Greene Planning




518.719.3290

Greene County Planning and Economic Development 411 Main St. Catskill, NY 12414

Greene County Housing Action Plan

Cost of Community Services and Fiscal Impact Analysis

It is important for community officials, planners and decision makers to understand different types of land use and how they influence a community. Land uses can affect the population and character of a community, size and breadth of local government, the types of services offered, the types of equipment purchased, and the taxes levied in order to provide those services.

Achieving an appropriate balance of land uses is a critical component in creating a vibrant community. Successful communities provide a diverse mix of uses and a variety of options for living, working, shopping, recreation and culture. The main purpose of the Housing Action Plan is to build and maintain sustainable communities by encouraging the development of suitable housing to a variety of Greene County residents along with appropriate amenities.

It is important for municipalities to address all phases of a family's life cycle for our residents – enabling young couples to buy a starter house, eventually move up into a home large enough to raise a family, and ultimately housing that provides a variety of post-children and retirement options. Housing is increasingly a key to a successful local economy. Providing a variety of housing options is a necessary element for communities wishing to attract and maintain a viable labor force in the 21st Century.

A Cost of Community Services (COCS) Analysis can help identify spending on various land uses and identify the benefits of different types of land use within a municipality. It can also help determine whether infrastructure and road investments, for instance, are sustainable and add value to the community.

What is Cost of Community Services (COCS) Analysis?

The COCS analysis identifies how various types of land use affect local government spending and taxation. This COCS divides land use into four categories: residential, commercial, industrial, and farmland/open space and then calculate the COCS ratio for each land use category. The ratio compares how many dollars of local government services are demanded by each type of land use per dollar collected from revenue.

It is not always intuitive which kinds of development are net revenue generators, and which ones are not. The COCS analysis is based on an assessment of the community's revenues and expenditures over a single year's timeframe. The most comprehensive source for this data is the NYS Comptroller's Special Report on Municipal Affairs published annually. The most recent report available is for 2005. While COCS ratios will not likely change drastically from year to year, communities should plan on updating their COCS report with each new release of the

What are the benefits of Fiscal Impact Analysis?

A common issue raised by local officials and decision makers in reviewing proposed development for their community is what impact will new development have on existing community services.

All development has service demands and many create new populations of residents or employees or both. Population increases in a community due to daily employment or seasonal inflows are often overlooked by local governments in their service and fiscal planning.

Depending on the specific proposed development, a analysis of fiscal impact will depend on a variety of factors, such as a projection of resident and school age populations attributable to the development, the numbers of public employees – police, fire, and other emergency services personnel, teachers, etc – who must be hired, and the kinds of municipal facilities needed to serve the changing population. It is here that some care must be given to the type of development being considered.

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Characteristics of a fiscal impact analysis

Characteristics considered	Characteristics not considered
• Only direct costs associated with the development proposal and the revenues that will be generated from the project are examined. • The analysis is only concerned with public costs and revenues. • Costs include operating expenses and capital outlays and permits, fines, intergovernmental revenue, and miscellaneous revenue. • It only determines the difference between cost of services and expected revenue generated by the proposed project.	• Secondary consequences such as impact on adjacent property values. • It does not consider private costs of public actions that are passed on to the consumer. • Borrowed funds and one-time grants are not included as revenue sources. These funds are usually dedicated to specific uses and are not recurring revenues to the community such as property taxes, sales taxes, State Aid, etc. • This fiscal impact analysis does not address social and environmental issues and values.

Where do we go from here?

Change is coming to Greene County, as the Hudson Valley and Capital Region areas continue to grow and expand. COCS and the Fiscal Impact Analysis are tools that municipalities can use to help shape the type of development that is best suited for their individual needs and desires. New York municipalities are not cookie-cutter places, and what works in one municipality may or may not work effectively in a different one.

The COCS and Fiscal Impact Analysis will help guide decisions regarding preferred future land use pattern and help identify planning approaches for a balanced housing mix. The Greene County Planning and Economic Development Department can assist in identifying the types of planning tools to create a balanced housing mix; this can include types of incentives or impact fees for development.

Greene County can also assist communities in:

- Understanding the COCS of proposed development projects through meetings and/or instructional workshops with local officials;
- Accessing data from State and Federal sources that will help inform their decisions about future development in their communities; and
- Preparing a COCS analysis or a Fiscal Impact Analysis for a specific development project.

Where can we get more information?

Greene County Planning & Economic Development:
411 Main Street, Catskill, NY 12414
P.O. Box 467
Phone: 518-719-3290
Fax: 518-719-3789
Website: www.greeneplanning.com

Consultants:

River Street Planning & Development
Phone: 518-273-8980
Website: www.riverstreet.org

Characteristics of a COCS

- The process involves analyzing the finances and land uses of the local municipality and the municipality's school district (s).
- Revenues and expenditures for each entity are then delineated among the various land uses that provide or require them – for example, sales tax revenues are allocated totally to commercial land uses since these uses generate all of the sales tax revenues. Similarly, school district expenditures are allocated totally to residential uses because they are the direct beneficiary of school district expenditures.
- Primary source of revenue and expenditure data is the NYS Comptroller's Special Report on Municipal Affairs.
- The other primary source is the Greene County Assessor's Office which can provide property assessment data for each community in the county and categorizes these values by land use classification.
- COCS ratios are calculated by dividing the total expenditures for each land use type by the total revenues for that land use type.
- COCS ratios demonstrate that various types of land uses in a community have implications for taxes and the cost of government services. How land is used within a community has an impact on what services are provided and where services are provided and where revenues come from.

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Cost of Service Ratios Summary

Revenues	**$ Total**	**$Residential**	**$Commercial**	**$Industrial**	**$Agriculture/ Other**
General fund municipal tax revenues	$4,392,619	$541,571	$3,793,623	$5,309	$52,116
General fund municipal nontax revenues	$2,546,106	$1,844,145	$506,420	$18,077	$177,464
School District tax revenues	$20,414,096	$14,785,930	$4,060,364	$144,940	$1,422,863
Municipal's share of nontax revenues	$14,853,105	$10,758,104	$2,954,283	$105,457	$1,035,261
Total Revenues	**$42,205,927**	**$27,929,750**	**$11,314,690**	**$273,783**	**$2,687,703**
Expenditures					
General Fund municipal expenditures	$5,465,257	$3,958,486	$1,087,040	$38,803	$380,928
School District expenditures	$35,756,667	$35,756,667			
Total Expenditures	**$41,221,924**	**$39,715,153**	**$1,087,040**	**$38,803**	**$380,928**
COCS Ratios		**1.42**	**0.1**	**0.14**	**0.14**

How to read a COCS?

It should be noted that COCS studies do *not* provide a measure of the cost of development. Instead they compare the outlay and influx of money to and from several general types of already-developed (or undeveloped) land within a community.

- A ratio greater than 1.0 says that for every dollar of revenue collected from a given category of land, more than one dollar is likely to be spent in association with it, and it will be a net revenue drain on the municipality.
- A ratio less than 1.0 says that for every dollar of revenue collected from a given category of land, less than one dollar is likely to be spent in association with it, and it will provide a net revenue gain to the community.

The COCS ration along should not determine the type of land uses, this is a tool to understand the revenues and expenditures and the need for a healthy mix of land uses. Other approaches must be used to estimate the cost and fiscal impact of actual *new* development. This can be accomplished under a separate fiscal impact analysis that examines the impacts of a specific or proposed development scenario.

What is Fiscal Impact Analysis?

Fiscal impact analysis is a mechanism to evaluate the net local public costs and revenues associated with specific development proposals. When evaluating project proposals using fiscal impact analysis, a community can estimate future service requirements of anticipated development. The analysis also allows for monitoring the cost of land use decisions such as the decision to zone for single-family homes or garden apartments.