

A Reprint from *Tierra Grande*, the Real Estate Center Journal

SPRAWL BRAWL

Battle Lines Drawn in Smart Growth Debate

By Jack C. Harris and Jennifer S. Evans



The continuing economic prosperity bringing renewed growth to cities nationwide has spawned intense debate over how and where growth should occur. At the forefront of the discussion is “smart growth,” an approach that redirects new development to areas that can best accommodate it, using zoning controls and incentives such as tax rebates. While smart growth has generated enthusiasm within the planning and public policy arenas, opponents argue that smart growth policies are no solution for the problems of congestion, pollution and high-cost public services associated with urban sprawl.

Before the age of automobiles, cities were compact. Limited transportation options meant people lived close to where they worked and traded. But in the 1950s, suburbs blossomed, and cities expanded beyond the old trolley-car lines. Since then, cities have been designed around automobile access and are much more spread out than in the past.

In Texas’ larger metropolitan areas, outlying counties are the ones most

affected by urban spread. The table below highlights 1990–98 increases in population density in the non-central counties of several metropolitan statistical areas (MSAs). In light of this rapid urbanization, it is no wonder that many long-time residents of these areas are concerned about sprawl.

Cities are limited in the extent to which they can control growth because much growth occurs outside their legal jurisdictions. Because of this, efforts to control growth tradition-

ally have been waged by small towns and suburbs on the edges of large cities. Most of these efforts have been not-in-my-back-yard-inspired attempts to relocate growth into neighboring areas. Instead of controlling growth, such initiatives actually have increased the scope of urban sprawl.

Proponents' Perspectives

Smart growth tries to shape growth instead of shutting it down altogether. Areas where little or no development is desired are identified, and zoning and other controls are used to discourage construction in those places. Conversely, development incentives like tax rebates and expedited approval are used to encourage growth in areas where infill and higher density development could best be accommodated.

Smart growth programs sometimes are used to further the goals of "new urbanism," which views high-density, diverse urban neighborhoods as the best way to house the growing population of the country. New urbanist neighborhoods typically consist of structures on small lots and incorporate commercial and employment centers. They are pedestrian oriented, with sidewalks, short blocks, narrow streets and few parking areas to discourage automobile use. Public transit is close by.

By encouraging this type of development within cities, new urbanists hope to relieve the pressure on outlying areas, where they assert growth threatens environmental resources, requires costly extension of public services and necessitates long-distance commuting. They envision mass transit systems supplanting the need for extensive highways and parking facilities in metropolitan areas.

Smart Growth in Action

Portland, Oregon. Portland is considered a Mecca for smart growth. When the city began to grow in the 1970s, citizens were afraid it would become a smog-ridden metropolis like Los Angeles. In 1973, the city established an urban growth boundary surrounding the city's core in an attempt to leave woodland and farms untouched. A regional authority exercises regulatory powers to limit development outside this boundary. At the time, land within the boundary was predicted to be adequate for 20 years of growth. The city has since added 1.7 million people. Consequently, the boundary will be extended to include an additional 4,500 acres in an effort to offset the rapidly rising cost of housing.

Population per Square Mile			
MSA-County	1990	1998	Percentage Change
Austin			
Travis	582.6	718.2	23.3
Bastrop	43.1	56.7	31.6
Hays	96.8	130.6	34.9
Caldwell	48.4	59.5	22.9
Williamson	124.1	199.1	60.4
Dallas			
Dallas	2105.7	2330.8	10.7
Collin	311.5	505.8	62.4
Denton	307.9	432.2	40.4
Ellis	90.6	110.3	21.7
Henderson	67	78.6	17.3
Hunt	76.5	84.3	10.2
Kaufman	66.4	83.6	25.9
Rockwall	198.8	288.6	45.2
Fort Worth			
Tarrant	1355.1	1569.5	15.8
Hood	68.7	88.2	28.4
Johnson	133.2	162.0	21.6
Parker	71.7	90.7	26.5
Houston			
Harris	1630.0	1854.3	13.8
Chambers	33.5	39.6	18.2
Fort Bend	257.6	386.1	49.9
Liberty	45.5	56.1	23.3
Montgomery	174.5	260.3	49.2
Waller	45.5	53.0	16.5
San Antonio			
Bexar	950.7	1085.1	14.1
Comal	92.3	130.7	41.6
Guadalupe	91.2	113.2	24.1

Source: U.S. Census Bureau



"NEW URBANISM" advocates filling existing undeveloped areas downtown with housing to create high-density, diverse, pedestrian-oriented urban neighborhoods.

Atlanta, Georgia. In spring 1999, the state of Georgia passed the Regional Transportation Act, giving a special agency headed by the governor vast power over what happens in the sprawling Atlanta metropolis. The governor, who campaigned against urban sprawl during the recent election, wants the authority to bring the city into compliance with the national Clean Air Act. The city's air quality problems stem not from industry but from automobiles. The average daily commute is 35 miles, which ranks first in the nation. Atlanta, like Houston, is under a mandate from the Environmental Protection Agency to come up with a plan for compliance. Until then, no federal money can be spent on new highways. (See the January 2000 issue of *Tierra Grande*.)

Austin. Austin is one of the Texas cities that has developed and implemented a smart growth program, primarily for protecting water supplies and other sensitive environmental areas. The program focuses on areas within the city's jurisdiction. The city introduced a traditional neighborhood district into its zoning ordinance, allowing for developments integrating shopping, service and recreation within walking distance of residential areas. As an incentive, parkland dedication fees and the city's development code do not apply within the zoning district. The ordinance requires 20 percent of the land be set aside for open space.

In 1999, Austin adopted the Smart Growth Matrix and Incentives program. The matrix is used to analyze how well projects meet the city's smart growth goals, including location, access to mass transit, urban design, compliance with neighborhood plans and contribution to the tax base. The matrix program uses a point system to determine if reduced city fees and taxes may be applied.

States. According to a recent article in *Housing Policy Debate*, Oregon and Maryland have enacted land-use legislation promoting denser urban growth. In 1998, more than 160 state and local ballot measures intended to limit sprawl were passed.

In New Jersey, a proposal was approved to spend \$1 billion in taxes and user fees to help preserve half of the state's two million acres of open space over the next ten years. Arizona's governor appointed a smart growth commission in 1998, and a ballot initiative limiting sprawl is expected this year.

Opponents' Perspectives

Those on the "con" side of the smart growth debate cite concerns about restrictions on individual property rights and government intrusions into economic affairs. Problems related to urban sprawl are exaggerated, they assert, and the smart growth approach, particularly new urbanist policies, would likely

make the problems worse. Ultimately, opponents view smart growth as an attack on preferred American lifestyles of homeownership and using automobiles as primary transport. Most of this criticism is directed against the new urbanist ideas that frequently motivate smart growth programs.

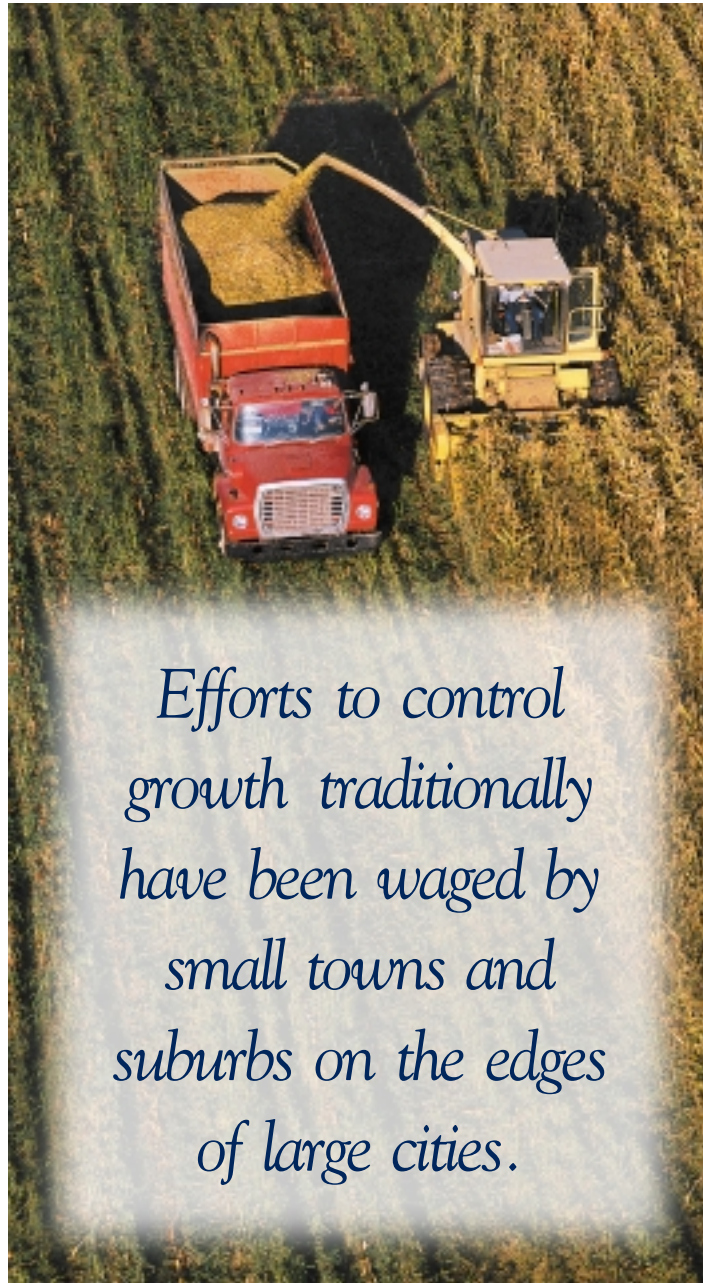
Opponents contend that smart growth advocates make their case for drastic action using pejorative terminology ("sprawl" rather than "suburbs"), unflattering photography of suburban development and out-of-context facts ("thousands of acres of prime agricultural land lost each year"). In fact, opponents say, suburban development is not a major user of land in the United States.

Mark Calabria, an economist with the National Association of Realtors (NAR), presents data showing the suburbs had their biggest growth between 1950 and 1970, when postwar prosperity allowed the masses to move out of the city into their own homes. While the amount of land used for urban and suburban development went from 15 million acres in 1945 to 59 million acres in 1992, land used for parks and wildlife grew even more, increasing from 23 million acres to 229 million acres over the same period. Farm land encompassed 945 million acres in 1992, slightly more than in 1900. In aggregate, agricultural land does not appear to be threatened by suburban encroachment. In fact, the federal government has long conducted programs to limit the amount of farm land in an effort to stabilize crop prices.

Smart growth advocates portray suburbanization as the product of poor planning and policies designed to accommodate automobile use at the expense of other values. But opponents point out that while federal funds for highway construction come from taxes on gasoline and car sales, in a strict sense, there is no subsidy for automobile use. Economist Edwin Mills argues instead that the suburbs expanded because they were the best way to provide the type of housing that most people prefer at affordable prices.

Advocates of smart growth also point to the time Americans waste commuting. But Alan Pisarski, author of *Commuting in America*, uses Census data to show that nationwide, average commuting time is 22 minutes each way, whether the commuter lives in the city or the suburbs. Data confirm that commuting times have remained constant for decades.

Furthermore, while limiting urban growth would save open space in outlying areas, it might do so at the expense of open space in the city. Using infill development to accommodate growth would require conversion of existing parks and undeveloped areas, according to Yale University economist Randall O'Toole. While this might be the goal of new urbanism, it does



Efforts to control growth traditionally have been waged by small towns and suburbs on the edges of large cities.

not seem to be what most people want. O'Toole cites the case of Laguna West, a new urbanist development in Sacramento, California, which failed when developers could not sell high-density housing next to a transit station.

Those against smart growth are united in the opinion that policies advocated by new urbanists would worsen congestion and pollution and drive up the cost of public services. In support of this conclusion, a 1992 Duke University study showed that public costs rise as densities climb to more than 250 residents per square mile. And high-density development does not necessarily improve the efficiency of public service delivery. Crowding everyone into the central areas of cities, opponents say, would make life there more uncomfortable and expensive, and it is the expense and lack of quality of life that sends people to the suburbs in the first place.

Higher densities also may increase the cost of housing. NAR data shows the median sales price of a house in Portland, Oregon, rose by 78 percent from 1991 to 1998, compared to a 28 percent increase nationally. So smart growth may make it harder for young and minority families to find affordable housing.

Future of Smart Growth

While smart growth appears to have political support, consumers may not fully embrace new urbanist concepts. In 1999, The National Association of Home Builders conducted a survey of 2,000 households nationwide to find out whether respondents would prefer a \$150,000 townhouse in an urban setting close to public transportation, work and shopping, or a detached single-family home in an outlying suburban area with longer distances to work, public transportation and shopping. Only 17 percent of respondents preferred a townhouse in the city.

But while the market for higher density, in-town living currently is limited, indications are that it is growing. A survey last year by the Brookings Institute and Fannie Mae Foundation

found that all 26 cities examined expected their central areas to experience a population increase by 2010. Houston, which led the list, expects its population to quadruple. The study cited increasing numbers of young professional households with no children, reluctance to take on the responsibilities of a large house and decreasing crime rates in the cities as reasons for the rise in downtown dwellers. These data indicate increased demands for inner-city housing.

Smart growth undoubtedly will have limited popular appeal if the public sees it as a policy that forces people to live in crowded neighborhoods and makes it harder to use their cars. Some have suggested that political support for smart growth is based on the assumption that "everyone else" will be living in town and using the bus, leaving "us" with less-crowded neighborhoods and highways.

One important byproduct of smart growth has been the recognition that no-growth policies are not a viable alternative to sprawl. Another is the realization that land-use restrictions are more effective when accompanied by positive incentives.

The debate surrounding smart growth has highlighted the growing demand for neo-traditional housing developments, which should be accommodated both by public sector planners and private developers. Lastly, regulatory policies that force uniformity and strict segregation of land uses are being subjected to scrutiny and reconsideration, as they should be.

Both sides of the smart growth debate raise points that should be investigated and addressed before growth management principles are adopted in any community. Austin's experiment with smart growth should be watched closely; perhaps it will offer answers to key questions regarding the feasibility of implementing growth strategies. One thing is clear: smart growth will remain a hot issue in the coming years. ♣

Dr. Harris is a research economist and Evans a research associate with the Real Estate Center at Texas A&M University.

REAL ESTATE CENTER

©2000, Real Estate Center. All rights reserved.

Director, Dr. R. Malcolm Richards; **Associate Director**, Gary Maler; **Chief Economist**, Dr. Mark G. Dotzour; **Senior Editor**, David S. Jones; **Associate Editor**, Wendell E. Fuqua; **Associate Editor**, Nancy McQuiston; **Assistant Editor**, Kammy Baumann; **Editorial Assistant**, Brandi Ballard; **Art Director**, Robert P. Beals II; **Circulation Manager**, Mark Baumann; **Typography**, Real Estate Center; **Lithography**, Wetmore & Company, Houston.

Advisory Committee: Gloria Van Zandt, Arlington, chairman; Joseph A. Adame, Corpus Christi, vice chairman; Celia Goode-Haddock, College Station; Carlos Madrid, Jr., San Antonio; Catherine Miller, Fort Worth; Angela S. Myres, Houston; Nick Nicholas, Dallas; Jerry L. Schaffner, Lubbock; Douglas A. Schwartz, El Paso; and Jay C. Brummett, Austin, ex-officio representing the Texas Real Estate Commission.

Tierra Grande (ISSN 1070-0234), formerly *Real Estate Center Journal*, is published quarterly by the Real Estate Center at Texas A&M University, College Station, Texas 77843-2115.

Subscriptions are free to Texas real estate licensees. Other subscribers, \$30 per year, including 12 issues of *Trends*.

Views expressed are those of the authors and do not imply endorsement by the Real Estate Center, the Lowry Mays College & Graduate School of Business or Texas A&M University.