

# Residential Development Impact Model

*Impact DataSource, LLC & Texoma Council of Governments*

## Overview & Instructions for Municipal Review

### Purpose

The Texoma Council of Governments, in partnership with Impact DataSource, is developing an economic and fiscal impact model to evaluate new residential developments across the region. This Residential Development Impact Model will enable communities to estimate the return on investment for potential residential projects and establish a break-even timeline for recovering public costs.

With project-specific inputs like the number of new residential units, construction costs, and project timelines, the model will estimate sales tax, property tax, and other revenues for municipalities, counties, and school districts. It will also include estimates of the additional costs that local jurisdictions will incur to serve new households and residents. Ultimately, this tool will help communities better assess the long-term impacts of residential development and make more informed planning decisions.

This model is focused specifically on ongoing operating costs — i.e., the recurring services funded through the general fund — and does not attempt to account for one-time capital costs or infrastructure improvements tied to individual development projects.

### What We've Prepared for Your Review

For your city, we've prepared a customized Excel sheet based on available data, including:

- Population, employment, and household counts
- General fund expenditures by function (based on the latest publicly available budget or audit)
- A default assumption about how each function's costs are distributed between residential and business-related service demand

Additionally, we have allocated these current costs across households and workers to estimate:

- Average per-household and per-worker costs for these city services
- Estimated marginal cost of providing services to additional households or workers as a percent of the current average cost.

The result is a set of per-household and per-worker costs, and a set of marginal cost estimates that can be used to evaluate the service impact of new residential development proposals.

## **What We're Asking You to Do**

Please review the attached worksheet and provide updates where appropriate:

1. Confirm or revise general fund expenditures by function. In most cases, we were able to pre-fill this information from publicly available data; in a few instances, we are asking you to provide the details.
2. Adjust the allocation of costs to residents vs. businesses for each function, if the default assumptions don't reflect your city's reality
3. Refine the marginal cost percentages — these reflect the share of a function's cost that would be incurred with growth. For example:
  - a. Public Safety costs may scale more closely with growth (e.g., 40% marginal cost)
  - b. General Government / Administrative costs may not scale significantly (e.g., 10% or less)

## **How This Will Be Used**

Once reviewed and finalized, your city-specific cost inputs will be integrated into our Residential Development Impact Model. This will allow the model to more accurately estimate the net fiscal impact of future housing projects by combining:

- Customized marginal costs
- Project-specific revenue estimates (e.g., property tax, sales tax, other applicable revenues.)

## **Due Date**

Please have your updated template returned to [paul@impactdatasource.com](mailto:paul@impactdatasource.com) by June 19, 2025

## **Question or Follow-Up**

If you have any questions about the model, the assumptions used, or how to complete the worksheet, please don't hesitate to reach out. I'm happy to discuss the methodology or walk through your city's data together.

### **Paul Scheuren**

Economist

Impact DataSource, LLC

[paul@impactdatasource.com](mailto:paul@impactdatasource.com)

512-524-0892