



Background

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WILL SPRAWL GOBBLE UP AMERICA'S LAND? FEDERAL DATA REVEAL DEVELOPMENT'S TRIVIAL IMPACT

RONALD D. UTT, PH.D.

Despite the insistence of America's artistic elites and environmental activists that people abandon the suburbs in favor of denser living arrangements, most Americans continue to exhibit a decided preference for single-family, detached, suburban-style housing on lots large enough to ensure some measure of privacy and easy access to nature's blessings. Efforts to force people into densely packed town and cluster housing or multifamily high-rise buildings consistently fail to attract public support. For the most part, many of those who choose to live in denser multifamily housing and townhouses do so for reasons of limited income and often forgo these arrangements once more expansive options become affordable.

Having failed to achieve their objectives in most communities, environmentalists and urban planners have turned to the federal government for help to enact legislation that offers federal tax dollars to encourage communities to adopt their "smart growth" plans. Typical of this effort is the Community Character Act, introduced in the Senate as S. 975 and in the House of Representatives as H.R. 1433. This legislation would provide \$25 million of federal tax dollars each year to states, communities, and tribal councils to use in implementing land use planning schemes that conform more closely to how environmentalists want American communities to be arranged.

Among the factors driving environmentalists to discourage the traditional pattern of suburban development is a belief that such growth consumes undeveloped land at a pace that jeopardizes the availability of open space, natural settings, wilderness, and farmland. Federal data on land use reveal such concerns to be misplaced; in fact, only 5.2 percent of the land in the continental United States meets the government's definition of "developed." Nevertheless, so-called smart growth and new urbanist advocates are undeterred in their efforts to impose costly and constraining limits on how individuals may develop and use their private property.

Although there is no precise definition for a "smart growth" policy or what exactly the "new urbanist" strictures would entail, such policies generally seek to preserve land in its natural or agricultural state by encouraging people to live in denser, city-like communities that

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take up smaller amounts of land per housing unit. Such communities would achieve other related smart growth goals, such as encouraging residents to rely more on walking or public transit than on cars for mobility. The policies also recommend a closer mix of commercial facilities and residential units to foster easier access to jobs and shopping. In turn, these arrangements, combined with more sensitivity to aesthetic needs, are supposed to create a greater sense of “place” among residents.

While the adoption of land use strategies that lead to greater densification, or more housing units (and residents) per acre of land, would slow the already glacier-like development of the nation’s unused land, very few Americans find crowded living arrangements appealing. With few willing to embrace the environmentalist’s vision of more densely packed urban communities, smart growth advocates now seek to impose their vision on uncooperative households by limiting tenancy choices with policies that raise the cost of housing options they oppose. Among the popular cost-raising, growth-limiting mechanisms to control suburbanization in this way are charging homebuyers higher building and impact fees and/or taxes, adding more regulation and restrictive zoning, and establishing growth boundaries to deny land for building.

Critics of these costly and coercive growth-management schemes have been aware of the problems such regulations create for potential homebuyers with modest incomes, especially minorities. Such concerns have begun to influence the smart growth debate in recent years.

In 2001, for example, Heritage Foundation scholars expressed alarm about the connection between high costs and diminished opportunity in a study titled “Smart Growth, Housing Costs, and Homeownership.” They concluded that, “By raising home prices, such policies force households of modest means into smaller units, or out of the community altogether.” Largely, the burden is borne by entry-level homebuyers and other households with low to moderate incomes. And as more of these households are forced into the rental market as such policies become more commonplace, the rate

of homeownership will fall. “Those who are harmed by escalating prices,” noted the scholars, “are those who are not yet owners, and this group consists largely of those with household incomes below the median, especially racial minorities.”

The Administration is correct to oppose the Community Character Act, and Members of Congress who have not yet made up their minds on such legislation should carefully review this bill’s potentially adverse effects and the elitist land use schemes behind it. Rather than promote policies that limit opportunity, the Administration and Congress should confirm long-standing American principles of free choice and market solutions, including the right of people to live and work how and where they like. Federal leaders should reject centralized planning by any level of government, encourage diversity in neighborhood design, and foster decentralized decision-making on land use.

The 10 principles in the so-called Lone Mountain Compact developed at a conference on sprawl in 2000 should serve as guidelines for local officials, builders, citizens, journalists, and academics who want to make better judgments about the benefits and appropriateness of policies that will affect community growth. They should also keep in mind the question that Democratic Party candidate Adlai E. Stevenson posed during the 1952 presidential campaign:

Our people have had more happiness and prosperity, over a wider area, for a longer time than men have ever had since they began to live in ordered societies 4,000 years ago. Since we have come so far, who shall be rash enough to set limits on our future progress? Who shall say that since we have gone so far, we can go no farther? Who shall say that the American dream is ended?

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WILL SPRAWL GOBBLE UP AMERICA'S LAND? FEDERAL DATA REVEAL DEVELOPMENT'S TRIVIAL IMPACT

RONALD D. UTT, PH.D.

Among the many factors driving environmentalists to discourage suburban development is the belief that such growth is consuming America's undeveloped land at a pace that jeopardizes the availability of open space, wilderness, and farmland. Although federal data on land use reveal such concerns to be misplaced—only 5.2 percent of the continental United States is defined as “developed”¹—so-called smart growth and new urbanist advocates remain undeterred in their effort to impose costly and constraining limits on how individuals may develop and use their private property.

Efforts in the recent past to turn these limits into federal policies include former Vice President Al Gore's “Livable Communities” program, which he introduced in late 1998 but quickly abandoned when it became apparent that there was little voter interest in having the federal government redesign suburban neighborhoods. More recently, the *Growing Smart Legislative Guidebook: Model Statutes for Planning and the Management of Change*,² funded in part by the U.S. Department of Housing and Urban Development (HUD), has been criticized as a federal endorsement of efforts to encourage people to

alter their housing choices away from traditional suburbs. The guide provoked charges of federal interference with local land use decisions.

Although HUD maintains that the release of the proposal does not imply federal encroachment on community decision-making, legislation now moving through Congress does appear to take a step in that direction. The Community Character Act (S. 975/H.R. 1433), which was voted out of the Senate Committee on Environment and Public Works on April 25, 2002, proposes to fund state and local efforts to reform their land use planning process to conform more closely to smart growth policies.

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1. U.S. Department of Agriculture, National Resources Conservation Service, *Summary Report 1997 National Resources Inventory*, revised December 2000.
2. For a brief summary of the guidebook, see <http://www.planning.org/growingsmart/index.htm>.

Policymakers who are considering land use issues should be aware of how such policies will affect prospective homebuyers and disproportionately burden lower-income families. They would do well to follow the market-driven principles put forth by scholars at the Big Sky, Montana, conference on livable communities in 2000.³ (See text box, page 12.) These 10 principles emphasize freedom of choice, market solutions, property rights, and the right of all Americans to live and work in accordance with their own hopes and dreams. They should serve as guidelines or benchmarks by which local officials, citizens, and others can better judge the effects of proposals that affect community design and growth.

JEOPARDIZING AMERICANS' STANDARD OF LIVING

As all levels of government enact and promulgate laws and regulations on land use, homebuilding, and community design standards, individuals' freedom to live how and where they choose is becoming increasingly limited. Such growing limits are a deliberate consequence of the "smart growth" movement, which attempts to force or encourage households to choose alternative lifestyles and living arrangements.

Although there is no precise definition for a "smart growth policy" or for the nuts and bolts of what related new urbanist strictures entail, such policies generally seek to preserve land in a natural or agricultural state by encouraging individuals to live in denser communities that take up smaller amounts of land per housing unit. Such communities also encourage residents to rely more on walking or public transit than on cars for mobility, and they more closely mix retail and other commercial facilities with residential units to foster easy access to jobs and shopping. In turn, these revised structural arrangements, combined with more sensitivity to aesthetic needs, are said to create a greater sense of "place" among residents.

To achieve these objectives, many advocates of smart growth solutions prefer communities of apartment buildings, townhouses, or detached houses on small lots, and they take flawed images of American cities and towns of bygone eras as their role models. The recently constructed new urbanist suburban subdivisions of Seaside in Florida, Kentlands in Maryland, and Prospect in Colorado illustrate this nostalgic pattern.

When defined as any set of policies that limit land used for development, smart growth goals are broad enough to embody a wide diversity of views. For example, Environmental Protection Agency (EPA) Administrator Christine Todd Whitman at a recent smart growth conference favored broad goals, arguing that "Open space... must be seen as an urban, suburban and rural issue—for preserving park land within the confines of our cities is as important as saving farmland from unnecessary development."⁴

The Sierra Club, by contrast, argues for more stringent goals. On June 18, 2001, the group defined "efficient urban density" as a measure containing 500 housing units to the acre. Just two days later, after the club was advised that such densities were more than three times greater than the highest-density tracts in Manhattan and more than double the most dense ward of Mumbai (Bombay), India—which achieves this density with the help of a 55 percent homeless population—it revised its definition of urban efficiency to 100 units per acre.⁵

Though the Sierra Club's visionaries may have seen this change in recommendation as a substantial concession to its critics, reaching even that goal would yield living arrangements that are 2.4 times as dense as all Manhattan, twice as dense as central Paris, and more dense than central Mumbai (though not as dense as Mumbai's densest wards). Obviously, this is not the sort of lifestyle that would appeal to the average American or, for that matter, the average European. That lack of appeal is precisely why the smart growth movement has had problems in gaining serious converts outside the

3. For the complete Lone Mountain Compact, as well as a list of signatories, see <http://www.heritage.org/library/keyissues/smart-growth/LoneMountain.html>.
4. Remarks of Governor Christine Todd Whitman, Administrator, U.S. Environmental Protection Agency, at Partners for Smart Growth Conference, San Diego, California, January 24, 2002, at http://www.epa.gov/livability/whitman_sd_speech.htm.
5. For details of the plan and critics' commentaries, see <http://www.demographia.com/db-sierraclub500htm>.

academic community, a few federal offices, and environmental chat rooms.

Most Americans, including committed city dwellers, would find these recommended densities for living space—and even levels much less dense than these—to be an unpleasant way to live. In comparison to the Sierra Club’s recommended density of 100 housing units per acre, the city of San Francisco, for example, measures in at 10 housing units to the acre, while Toronto is half that amount. The typical American suburb, where most people voluntarily choose to live, has an average density of about two houses per acre, but this measured acre also includes space set aside for streets, sidewalks, and other public and commercial space. Thus, the typical suburban lot size is closer to something between a quarter and a third of an acre.

Whereas the Sierra Club encourages local planning officials to adopt land use patterns that would force Americans to emulate living standards common to parts of the Asian subcontinent, other environmental groups have become even more aggressive, and more violent, in this effort. The Earth Liberation Front (ELF), for example, declares on its Web site that its goal is “To inflict economic damage on those profiting [sic] from the destruction and exploitation of the natural environment,” and to that end has engaged in dozens of acts of serious vandalism resulting in \$30 million worth of damage.⁶ This vandalism reportedly has included acts of arson inflicted on suburban housing development projects, such as four luxury houses under construction in the Long Island suburb of Mount Sinai, New York, on New Year’s Eve 2000.⁷

HUD ENTERS THE FRAY

Adding fuel to the fire brewing over postwar land use patterns is a series of recommended changes in local zoning practices just published in the 2002 *Growing Smart Legislative Guidebook: Model Statutes for Planning and the Management of Change*.⁸ The

Guidebook, released by the American Planning Association (APA), was funded in part by the U.S. Department of Housing and Urban Development, described as the “lead federal agency” among several that provided funding. Property rights advocates who have reviewed the *Guidebook* contend that

- It is a legislative blueprint for more restrictive zoning and rigid land use planning;
- It uses federal funding as an incentive to encourage states to adopt the blueprint, which mandates “an integrated state-regional-local planning system that is both vertically and horizontally consistent”;
- Its scope moves far beyond the regulation of land use planning and mandates a broader reach of government planning that expressly deals with a wide range of social and economic issues; and
- It suggests model zoning ordinances that, if adopted, would require development of “traditional neighborhoods,” meaning site designs that mimic higher density living arrangements and architectural designs characteristic of pre-automobile, turn-of-the-last century American towns and cities.⁹

Although HUD disclaims any endorsement of the recommendations contained in the *Guidebook*, its formal response to critics has been viewed as less than reassuring.¹⁰ Of concern is the observation that HUD officials have been remarkably silent and wholly uncritical about the book’s recommendations and proposals, which, if implemented as the book encourages, could greatly limit individual choice and freedom of lifestyles and undermine basic property rights. Also absent from HUD’s communications on the *Guidebook* is any endorsement of, or preference for, property rights, individual choice, or market principles.

6. See <http://www.earthliberationfront.com/about/>.

7. See <http://prfamerica.org/EarthLiberationFrontNo1onFBllist.html>.

8. For a brief summary of the guidebook, see <http://www.planning.org/growingsmart/index.htm>.

9. Comments excerpted from Defenders of Property Rights, “Executive Summary of the Smart Growth Legislative Guidebook,” Washington, D.C., at <http://www.yourpropertyrights.org>.

10. See U.S. Department of Housing and Urban Development, letter from General Deputy Assistant Secretary Lawrence L. Thompson to Nancie G. Marzulla, Defenders of Property Rights, December 6, 2001, at <http://www.yourpropertyrights.org>.

In an effort to mollify and reassure critics of HUD's neutral pose on the *Guidebook's* recommendations, the General Deputy Assistant Secretary of HUD stated categorically that "The Guidebook does not provide for any role for the Federal government nor would HUD claim to assert that it has responsibility regarding either State or local land use planning."¹¹ He may very well have been sincere, but the executive branch is just one of three partners in the federal system of governance, and earlier actions by some in Congress undermine his reassurance by proposing to provide not only that role, but also the funding to fulfill it.

On May 25, 2001, Senator Lincoln Chafee (R-RI) introduced the Community Character Act of 2001 (S. 975) to provide to state and local governments \$25 million per year in grants for each of the next five years. The purpose of the bill would be to carry out, among other things,

- **Development or revision** of land use planning legislation;
- **Long-term policy guidelines** for growth and development; and
- **Planning activities** with land use planning legislation.

Of particular concern as it relates to HUD's denial of any land use planning role for the federal government is Section 4(c)(1)(D) of the Community Character Act (as amended by Senator Jim Jeffords (I-VT)). That section states that the funds can be used to carry out "coordination of Federal, State, regional, tribal, and local land use plans." This language raises a troubling question for HUD: Exactly what "Federal land use plans" are Senators Chafee and Jeffords referring to? Is the *Guidebook* the *de facto* federal plan? Having HUD largely funding the plan, and absent any critical or skeptical comment on the effort by HUD officials, one can see how there could be confusion over the federal role in the

effort and what it implies by way of a federal endorsement.

Adding to the confusion is language in the *Guidebook's* introduction, in which the APA formally thanks dozens of federal employees, including 10 at HUD, by name for their assistance in preparing it. One employee is singled out for his "enthusiastic and stimulating reviews of all work products," suggesting that the government's involvement went beyond hosting meetings and signing checks. Absent any critical or skeptical comment on the effort by HUD officials, it is easy to see how this work product could be misrepresented as a federal plan by eager smart growth advocates and marketed as such in communities throughout the country.

While the threat of federal encroachment on land use planning is now as great as it ever has been, advocates for property rights can draw some solace, albeit probably just temporarily, from the limited damage to America's freedom of choice that Senator Chafee's modest funding levels would allow. As currently written, S. 975 would authorize spending of only \$25 million per year, which, if spread evenly among the 39,044 separate governing jurisdictions in the United States,¹² would provide each with an annual grant of \$640.30—not even enough to fund a fact-finding mission to Portland, Oregon, the poster-child city for the smart growth movement.¹³

Also reassuring to supporters of property rights is that the Bush Administration, through communications by both HUD and the Department of Commerce, has made it clear that they oppose Senator Chafee's Community Character Act. HUD Secretary Mel Martinez wrote that the Act "would create a Federal program to entice communities to use prescribed land use planning techniques.... This Administration could not support Federal efforts that infringe upon the rights of State and local governments to manage their growth."¹⁴

11. *Ibid.*

12. U.S. Department of Commerce, *Statistical Abstract of the United States, 1999*, Washington, D.C., 2000, Table 501, p. 309.

13. For detailed discussions of the Portland experiment, see Randal A. O'Toole, *The Vanishing Automobile and Other Urban Myths: How Smart Growth Will Harm American Cities* (Bandon, Ore.: Thoreau Institute, 2001), and John A. Charles, "Lessons from the Portland Experience," in Jane S. Shaw and Ronald D. Utt, eds., *A Guide to Smart Growth: Shattering Myths, Providing Solutions* (Washington, D.C.: The Heritage Foundation and The Political Economy Research Center [Bozeman, Montana], 2000), pp. 119–134.

14. Secretary Mel Martinez, in an April 12, 2002, letter to the National Association of Home Builders (NAHB).

An even stronger rejection of this and other intrusive land use proposals before Congress was offered recently in testimony by an official of the Department of Commerce, who also used the opportunity to endorse personal freedom, the market process, and property rights and to express skepticism regarding the value of more government dictates on planning. In his testimony, Assistant Secretary for Economic Development David A. Sampson strongly endorsed market principles and solutions as the proper guides to community development and land use planning and opposed congressional efforts, like S. 975, to use federal funds to obtain “better” planning at the local level.

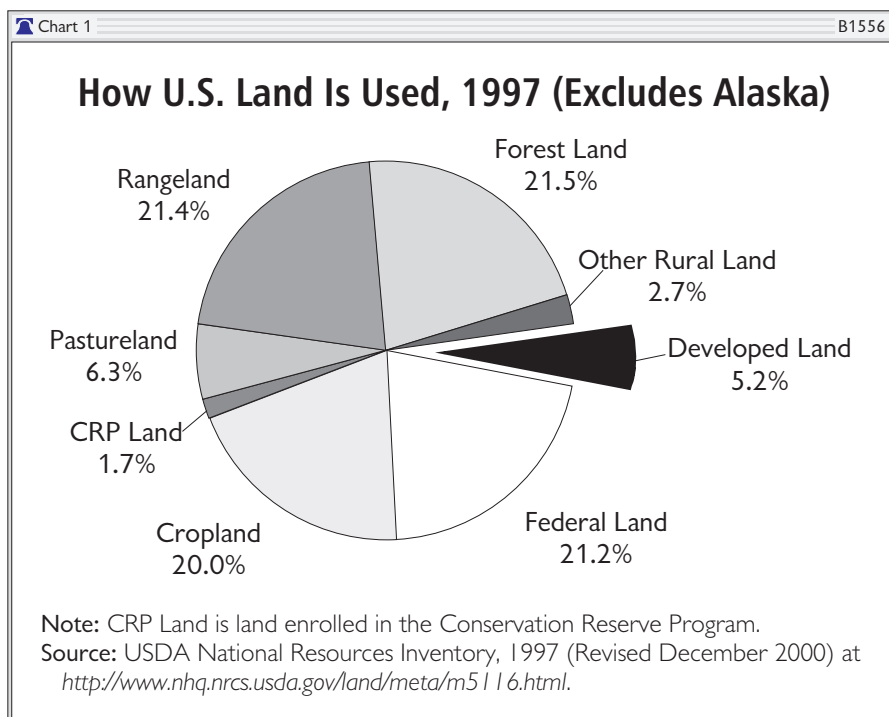
IS DEVELOPMENT GOBBLING UP AMERICA’S LAND?

Despite efforts to impose rigid restrictions on land use in order to achieve higher levels of population density, even among proponents of smart growth and the new urbanism there is little agreement on what the appropriate population density should be. Nonetheless, there exists among these groups and sympathetic public officials a general agreement that whatever that desired density is, it should be higher than what currently exists to reduce the amount of land used up each year in building new homes for a growing population.

One would think, then, that with so much effort devoted to the issue by high-ranking federal officials, major environmental groups, eco-terrorists, and U.S. Senators, the problem of runaway land use would be extreme and self-evident. But it is not. Indeed, as measured every five years by several different federal land use surveys, the share of America’s land that has been developed is astonishingly small—just over 5.0 percent, according to one government survey,¹⁵ and even less as measured by other federal surveys.

Another way to describe the trivial nature of the threat that development poses to America’s enormous inventory of open land is to note that after nearly four centuries of unmanaged and unplanned construction and growth (Jamestown was developed as a mixed use residential and commercial community in 1607), 94.8 percent of the land in the continental United States is still comprised of woodlands, meadows, pastures, undeveloped federal land holdings, and farms; only 5.2 percent is defined as “developed.” Yet this trivial amount is portrayed as a “crisis” and consumes the time of Cabinet-level officials and some Senators who want to encourage communities across the nation to update their land use planning schemes to conserve more land.

According to the most widely available land use survey/report recently published by the United



States Department of Agriculture (USDA),¹⁶ only 5.2 percent of the land in the 48 contiguous states is considered developed, and this figure may overstate the scope of residential and commercial development, since other federal surveys suggest that the true amount of such land may be under 4.0 per-

15. U.S. Department of Agriculture, *Summary Report, 1997 National Resources Inventory*.

16. *Ibid.*

cent. Chart 1 illustrates the 1997 shares of land by major use contained within the continental United States as estimated by the USDA's 1997 National Resource Inventory (NRI).

But even the NRI estimate may overstate the true scope of the amount of developed (human-occupied) land in the United States. USDA's definition of "developed" land also includes the amount of land in rural areas devoted to highways, roads, railroad right-of-ways, power transmission lines, pipelines, etc., which represent ribbons of developed land use traversing otherwise undeveloped and unoccupied rural areas to connect one urbanized area to another, or a farm house with a major road. In and of themselves, such uses do not represent "development" as the term has come to be defined, as denoting areas of permanent human habitation and occupation. When such uninhabited forms of public infrastructure are removed from the USDA's tally of "developed" land, whatever land remains is technically referred to as "urbanized."

In providing a measurement of the amount of urbanized land in the continental United States, the federal government offers a choice of two estimates derived from two separate federal surveys of land use patterns.

Using the land use estimates reported by the NRI survey for 1997, urbanized areas accounted for just 4.0 percent of the land in the continental United States (3.2 percent if Alaska is included).¹⁷ Moreover, that 4.0 percent of the land was home to approximately 75 percent of the population. Adding to this total the amount of rural areas identified as containing residential housing (which the USDA defines as one housing unit per 10 acres or more) brings these loosely inhabited areas of the continental United States to 7.3 percent. After presenting the data, and notwithstanding EPA Administrator Whitman's concern about lost farmland, the authors of the USDA report note that

Urbanization and the increase in rural residences do not threaten the U.S.

cropland base or the level of agriculture production at present or in the near term. Urbanization rates of increase are relatively small...and other land can be shifted into crop production.¹⁸

Other federal land use estimates suggest that urbanized areas account for an even smaller amount of land than found in the NRI survey. The USDA conducts another land use survey, called the Census of Agriculture, every five years. Unlike the NRI survey, which is based on a national sample of land use patterns (and therefore potentially more prone to error),¹⁹ the Census of Agriculture is conducted as an *enumeration*, and the use to which every bit of land is put is measured, tabulated, and reported. According to the USDA Economic Research Service, in 1997 this survey found that "urbanized" land accounted for no more than 3.4 percent of all of the land in the continental United States. Table 1 summarizes the various federal estimates of developed and urbanized land by definition and by survey.

Federal Estimates of Urbanized/ Developed Land, 1997	
USDA Survey—Definition of Use	Percentage Share
National Resource Inventory—Developed	5.2%
National Resource Inventory—Urbanized	4.0%
Economic Research Service—Urbanized	3.4%
Source: http://www.demographia.com/db-lu-natl.htm .	

Thus, after nearly 400 years of unmanaged development and rabbit-like population growth, somewhere between 3.4 percent and 5.2 percent of land in the continental United States has been consumed, according to the several federal surveys measuring the use of that land.

Those with a skeptical view of the federal findings on land use patterns may argue that the inclu-

17. U.S. Department of Agriculture, *Major Uses of Land in the United States*, September 2001, p. 22.

18. *Ibid.*

19. Serious data processing errors led the USDA in early 2000 to temporarily withdraw the initial release of the NRI results for 1997. Revised results were issued in December 2000. Nonetheless, differences remain between the NRI survey and the Census of Agriculture. See Wendell Cox and Ronald D. Utt, "Flawed Federal Land Use Report Encourages Unnecessary Spending," Heritage Foundation *Background* No. 1368, May 8, 2000.

sion of the vast empty spaces of America's mountainous West and the sparsely populated farmland in the Midwest tend to make the national average look better than it is. In their view, the older and heavily urbanized states on the East and West Coasts would show unacceptably high levels of developed land and fast-disappearing woods and meadows. But that perception is largely untrue. Many of the states whose settlement goes back for most of the four centuries of the American experience still maintain very large shares of undeveloped land, as Table 2 reveals for several of the original 13 colonies.

Area	Percent Developed
United States	5.2%
New Jersey	37.9%
Rhode Island	30.3%
Maryland	19.8%
Pennsylvania	13.7%
New York	10.5%
Virginia	10.4%

Source: U.S. Department of Agriculture, National Resources Conservation Service, *Summary Report 1997 National Resources Inventory*, revised December 2000, Table 1.

In both New York and Virginia, which were settled in the early 1600s, nearly 90 percent of the land is still undeveloped, while in Pennsylvania the share is over 85 percent, and in Maryland it is over 80 percent. In contrast, both New Jersey and Rhode Island's developed shares hover at around one-third of the available land—some of the highest shares in the nation but still leaving both states with about two-thirds of their land undeveloped or in agricultural use.

So What Is the Problem?

Despite the evidence on land use, and for reasons hard to explain, the contrived crisis in land use has

become an object of worry for some federal Cabinet-level departments. It has also become a high policy priority for environmental groups and academics, a concern of journalists, a reason for Senators to encourage a federal land planning program, a justification for local officials to violate property rights and discourage homeownership, and a rationale for terrorism on the part of a lunatic fringe obsessed with trees and dirt—all of this because just 5.2 percent of America's land has been developed.

However trivial the pace of development thus far, as revealed by the data, the aggressive promotion of smart growth policies by some in the media and a gross misrepresentation of the facts by many environmentalists threaten the freedom of ordinary Americans to choose living arrangements that best suit their needs. In a growing number of counties and states, Americans' preferences are being preempted as restrictive land use practices are imposed in order to redirect lifestyle choices. Their decisions are confined by rules promulgated by environmental and artistic elites eager to save American families from their pedestrian tastes and philistine choices.

A prominent new urbanist advocate, James Howard Kunstler, spoke for many of the elites eager to save ordinary Americans from their graceless state of fashion-impaired lifestyles when he complained:

When we drive around and look at all this cartoon architecture and other junk that we've smeared all over the landscape, we register it as ugliness. This ugliness is the surface expression of deeper problems—problems that relate to the issue of our national character. The highway strip is not just a sequence of eyesores. The pattern it represents is also economically catastrophic, an environmental calamity, socially devastating, and spiritually degrading.²⁰

20. James Howard Kunstler, "Home from Nowhere," *The Atlantic Monthly*, September 1996, p. 43.

HOW SMART GROWTH BURDENS MODEST INCOME FAMILIES

The chief response of environmentalists, planners, and public officials troubled by growth, home building, and the trivial loss of raw land has been to encourage the adoption of land use strategies for development that lead to greater densification, meaning more housing units (and human inhabitants) per acre of land. While it is likely that such policies would slow the already less than glacier-like development of unused land, very few Americans find this type of crowded living acceptable. With few families or individuals willing to embrace the environmentalist vision of more densely packed urban communities, smart growth advocates have sought to impose their goals on these uncooperative households by limiting tenancy choices with policies that raise the cost of housing options environmentalists oppose.

Among the cost-raising, growth-limiting mechanisms currently popular in many communities attempting to control suburbanization are:

- Charging homebuyers of detached homes on large lots higher building and impact fees and/or taxes—often as much as \$20,000 to \$40,000 per unit;
- Adding more regulations and restrictive zoning ordinances on how undeveloped land can be used; and
- Implementing growth boundaries, downzoning, and re-zoning for non-housing use.

All of these practices are becoming common cost-raising regulations in a number of suburbs, the purpose of which is to make it too costly for most families to live any other way than in the densities prescribed by the Sierra Club and other environmentalists.

Growth Boundaries. Oregon pioneered this coercive approach in the 1970s by requiring all cities to surround themselves with a growth boundary, which prohibits any development outside it. Although much admired by smart growth advo-

cates and new urbanists, no other state or metropolitan area in the nation has adopted this approach in the 30 years since Oregon took that step, and recent referenda to impose such boundaries in Arizona and Colorado were crushed at the polls by 2 to 1 margins.²¹

Despite the popularity of Portland's growth boundary among environmentalists and planners, evidence from the 1990s suggests that this boundary has had the effect of making homes in Portland relatively expensive to buy. Consequently, the area's homeownership rate has fallen from above the national average to below it.²² By raising living costs in most Oregon towns and cities, these growth boundaries may be undermining the health of the state's economy, which currently has the nation's highest unemployment rate.²³

Regulations and Mandates. Instead of growth boundaries, many communities are using zoning regulations, costly design mandates, and a variety of so-called impact fees to discourage suburban growth by making it increasingly costly for average Americans to buy a new, detached house in the suburbs, where most new housing is built. With the purchase of a detached house on the lot size of choice effectively limited to higher-income households, those with moderate incomes will have no choice but to rent or economize on costs, buying a smaller townhouse on a tiny lot or renting an apartment. Popular mechanisms to force such decisions on households include impact fees, downzoning, and mandated amenities.

Ostensibly imposed to cover a new resident's share of the community's public infrastructure, such as schools, sewage treatment, and roads, impact fees of \$20,000 or more are now increasingly common and exceed by several multiples the real cost burden they impose. But raising the new home price by \$20,000 or more cuts households of moderate means out of the market and forces them into higher-density housing by virtue of affordability.

21. See Charles, "Lessons from the Portland Experience."

22. Wendell Cox and Ronald D. Utt, "Smart Growth, Housing Costs, and Homeownership," Heritage Foundation *Backgrounder* No. 1426, April 6, 2001, p. 6.

23. In January 2002, the U.S. Bureau of Labor Statistics reported that Oregon's unemployment rate, at 8.1 percent, was the highest in the nation.

Another popular tool of growth control occurring in some faster-growing suburbs today is downzoning, the process whereby land already zoned for higher densities—say four houses to the acre—is rezoned to one house per acre, or 10 acres, or 25 acres. While such an exercise appears counterproductive to the goal of achieving higher densities, in fact it perversely succeeds in doing so by requiring prospective homeowners to buy more land than they can afford. Thus, all but the financially well-off are forced into less costly and more dense housing, such as apartments and townhouses, elsewhere.

Likewise, mandated amenities—typically including such requirements as brick construction or veneer, concrete sidewalks, sodded lawns, and minimum interior square footage for the structure—can add dramatically to the cost of a new house and limit its purchase to those with higher incomes. Again, these costly requirements force those with more modest incomes into smaller housing in dense communities that keep costs down by economizing on the amount of land used per unit.

It is obvious from the way in which these types of growth-control measures work that those with high incomes would be able to buy their way out of the Sierra Club's vision of higher-density communities, leaving the less financially well-off with the burden of neighborhood crowding. As costly restrictions to save land and fulfill the aesthetic aspirations of planning professionals become more common, America runs the risk of reversing a 50-year pattern of increasing homeownership rates among families—from little more than 40 percent on the eve of World War II to a record-breaking 67.8 percent in 2001.

Not All Have Achieved the American Dream

Despite this impressive national record, more progress needs to be made in creating better opportunities because homeownership rates among African-American and Hispanic families are still below 50 percent, in contrast to the nearly 75 percent ownership rate among white households. Any smart growth strategies that raise home prices and deter homeownership will impose a disproportion-

ate burden on those households just now coming within reach of the American dream.

Critics of these costly and coercive growth-management schemes have been aware of the problems these regulations create for potential homebuyers with modest incomes, especially minorities, and such concerns have begun to influence the smart growth debate in recent years. Scholars at The Heritage Foundation were among the first to raise alarm in early 2001 in a study titled “Smart Growth, Housing Costs, and Homeownership,” which connected high costs to diminished opportunity. The study concluded that

By raising home prices, such policies force households of modest means into smaller units, or out of the community altogether. In either case, the burden is borne largely by entry-level homebuyers and other households with low to moderate incomes. To the extent that such policies become more commonplace in American communities, the rate of homeownership will fall as more and more moderate-income households are forced into the rental market.... Those who are harmed by escalating prices are those who are not yet owners, and this group consists largely of those with household incomes below the median, especially racial minorities.²⁴

Shortly after this study was published, the Fannie Mae Foundation (affiliated with the Federal National Mortgage Association) published a homeownership study by a professor at Tufts University who approached the smart growth issue from the opposite direction but came to similar conclusions regarding race and opportunity. Whereas the Heritage analysts had asked whether smart growth strategies would be harmful to minority homebuyers, the Tufts University study asked whether sprawl was helpful to minority homebuyers, and concluded that it was:

This article uses 1997 American Housing Survey data to measure housing consumption for blacks and whites in

24. Cox and Utt, “Smart Growth, Housing Costs, and Homeownership,” p. ii. Some of these same concerns had been raised by the authors in an April 2000 Commonwealth Foundation study titled “How Smart Is Smart Growth? Implications for Pennsylvania.”

metropolitan areas characterized by more and less sprawl. In sprawled areas, black households consume larger units and are more likely to own their own homes than black households living in less sprawled areas.²⁵

Specifically, the Tufts study found that

Relative to the average black household living in a low sprawl area, the average black household in a sprawled metropolitan area consumes a larger housing unit (by 0.4

more rooms), is more likely to live in the suburbs (by 11 percentage points), more likely to own a home (by 6 percentage points), and more likely to be a suburban homeowner (by 4 percentage points).²⁶

A similar pattern of demographic change can be seen in the shifting racial patterns between the fast-growing Washington, D.C., suburbs of Northern Virginia and the older D.C. suburbs and the District itself, as revealed by newly released data from the 2000 decennial census. As Table 3 demonstrates, in the fast-growing sprawling Virginia suburbs in Prince William, Stafford, and Spotsylvania Counties, an unprecedented—and largely unheralded—degree of voluntary racial integration is taking place as African-American families reaching middle-class income levels find more affordable homeownership opportunities in these distant suburbs than in the District or in older, more expensive, but close-in suburbs. For somewhat different reasons, the very fashionable ex-urb of Fauquier County, Virginia, which has imposed severe growth restrictions and limits on homebuilding, has seen its African-American

Community	Growth in Population 1990–2000	Percentage of African-Americans in Population	
		1990	2000
Close In—Slower Growth			
Arlington	10.9 %	10.7 %	9.3 %
Alexandria	15.3 %	22.2 %	22.5 %
District of Columbia	-5.3 %	66.1 %	60.0 %
Ex-Urb—Fast Growth			
Loudoun Co.	94.5 %	7.2 %	6.9 %
Prince William Co.	29.7 %	11.7 %	18.8 %
Stafford Co.	47.5 %	7.3 %	12.4 %
Spotsylvania Co.	53.7 %	10.8 %	12.4 %
Fairfax Co.	21.3 %	7.8 %	8.3 %
Ex-Urb—Slower Growth			
Fauquier Co.	12.7 %	11.3 %	8.8 %

Source: U.S. Bureau of the Census.

ican population fall both relatively and absolutely over the decade of the 1990s.

As the evidence mounts that some of the more common growth-control restrictions may have a negative effect on homeownership opportunities, even early and active advocates of smart growth policies are beginning to acknowledge the potential for harm and to express concern about the impact such policies may have on families with more limited housing options. Recently, several academic authors prepared a study for the Brookings Institution on smart growth and homeownership that echoed some of the concerns raised by Heritage Foundation scholars 10 months earlier. In the executive summary of the paper done for Brookings, the authors acknowledge:

Evidence shows that certain growth control and land use policies actually reduce jurisdictions' housing supply and the affordability of their housing. Such policies, already widespread in the U.S., include requirements for low density only, minimum housing size, or bans against

25. Matthew E. Kahn, "Does Sprawl Reduce the Black/White Housing Consumption Gap?" *Housing Policy Debate*, Vol. 12, No. 1 (2001), p. 77.

26. *Ibid.*, p. 80.

attached or cluster homes. Such policies are, in fact, specifically intended to make housing more expensive and thereby exclude lower income families, who are often people of color.²⁷

A BETTER ALTERNATIVE: PRINCIPLES FOR LIVABLE CITIES

Notwithstanding the significant evidence on the trivial extent to which suburbanization and housing construction have affected America's vast inventory of undeveloped land, as well as the adverse effects that many growth-control policies have on homeownership opportunities for those with modest incomes, particularly racial minorities, efforts to deter growth and housing choices grow in popularity. From a few academics and environmentalists to the media, state and local officials, and high-level federal officials of all ideologies and party affiliations, this misguided vision has spread despite ongoing consumer behavior that demonstrates a continued preference for detached houses on ample lots in uncrowded communities. The persistence of these beliefs despite all facts to the contrary is a tribute to the power of a fashionable idea favoring federal intervention, however illogical it may seem in practice and experience.

Professor Robert A. Beauregard of the New School University in New York probably comes the closest to explaining such academic belief systems in an article about urban/suburban dynamics. According to Beauregard, "the allure of the federal government is related to the existence in the United States of what seems to be a federal urban policy cargo cult."²⁸

In spring 2000, a group of scholars and writers on sprawl—who recognized that policy options rooted in deeply held belief systems, however irrational, pose a challenging hurdle to those who promote greater reliance on market principles, property rights, individual choice, and personal freedom—met at Lone Mountain Ranch in Big Sky,

Montana to discuss alternative ways of helping communities shape growth patterns. The conference was an opportunity for them to debate the issue and to distill their thoughts on the subject of suburban growth into a concise set of principles consistent with American ideals of freedom and liberty. In turn, the principles put forth in the "Lone Mountain Compact" (see text box) were designed to serve as guidelines or benchmarks by which local officials, builders, citizens, journalists, and academics could make better judgments about the benefits and appropriateness of competing visions and policies affecting community growth and design.

It never occurred to the conference participants that the principles they developed would need to be shared with federal officials eager to redesign the tens of thousands of communities in America. Yet today, the U.S. federal government is more inclined to get involved in local land use planning. Within several Cabinet departments and Congress, federal officials are seeking ways to influence local decisionmakers on how land is to be used and the designs to which communities are built.

Instead, the Bush Administration and Congress should confirm long-standing American principles of free choice and market solutions, including the right of people to live and work how and where they like, rather than policies that limit opportunity. Federal leaders should reject centralized planning by any level of government, encourage diversity in neighborhood design, and foster decentralized decision-making on land use.

CONCLUSION

Despite the insistence of artistic elites, environmental activists, professional planners, and some in Congress that ordinary Americans hanker after a new style of denser living arrangements accessorized with tasteful architectural appointments, most Americans continue to exhibit a decided preference for single-family, detached, suburban-style housing on lots large enough to ensure some measure of privacy and easy access to green grass and

27. Arthur C. Nelson *et al.*, "The Link Between Growth Management and Housing Affordability: The Academic Evidence," discussion paper prepared for the Brookings Institution Center on Urban and Metropolitan Policy, February 2002, p. ii.

28. Robert A. Beauregard, "Federal Policy and Postwar Urban Decline: A Case for Government Complicity?" *Housing Policy Debate*, Vol. 12, No. 1 (2001), p. 147. Using a 1964 description provided in a footnote to his article, "A cargo cult is an apocalyptic, millenarian religious movement in which the millennium consists of the arrival of ships or airplanes loaded with cargo, either material goods or ancestors, or both. Such cults were mainly found in the South Sea Islands."

THE LONE MOUNTAIN COMPACT'S TEN PRINCIPLES FOR LIVABLE CITIES*

In recognition of the growing federal involvement in the issue of suburban development, the 10 Principles for Livable Cities developed at the Big Sky, Montana, conference in 2000 are as follows:

1. **The most fundamental principle is that, absent a material threat to other individuals or the community, people should be allowed to live and work where and how they like.**
2. **Prescriptive, centralized plans that attempt to determine the detailed outcome of community form and function should be avoided.** Such "comprehensive" plans interfere with the dynamic, adaptive, and evolutionary nature of neighborhoods and cities.
3. **Densities and land uses should be market driven, not plan driven.** Proposals to supersede market-driven land use decisions by centrally directed decisions are vulnerable to the same kind of perverse consequences as any other kind of centrally planned resource allocation decision, and show little awareness of what such a system would have to accomplish even to equal the market in effectiveness.
4. **Communities should allow a diversity in neighborhood design, as desired by the market.** Planning and zoning codes and building regulations should allow for neotraditional neighborhood design, historic neighborhood renovation and conversion, and other mixed-use development, and the more decentralized development forms of recent years.
5. **Decisions about neighborhood development should be decentralized as far as possible.** Local neighborhood associations and private covenants are superior to centralized or regional government planning agencies.
6. **Local planning procedures and tools should incorporate private property rights as a fundamental element of development control.** Problems of incompatible or conflicting land uses will be better resolved through the revival of common law principles of nuisance than through zoning regulations, which tend to be rigid and inefficient.
7. **All growth management policies should be evaluated according to their cost of living and "burden-shifting" effects.** Urban growth boundaries, minimum lot sizes, restrictions on housing development, restrictions on commercial development, and other limits on freely functioning land markets that increase the burdens on lower income groups must be rejected.
8. **Market-oriented transportation strategies should be employed, such as peak period road pricing, HOT [high occupancy toll] lanes, toll roads, and de-monopolized mass transit.** Monopoly public transit schemes, especially fixed rail transit that lacks the flexibility to adapt to the changing destinations of a dynamic, decentralized metropolis, should be viewed skeptically.
9. **The rights of present residents should not supersede those of future residents.** Planners, citizens, and local officials should recognize that "efficient" land use must include consideration for household and consumer wants, preferences, and desires. Thus, growth controls and land-use planning must consider the desires of future residents and generations, not solely current residents.
10. **Planning decisions should be based upon facts, not perceptions.** A number of the concerns raised in the "sprawl" debate are based upon false perceptions. The use of good data in public policy is crucial to the continued progress of American cities and the social advance of all its citizens.

*For the complete Lone Mountain Compact, as well as a list of signatories, see <http://www.heritage.org/library/keyissues/smartgrowth/LoneMountain.html>.

nature's blessings. Efforts to force Americans into environmentalist-approved, densely packed housing arrangements consistently fail to attract the necessary political support. For the most part, many of those who choose to live in denser multi-family housing and townhouses do so for of reasons of limited income and often forgo such arrangements once other, more expansive options become affordable.

Policymakers should seek to limit attempts to coerce families into alternative lifestyles subject to growth-management and growth-control policies, which often degenerate into forms of exclusion that isolate from the community lower-income households and racial minorities. Critics have described these policies as "greenlining," after the notorious redlining practices that existed in many communities in the decades before the enactment of civil rights laws.

Having failed to achieve their objectives in most communities, environmentalists and urban planners have turned to the federal government for political and financial help in encouraging communities to adopt such smart growth plans. As an incentive, they are attempting to have legislation enacted that would provide federal taxpayer funding to those communities. The Bush Administration is correct in openly opposing that effort.

Members of Congress who have not made up their minds on these issues should carefully review the potentially adverse affects of such legislation, including the Community Character Act, on homeownership opportunities for lower-income and minority families who are just now gaining access to the American dream. The 10 principles for livable communities put forth by scholars and writers at the Big Sky conference in 2000 offer a good guide for ensuring that the policies enacted do not disproportionately affect these Americans.

They should also keep in mind the question that Democratic Party candidate Adlai E. Stevenson posed during the 1952 presidential campaign:

Our people have had more happiness and prosperity, over a wider area, for a longer time than men have ever had since they began to live in ordered societies 4,000 years ago. Since we have come so far, who shall be rash enough to set limits on our future progress? Who shall say that since we have gone so far, we can go no farther? Who shall say that the American dream is ended?²⁹

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29. See Wendell Cox, President, Wendell Cox Consultancy, "Testimony on Smart Growth and Transportation Planning Before the United States Senate Committee on Environment and Public Works," May 15, 2002, at <http://www.heritage.org/library/testimony/test051502.html>.