft Teams  
LebanonNH.gov/Live  
Monday, August 18, 2025  
8:15 AM**

**MEMBERS PRESENT:** Tim McNamara, Chair, Andrew Faunce, Vice Chair (Virtual), Ryan Dube, Dave Duncan (Virtual), Sarah Riley, Tia Winter

**MEMBERS ABSENT:** John D'Entremont, Ellen Smith Ahern

**STAFF PRESENT:** Nathan Reichert, Director, Planning & Development

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1 **1. CALL TO ORDER:**

2  
3 Meeting was called to order at 8:19AM by Mr. Tim McNamara, Chair  
4  
5 Mr. Nathan Reichert read the preamble.  
6

7 **2. APPROVAL OF MINUTES:**

8  
9 *Ms. Riley MOVED to approve June 16, 2025 Minutes as amended*  
10 *Seconded by Ms. Winter*

11  
12 *Addition to minutes:*

13 **The Housing Task Force invited the consultants to identify a language and/or a labeling system for**  
14 **the fact claims or recommendations based on more speculative data rather than verifiable data.**

15  
16 *\* The MOTION was approved (5-0). 1 abstention*

17  
18 **3. OLD BUSINESS: None**

19  
20 **4. NEW BUSINESS:**

21  
22 A. Housing Opportunity Grant Consultant

23  
24 The consultants along with City Planning employees have been actively engaged in working to pull  
25 groups and events together. There is now an opportunity for this Task Force to assist with either  
26 participating or leading some of the planned events.

27  
28 Mr. Eric Halvorsen, RKG Associates, Inc., shared results from the fiscal impact analysis. The first task  
29 was to learn what might be the fiscal implications to the City from the different types of residential  
30 development in the future, as a way to determine potential revenue from a development project or  
31 scenario, would outweigh the City costs as well as the school costs.  
32

1 The data used was local (to the extent possible) and key input was the City budget assumptions, the  
2 School budget, estimated assessed values for each housing type being measured, and School generation  
3 assumptions such as pupil generation assumptions, etc. They used single family homes, town homes,  
4 condominiums, and multi-family rentals and tied these to local sales values as well as apartment rents and  
5 used this to generate assessed values. They then multiplied the tax rate, to get total valuation/total  
6 property taxes for these.

7  
8 Regarding costs, they went line item by line items for both the City and the School budgets. They  
9 anticipated which of these would be stable, even with growth (e.g. Police Chief – fixed even with new  
10 development) versus impacted line items that are variable/incremental (e.g. the number of police officers  
11 and vehicles needed with growth).

12  
13 Mr. McNamara asked Mr. Halvorsen to show the population of Lebanon over the past 30 years using the  
14 census data compared to the number of students in the school system, along with the number of housing  
15 units, and how that has impacted the number of school age children.

16  
17 Mr. Halvorsen shared recent sales values (averages) for the three types of housing: Single Family Home -  
18 \$670,000, Townhome - \$453,500, Condominium - \$454,500.

19  
20 Multifamily Assumptions included studio, one-, two- and three-bedroom apartments and the rent  
21 generated per square foot, resulting in a total value per unit (allowing for vacancy rate and collection  
22 losses and minus operating expenses), resulting in a value per unit.

23  
24 With this information, they estimated municipal costs for several categories such as General Government  
25 (including Benefits), Public Safety (Police & Fire), and Public Works.

26  
27 Mr. McNamara shared that there is a current City policy in place to not extend municipal water and  
28 sewer, and it has been in place for approximately 30 years. Also, with regard to roads, the City does not  
29 automatically take new streets, so there are a number of private streets. If the builder constructs these  
30 street(s) to City standards, the builder can then apply to the City Council to accept it as a public street(s).  
31 The Council has had very few of these requests.

32  
33 Mr. Mark Goodwin was able to provide the consultants with extensive details for Lebanon such as School  
34 Age Children (SAC) per household along with Per Pupil Cost.

35  
36 Based on feedback from this Task Force, the consultants will drill down on the information for different  
37 types of housing. For example, are townhouses a preferred opportunity for Lebanon or are they cost  
38 prohibitive? They will also provide more details on the percentages of rental units by size (e.g. 70%  
39 single bedrooms, 10% 2 bedrooms, etc.), and age of units at locations in the City, to help tease out more  
40 accurate information and corresponding costs.

41  
42 Mr. David Duncan shared that Dartmouth loses many medical professionals, due to these employees not  
43 being able to afford to buy housing in the area. They survey each employee that moves away, and the  
44 feedback is consistent; cost of housing remains the main reason for them leaving the area.

45  
46 RKG Associates, Inc. analyzed the impact of 100 units of housing for each typology to illustrate the  
47 estimated revenues and costs of new development. Estimating Impacts on a Per Units Impacts results in a  
48 ***net positive across all four categories of housing.***

49  
50 They also ran costs of the Estimated Fiscal Impact per Acre, again by category.

1  
2 Mr. McNamara shared the reasons and background regarding why infilling is more efficient than building  
3 on the outskirts. He asked that more current and detailed information for infill versus “around the  
4 peripheral” be provided for single family homes. Mr. Halvorsen agreed to provide this. He also asked for  
5 current information about the percentage of land that is developed versus not developed. Mr. Goodwin  
6 has compiled this specific information as well. This will help inform decisions that this Task Force makes  
7 and will allow them to provide the data used to support those decisions.

8  
9 Mr. Faunce asked about cottages and where they fit in. Mr. McNamara said that based on recent studies,  
10 the cost savings of a “cottage” development is not as cost effective as they originally anticipated. The  
11 example cited is a 5 (single homes) “cottage unit development” on Barrows Street, with each unit being  
12 900 square feet, 1 floor and a full unfinished basement. The savings are on square footage. McNamara  
13 said that there is opportunity to facilitate the land for smaller, local builders to complete these smaller  
14 “cottage” infill projects. While the profit per unit (house) might not be as high, when you combine the  
15 entire project, the numbers can make sense. In other words, a “niche” opportunity.

16  
17 Mr. Dube said that many builders make more money with smaller units.

18  
19 Mr. Halverson will work towards a final version of the analysis at the next Housing Task Force meeting  
20 (September 15, 2025).

21  
22 B. Public Engagement Events

23  
24 Next Ms. Liz Malloy, Resilience Planning & Design, provided an update on Focus Groups.

25  
26 To date they have 300 survey responses and want to continue to promote these throughout the Fall, as  
27 another mechanism to provide input on this important issue.

28  
29 Focus groups are important because they typically generate more discussion and feedback; these fall  
30 within one of three Tiers.

31 Tier 1 - Consultant/Staff Driven

32 Tier 2 - Staff Driven

33 Tier 3- Staff Supported with Task Force Member Driven

34  
35 The consultants will continue to create all materials for focus groups. She presented a list of the Focus  
36 Groups/Populations, there are twelve.

37  
38 Ms. Riley asked who is being consulted to be sure that our most vulnerable and those who are unhoused  
39 in our community are represented. Mr. Reichert said they are coordinating with Ms. Lynn Goodwin, and  
40 she is helping to guide these efforts, to be sure the underserved of our community are presented in these  
41 sessions.

42  
43 Ms. Malloy said that Listen, including their Vermont location, is represented in these initiatives. Mr.  
44 Riley added that The Haven, also in Vermont, should also be included.

45  
46 Mr. McNamara will provide contacts with some large employers and will reach out to Upper Valley  
47 Business Alliance (UVBA) today and connect them with Ms. Malloy.

48  
49 Ms. Malloy said that their next meeting will be on September 11, Tier 1, for Conservation Stakeholders.  
50

1 They have had a first meeting with the Rotary Club, who remains committed to helping with this  
2 initiative along with support for other meetings.

3  
4 Ms. Malloy asked for staff and members of this TF to participate in Thursday night Farmers' Markets  
5 held on the Green at Colburn Park.

6  
7 Mr. Reichert offered for Ms. Catheryn Hembree and him to meet with different civic groups around town,  
8 to speak about this initiative and hand out surveys.

9  
10 They revisited the idea of putting a QR code on City buses. Ms. Malloy will see if they can accomplish  
11 this along with other viable advertising for this project. They are also working on other community  
12 locations such as Co-Op groceries, local churches, etc. She asked for help from Task Force members that  
13 are willing to help with these sessions. Ms. Tia Winter and Mr. Andrew Faunce both volunteered. She  
14 will send out a sign-up sheet for the Farmers Market and give all Task Force members another  
15 opportunity to volunteer.

16  
17 Ms. Malloy's plan is to have the bulk of these meetings completed by mid-October.

## 18 19 **5. OTHER BUSINESS:**

20  
21 Mr. Ryan Dube provided a brief update for the current state of affairs.

22  
23 There is no State block grant for fiscal 2026 (for T-HUD funding). It is tabled for now.

24  
25 The House proposal is essentially level funding for most programs, which is actually a small cut allowing  
26 for inflation but at least it has the ability to renew. The Senate bill had a 3-6% increase across the board  
27 with cuts to operating funds. The good news is that the most draconian housing cut possibilities seem to  
28 have been averted, at least for now.

29  
30 Ms. Sarah Riley provided an update of the Environmental Justice Task Force since they are close to  
31 making their final recommendations to present to City Council. This EJTF included the Conservation  
32 Commission, DEI, Tree Advisory Board, Sustainable Lebanon, and a City Counselor. Ms. Riley has been  
33 part of this Task Force.

34  
35 *Shelter* was a main category that the EJTF considered, and Ms. Riley said she wants this Housing Task  
36 Force to be aware that the EJTF perspective is that *shelter* is a most fundamental basic need for people.  
37 There are specific recommendations in this category. Ms. Riley said the EJTF has sent out their  
38 recommendations for comments, and then it will come to City Council, in all likelihood for their October  
39 meeting.

40  
41 It was agreed that the Housing Task Force will add this to their next meeting to be held on September 15,  
42 2025. They want to be informed about these recommendations. Ms. Winter will ask Ash to speak about  
43 this to the Housing Task Force.

## 44 45 **6. FUTURE AGENDA ITEMS:**

46  
47 The next meeting will also continue to focus on the work being done in conjunction with the consultants.  
48 Mr. Dube asked if they should ask the consultants to look into any impact that subsidies would have on  
49 the fiscal impact to the City. Mr. McNamara said that 79-E would have an impact. Ms. Malloy agreed to  
50 look into this and to discuss this in the September meeting.

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**7. ADJOURNMENT:**

*Ms. Riley MOVED for adjournment*  
*Seconded by Mr. Dube*

*\*The Vote on the MOTION was approved (6-0).*

**The meeting was adjourned at 9:54 AM**

Respectfully submitted,  
Cinda Mersel  
Recording Secretary \*\*

| Living in Lebanon Focus Groups  |       |  |  |                 |                             |  |   |                             |   |
|---|-------|--|--|-----------------|-----------------------------|--|---|-----------------------------|---|
| <i>Tier 1 - Consultant/Staff Driven - Professional Planners in the Room</i> |       |  |  |                 |                             |  |   |                             |   |
| <i>Tier 2 - Staff Driven</i>  |       |  |  |                 |                             |  |   |                             |   |
| <i>Tier 3 - Members of Task Force/Staff</i>                                 |       |  |  |                 |                             |  |   |                             |   |
| Group/Population  | Tiers | Who Coordinates?   | Facilitator(s)   | Status          | Date                        | Time                                       | Location  | Estimated # of Participants | Outreach Methods to reach participants  |
| Business and Working Professionals  | 1     | Liz  | Liz/Steve (with Catheryn and Nate as support)            | Confirmed       | 9/25                        | 4-6 PM                                     | Salt Hill Pub                                       | ~ 25 people                 | direct invite to business community and young professionals, work with upper valley business alliance/upper valley young professionals as able to, if additional outreach consider capping participants |
| Conservation Stakeholders   | 1     | Steve  | Steve/Zak/Mark G   | Confirmed       | 9/11                        | 5:30 PM (1 hour timeframe)                 | Before Conservation Commission Meeting at City Hall |                             | direct invites to conservation stakeholders   |
| DEI Commission  | 2     | Catheryn/Nate  | Catheryn/Nate  | In progress     | schedule an October meeting | 1 hour before regularly scheduled meeting? | City Hall   |                             |   |
| School PTO  | 2     | Catheryn   | Catheryn   | Confirmed       | October 2                   | 6:30 PM                                    | At a scheduled school PTO meeting                   |                             | Conversation/Education on Project (I've been told it can't get political)   |
| LGBTQ Community   | 1/2   | Nate/Liz   | Liz (with Nate as support)                               | Confirmed       | 9/16                        | 4:30 or 5 pm                               | The Green Room                                      | ~10-15 people               |   |
| Housing Authority Tenant Meeting - Heater Landing                           | 1/2   | Liz/Staff  | Liz (+Steve or Crystal), Nate and/or Catheryn as support | Confirmed       | 9/30 or 10/7                | 4- 6pm                                     | Heater Landing                                      |                             |   |
| Senior Focus Group  | 1/2   | Liz/Staff  | TBD  | In progress     |                             |  | Senior Center                                       |                             | Housing Authority will pass fliers out to Rogers House tenants  |
| Public Session at the Library or Co-op Grocery Store                        | 2     | Staff  | Staff  | Confirmed       | 9/29                        | 10am - 2pm                                 | Library   |                             |   |
| Dartmouth Hitchcock Employees   | 1/2   | Catheryn/Nate reach out, consulting team provide support | TBD  |                 |                             |  | Dartmouth Hitchcock meeting room and/or online      |                             |   |
| TLC Recovery Drop In Center   | 3     | Staff provide support                                    | Task force members                                       |                 |                             |  | TLC Family Resource Center                          |                             |   |
| Monthly Pop Up Health Clinic  | 3     | Staff provide support                                    | Task force members                                       |                 |                             |  | ??  |                             |   |
| Meeting(s) with Faith Community   | 2/3   | Nate   | TBD  |                 |                             |  | ??  |                             |   |
| Rotary Club   | 2     | Catheryn/Nate  | Catheryn/Nate  | <b>Complete</b> | July 24                     |  | At a scheduled Rotary Club meeting                  |                             |   |
| Tabling/Project Promotion   |       |  |  |                 |                             |  |   |                             |   |
| Farmers Market  |       | LHTF   | Catheryn   | in Progress     | Sept 11 and 25              | 4pm - 6pm                                  | Colburn Park  |                             | LHTF man a table with materials   |
| White Oak Community Housing Meeting   |       |  |  |                 |                             |  |   |                             |   |
| City Hall Display   |       |  |  |                 |                             |  |   |                             |   |
| Library Display   |       |  |  |                 |                             |  |   |                             |   |
| Listens Community Services Community Dinner - White River Junction          | 2/3   | Catheryn/Nate  | Catheryn/Nate  | in progress     | October 8                   | 11am - 1pm                                 | Listen in WRJ                                       | 80 lunch service            |   |

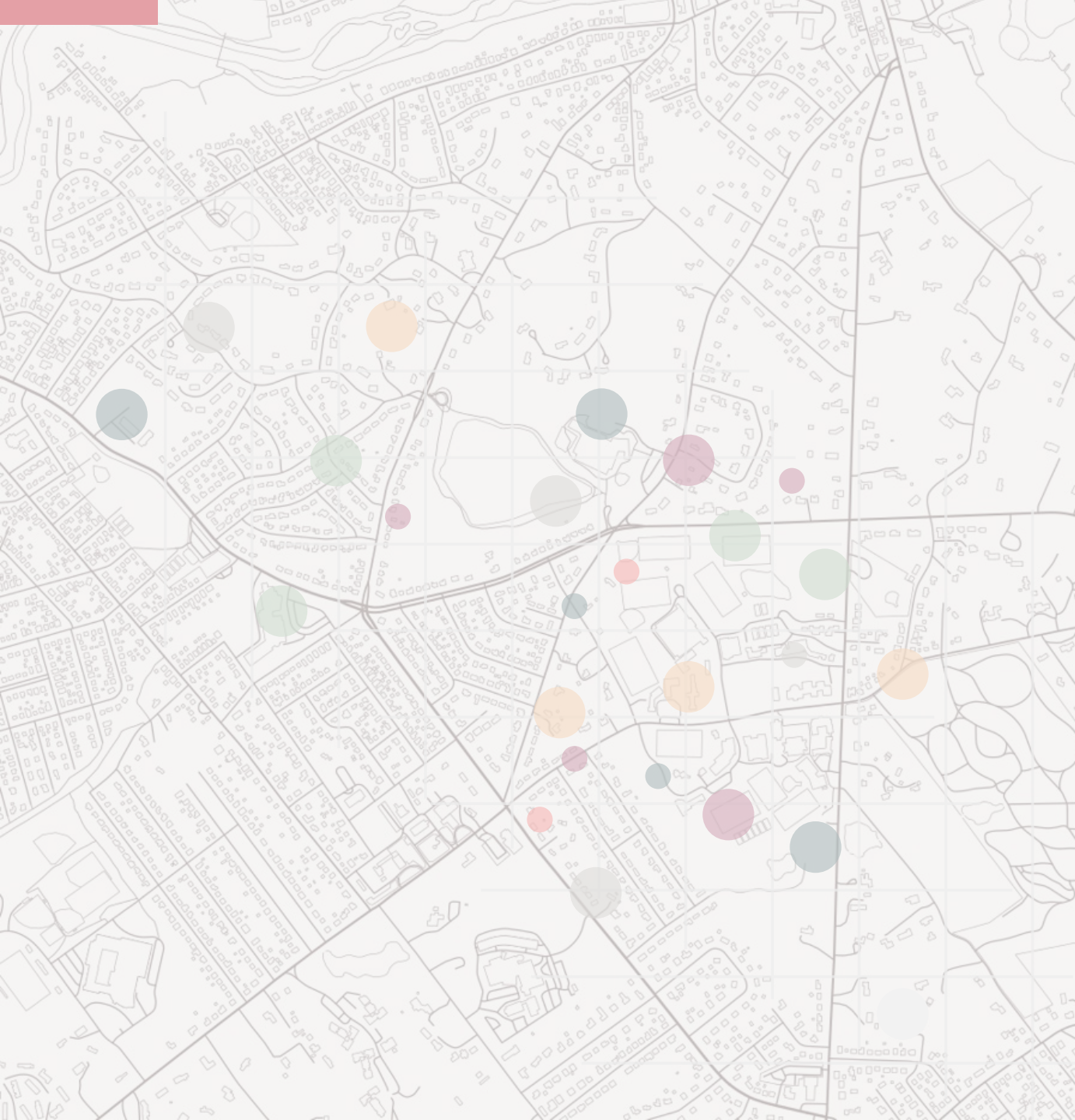


# City of Lebanon, NH

## Fiscal Impact Analysis

August 2025

**DRAFT**



# Fiscal Impact Analysis Overview & Methodology

# FISCAL IMPACT MODEL METHODOLOGY

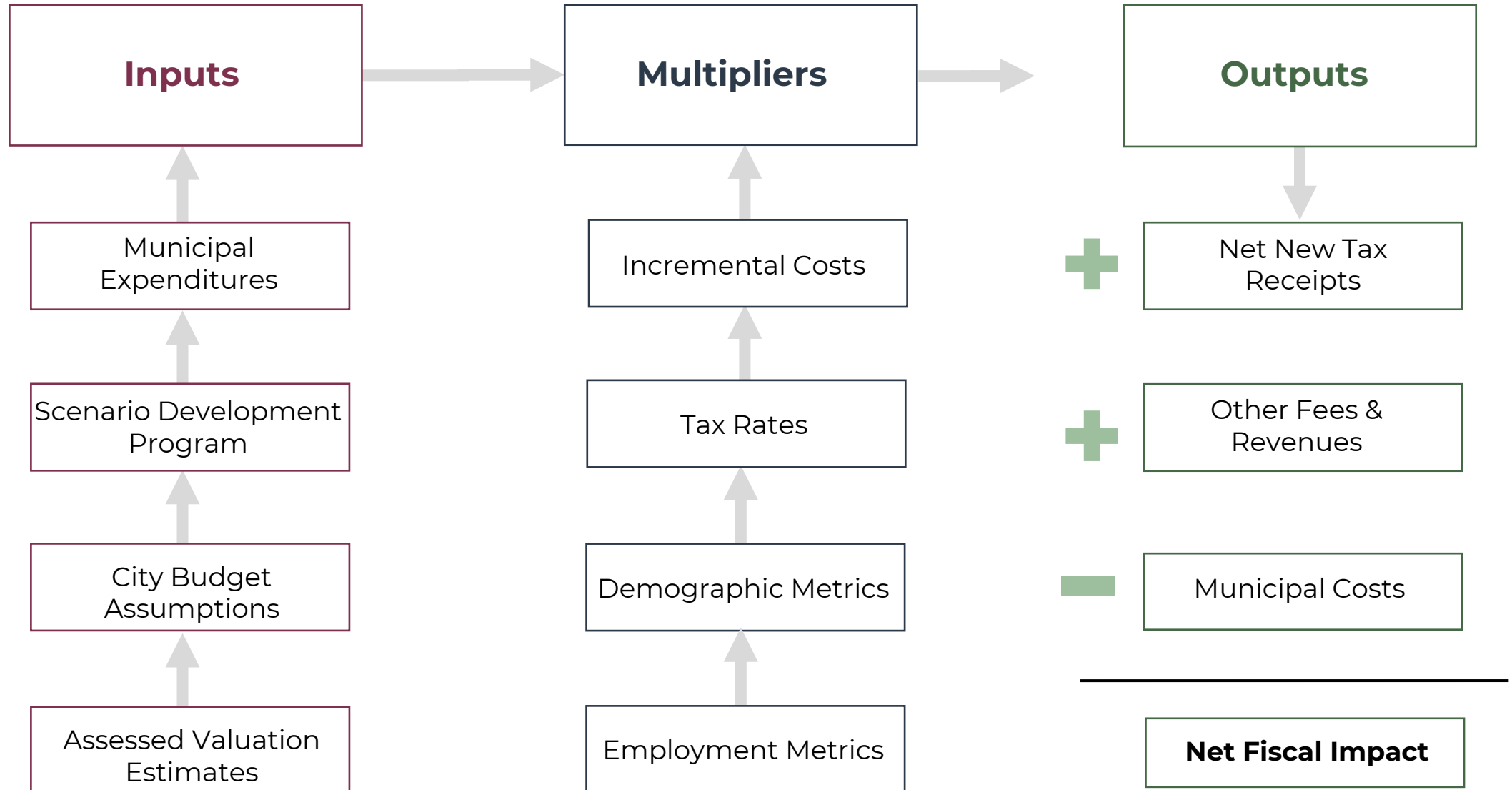
A fiscal impact analysis estimates the municipal revenues and costs associated with development and growth. Revenues include local taxes (property, excise, etc.) and various fees and other payments, while costs include the provision of municipal services (public safety, education, public works, general government, etc.). While several approaches exist to determine fiscal impacts, all are based on the common assumption that current local operating costs and revenues are the best basis for determining future costs and revenues. These approaches therefore utilize recent data on municipal service costs in the host community, as well as current tax rates and other revenue sources to calculate the net fiscal impact.

The primary focus is on the city's General Fund since that is typically where tax revenues and most municipal service costs are accounted. RKG applied an incremental cost approach to both the General Fund and the city's school budget to determine the cost borne by the city resulting from both residential and commercial development. The approach involves looking at the line-items of each budget to determine if an expenditure is either fixed or incremental. Fixed costs are costs which would occur irrespective of development, an example being the salary of the Police Chief, this is unlikely to be impacted by new development. Conversely, the costs associated with police officer wages and equipment are classified as incremental as they are likely to change based on the addition of more residents in city that may result from new residential development.

Fiscal impact approaches are 'static', that is, they assume that the project (or scenario in this case) is fully built-out and housing units are occupied. This assumption allows a comparison of the financial effect of the entire scenario on municipal costs and revenues. While larger-scale developments are often constructed over a multi-year period, municipal costs and revenues occur in equal proportions, therefore this steady-state approach does not detract from the appropriateness or accuracy of this method. It should also be noted that the fiscal impact analysis is only concerned with local public costs and expenditures, and not with state or other jurisdictional funding. For this fiscal impact analysis, RKG constructed a model to measure the fiscal impacts for different combinations of potential development in Lebanon.

The diagram on the next page illustrates at a high level the flow of information and inputs that go into RKG's fiscal impact model.

# FISCAL IMPACT MODEL FLOW



# HISTORICAL CHANGES IN LEBANON'S DEMOGRAPHICS

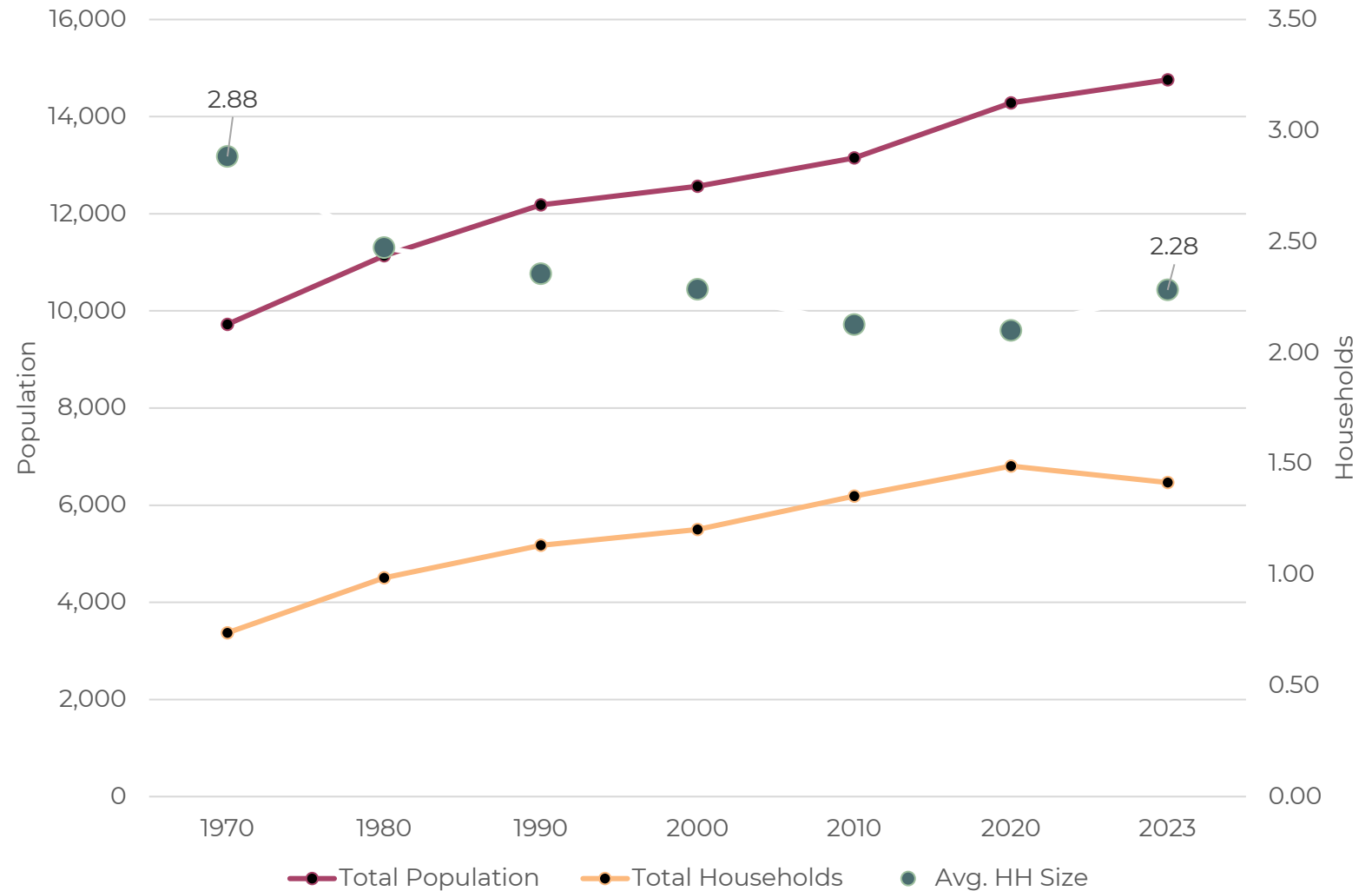
Before sharing the analysis and results of the fiscal impact model, it is important to understand the demographic patterns and shifts in Lebanon that are impacting both housing demand and the financial costs the town and school district face.

Understanding shifts in population, household formation, and average household size are important when looking at the financial implications of development and change. As new development comes online, there will be additional service demands on city departments and the school district. Depending on where that new development is located and who resides in the new housing, those impacts can vary.

Going back as far as 1970, Lebanon's total population has increased at a slower pace than total household formation. This typically indicates that household size is decreasing. The graph on the right compares population growth, household formation growth, and average household size. In 1970, Lebanon's average household size was 2.88 person, and by 2023 had declined to 2.28 person.

Part of the household size decline is Lebanon's percentage of older adult households and households with fewer children.

CHANGE IN POPULATION, HOUSEHOLD, AND AVERAGE HOUSEHOLD SIZE



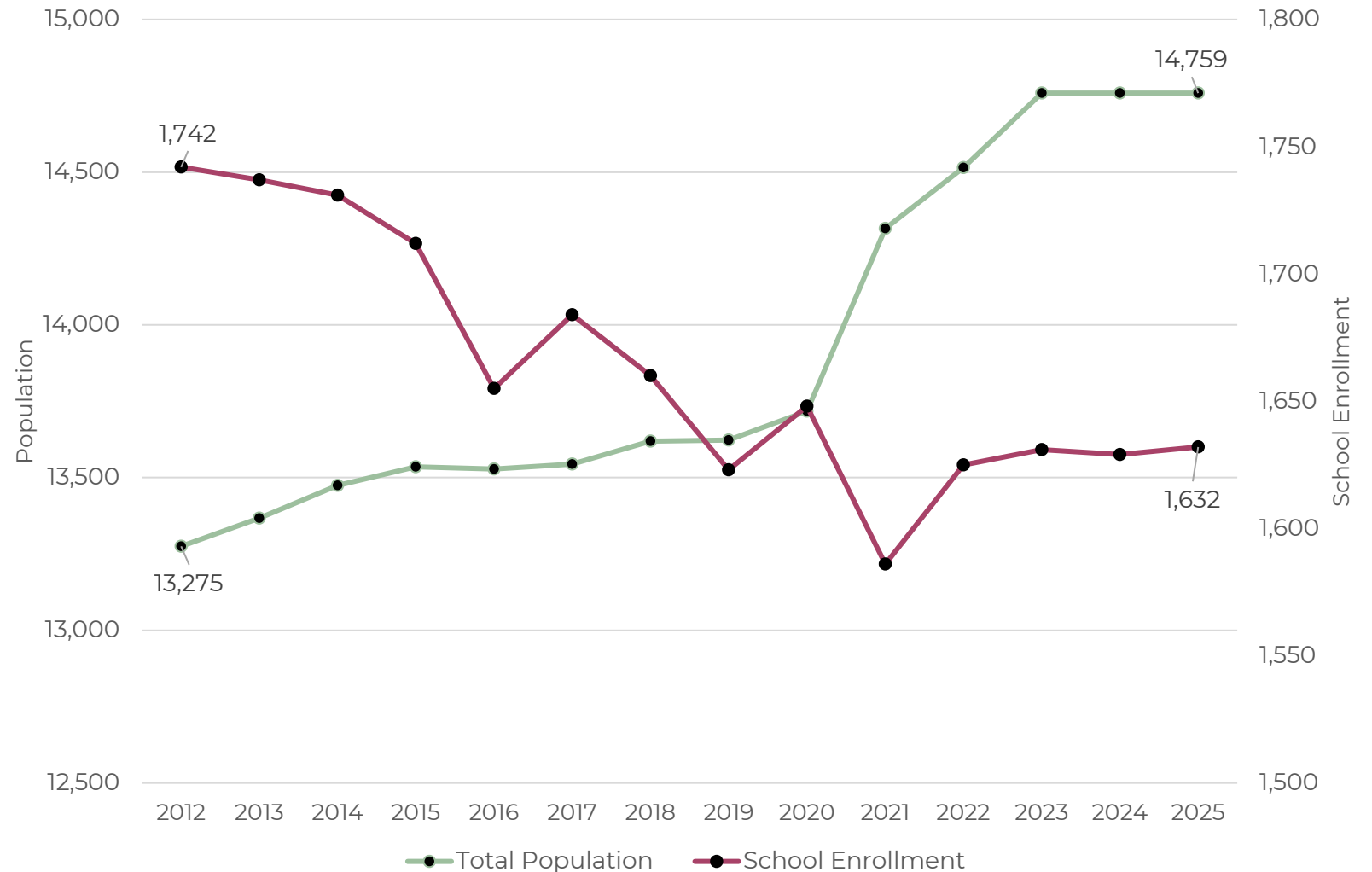
# HISTORICAL CHANGES IN LEBANON'S DEMOGRAPHICS

## CHANGE IN POPULATION COMPARED TO SCHOOL ENROLLMENT

Going back as far as 2012, we see a similar pattern in total population change compared to the total school enrollment year over year. Total population increased in Lebanon by nearly 2,500 people while school enrollment declined by 110 students.

While the pandemic had an impact on enrollment, the downward trend in enrollment had been occurring for eight years prior to that. Since the pandemic, enrollment has been relatively stable.

As we project out the impacts of school enrollment from new residential development it is important to note that school impacts may not be as significant as residents imagine given the demographic shifts in Lebanon.



# FISCAL IMPACT MODEL ASSUMPTIONS

To test the fiscal impact of new development in Lebanon, RKG Associates constructed a fiscal impact model to understand the potential tax revenues from new multifamily development compared to the municipal and school costs to support that development. The fiscal impact model relies on numerous data points and assumptions regarding potential revenues from the development and anticipated municipal and school costs.

To estimate municipal revenues, RKG utilized the city's most recent property tax rate and existing property values and tax collections. To estimate the future valuation of new development, RKG used the income approach to value new properties based on their expected financial performance.

For municipal and school costs, RKG was provided with the city's municipal and school budget spreadsheets covering all departments and municipal costs. Each line item in the budget was assigned a value of fixed or incremental to derive per household and per employee costs in the fiscal impact model. For the budget evaluation, RKG used the FY25 city and school budget.

## KEY MODEL ASSUMPTIONS

- City tax rates
- Current multifamily assessed values
- Existing property values and taxes
- Incremental governmental expenditures
  - General government
  - Public safety – Police
  - Public safety – Fire
  - Public works
  - Schools
  - Other
- Student generation rates per residential unit
- Development scenario inputs

# FISCAL IMPACT MODEL ASSUMPTIONS

To derive potential property taxes, RKG had to develop estimates for future assessed values. RKG utilized an income-based approach to valuation which calculates an estimated Net Operating Income (NOI) for all rentable property types and a cap rate to generate an estimate of assessed value for tax purposes. This approach is commonly used by assessors for valuing rental properties. For-sale unit values were based on a comparable approach looking at recent sales in Lebanon of newer/comparable units.

It is assumed that in the future newly developed multifamily rental properties would have a distribution of unit types similar to that of the broader region with 5% studios, 40% 1 beds, 45% 2 beds, and 10% 3 beds. This is how future multifamily rental apartments are modeled in this analysis.

The table on the right illustrates some of the values that go into calculating the estimated assessed value for each housing type.

To calculate the assessed value, a valuation is created for each component of the development program. From there, RKG applied the FY25 city property tax rate of \$26.28 per \$1,000.

## MULTIFAMILY ASSUMPTIONS

| Use Category                | Gross SQFT per Unit | Rent per SQFT | Value per Unit |
|-----------------------------|---------------------|---------------|----------------|
| Market Rate Studio Apts     | 517                 | \$4.86        | \$251,817      |
| Market Rate One Bed Apts    | 534                 | \$5.39        | \$288,129      |
| Market Rate Two Bed Apts    | 968                 | \$2.85        | \$276,313      |
| Market Rate Three Bed Apts  | 1,596               | \$2.03        | \$323,832      |
| Multifamily Rental Townhome | 1,436               | \$2.14        | \$307,721      |

## FOR SALE ASSUMPTIONS

| Use Category       | Average Sales Price Per Unit Value |
|--------------------|------------------------------------|
| Single Family Home | \$670,000                          |
| Townhome           | \$453,500                          |
| Condominium        | \$454,500                          |

# ESTIMATING MUNICIPAL COSTS

The flip side to the property tax/revenue component of the fiscal impact model are the municipal service costs. To estimate municipal service costs, RKG reviewed the city's FY25 line-item budget for each department. Within each department's budget, RKG identified costs that are likely to increase with the addition of a new household or employee in city (incremental costs). We anticipate costs such as police staff salaries, library expenditures, or maintenance of recreation fields to increase with new households or employees while a department head's salary or hours for Legal Counsel to experience little to no impact (fixed costs).

RKG identified all costs that are likely to vary (incremental costs) with the addition of new development as a subset of the City's total operational budget. Our variable costs account for 37% of the City's departmental budgets as shown in the table to the right.

The "Other" category accounts for items such as debt service, unemployment, retirement, and insurance. In our experience, some of these line items may increase with new residents while others represents costs already incurred by the City that would not be impacted by new development. For example, our fiscal impact model includes group health and life insurance, workers compensation, and medicare/social security tax, but does not include benefits to existing retirees or debt from capital expenditures. Staff who have already retired and capital projects already undertaken should be born by existing residents, not new development.

Once the incremental budget is established, it must be apportioned to residential and non-residential uses to properly account for the impact of residential and non-residential development. For that we use a breakout of assessed value from the Assessor which shows 49.4% of Lebanon's assessed value driven by residential with 50.6% driven by commercial/industrial/personal property.

## Variable Costs by City Department (FY25)

| Use Category               | Total Budget        | Incremental Budget  | % of Total |
|----------------------------|---------------------|---------------------|------------|
| General Gov't              | \$11,307,941        | \$1,213,372         | 11%        |
| Public Safety – Police     | \$7,870,374         | \$4,909,920         | 62%        |
| Public Safety - Fire       | \$5,919,700         | \$4,188,850         | 71%        |
| Public Works               | \$6,426,066         | \$2,176,284         | 34%        |
| Other (Including Benefits) | \$15,113,571        | \$4,627,740         | 31%        |
| <b>TOTALS</b>              | <b>\$46,637,651</b> | <b>\$17,116,166</b> | <b>37%</b> |

Source: City of Lebanon FY25 Budget, RKG Associates.

## Assessed Value by Property Class (FY25)

| Class                                | Value                  | % of Total    |
|--------------------------------------|------------------------|---------------|
| Residential                          | \$1,374,874,336        | 49.4%         |
| Commercial/Industrial/Personal Prop. | \$1,406,034,109        | 50.6%         |
| <b>Total</b>                         | <b>\$2,780,908,445</b> | <b>100.0%</b> |

Source: NHDRA 2025, RKG Associates.

# ESTIMATED MUNICIPAL COSTS

After calculating the incremental costs by department and the share of the incremental budget allocated to residential uses, we must calculate municipal costs on a per household (HH) basis. This forms the basis of our estimates for calculating future costs of the residential development under each scenario.

The cost allocation table by residential use to the right summarizes the calculations used to estimate the per HH costs. The incremental budget for impacted departments is aggregated into four primary cost categories:

- General Government (all departments that aren't listed below)
- Public Safety – Fire
- Public Safety – Police
- Public Works
- Other (Including Benefits)

The incremental budget for each service category is multiplied by the residential share of total assessed value on the prior page and then divided by the total number of households in Lebanon. This formula provides the incremental costs that new housing units may generate.

The municipal costs for each scenario can then be compared to the gross property tax revenues described on the prior pages to begin the process of calculating the net fiscal impact to the city from each development scenario.

## Total Households in Lebanon

| Category               | Totals |
|------------------------|--------|
| Total Households (HHs) | 6,468  |

Source: US Census 2019-2023 Estimates.

## Cost Allocation Table

| Cost Category              | Residential Incremental Budget | Cost per HH    |
|----------------------------|--------------------------------|----------------|
| General Gov't              | \$599,406                      | \$93           |
| Public Safety – Police     | \$2,425,500                    | \$375          |
| Public Safety - Fire       | \$2,069,292                    | \$320          |
| Public Works               | \$1,075,084                    | \$166          |
| Other (Including Benefits) | \$2,286,104                    | \$353          |
| <b>TOTALS</b>              | <b>\$8,455,386</b>             | <b>\$1,307</b> |

Source: City of Lebanon FY25 Budget, RKG Associates.

# ESTIMATING EDUCATION COSTS

Recognizing education costs are often the single largest line item in a city’s budget, RKG developed estimates for the number of school aged children that could result from the addition of each residential unit in the development scenarios and an incremental cost per pupil. School costs, like municipal costs, are then deducted from the gross property tax estimates for each scenario to project the net fiscal impact of the development in each scenario.

The industry standard for developing estimates for new school children is to use school aged children (SAC) ratios that are applied to new development on a per unit basis. To develop the SAC ratios for Lebanon’s scenario analysis, RKG utilized actual student counts for every addresses across the town categorized by single family, townhome, condominium, and multifamily structures. We divided the total number of students by the total number of units in each residential category to generate the student ratios in the table to the right. This data was provided to RKG by the Town of Lebanon and the Lebanon School District.

RKG then calculated an incremental education cost specific to Lebanon’s school budget based on the FY2025 budget information provided by the Lebanon School District. Developing an incremental per pupil school cost utilizes the same process described in the municipal cost section. For example, RKG would consider the superintendent’s salary or a high school principal’s salary as a fixed cost (not likely to increase with new students), but would consider new textbooks, equipment, teachers, aides, or transportation costs to be incremental (would likely increase with new students). This analysis is only concerned with incremental costs as it is highly unlikely Lebanon would hire another superintendent or high school principal if enrollment increased as a result of new multifamily development. RKG did account for the same categories of benefits and insurance costs for the school department as we did for city departments which have been incorporated into the incremental school budget and cost per pupil.

Using local General Fund expenditures only (net of state aid and grants), the estimated incremental cost to educate a child in the Lebanon School District was **\$20,962**. This accounts for **62%** of the full cost to educate a child in Lebanon of **\$33,745**. The full cost is equivalent to taking the entire local school budget divided by the total enrollment. The incremental cost only takes those costs that are likely to increase with new students divided by the total enrollment.

By multiplying the local cost to educate a child by the number of school children in each scenario we can estimate total education costs. These costs, along with municipal costs, are then then netted against the gross property tax revenue for each scenario later in this analysis.

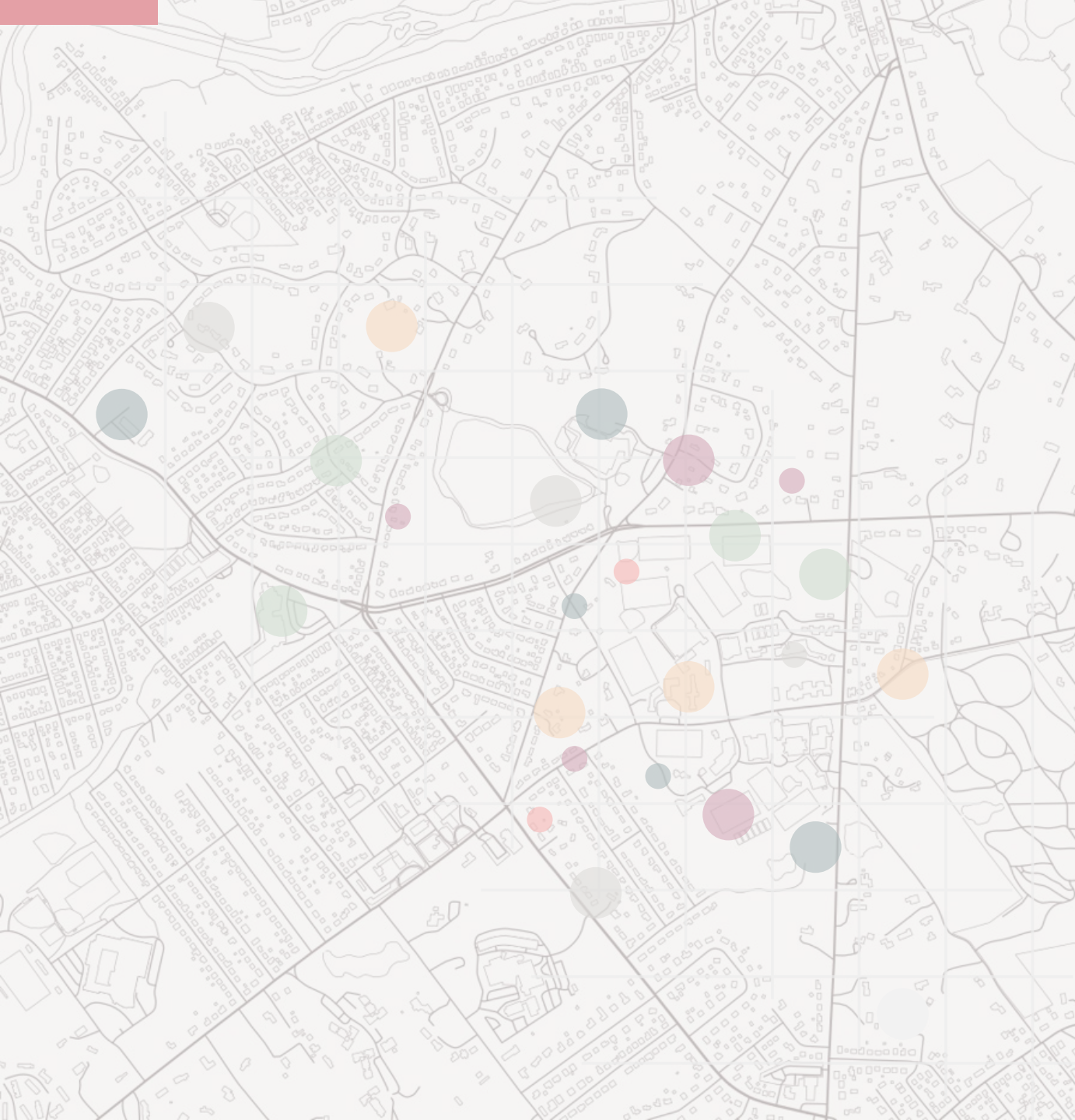
## SCHOOL ASSUMPTIONS

| Unit Type            | Lebanon’s SAC Ratio per Unit | NH’s SAC Ratio per Unit |
|----------------------|------------------------------|-------------------------|
| Single Family        | 0.22                         | 0.40                    |
| Condominium/Townhome | 0.26                         | 0.10                    |
| Multifamily          | 0.16                         | 0.10                    |

Source: City of Lebanon, Lebanon School District Student Counts, 2025, NH Fiscal Impact Model User Guide.

| Budget Category           | FY25 Incremental School Budget | % of Total School Budget | Per Pupil Cost  |
|---------------------------|--------------------------------|--------------------------|-----------------|
| All Budgeted Expenditures | \$34,020,545                   | 62%                      | \$20,962        |
| <b>Totals</b>             | <b>\$34,020,545</b>            | <b>62%</b>               | <b>\$20,962</b> |

Source: Lebanon School District, FY2025.



# Fiscal Impact Model Demo

*(The following slides do not represent an actual development proposal and are intended to provide examples of fiscal impacts of different residential typologies)*

# ESTIMATING IMPACTS – PER UNIT IMPACTS

To test the fiscal impact model, RKG analyzed the impact of 10 units of housing for each typology to illustrate the estimated revenues and costs of new development. RKG tested two unit mixes for multifamily rental apartments which include the typical regional breakdown of units by bedroom type as well as one that is skewed toward studio and 1-bed units reflecting Lebanon’s recent development trends. The table below describes each housing typology and its impacts.

**Estimated Fiscal Impact per 10 Units**

| Use Type                                     | Gross Property Tax | Gross School Tax | Vehicle Registration Fee | Town Costs | School Costs | Net Fiscal Impact |
|--|--------------------|------------------|--------------------------|------------|--------------|-------------------|
| Single Family Units                          | \$83,415           | \$92,661         | \$4,484                  | -\$13,073  | -\$62,885    | <b>\$104,602</b>  |
| Townhouse Units                              | \$56,461           | \$62,719         | \$4,484                  | -\$13,073  | -\$62,885    | <b>\$47,706</b>   |
| Condominium Units                            | \$56,585           | \$62,857         | \$4,484                  | -\$13,073  | -\$62,885    | <b>\$47,969</b>   |
| Multifamily Rental Townhomes                 | \$38,311           | \$42,558         | \$4,484                  | -\$13,073  | -\$62,885    | <b>\$9,395</b>    |
| Multifamily Rental Apartment Units           | \$35,428           | \$39,356         | \$4,484                  | -\$13,073  | -\$41,923    | <b>\$24,272</b>   |
| Multifamily Rental Apartments (Studio/1 Bed) | \$33,612           | \$37,337         | \$4,484                  | -\$13,073  | -\$20,962    | <b>\$41,398</b>   |

Townhouse and condo units are modeled here to encompass different types of “missing middle” housing such as duplexes, triplexes, side-by-side attached townhomes, or vertical condominium living.

# ESTIMATING IMPACTS – PER UNIT IMPACTS

To test the fiscal impact model, RKG analyzed the impact of 100 units of housing for each typology to illustrate the estimated revenues and costs of new development. The table below describes each housing typology and its impacts.

## Estimated Fiscal Impact per 100 Units

| Use Type                                     | Gross Property Tax | Gross School Tax | Vehicle Registration Fee | Town Costs | School Costs | Net Fiscal Impact  |
|--|--------------------|------------------|--------------------------|------------|--------------|--------------------|
| Single Family Units                          | \$834,150          | \$926,610        | \$44,836                 | -\$130,726 | -\$461,153   | <b>\$1,213,716</b> |
| Townhouse Units                              | \$564,608          | \$627,191        | \$44,836                 | -\$130,726 | -\$544,999   | <b>\$560,908</b>   |
| Condominium Units                            | \$565,853          | \$628,574        | \$44,836                 | -\$130,726 | -\$544,999   | <b>\$563,536</b>   |
| Multifamily Rental Townhomes                 | \$383,112          | \$425,578        | \$44,836                 | -\$130,726 | -\$544,999   | <b>\$177,800</b>   |
| Multifamily Rental Units                     | \$354,285          | \$393,555        | \$44,836                 | -\$130,726 | -\$335,384   | <b>\$326,565</b>   |
| Multifamily Rental Apartments (Studio/1 Bed) | \$336,116          | \$373,372        | \$44,836                 | -\$130,726 | -\$167,692   | <b>\$455,906</b>   |

# ESTIMATING IMPACTS – PER ACRE IMPACTS

It is important to recognize the land and infrastructure resources required to build single family homes or townhomes compared to multifamily structures. The density and units per acre are typically much higher for multifamily housing than for single family, meaning the town would realize far more taxable value per acre with multifamily than with single family. This could also help the town focus new housing in locations where infrastructure and services are already available.

## Estimated Fiscal Impact per Acre

| Use Type                                     | Unit Count | Gross Property Tax | Gross School Tax | Vehicle Registration Fee | Town Costs | School Costs | Net Fiscal Impact |
|--|------------|--------------------|------------------|--------------------------|------------|--------------|-------------------|
| Peripheral Single Family                     | 1 Unit     | \$4,171            | \$4,633          | \$224                    | -\$654     | -\$20,962*   | <b>-\$12,587</b>  |
| Infill Single Family                         | 4 Units    | \$16,683           | \$18,532         | \$897                    | -\$2,615   | -\$20,962    | <b>\$12,536</b>   |
| For Sale Townhouse Units                     | 10 Units   | \$56,461           | \$62,719         | \$4,484                  | -\$13,073  | -\$62,885    | <b>\$47,706</b>   |
| Rental Townhouse Units                       | 10 Units   | \$38,311           | \$42,558         | \$4,484                  | -\$13,073  | -\$62,885    | <b>\$9,395</b>    |
| Condominium Units                            | 15 Units   | \$84,878           | \$94,286         | \$6,725                  | -\$19,609  | -\$83,846    | <b>\$82,434</b>   |
| Multifamily Rental Units                     | 15 Units   | \$53,143           | \$59,033         | \$6,725                  | -\$19,609  | -\$62,885    | <b>\$36,408</b>   |
| Multifamily Rental Apartments (Studio/1 Bed) | 15 Units   | \$50,417           | \$56,006         | \$6,725                  | -\$19,609  | -\$41,923    | <b>\$51,617</b>   |

\*Assumes 1 single family home and one school aged child.

# ESTIMATING IMPACTS – PER ACRE IMPACTS

It is important to recognize the land and infrastructure resources required to build single family homes or townhomes compared to multifamily structures. The density and units per acre are typically much higher for multifamily housing than for single family, meaning the town would realize far more taxable value per acre with multifamily than with single family. This could also help the town focus new housing in locations where infrastructure and services are already available.

## Estimated Fiscal Impact on 10 Acres

| Use Type                                     |           | Gross Property Tax | Gross School Tax | Vehicle Registration Fee | Town Costs | School Costs | Net Fiscal Impact |
|--|-----------|--------------------|------------------|--------------------------|------------|--------------|-------------------|
| Peripheral Single Family                     | 5 Units   | \$41,708           | \$46,331         | \$2,242                  | -\$6,536   | -\$41,923    | <b>\$41,820</b>   |
| Infill Single Family                         | 40 Units  | \$166,830          | \$185,322        | \$8,967                  | -\$26,145  | -\$104,808   | <b>\$230,166</b>  |
| For Sale Townhouse Units                     | 80 Units  | \$564,608          | \$627,191        | \$44,836                 | -\$130,726 | -\$544,999   | <b>\$560,908</b>  |
| Rental Townhouse Units                       | 80 Units  | \$383,112          | \$425,578        | \$44,836                 | -\$130,726 | -\$544,999   | <b>\$177,800</b>  |
| Condominium Units                            | 150 Units | \$848,779          | \$942,860        | \$67,254                 | -\$196,090 | -\$817,499   | <b>\$845,304</b>  |
| Multifamily Rental Units                     | 150 Units | \$531,427          | \$590,333        | \$67,254                 | -\$196,090 | -\$482,115   | <b>\$510,810</b>  |
| Multifamily Rental Apartments (Studio/1 Bed) | 150 Units | \$504,174          | \$560,058        | \$67,254                 | -\$196,090 | -\$251,538   | <b>\$683,858</b>  |



## **Lebanon Fiscal Impact Analysis**

Lebanon, NH

August 2025

