

RESIDENTIAL DENSITY & MUNICIPAL REVENUE

THE IMPACT OF RESIDENTIAL HOUSING TYPOLOGIES ON FISCAL SUSTAINABILITY IN LOCAL GOVERNMENT

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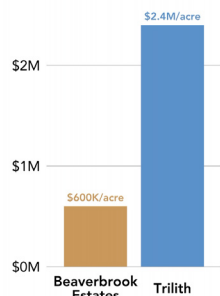


Various kinds of housing affect a city's budget differently, but zoning policies often limit the range of housing options. Over time, this can lead to growth patterns that are more expensive to maintain.

VALUE PER ACRE AS A MEASURE OF ECONOMIC PRODUCTIVITY

The economic productivity of housing is based on how much value a property generates per acre of land it takes up. Think of how fuel efficiency is measured, for example: it isn't measured in miles per tank because different cars have differently sized tanks! Instead, efficiency is measured in miles per gallon. The economic efficiency of land is measured in dollars per acre for the same reason.

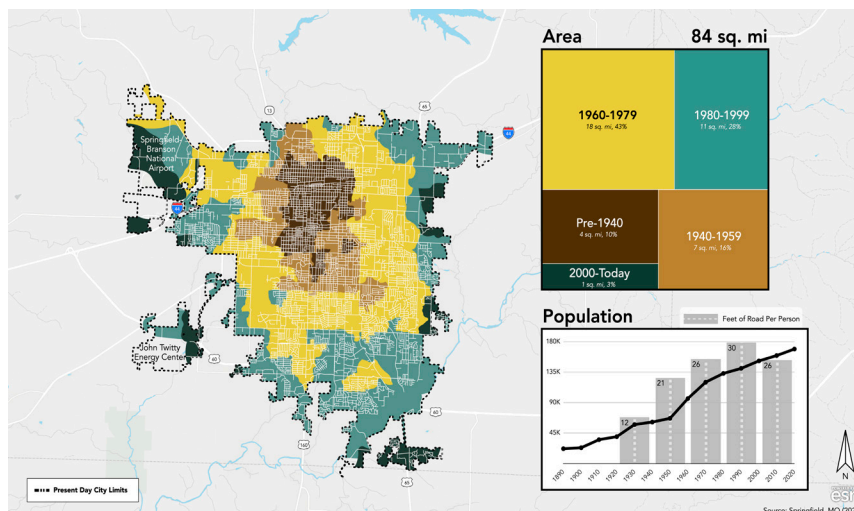
COMPARING THE ECONOMIC PRODUCTIVITY OF RESIDENTIAL DEVELOPMENT PATTERNS: TRILITH VS. BEAVERBROOK ESTATES



These two adjacent neighborhoods have different levels of economic productivity. Compared to the nearby lower density development, Trilith produces four times the value on a per acre basis, thanks to its higher density.

THE IMPACTS OF ANNEXATION

Between 1940 and 2020, Springfield, Missouri's land area expanded through annexation much faster than its population grew, causing the length of road per resident to more than double. When growth requires extra infrastructure like longer roads, new utility lines and sewer extensions, it can increase municipal costs compared to more compact development.



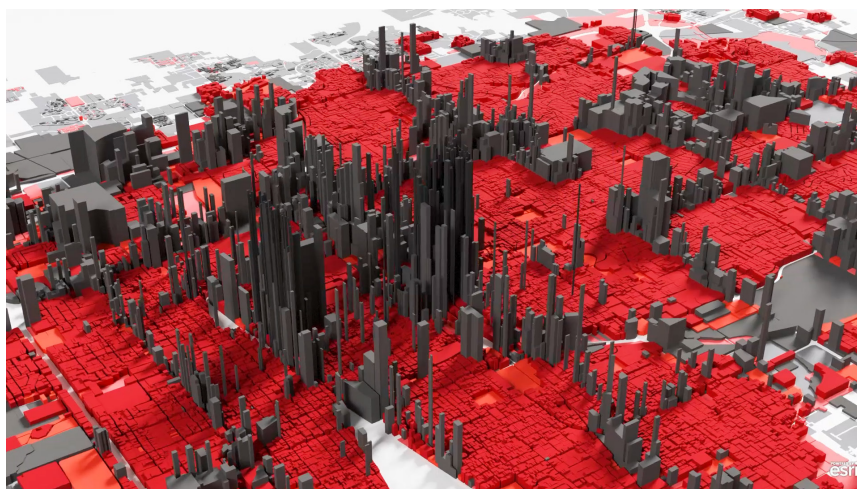
RETURN ON INVESTMENT: RURAL TO URBAN

This is a spectrum from undeveloped land to densely developed land, showing revenues and costs.

The undeveloped parcels don't provide much revenue, but they also have low costs, providing a small surplus.

Low density residential areas are often challenging for cities to balance fiscally because their costs can outpace revenues.

While densely urbanized places have high costs, they have even higher revenues, so they are net positive.



RETURN ON INVESTMENT IN SPRINGFIELD, MO

Infrastructure costs and tax revenues can be mapped, as shown here in Springfield, Missouri.

The net positive land is black and the net negative land is red. In places where residential development is net positive, it tends to have a higher density.

HOW BUILDING TYPE AND DENSITY IMPACTS ECONOMIC PRODUCTIVITY

Mixed use buildings, townhomes missing middle and multi-family housing can be economically self-sustaining, which is why communities benefit from having the option to build them.

Property Tax Revenue Per Acre by Building Type

