Myths & Facts

About Growth Management

Richard Morrill, Ph.D.
David C. Hodge, Ph.D.
Department of Geography
University of Washington
Seattle, WA 98195

January, 1991
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1</td>
</tr>
<tr>
<td>Growth</td>
<td>4</td>
</tr>
<tr>
<td><strong>Myth:</strong> Growth is &quot;too much and too fast&quot; -- growth is &quot;out of control&quot;</td>
<td>5</td>
</tr>
<tr>
<td><strong>Myth:</strong> Our population increase is from outside migrants, particularly from California</td>
<td>8</td>
</tr>
<tr>
<td><strong>Myth:</strong> Growth can easily be shifted to areas that need and want it</td>
<td>12</td>
</tr>
<tr>
<td><strong>Myth:</strong> New development primarily serves newcomers</td>
<td>14</td>
</tr>
<tr>
<td><strong>Myth:</strong> Newcomers are the main reason for infrastructure shortages</td>
<td>17</td>
</tr>
<tr>
<td><strong>Myth:</strong> We can stop growth by building fewer homes</td>
<td>20</td>
</tr>
<tr>
<td><strong>Myth:</strong> Growth is the primary cause of traffic congestion -- stopping development will enable us to relieve traffic problems</td>
<td>23</td>
</tr>
<tr>
<td>Growth Management Tools</td>
<td>26</td>
</tr>
<tr>
<td><strong>Myth:</strong> Large-lot zoning will preserve open space and rural activities without adverse effects on housing costs</td>
<td>28</td>
</tr>
<tr>
<td><strong>Myth:</strong> A tightly-drawn urban growth boundary will accommodate long term needs for affordable housing within the boundary and will preserve open space and rural economies outside</td>
<td>30</td>
</tr>
<tr>
<td><strong>Myth:</strong> An infill policy will use existing built-up areas more efficiently and preserve open space</td>
<td>37</td>
</tr>
<tr>
<td><strong>Myth:</strong> Large scale developments are more disruptive than many small projects</td>
<td>40</td>
</tr>
<tr>
<td><strong>Myth:</strong> Concurrency will ensure that adequate infrastructure matches demand</td>
<td>44</td>
</tr>
<tr>
<td><strong>Myth:</strong> New development is a net cost to society and therefore the full costs should be borne by the developers in the form of fees and exactions (non-monetary contributions such as open space and parks)</td>
<td>46</td>
</tr>
<tr>
<td><strong>Myth:</strong> Open space can most effectively be preserved by zoning</td>
<td>49</td>
</tr>
</tbody>
</table>
Housing Affordability ................................................................. 51

Myth: There is little, if any, relation between growth management and housing prices, supply and affordability ........................................ 52

Myth: Growth management has no effect on homelessness ............ 57

Myth: Compared to other major cities, housing prices in Seattle are not unreasonable ............................................................... 60

Myth: Housing for the poor is better provided through public intervention and provision than by the housing market ............. 62

Urban Form And Transportation .................................................. 64

Myth: Higher density is always more efficient than lower density ....66

Myth: Employment should be concentrated into a few major downtown-like centers .......................................................... 68

Myth: Public transit is always more efficient than the car ............... 71

Planning For Our Future ............................................................. 75

Myth: Planning allocates land more wisely than market forces and creates a more efficient and liveable city ................................. 76

Conclusion .................................................................................. 77

Bibliography .................................................................................. 79

About The Authors ....................................................................... 84
TABLE OF FIGURES

Growth

Figure 1: Growth Rate, Central Puget Sound ........................................ 6
Figure 2: Components of Population Change ........................................ 9
Figure 3: Net Migration to WA State from CA, OR and the Rest of the Country ................................................................. 11
Figure 4: Prior Residence of New Homebuyers for Western U.S .... 15
Figure 5: Federal Grants to State and Local Governments .......... 19
Figure 6: Population Forecast ............................................................... 22
Figure 7: People, Cars and Traffic ........................................................ 24

Growth Management Tools

Figure 8: Interim Urban Growth Areas Within the I-90 Corridor .... 32
Figure 9: Restrictive Urban Growth Boundaries Drive Up Land Prices ................................................................. 34
Figure 10: Leap Frog ........................................................................ 35
Figure 11: Design Aspects of Infill ..................................................... 39
Figure 12: Planned Density Reduces Auto Use ...................... 42
Figure 13: Total Exactions in 52 Projects ........................................ 43

Housing Affordability

Figure 14: Single Family Housing Supply/Demand .................... 53
Figure 15: The Relationship Between Lot Prices and House Prices ... 56
Figure 16: Home Prices vs. Homelessness ........................................ 59
Figure 17: Least Affordable Housing ............................................... 61
Urban Form And Transportation

Figure 18: Trends in Urban Transit Fixed Assets and Passenger Trips
Introduction

In the late 1980s accelerated growth in Central Puget Sound (King, Pierce, Snohomish and Kitsap counties) created increasing public concern that our way of life and our environment may be threatened. This prompted public calls for stronger planning, or what is now called "growth management." The 1988 voter approval of the Citizen's Alternative Plan (CAP) for Seattle's central business district was soon followed with passage of a new state Growth Management Act (SHB 2929) in 1990.

Survey research tells us that many people are indeed worried about traffic congestion, loss of open space and environmental impacts resulting from growth. They are also equally concerned about higher housing costs. A sizable minority would like to prevent growth altogether. Most, however, seem willing to accept some growth but also seek stronger growth management by local governments.

Planners and elected officials have responded to public opinion by proposing stronger growth management controls, most of which are aimed at concentrating future population growth (including buildings to house and serve such growth) in existing urbanized areas. Yet, the public has also been resistant to accepting greater density in established neighborhoods.

The relationships between population growth, traffic, mass transit, housing and land economics are extremely complex and not well understood by the general public, their elected officials or even professional planners. Until we understand the complex dynamics of growth, we are unlikely to reach a consensus for our own future and are likely to be dissatisfied with the long-term results of current planning efforts.

This paper outlines some of the most popular perceptions about growth, growth management, housing and transportation which are not supported by the best empirical evidence gleaned from existing research. By understanding the sober realities, we are more likely to achieve the most positive goals of growth management -- protecting the environment, easing traffic congestion and providing more affordable housing. Our conclusion is not to give up on planning, but to recognize the need to do it wisely -- appreciating its limits and costs as well as its benefits.

The most common myths concerning growth itself include:

- Growth is "too much and too fast" -- growth is "out of control."
- Our population increase is from outside migrants, particularly from California.
Growth can easily be shifted to areas that need and want it.
New development primarily serves newcomers.
Newcomers are the main reason for infrastructure shortages.
We can stop growth by building fewer homes.
Growth is the primary cause of traffic congestion -- stopping development will enable us to relieve traffic problems.

Popular myths regarding **growth management tools** include:

- Large-lot zoning will preserve open space and rural activities without adverse effects on housing costs.
- A tightly-drawn urban growth boundary will accommodate long term needs for affordable housing within the boundary and will preserve open space and rural economies outside.
- An in-fill policy will use existing built-up areas more efficiently and will preserve open space.
- Large scale developments are more disruptive than many small projects.
- Concurrency will ensure that adequate infrastructure matches demand.
- New development is a net cost to society and therefore the full costs should be borne by the developers in the form of fees and exactions (non-monetary contributions such as open space and parks).
- Open space can most effectively be preserved by zoning.

Common myths pertaining to **housing affordability** include:

- There is little, if any, relation between growth management and housing prices, supply and affordability.
- Growth management has no effect on homelessness.
- Compared to other major cities, housing prices in Seattle are not unreasonable.
- Housing for the poor is better provided through public intervention and provision than by the housing market.

Prevalent myths about **urban form and transportation**:  

- Higher density is always more efficient than lower density.
- Employment should be concentrated into a few major downtown-like centers.
- Public transit is always more efficient than the car.

Prevailing myths about **planning for our future**:  

- Planning allocates land more wisely than market forces and creates a more efficient and liveable city.
By understanding the realities of growth, we can more effectively plan for our future: using planning tools which work and removing regulatory impediments where economic forces can achieve desired results.

Writing of this essay was prompted by our concern, as educators, that both the media and our elected leaders have espoused an uncritical enthusiasm for restrictive growth controls, particularly tightly-drawn urban growth areas. Although we firmly believe that planning is required when millions of us share a restricted space and a fragile environment, we also realize that there is a substantial body of literature questioning the efficacy and impacts of the specific growth management tools that our state and region are now embracing. We feel a responsibility to express some of these doubts in the hope that people will realize, as economists tell us, that "there is no free lunch." Social decisions involve costs as well as benefits. There will be losers as well as winners. In the further hope that we will elevate these issues for further public debate and study, we have prepared this essay.
Growth

What is growth? Growth is merely expansion in the number of people, or in the number of jobs in a specified area, or in the extent of the metropolis.

To shelter more people we build more houses, condominiums and apartments. To accommodate more jobs we develop more downtown high-rises, strip malls and suburban office or industrial parks. And to transport more people to and from the jobs, we drive more cars and more buses along more roadways. In short, one might define growth as virtually more of everything around us.

Understanding the true causes of population growth is the first step in learning how to accommodate it.
Growth from 1980 through 1990 has been substantial. In King, Pierce, Snohomish and Kitsap counties population rose 22 percent or by 480,000. The number of jobs rose 26 percent or by 250,000. The more densely built-up areas grew by approximately 134 square miles or 20 percent (not the 80 percent that has been falsely suggested). Alarming as they may sound, these figures are not unusual; they are, in fact, typical of this region’s past history.

In earlier decades, the 1940s, 1950s and 1960s, population in Central Puget Sound increased 46, 26 and 28 percent respectively, much higher than in the 1980s (see Figure 1). The absolute amount of growth in King County of 230,000 in the 1980s was equaled in the 1960s, the 1950s and even the 1940s, on much smaller bases. Population growth in the 1980s has been well above the national average of 10 percent, but is far below many other regions including California (24 percent), Florida (31 percent) and Arizona (33 percent). The rate of growth in the 1980s was higher than in the 1970s when overall population growth was only 15.5 percent. However, the 1970s had significant growth in several areas: job growth was an impressive 40 percent and the land expansion in urbanized areas was 25 percent.

It’s our perception and reaction to growth that has changed most drastically. In the fantastic boom of 1890-1915 and the very fast growth of 1940-1970, growth was generally viewed as a good thing because it brought jobs and higher incomes and raised Seattle’s national profile. Since the late 1970s, growth has come to be perceived as “undesirable.” Probably the main reason for this attitude is our aversion to the side-effects of our transition to a major metropolis. The prosperity of the Puget Sound region relative to the rest of the nation has afforded us the temporary luxury of choosing to be selective of “when” and “how” our region grows.
Growth Rate, Central Puget Sound
(King, Pierce, Snohomish, Kitsap Counties)

Source: U.S. Bureau of the Census.
Admittedly, 2.7 million people spread across four counties is big -- about what the San Francisco area had in 1960.

What many people don't like are the consequences of that bigness -- a higher skyline, longer commutes, greater traffic congestion and the fact that development has supplanted areas we remember and cherish as rural. The very fact that it takes longer to get "out of the city" makes us far more concerned about conversion of land from rural to urban uses than when the supply seemed more unlimited. For whatever reasons, change was less feared in earlier decades.

Along historical trends, our current rate of growth is fairly normal and should not, in itself, make us think it is currently "out of control." In earlier periods, we had little trouble in building the needed infrastructure and in meeting the demands for business and housing. Now we have become resistant to accommodating what earlier would have been considered normal or even desirable growth.


---------

**MYTH**

*Our population increase is from outside migrants, particularly from California.*

---------

**FACT**

*Increased population in our state is as much from the natural increase of the population already here.*

---------

Population growth is the result of two forces -- natural increase (or the excess of births over deaths) and migration (more people moving in than are moving out). A common perception attributes most growth to migrants crowding into the area, especially from California. These newcomers are often blamed for the problems most people associate with growth, such as traffic congestion and housing inflation. Migration is significant, as it has been throughout the state's history, but current levels are not unusual, especially when compared historically.

Over the past decade, almost as many Washingtonians moved to California as vice-versa. During the 1981-83 recession, Washingtonians fled south seeking jobs and other economic opportunities. During the current national recession -- while Washington enjoys relative economic prosperity -- Californians tend to migrate northward. New arrivals concentrate in areas, such as East King County, where new jobs and housing are available and affordable. During the next local economic downturn, many of these houses will be sold to long-time residents as the sellers head out-of-state seeking employment.

Washington State's growth from 1980 to 1990 was caused more by natural increase (54%) than by newcomers (46%) (see Figure 2). In Central Puget Sound, which has the lowest birthrate in the state, 43 percent of the growth or 205,000 was from natural increase and 57 percent was from in-migration. Newcomers are attracted to the area's available housing and jobs.
Components of Population Change
for Washington State 1980-1990
(100% = 665,700)

54% Natural

46% Net Migration

<table>
<thead>
<tr>
<th>Date</th>
<th>Natural</th>
<th>Net Mig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>80-81</td>
<td>36.3</td>
<td>57.9</td>
</tr>
<tr>
<td>81-82</td>
<td>38.3</td>
<td>-0.9</td>
</tr>
<tr>
<td>82-83</td>
<td>36.9</td>
<td>-15.8</td>
</tr>
<tr>
<td>83-84</td>
<td>35.2</td>
<td>7.8</td>
</tr>
<tr>
<td>84-85</td>
<td>35.1</td>
<td>20.9</td>
</tr>
<tr>
<td>85-86</td>
<td>36.2</td>
<td>-0.6</td>
</tr>
<tr>
<td>86-87</td>
<td>34.9</td>
<td>26.5</td>
</tr>
<tr>
<td>87-88</td>
<td>35</td>
<td>48.9</td>
</tr>
<tr>
<td>88-89</td>
<td>36.9</td>
<td>58.8</td>
</tr>
<tr>
<td>89-90</td>
<td>37.5</td>
<td>99.9</td>
</tr>
</tbody>
</table>

The greater number of in- than out-migrants, some 275,000 out of the growth of 482,000 for Central Puget Sound, is substantial. But it is not primarily from California. Typically, more than half of such migrants are from other parts of the state and are often relatives and friends of local residents. This was especially the case in the 1980s when the rest of the state fared less well economically than the Puget Sound metropolis. The largest amount of moving around and appearance of change is actually among the four Central Puget Sound counties themselves and especially between King and Snohomish counties.

Migration is not mainly from California despite that state's enormous size and proximity. Using historical trends, we can estimate that approximately one-eighth of our newcomers in 1990 hailed from California. Historically, in absolute numbers, more came from neighboring Oregon (see Figure 3); and in relative numbers, far more from the other neighboring states of Idaho, Montana and Alaska. During the 1970s, the region was relatively more dependent on migrants from California as it was growing less rapidly than Washington; however, in the 1980s California grew more rapidly.

There is normally a lot of movement throughout Pacific Northwestern states. From 1981 to 1986 as many or more Washington residents moved to California as California residents moved to Washington. Thus, we can't blame people from California or even from out of state for most of our growth. And, of course, the reason for this growth is not the migrants themselves. They came here for cause.

What are the real reasons for population growth? The main reasons are first, natural increase; second, the expansion of economic opportunities and third, the current favorable image of Washington and of Seattle as places to live and work. The very same reasons we choose to live and work here are the same motivations newcomers have for moving here. Most migrants to Washington are in the younger working ages, and are sensitive to job prospects. The reverse is also true: In the early 1980s when our recession was deeper than elsewhere, we had net out-migration.

It is significant that there are some state policies that have encouraged greater in-migration, especially from California and the Northeast. For example, Washington colleges and universities have been operating under an enrollment lid and have not graduated an adequate supply of skilled workers and college degree holders needed by employers. A 1989 study by the University of Washington estimated that up to 25 percent of college graduates entering the labor force had to be "imported" by employers from out of state.
Net Migration to Washington State from CA, OR and the rest of the country
1980 - 1987

Growth can easily be shifted to areas that need and want it.

Neither the federal government nor any state government has successfully shifted or sited business activity and economic development by centralized planning. Despite federal and state programs offering incentives and/or restrictions on business siting, most employers respond more positively to market factors and locate where they can operate most efficiently and profitably.

If growth is faster in the Central Puget Sound area than many want, but slower in much of the rest of the state, then the obvious solution appears to be to shift the jobs that lead to growth to those areas that are faring less well.

One of the most pervasive American myths is that jobs are somehow concentrated in "too successful" areas, thus depriving other areas of their proper share. This idea is built into the Growth Management Act of 1990 which aims to displace excessive Central Puget Sound growth to other parts of the state.

In a free market economy it is investors and employers -- not the state -- who locate, close, expand or retrench according to competition with other firms and who must base decisions on expectations of costs and revenues. Government can modestly influence these costs and decisions by infrastructure investments, for example building roads and airports. But there is no guarantee of attracting investments or of assuring their success. National policies of the early 1970s encouraged the decentralization that occurred in that decade while policies in the 1980s such as deregulation favored large metropolises.

Historically, public efforts at forcing decentralization haven't worked very well. For example, in the 1960s and 70s, federal efforts targeted economic development assistance to Appalachia when employers gravitated towards the
Atlantic, Pacific and Gulf Coasts. The market is far more effective when it seeks decentralization as part of its efforts to contain costs. For example, Boeing's new plant and Seafirst's credit-card processing facility both recently located in Spokane due to available land and lower labor costs. Economists tell us that public intervention, by preventing investment where it would be most efficient, or subsidy where it would not be, is inherently costly and ineffective, most likely driving employers out of state.

The view that manufacturing facilities can be shifted around the state like pawns on a chess board assumes that plants are sited solely on the basis of allowable or zoned land uses. It is assumed that prohibiting economic development in Central Puget Sound and permitting it in depressed rural counties will force employers to follow such policies. In fact, locational siting is far more complex and involves national and international factors such as access to shipping, ports and other transportation corridors -- or local factors such as proximity to already existing companies, universities and skilled workers.
MYTH
New development primarily serves newcomers.

FACT
60 percent of all new home buyers in the Western U.S. in 1988 already lived in the county where they purchased their new homes (see Figure 4).

Without doubt, newcomers add to the demand for housing and services and contribute to the perception of excessive growth. But it is clearly unfair to blame newcomers for the large majority of changes which occur because of the needs of people already here. Most of what we attribute to newcomers is, in reality, the result of the job opportunities created by people and businesses already here.

Many metropolitan areas such as Philadelphia, Detroit, or Cincinnati, are stagnant in population and in economic decline, but they nevertheless show a lot of construction of housing, roads and businesses. The reason is the creation of new households through children leaving home, through marriage and divorce and because of rising (or falling) incomes. These forces decrease average household size, and increase the demand for housing, even in the absence of population growth.

The need for new housing is growing and several complex demographic factors, other than just a period of net in-migration, are responsible. The most notable "home-grown" factor is the growth in the number of households and related decrease in average household size. In Central Puget Sound, the average household size has dropped from 2.7 to 2.5 persons per household during the 1980s. This drop follows national demographic trends and is due to divorce, separation, children leaving home and other factors.
Figure 4

Prior Residence of New Homebuyers For Western U.S.

The demand for new housing is also fueled by other factors. Those with increasing incomes demand larger and better housing when they can afford to "trade-up." Despite the trend towards shrinking households, some families are actually growing and demand more space per capita.

In areas with growth and economic opportunity, whether from in-migration or from home-grown factors, business activity naturally follows. Entrepreneurs create new businesses or occupy new premises. Some retail and service business response to increase local demand for goods and services. For example, retail and service activities in the Soos Creek area of King County are growing but still lag behind population growth.
MYTH
Newcomers are the main reason for infrastructure shortages.

FACT
We are paying the price today for failing to invest in schools and infrastructure over the past several years.

Because we blame newcomers for all growth, it is logical -- although erroneous -- that we blame newcomers for our inadequate infrastructure. Too few or inadequate roads, too few schools and overburdened water and sewer systems are just some of the problems. Many people falsely argue that if growth had been more modest with no net in-migration we would have been able to keep pace with the demand.

In some areas, growth has put severe pressures on infrastructure. In growing suburban districts, school construction has lagged. Across the region and especially in suburban areas, roads and arterials, storm water facilities, etc., are lagging behind housing development. Housing itself has lagged behind demand as evidenced by the declining number of homeowners. In Washington the number of homeowners decreased from 65.7 percent in 1984 to 64.3 percent in 1989, according to Mortgage Wright, a Virginia-based mortgage banking company.

The primary cause was not that growth was unusually great or fast or beyond the capability of the local construction sector. It was certainly not because of too many newcomers who were just as capable of and willing to pay for infrastructure costs as current residents.

The fact is that we -- the citizens, the local governments and the state itself -- didn’t make the investment in schools and infrastructure that we made in earlier decades. For example, the state school construction program has been so under-funded (due to a downturn in timber trust land income) that a school district must demonstrate over-crowding in order to obtain remedial funding to build facilities after-the-fact.
One reason is the shift in national priorities since 1980 (see Figure 5). In the 1980s the Reagan administration and Congress drastically reduced federal revenue-sharing and grants in aid to states and local governments for items such as urban transportation, in favor of social services, defense and other priorities. Citizens have generally been unable or unwilling to voluntarily raise taxes to compensate for the federal withdrawal of funds.

Additionally, local governments have suffered from chronically high interest rates since the 1970s and a tax base that could not keep up with new demands for social services such as housing for the homeless, mental health de-institutionalization, public health, AIDS and prisons.

For example, between 1970 and 1984 local per capita expenditures on highways dropped 28 percent and capital improvements dropped 33 percent, but were up 33 percent for welfare and 31 percent for housing as a result of the national change of focus. Therefore, we deferred maintenance of existing infrastructure and postponed construction of needed infrastructure, creating a continuing, rolling shortfall that was already well underway when the years of more rapid growth returned in the mid-1980s.

Another important reason for the shortfall was the combination of the effect of stronger environmental regulation and far greater community awareness and activism. These trends slowed the processes of decisions, permitting and construction, and reduced the range of possible locations. NIMBYs (Not In My Backyard) and LULUs (Local Undesirable Land Use) entered the local vocabulary as communities successfully fought change, arguing that the needed infrastructure and facilities could go "somewhere else." For example, Seattle took 10 years to site the Westlake Center and METRO took 20 years to implement secondary sewage treatment standards by expanding its West Point Facility.

In sum, the blame for the shortfall should not be placed on in-migrants, but can be assigned in part to national policies and in part to local reluctance to tax ourselves, NIMBY opposition to permitting new facilities and tremendously high interest rates.
Figure 5

Federal Grants to State and Local Governments, 1975 and 1987

We can stop growth by building fewer homes.

Many people believe that since growth is the cause of congestion, housing inflation and crime, we can "just say no" to growth and relieve congestion, restore housing affordability and reduce crime.

Developers and builders are often blamed for growth and its negative effects. Elected officials and local government planners attempt to stop growth by curtailing the construction of new houses or commercial facilities.

This notion contradicts the fact that housing is built in response to demand by local residents rather than the relatively small number of newcomers. In fact local housing has lagged severely behind demand for several years.

This is not a realistic approach. In the first place, the courts tell us that it is unconstitutional to prevent all transactions of land or construction of dwellings - it is called "illegal taking." But even if we set aside questions of constitutionality, thoughts of halting all growth are rooted in a lack of understanding of what causes growth. As noted earlier, while much growth is due to natural causes and other changes in households already here, the investment and hiring decisions of thousands of local, national and international firms are also a fundamental cause of how, when and where we grow.

The forecasts for continuing growth in our state and region are based on the normal fertility of a young population and on rates of job creation similar to those in the past several decades. Many people may wish that our area was less attractive to newcomers and investors. Yet, we also believe in the inviolable right of all people to move freely among states and among communities.
Governments are very limited in their power to actually prevent or control the creation, growth, reduction, closure or relocation of businesses. The children of people already here will want houses and jobs. New businesses and new employees are coming to Central Puget Sound because they seek the same opportunities we want for ourselves.

The long term prospects for growth in the rest of Washington and its neighboring states are expected to be higher than the rate of growth which occurred in the 1980s. This fact probably means more growth for Central Puget Sound, which is the dominant service center for the entire Pacific Northwest. As depicted in Figure 6, Central Puget Sound's population is forecasted to increase 15-20 percent per decade for the next three decades, slowing as the national growth rate slows.

There is little reason -- from the point of view of our expanding global economy -- to expect that the rate of growth will fall. If we attempted to slow growth by imposing moratoria on land conversion, development and utilities, or by implementing huge development fees, the effect could be economic stagnation. A similar situation existed in Eastern Europe and the Soviet Union when they pursued rigid regulation of all economic activities.

On the one hand, we must recognize that much of the economic and population growth will occur anyway -- people won't stop marrying, divorcing or having babies -- with the effect that more and more people would be competing for fewer and fewer available houses. Inescapably, housing costs would rise astronomically and people would have to divide houses and double up in existing housing. The lowest income strata would be displaced into homelessness. In short, the quality of life would severely deteriorate for those of us already here.

On the other hand, employers might be forced to reduce their planned expansions or relocate in the absence of housing for their workers. If so, then many or most of the locally-generated, new households could also be forced to leave in addition to the in-migrants. Both effects are likely -- enough growth to cause a severe housing crisis, but not enough to meet the needs of newly formed households or to retain many quality jobs.

In other words, the economic reality is that preventing or drastically slowing growth can only happen in an attractive area with a growing economy by making life unattractive or by limiting economic opportunity for some of its citizens. Making it bad enough to discourage investors and migrants also means making it bad enough to destroy the quality of life that current residents want to maintain. Curtailing or stopping growth by overly restrictive controls is not a realistic, constitutional, political or ethical option.
Figure 6

Population Forecast
Puget Sound Region 1988

Thousands

High Growth 4687.8
Forecast 4066.2
Low Growth 3124.4

Growth certainly leads to proportional increases in traffic volume. But newcomers bear only part of the blame. In addition to more cars, traffic congestion has become a serious problem in Central Puget Sound because of our failure or inability to keep up with normal road maintenance, improvement and construction. The capacity of roads has lagged far behind demand.

In part, this was deliberate, as planners hoped people would shift to transit; but people haven’t shifted to transit in significant numbers. In fact, traffic volumes have grown faster than population. This is due to higher household incomes (allowing households to afford more than one car) and increased labor force participation by women and youths. The ratio of cars to people has risen and the daily vehicle miles traveled has increased much more rapidly than the population. In 1940 there were only .54 "commute" vehicles for every person aged 15 to 64. Today there is an average of almost one "commute" vehicle for every person aged 15 to 64. This was made worse by an increased separation of people (residences) from jobs -- again a deliberate planning decision. As shown in Figure 7, while population rose 15 percent from 1980 to 1988, vehicle miles rose 75 percent. Thus, at most, migrants can be blamed for no more than 20 percent of the increase in traffic congestion.
Figure 7

People, Cars and Traffic
Increases for King, Pierce, Snohomish and Kitsap Counties
1980 - 1988

*Increase through 1987 only. **Does not include Kitsap County.

Discretionary (non-work) trips are the fastest growing share of our auto use. Increased mobility has improved our standard of living by allowing us to drop-off the rented video, bring the kids to day-care and visit the health club -- all on the way to work. None of this was feasible just 20 years ago. While our standard of living has improved, we feel we also lose a bit of our quality of life -- a price we pay with increased traffic congestion and air pollution.

Suburban-to-suburban commuting is growing faster than suburban-to-central-city commutes. Most of our freeways, arterials and bus routes are geared to funnel commuters into central business districts like Seattle. Little has been done to provide transit service for the suburban-to-suburban traveler.

Stopping a particular development -- a mall, factory or office -- might relieve traffic congestion if the development is related to long-distance commuting. However, in general, it would only displace the congestion to where development does occur. Or if the development is stopped altogether, the effect is to hurt the economy and the consumer -- requiring people to make longer trips to work or to shop.

The reality is that the region has severely under-invested in arterial road systems. This occurred despite, or because of, the highly visible I-90; and in part because we mistakenly thought that by deliberately leaving suburban roads inadequate, people would be forced out of their cars, and an infill of housing and of business would be induced in the inner-city. Instead severe traffic congestion resulted, especially in newer suburban areas where the growth continued anyway because of the availability of buildable and affordable land for housing and business.

Commuters have not switched to transit in the numbers planners had hoped following the oil embargo in 1973. This is because the cost of operating a motor vehicle still remains surprisingly low. In fact, it is about one-third cheaper today, in terms of "share of annual income," to own and operate an automobile than it was in 1950. While out-of-pocket expenses do not include all of the true costs of the impact of the automobile, from the commuter's point of view driving a car continues to make economic sense. This is especially true if the commuter's parking is subsidized by an employer -- or rush-hour commuters do not pay the marginal cost of rush-hour capacity such as extra lanes and added busses.

It is critical that we understand why congestion has increased so rapidly in order to anticipate the rate of change in the future and to design appropriate public policy to deal with it.
Growth Management Tools

Planners, elected officials and the public are placing a good deal of faith in newly popular tools and policies. The hope is that the tools will preserve the environment and open space and yet accommodate growth, relieve traffic congestion and ensure affordable housing.

The central theme of currently popular planning philosophies is to contain urbanization within already built-up or partially built-up areas without raising housing costs, without increasing congestion or NIMBY opposition and thereby creating a more efficient city.

The implication is that the land and housing market as well as past planning have created an inefficient city. The hope is that planning (i.e., growth management) can bring about an ideal metropolis. But if economics, politics and geography teach us anything, it is that there is no "free lunch." Instead of perfect choices, we must select among the lesser-of-evils -- a classic Hobson's choice. Suspension of market forces by the redirection of growth and development cannot cost less or be more efficient overall. It almost certainly will cost society more, perhaps in yet-unforeseen ways. When the rules are changed some people may be helped, but others will be hurt.

Many of the tools of modern growth management are fairly recent and without a long track record -- nor a thorough or critical review within the court system. It is not yet possible to say if and how they have been successful. These tools include, among others: (a) large-lot rural zoning; (b) urban growth boundaries; (c) concurrency requirements; (d) developer impact fees and exactions; (e) infill and density requirements; and (f) environmental and building regulation. These tools have been borrowed mainly from recent Oregon and Florida experiences and from selected areas in California. They are not yet prevalent across the United States and they are not widely accepted by academic, legal and business experts as necessarily correct or desirable.

The reality seems to be that the goals of growth management are inconsistent. It is almost inherently impossible to simultaneously contain urbanization and yet accommodate growth without severe social and economic costs. In reality, each tool can cause significant problems. Used together, they can seriously erode housing availability and affordability, unless (and perhaps even if) they are applied very carefully.
For example, the new Growth Management Act calls for the preservation of suburban and rural open spaces by containing growth within already-urbanized areas. Conversely, the Act also calls for the preservation of existing and established neighborhoods within urbanized areas. Clearly, these are conflicting goals and will cause enough uncertainty that the courts will be called upon to sort out what the new law really means.
---

MYTH

Large-lot zoning will preserve open space and rural activities without adverse effects on housing costs.

---

FACT

Large-lot zoning creates tracts of land too small to make farming and forestry feasible and too large for many homeowners to afford, therefore encouraging the development of estates for affluent owners who will enjoy tax breaks for building on rural land.

Many people, planners included, believe that large-lot zoning (typically requiring minimum lot sizes of 5-, 10- or 20-acres) can maintain rural open space and distinctive rural agricultural and forestry activities, and thereby prevent "urban sprawl." This was done beyond the urban growth boundaries around Portland, Oregon and also in King County.

These 5-, 10- and 20-acre lots represent an unfair tax subsidy to the rich because the land is protected from paying higher property taxes by being classified and taxed as "rural", "open space" or "farm lands."

The public's expectation of preserving open space remains largely unmet by the private ownership of 5-, 10- and 20-acre tracts. These small parcels provide little or no public access and diminish the potential for future regional parks, trail networks and other public recreational facilities. A checkerboard strategy diverts attention away from potentially more successful approaches such as public acquisition of open space lands or trade-offs with the developers of master-planned communities.

Once rural areas are carved-up into a checkerboard pattern of ownership, these 5-, 10- and 20-acre parcels are very difficult to utilize efficiently at a later date when the area, by necessity, becomes urbanized. Comprehensive transportation, land use and open space planning becomes an impossible task when overlaid on
top of smaller parcels. Fragmented ownership means more NIMBY objections to good planning as urbanization and density moves towards them over time.

The history of unintended side-effects of large-lot zoning is well-documented in New Jersey, Connecticut, New York and California. The use of large-lot zoning to preserve open space rarely succeeds in the long-term as population growth and spiraling land prices result in ever-increasing landowner pressure to re-zone to higher densities. Eventually, planners and elected officials bow to this pressure and permit the further subdivision of these parcels with the ultimate loss of open spaces.

In addition, the evidence collected from numerous studies shows that large-lot zoning provides an economic windfall to pre-existing small lot owners and losses to large-lot owners who find their development potential delayed until future years.

The only appropriate use of "large-lot" zoning is to preserve commercially-viable agricultural and forestry lands and to prevent encroachment from incompatible land uses. For example, large-lot agricultural zoning has been used in California to preserve the grape vineyards in the Napa, Sonoma and Mendocino Valleys.

Not everyone can afford to live on large, treed acreage. Those who cannot afford such mini-estates may still seek small-town lifestyles because they cannot afford close-in, urban housing. They may be forced to seek more affordable housing even farther out. Planners call this "leap-frogging," where smaller, denser lot sizes occur beyond well-entrenched mini-estates. Leap-frogging leads to even longer commutes to work, greater dependence on the automobile and more air pollution.

It is clear that this is a major reason for the far more rapid than expected growth of Enumclaw, North Bend, Monroe, Duvall and other small towns in eastern King, Snohomish and Pierce counties. It also helps account for the spillover of growth from King to less restrictive Snohomish and Pierce counties (that did not previously have urban growth boundaries). Restrictions on land and housing in Central Puget Sound communities are even inducing commutes to Seattle from as far away as Roslyn and Cle Elum in Kittitas county, as well as from Skagit and Island counties. This phenomenon has already occurred in California, especially to the Bay Area from the Central Valley.
MYTH
A tightly-drawn urban growth boundary will accommodate long term needs for affordable housing within the boundary and will preserve open space and rural economies outside.

FACT
The law of supply and demand tells us that landowners holding land within the urban growth boundary will be able to demand a much higher price which makes meeting the housing needs of lower income families more difficult.

Advocates of urban growth boundaries argue that land will be set aside for urban growth adjacent to cities and while preserving the rest of the territory as open space for rural activities. It is an idea accepted by most local governments, planners, by the legislature in the Growth Management Act, by the State Growth Strategies Commission and even by some developers. In fact, an urban growth boundary is a rather new tool used mainly in Oregon and Florida and is rather widely condemned by urban and regional economists and geographers as crude, simplistic and ignoring certain long-term realities of how and why cities grow.

It is basically a form of large-scale zoning -- an urban zone around cities, a rural zone outside. It sounds logical and effective, especially if we believe that all land within the boundary is by definition buildable while the land outside the boundary is environmentally sensitive. The reality is much more complex, and therefore the risks of using such a "simple" tool are great. It ignores environmental realities and land economics.

In the first place, buildable land (e.g., easily used for housing or industry) versus sensitive land (e.g., wetlands, steep slopes, etc.) is not arranged conveniently. A lot of land close to cities, and within their current urban growth zones, is in fact
sensitive and inappropriate for the kind of intensive development that growth management is calling for. Indeed, a lot of the land already developed in our cities is, or was, quite sensitive and could not now be developed under current regulations.

Because of Mother Nature, large tracts of land suitable for building (free of environmental constraints) are inconveniently spread across the region, often well away from existing cities. PSCOG (Puget Sound Council of Governments) forecasts that by the year 2020, 25,000 people will occupy the I-90 corridor, an area with convenient access to Central Puget Sound. A recent study examined King County’s sensitive areas and urban growth areas along the I-90 corridor. The study showed that of 64 square miles in the I-90 corridor, urban growth boundaries have arbitrarily excluded 44 square miles. Seven miles are in already urbanized cities. 13 miles are in urban growth areas. Of those 13 square miles, 6.9 square miles have sensitive area constraints. Of the 6.1 square miles remaining 3.2 square miles are classified as agricultural or forest land. This leaves only 2.9 square miles free from site constraints and buildable to support the 25,000 people expected to be living there by 2020 (see Figure 8). However, there are large, buildable areas outside the urban growth boundaries. This clearly demonstrates that the urban growth boundaries are drawn too tightly and are unrealistic for this area.

Secondly, there is an extremely high risk -- a virtual certainty -- that planners, who are not economists, will be too restrictive in designating urban growth areas. While planners look at the map and calculate what is needed for a 20-year supply of developable land, the market will probably respond in much different ways than planners expect.

The large majority of what is called "vacant" land is in fact not "on the market." It is kept by the owners for their own future use or is being held as a long term investment pending probable future price rises fueled by the new planning restrictions impacting the supply of land.

In addition, much of the land within or without the urban boundaries is either of productive agricultural or forest use or subject to critical constraints. An analysis by King County of subdivision and plat activity in the late 1980s revealed that achieved residential densities (units/acre) within the urban growth boundary were less than half those targeted (3.1 rather than 7.5) while densities beyond the boundary were higher than targeted. The main reasons for the shortfall were the presence of sensitive lands and requirements for open space, surface water management and rights-of-way.
Figure 8

Interim Urban Growth Areas
Within the I-90 Corridor

The areas with critical constraints are blacked out.

Above, the areas with critical constraints are shown in white, forest or agricultural lands are gray and the black areas are the remaining buildable lands without defined constraints.

Indeed the restrictive boundaries bestow an unfair and unearned excess value on owners who happen to be within the boundary, at the expense and detriment of owners who happen to be outside. The rational owner within the boundary will naturally be tempted to keep land from the market in order to reap such excess capital gains as the market tightens. The result is inescapably to constrain the supply of land, raising its price and therefore raise housing prices. Available housing and land will be allocated to the more affluent buyer who can afford to pay higher prices than would occur in a normal market without artificial constraints on supply (see Figure 9).

Economists tell us that disrupting the land and housing market by restricting the effective supply below the effective demand is socially and economically destructive. It again encourages the leapfrogging of development to less-restrictive jurisdictions and into neighboring counties (see Figure 10). It is just too crude a tool and ignores the economic behavior of real people.

Third, by allowing urban development only in areas adjacent to existing cities, the urban growth boundary severely limits possible creative solutions to housing deficiencies and forecloses better-planned new communities. It fosters the slow, contagious spreading of the built-up area while it might be more environmentally, socially and economically effective to displace some of that growth beyond intervening networks of open space.

Both in Europe and in parts of the northeast, a preferred method of accommodating much of urban growth was to displace it out to satellite settlements, either existing or new, while at the same time preserving intervening territory as green belts. Examples are the successful “new towns” of Finland, Sweden, Scotland and England, France, and, in the case of the United States, places like Reston, Virginia, Columbia, Maryland and Montgomery Village, Maryland.

An advantage of large-scale, private-public, planned communities is that they can accommodate much larger populations -- 50,000 for example -- in a given space and achieve a much closer jobs-to-housing balance than the gradual sprawl approach. Greenbelts, parks, trails and other publicly-accessible open spaces can be integrated into the overall plan.

Urban growth boundaries are an inherently risky way to preserve open space. Purchasing land as greenbelt or open space is the only secure way to preserve it. Urban growth boundaries create intense pressure to use all available land for building just because it is within the boundary or adjacent to existing cities.
Restrictive Urban Growth Boundaries
Drive Up Land Prices

1984 Total Value = $600 Million 1988 Total Value = $800 Million

Figure 10

Leap Frog

Exurban (Sprawl from Leap-Frogging)

Greenbelt (Growth Controlled)

Urban Area

The urban geographer or regional economist would recommend that instead of imposing an urban growth boundary, development projects of any size be evaluated according to their merits -- that is, on the basis of "performance standards." Operationally, this implies that all the remaining portions of King, Snohomish, Pierce and Kitsap counties that are not within the national forests, or not in productive private farms or forests, be viewed as the urban reserve.

Criteria for evaluating proposed developments would presumably include availability or cost of providing roads, utilities and other services, as well as the quantity and quality of buildable versus sensitive lands and the distance to employment centers. Incentives can be provided for developing locations close to existing urban areas or to under-utilized services and facilities, but it would not preclude higher-quality development at superior, "freestanding" or "satellite" sites.

The urban growth boundary concept also depends critically on the reasonableness of forecasts of probable growth. Typically, as in the Growth Management Act, the growth boundary is supposed to accommodate "targeted" growth for 20-years and then be subject to revision. But growth targets and forecasts are planning estimates, not blueprints of what will actually occur.

Past experience in this region, for example, reveals a continuous and serious underestimation of the actual decentralization of people and jobs, and the actual growth of rural areas and small communities. Planners did not want that growth to occur, but people made it happen anyway.

For example, King County planners continue to view the North Bend area as a small rural services center although it already has 13,000 people, most of whom commute to the urban core. Current thinking about King County urban growth boundaries assume all growth into the urban core via a high level of infill and preserving North Bend as a sleepy farm town. In reality, North Bend has grown with urbanization occurring well-beyond the city limits. The proposed Urban Growth Area ignores the reality that North Bend is destined for urbanization because of its access to Interstate 90 and the Puget Sound megalopolis.
MYTH

An infill policy will use existing built-up areas more efficiently and will preserve open space.

FACT

Infill will occur naturally as part of the normal growth process. Accelerating the process will drive up housing costs.

An infill policy refers to developing existing closer-in vacant land already zoned for that purpose rather than building farther out from the urban core.

On paper it appears that there is a surprising amount of vacant land within already built-up, or partly built-up urban areas -- especially in the suburbs. It seems logical that an urban growth boundary, which restrains the land supply at the edge, will encourage infill closer in. However, it should be recognized that other market forces may be more determinative of whether infill occurs rapidly or not.

Infill may well be desirable, but it is more efficiently accomplished as part of the normal land and housing market rather than by trying to force it by public intervention. As noted earlier, most vacant land is not actually on the market but is being held for many reasons such as for later personal use, tight lending policies or for long-term speculative gain.

Planning restrictions on land farther out signals owners closer-in not to sell, but to hold out for yet greater gains. This constitutes unfair, planner-bestowed excess profits. It raises costs while in no way guaranteeing that infill will actually occur. It is a form of intervention that reduces efficiency and harms everybody but the close-in speculator.

Infill will and does occur naturally, as part of the market. As a metropolis grows, closer-in vacant land will rise in value and in taxes, as potential users
bid up its price, or seek central locations or try to reduce length of commuter
trips. It doesn't work to try to speed up the process artificially.

While it can be argued that Urban Growth Boundaries accelerate infill, it must
also be noted that community and political opposition to increased development
will also accelerate and may result in less infill than anticipated.

Infill has been discouraged by NIMBY opposition fueled by inappropriate
development standards and developer reticence to build pursuant to community
design standards. Public and private sector cooperation in the development of
flexible design guidelines, not rigid standards, for infill are needed -- rather
than Urban Growth Boundaries. The end result will be greater infill and less
community opposition to added density (see Figure 11).
Design Aspects of Infill

The elements of the building on the left attempt to relate to the size and shape of those on each side. Obviously, the middle building on the right stands in harsh contrast.

MYTH

Large scale developments are more disruptive than many small projects.

FACT

Large development projects are required to plan ahead for -- and pay for -- roads, open space and other amenities. Open space and infrastructure are often after-thoughts for smaller development that occurs over time through sprawl.

Because large developments are more visible, the perception is that these projects have more severe impacts on the environment and on traffic, setting a precedent of "urbanization" of previously rural areas. This view is held mainly by individual citizens, local communities and some environmental groups. They actually want to stop development or are reacting to the size and visibility of major projects. They want to believe that the equivalent growth can somehow be absorbed unobtrusively into existing communities. It is often easier for activists and advocates to attack a big project (no matter how sensitively designed) than to attack many smaller projects (no matter how poorly-designed).

The reality, as most planners tell us, is that large master-planned developments are much less disruptive in virtually every way. The greatest advantage of a large planned development is that it makes possible far more efficient use of the land than can be achieved by many small developments. Large tracts permit innovative road placement, less space for roads, cluster design (e.g., villages, pedestrian pockets), preservation of open spaces and public amenities, that result in higher net housing density per acre, while preserving a higher ratio of open space and in more usable and higher quality forms.

Large developments also make it much easier to include a mix of housing types (single-family to multi-family) of a wider range of values. Better design and scale economies also permit better and fuller mitigation of environmental impacts and village-like clustering encourages greater use of public transit.
Large developments have fairly visible and localized traffic impacts, but still less in aggregate than many smaller ones. More importantly, such traffic is also easier to plan for and to mitigate, such as building in densities and facilities supportive of mass transit -- or pedestrian corridors (see Figure 12).

The far less efficient alternative is to accept hundreds of small scale subdivisions and short plats on small acreages. These tend to be more uniform and traditional in low-density, single-family layout and character -- possibly resulting in twice as much total acreage for a given population than would a master-planned development. These incremental changes are psychologically easier to accept over time than accepting a well-designed large-scale project all at once.

The visibility and magnitude of large developments also means that cities or counties will be able to negotiate with the developer for far higher levels of amenities and mitigation of impacts and infrastructure assistance. Large-scale projects also have economies of scale which can pay for amenities (e.g., parks, greenbelts, etc.) and installation of infrastructure concurrent with the project construction. There is a risk that local governments will attach such severe conditions or impose such high fees that otherwise efficient large-scale projects cease to be efficient or affordable -- or such that amenities are marginally affordable.

A 1980 study by the American Planning Association concluded that, "regarding differences in exactions among types of projects, in general, small projects are required to provide the fewest types of facilities and large projects the most" (see Figure 13). Adding to the confusion about the merits of larger developments is the fact that few master-planned communities have been built in the Pacific Northwest. Oregon's Sun River and Washington's Mill Creek are about the only examples we have.
 Planned Density Reduces Auto Use  
(Residential Weekday Trip Generation/Daily and PM Peak Hour)  

![Bar chart showing trip generation per dwelling unit for different residential types.  

Total Exactions In 52 Projects, On-Site and Off-Site
Survey of 500 Developers With 52 Responses

<table>
<thead>
<tr>
<th></th>
<th>Total Projects</th>
<th>On-Site Exactions</th>
<th>Off-Site Exactions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>52</td>
<td>298</td>
<td>115</td>
</tr>
<tr>
<td>Small Residential</td>
<td>7</td>
<td>39</td>
<td>9</td>
</tr>
<tr>
<td>Large Residential</td>
<td>8</td>
<td>53</td>
<td>22</td>
</tr>
<tr>
<td>Retail</td>
<td>5</td>
<td>12</td>
<td>7</td>
</tr>
<tr>
<td>Small Office/Industrial</td>
<td>5</td>
<td>14</td>
<td>16</td>
</tr>
<tr>
<td>Large Office/Industrial</td>
<td>8</td>
<td>45</td>
<td>26</td>
</tr>
<tr>
<td>Mixed use</td>
<td>8</td>
<td>23</td>
<td>23</td>
</tr>
<tr>
<td>Large Multiuse</td>
<td>11</td>
<td>112</td>
<td>12</td>
</tr>
</tbody>
</table>


---

**MYTH**

Concurrency will ensure that adequate infrastructure matches demand.

---

**FACT**

The failure to build the infrastructure needed to serve current residents adequately has created a backlog which may prevent concurrency from ever becoming a reality. This may be used as an excuse to stop all growth.

Concurrency policies require adequate infrastructure to be in place or be simultaneously built in order for development to occur. This idea is certainly intuitively reasonable. Such policies ought to prevent shortfalls of capacity.

The myth is that concurrency provisions will ensure infrastructure adequate to meet probable demand. The difficulty is not with that part of the equation that forbids development in the absence of capacity, but with the part that requires infrastructure investment that will support 10 to 20 year growth forecasts.

The problem is that many jurisdictions, potentially even individual counties, may want to slow growth or not accept much growth or hope to avoid capital expenditures or higher taxes and will have very great incentives to adopt unrealistically low growth forecasts. It becomes tempting and easy to argue that it is hard to predict the future -- and this is indeed correct -- that it is prudent to avoid unnecessary capital expenditures.

The existing shortfall of capital expenditures will be used as an excuse to reject future development proposals by imposing moratoria. A total moratorium is the most disruptive and destructive form of market intervention. To the extent that growth occurs anyway, especially as vacant properties are developed, the result can be increased congestion, water management problems and rising housing costs.


For example, the Washington Growth Strategies Commission (1990) observed that $28 to $33 billion will be needed for state roads, 1987 - 2000, but that only $14 billion in revenue is expected. Nationally, the proportion of gross national product spent on public works dropped from 2 percent in 1970 to under 1 percent in 1990. Despite concurrency, we are not likely to catch-up on this backlog.

Concurrency as a concept is reasonable. But to work fairly, there has to be an honest and realistic acceptance of normal, likely growth. Experience in some areas in Florida, southern California, and elsewhere indicates that the tool has been applied unevenly by jurisdictions: some honestly to accommodate growth, others deliberately to avoid growth.

For concurrency to work, it has to be a fair process of assessing new development for the true marginal costs of public infrastructure needed to serve such development. The experts call this interrelationship "nexus." Local governments have attempted to apply developers fees and other exactions to pay for social services, housing the homeless, police and fire protection and education -- or for past failures to construct and maintain adequate infrastructure.
MYTH
New development is a net cost to society and therefore the full costs should be borne by the developers in the form of fees and exactions (non-monetary contributions such as open space and parks).

FACT
Any costs bestowed on developers will ultimately fall onto the home buyers. As new home prices spiral upwards, existing home prices will be driven up as well. The reality is that costs (such as those for schools) are the responsibility of our entire society and not just home buyers.

This myth has become quite popular and pervasive, even though it is not economically and historically supportable. The theory is that new development, especially residential, cannot pay its way and imposes a net-financial burden on society so these costs should be paid in advance through developer impact fees.

The basic premise is incorrect. While it may be narrowly true that residential property taxes or utility fees pay less per unit area than commercial or industrial property, it is those residents who are creating the products and services, and buying those goods, and paying a variety of taxes to support urban services. There are thousands of communities across the nation that are primarily residential and are perfectly capable of paying their way. For example, Seattle's per capita service expenditures were $1,990 (1985-87) while some more residential communities were cheaper: Enumclaw's was $1,008, North Bend's was $716 and Clyde Hill's was $304.

For generations, new development has provided its internal infrastructure and typically has provided assistance or mitigation to the wider community through access roads, utility extensions, school and park land. New residents assume their share of the debt burden for past projects of the community. In Seattle's
early history, for example, the developers themselves built the streetcar lines that opened up new communities.

The idea that all external and internal costs or impacts should be paid "up front" by the developers (which, in turn, are paid by new residents through higher housing prices) discounts the economic contributions made by new construction and new residents. In the first place, residential, commercial and industrial development is not a net long-term cost or burden, but repays itself over time through taxes and the contributions of the new citizens. Housing is not a net cost, but a precious investment and asset.

Second, in the real economy it is not only the local residents, workers and shoppers who are beneficiaries of the new development, but the wider community.

A classic comparison is public education: Under the impact fee doctrine, only people with children in school should pay for schools. When related to new development, that comparison becomes even more obscure. Should the retired home buyer or "empty-nester" who purchases a smaller, new home incur developer's fees for schools while the neighboring family in an existing home with school-aged children does not?

Those local jurisdictions levying a school construction impact fee blithely assume that all newly-enrolled school kids live in newly-constructed houses. In fact, a majority of parents of these new kids purchase existing homes being sold by those "trading-up" to another home or those moving away. Conversely, a majority of new home buyers are probably existing residents (refer to Figure 14 on page 53).

If local districts want to recover the marginal cost of new facilities, they theoretically could levy a head-tax on newcomers. Such a proposal would meet with political hues and cries. Thus, local officials find it much more politically palatable to tax new houses because those voters are not yet here and cannot object!

The wider society, indeed the state itself, helps pay for schools because an educated population is a worthwhile societal investment. Similarly, the new residents of a community -- who are also taxpayers -- participate in, and contribute to, the well-being of the metropolis and have been traditionally welcomed by the existing community. It is economically rational and efficient to do so.

Forcing too many costs on a particular new development jeopardizes affordable housing and reduces the housing supply. People who used to be able to
participate in such developments are no longer able to do so. This also disproportionately impacts the poor and discourages the economic development that sustains the population, old and new.

In the wake of Proposition 13, California communities turned to developer fees as a revenue source for various social programs. These cities and towns have learned that developer fees are both an unstable and inadequate revenue source. For example, during recessions homelessness increases and building activity declines, creating an unintended housing gap. Because only general tax revenues provide an adequate and reliable financial base to meaningfully address subsidized housing -- local officials are now seeking changes to Proposition 13.

This is not to say that impact fees may not be appropriate. Of course, new development should pay its fair share. The issue is what is "fair?" It must take into account the long-run financial and social contribution of the new residents, not just the short-term impacts. A current example is King County's new provision for impact fees for roads which amounts to a variable extra cost per house depending on traffic levels in the area. Irrationally, the highest burdens may be placed precisely on those houses which best meet the county's goals of raising residential density.
MYTH
Open space can most effectively be preserved by zoning.

FACT
Open space benefits everyone and is most effectively protected when purchased by the public to preserve it forever.

Zoning is the process traditionally used to allocate land for residential, commercial and industrial purposes. Thus, it also seems logical to use zoning to maintain open space. This is the intent and effect of imposing an urban growth boundary, and of using large-lot zoning beyond the boundary.

But zoning is an ineffective and sometimes unfair tool for the purpose of preserving open space. Use of agriculture and forestry zoning to recognize and maintain long term high quality farm and forest production is appropriate because here the designation relates directly to the user and use -- and it prevents encroachment by incompatible land uses. But use of rural zoning to prevent urban development or to preserve open space involves no such direct connection. It does reflect the political views of inner-city residents who want to be able to enjoy and view the rural countryside but who will not be regulated by such rural policies, or have their economic opportunities diminished by such regulatory constraints.

Zoning is a risky, uncertain and economically unfair way to preserve open space. First, the courts have limited the ability of zoning to lock-up large tracts of privately owned land without compensation to the owner. The Seattle greenbelt ordinance was overturned because of such judicial concerns.

Second, successive governments or market pressures can and do bring about selective re-zoning often with the result of a slow, contagious, endless extension of the urban area that erodes "zoned" open space.
Third, overly-restrictive zoning benefits city populations who are not paying for the open space and as noted earlier, on selected, rich households on protected rural estates. At the same time, it imposes all the costs on the majority of rural residents and landowners who either live there traditionally, or who hold the land as an investment for future use. Zoned open space, in effect, prevents any use which can generate a reasonable return on investment.

The more secure and economically fair way is to recognize that open space is a societal good, and therefore that the public ought to buy the land (or the development rights) for that purpose. The voters have been willing to do this in the past, as in the case of agricultural preservation and the passage of the King County open space bond issue in 1989, allocating $117 million to set aside 3,869 acres. Close-in open space in a metropolis is a form of infrastructure, not a free good, and should be legitimately acquired.
Housing Affordability

Proponents of stronger growth management controls express concern about housing affordability and often call for inclusionary zoning policies. The Growth Management Act of 1990 and Growth Strategies Commission final report both embraced housing affordability rhetoric.

However, current research indicates rather conclusively the growth controls designed to contain the spread of urban development also dramatically reduce the land and housing supply and raise housing costs substantially, particularly in areas where a strong housing demand already exists.

As growth controls drive up housing prices, proponents then demand inclusionary housing policies such as forcing builders of market-rate housing to build a number of low-income or subsidized housing units in order to win permit approvals. This is an exaction which further increases the cost of housing for most families and has resulted in sky-rocketing housing prices in many Californian communities.
MYTH
There is little, if any, relation between growth management and housing prices, supply and affordability.

FACT
Any attempt to contain urbanization automatically and inherently reduces the economically available supply of land, therefore raising its costs and the costs of houses on it.

Many people believe that increased housing prices are due to growth, falsely blaming newcomers and higher construction costs. Perceptions are that newcomers can afford to out-bid locals in the housing market, thus driving up home prices. Increased construction, labor and material costs are also blamed for higher home prices. This idea is plausible, but the reality is different.

Housing construction costs -- labor and materials -- have risen only modestly over the last decade. This is evident if we look at housing prices across metropolitan areas with and without growth management in the face of rising demand from population growth. Construction costs rose modestly everywhere, but housing prices rose severely where land and housing supplies were constrained or fell behind demand. For example, in Seattle from 1983 to 1990, construction costs rose almost 17 percent, but housing prices rose about 60 percent.

Land and housing prices will certainly be higher in a larger metropolis like Seattle than in a smaller one like Spokane because more people are competing for quality or convenient locations. But the basic economic facts are that planning does not repeal the laws of supply and demand -- where available land for housing is limited, its price must go up.

The reduction of land supply raises its price and, in turn, reduces the amount of housing and raises its price. The number of housing units added to the stock falls below the numbers demanded by households (see Figure 14).
Figure 14

Single Family Housing Supply/Demand

Building Permits Divided by # of Households in the Market

The effects are more drastic in the Los Angeles, San Diego, Santa Barbara and San Francisco where severe growth management restrictions, often in the form of refusal to extend sewer or water services, have been around longer. Conversely, there are large metropolitan areas like Philadelphia, Minneapolis, Phoenix, Atlanta and Dallas without such housing inflation because they did not limit the potential supply of land.

Those who doubt the linkage between growth controls and higher housing prices should review Professor William A. Fischel's, *Do Growth Controls Matter? A Review Of Empirical Evidence On The Effectiveness And Efficiency Of Local Government Land Use Regulation*. This review of current research answers the question, "Do growth controls matter?" with the following conclusions:

- "Growth controls tend to raise the value of existing housing and sites on which development is still allowed and lower the value of undeveloped land and properties that might be profitably redeveloped." [p.1]

- "...Growth controls are likely to be inefficient. The major costs are probably wasteful decentralization of firms, and too much commuting by households." [p.1]

- "A measure of the costs of growth controls is the reduction of land on which development is restricted. In most instances, this land is owned by a distinct minority of the community or by people who do not live there at all. The decrement in the scale of undeveloped or other land subject to growth restrictions is the manifestation of the exclusionary effects of growth controls." [p.47]

- "Growth controls and other aggressive extensions of land use regulations probably impose costs on society that are larger than the benefits they provide." [p.53]

- "The long-run effect of this [growth controls] is a lower standard of living. People will commute more than they otherwise would, which reduces their real incomes unless they enjoy commuting. Dispersion of residences and jobs promotes more automobile travel and longer trips, creating more congestion and pollution (assuming, as is realistic, that cars are not charged for their social costs) and eventually requiring more highway construction." [p. 56]

The effects of growth management controls on residential land prices was the subject of J. Thomas Black's recent study entitled, *Explaining Metropolitan Differentials In Residential Land Prices*. Black's survey of 30 metropolitan areas revealed some alarming trends. Four metropolitan areas -- San Jose, San Diego, Boston and Seattle -- with improved lot prices in the $77,000-to-$230,000 range were far ahead of the other 26 areas in the absolute price of land. They
have also led in the rates of increase over the last 10 years. For example, from 1975 to 1990 the average price of a residential lot in Seattle increased a shocking 868.8% compared to only 185% in the other 26 areas.

As Figure 15 shows, Black found a strong correlation between land prices and housing prices.

The study showed that per capita income level and change in per capita income were the only demand-side variables examined that show a statistically significant correlation to higher residential land prices. Population growth variables, both amount and rate, were only very weakly linked to residential land prices. Employment levels and changes were moderately correlated with residential land price levels and changes.

Black cites an early 1980s study in which a panel of land-use experts were asked to rate the regulatory restrictiveness of the 30 areas previously mentioned, from -5 for the most to +5 for the least restrictive. San Jose (-3.63) and San Diego (-3.67) led the ratings as the most restrictive areas. Seattle (-2.14) and Boston (-1.75) were rated less, but still negatively, restrictive. Additionally, in all four areas, significant natural restrictions have limited the overall supply of developable land within normal commuting ranges.

This study concluded that a combination of natural and government-imposed restrictions on developable land contributed to the high land prices in Boston, San Diego, San Jose and Seattle.
Figure 15

The Relationship Between Lot Prices and House Prices

Lot Prices $250,000
$200,000
$150,000
$100,000
$50,000

$40,000 $80,000 $120,000 $160,000 $200,000 $240,000

Median Sales Prices of Existing Single-Family Houses

Estimated price of a standard improved 10,000-square-foot lot in 30 metropolitan areas.

The central argument is whether homelessness is solely a difficult social problem or is related to planning or growth management.

Homelessness has many causes, such as de-institutionalization of the mentally ill and the effects of industrial change putting some people out of work. One of the most critical causes is the disruption of the normal housing market's ability to pass down older housing to the lower-income population as the more or newly-affluent shift to newer housing. Some of the tools of growth management have disrupted the traditional housing market.

Over most of American history, despite severe poverty, homelessness was not common because enough housing was being created in the aggregate. Even today, estimates indicate that over 90 percent of poorer households obtained their housing in the normal housing market and not because of any governmental programs.

So, what has changed? Growth management, by constraining the supply of land, raises its price and suppresses new housing construction significantly below the rate of increase in the demand for new housing units. The inevitable result is that middle-class families who might have shifted to newer housing instead hold on to their houses. Or, they may be forced by rising taxes to shift back to the older housing market, thereby displacing the poor. First-time home buyers, in search of affordable housing, buy inner-city rental units and rehab them with sweat equity -- and displace lower income renters.
Unfortunately, but understandably, this process of "reinvestment" or "gentrification" of older neighborhoods is aided and abetted by local governments. It is no surprise that homelessness is most prevalent in cities where the greatest amount of such middle- and upper-class reinvestment in older housing has occurred. Gentrification is only a problem when there is no housing for the displaced to move into, either in the city or suburbs, as a result of inadequate construction overall. There is a strong direct relationship between housing price inflation and homelessness: As housing costs increase, homelessness also increases (see Figure 16).
Figure 16

Home Prices vs. Homelessness

Compared to other major cities, housing prices in Seattle are not unreasonable.

Housing prices have skyrocketed in Seattle as demand (of houses and land) has superseded supply.

Another way to avoid addressing whether growth management harms housing affordability is to deny that Seattle's housing prices are unreasonable. Many argue that high housing prices are what we must pay for being a big and sophisticated city. As noted above, housing costs are a function of city size in part. And housing prices are not as inflated in Seattle as are those in Los Angeles or San Francisco where older or stronger growth management or more severe shortages of land are common.

Seattle's housing prices have skyrocketed in recent years as land and housing supplies failed to keep up with demand. Our prices are among the highest in the nation. Housing prices rose as more people were forced to compete for fewer houses. Some much larger metropolises like Philadelphia and other fast growing metropolises like Dallas or Phoenix have little inflation because they avoided such an imbalance. Again, it is a matter of supply and demand.

A report prepared by the Seattle Real Estate Research Committee states that in 1990 the average house in Seattle sold for $170,000, proving single-family housing is effectively beyond the reach of most middle-class families whose median family incomes are about $40,000. They are therefore forced into much less adequate housing than they could normally afford. Many are restricted to the rental market and utilize a much larger share of income for rent and pay higher rents than they would in cities with normal, less disrupted housing markets (see Figure 17).
Figure 17

Least Affordable Housing
by Share of Income Needed for Payment

San Diego
Los Angeles Area
New York City Area
San Fran. Bay Area
Seattle/Tacoma
Denver/Boulder
Dallas/Ft. Worth
Atlanta
Boston Area
Baltimore

Source: Urban Land Institute, April 1990.
MYTH

Housing for the poor is better provided through public intervention and provision than by the housing market.

FACT

Over 90 percent of all housing for the poor is provided by the private sector through the housing market. Government would have to spend millions -- if not billions -- to build an equivalent supply of low-income housing.

Many believe that the poor are "different" and cannot be served by the housing market and must therefore be assisted by government intervention. Such requirements take the form of: (a) planning requirements on developers (inclusionary zoning); (b) targets or quotas of affordable housing to jurisdictions; (c) construction of public housing for the poor; and (d) various forms of financial subsidy.

Growth management raises the price of housing, disrupting the normal operation of the land and housing markets by restricting land supplies and housing construction. As a result, those at the bottom are knocked out of the housing market. The middle classes remain in or reclaim housing that would have been passed along. As a further consequence planners attempt to compensate through increased levels of public intervention.

Some public assistance is warranted and necessary, as for severely disadvantaged groups, but the history of public housing in the United States in the postwar period -- as via urban renewal -- is, in general, quite dismal. Typically, large public housing projects are far more expensive, demeaning and of poorer quality than that provided by the private housing market. Even in Europe with their longer tradition of public housing, there is a rapid shift away from public intervention.
Forcing builders to include a proportion of lower-income housing units in new developments has become a popular idea only recently. But, since it directly overrides the market it introduces risks and costs. A moderate mix of housing types and values that promises a mix of income classes within a neighborhood or large development may be socially desirable -- especially if it has the effect of bringing people and jobs closer together. But any program that requires outright builder/owner subsidies of units and bureaucratic monitoring of compliance indicates that the housing mix was so far from market realities that it cannot be sustained and will be subject to abuse and erosion. If some units are subsidized then others must be overcharged; the net economic effect must be to reduce the supply of housing for other citizens. In the long run, investment capital and developers will relocate to areas not exacting a "housing tax."

Assigning targets or quotas of affordable housing to jurisdictions sounds fair. But it too, disrupts the market by requiring implementation through zoning. It assumes that planners can estimate demand and dictate the supply better than buyers and sellers in a free market. Some owners receive less from their investments than they would in a freer market and may choose to reinvest elsewhere. A less disruptive approach to the problem is for more affluent jurisdictions to provide compensation for certain services and infrastructure -- as via tax base sharing -- to poorer communities where the market can support lower-income housing, as is done in the Minneapolis-St. Paul metropolitan area for example.

The direct construction of public housing units does not greatly disrupt the private housing market. However, the historical evidence is that public costs per unit are excessively and inefficiently high. Also, larger public housing projects -- where economies of scale are possible -- lack social, cultural and economic diversity.

Less disruptive forms of public assistance are available such as rent supplements, low interest loans or similar ways to permit lower income households to compete in the regular housing market. On-going subsidies become a snow-balling burden for state and local governments who are finding that taxpayers are resistant to pay for such programs.

The most effective, long-term answer to housing the poor is to reduce restrictions on the supply of buildable land and increase the supply of housing.
Urban Form And Transportation

Growth management on a large scale involves the very spatial structure of the metropolis and the role of all modes of transportation, including rapid transit.

A grand planning mythology perceives the ideal city as the 19th century rail city -- a dense metropolis with a dominant downtown and some other very major centers which are all served by an intensive rail transit system.

This stands in stark contrast to the actual decentralized metropolis that has developed since the 1920s with the advent of the automobile, a preference for single-family housing and one-level industrial plants.

Implicit in the re-emergence of the 19th century rail city strategy is the notion that high density is more efficient than lower density, that the car is bad, that public transit can meet most transportation needs and that jobs should be concentrated downtown and in a few major centers. Thus, rail transit is seen as the solution to congestion, and higher density is seen as the mechanism to contain urban development and preserve open space.

This sounds wonderful and enjoys widespread emotional support. But the reality of the modern city is utterly different. The modern decentralized metropolis has developed over the past fifty years because it is what people and businesses actually want and have "voted for with their feet and their wallets." Peripheral locations are much more effective at generating and sustaining jobs and wealth, providing communities with the social and economic environments that most people find satisfying. Decentralization came about because the old dense "rail city" could not provide the standard of living demanded by those moving to the suburbs. Rail was too costly for business, did not meet the community needs and was inflexible as city land use patterns changed over time.

This is not to say that low density is better, that overuse of the automobile doesn't cause problems or that the location and design of industrial and commercial centers doesn't matter. But an attempt to return to a the typical 19th century rail city would be both foolish and inefficient. The optimum city of the future must reflect the realities that businesses and people are not all alike and that some businesses need dense central locations and others peripheral locations. Some people prefer dense urban living and others lower density suburban living. And while some transport needs are best met by transit, most economic and social transportation needs are best met by the private automobile.
-- and will continue to be, despite attempts by planners to legislate away the auto and to change personal habits and preferences.
MYTH
Higher density is always more efficient than lower density.

FACT
Different densities offer differing efficiencies and inefficiencies -- with very dense cities having the highest cost-of-service per resident.

This idea is built into the Growth Management Act, the Growth Strategies Commission report and the PSCOG's Vision 2020 study. It is based on theoretical arguments about the cost of providing buildings, services and infrastructure. After all, if there are twice as many households in a given area, wouldn't it be cheaper to build needed roads, water and sewer pipes?

The reality is not that simple. Across a wide range of urban densities, as exemplified by any sample of incorporated cities and towns in Washington or other states, there is no significant variation in per capita costs of government, infrastructure and service delivery. Indeed the very densest places, such as New York, have double to triple per capita costs than average. High density reduces some costs but raises others so that costs tend to balance out. For example, utility costs may be distributed among more people per mile as density rises, however costs such as those for land, capacity and maintenance increase. Lower density areas do not need the intensity and level of infrastructure that dense areas do. Enumclaw and Arlington are perfectly able to meet their citizens' needs at a lower per-capita cost.

Also, there is no evidence that denser areas (e.g. inner cities like Seattle) subsidize lower-density suburbs and rural areas. In fact, in some cases the opposite is true. An example is the sales tax subsidy of METRO transit, whose dominant beneficiaries are inner-city transit users. Even though individual transit users from the far suburbs are more subsidized than city users, the fact that so few of them use transit means that the overall subsidy benefits the inner-city.
Generally, higher-density housing requires higher square-footage construction costs. For example, a single family home may cost $70/sq. ft. to build while a downtown residential tower may cost $150 - $200/sq. ft. Higher, inner-city land values support high-rise housing for those electing such a lifestyle and who can afford it.

There is little reason to believe that higher densities can be imposed on existing neighborhoods by planning fiat such as through target density allocations without substantial opposition by current residents. In fact, as a metropolis grows, the market itself creates strong gradual pressures for raising density. Americans need not feel guilty if they prefer single-family homes to apartments. On the other hand, it does make very good sense to pay much more attention to the design of housing at the micro-level and utilize much more European style quality row- or townhouse-type housing that preserves private space and single family character while achieving higher net density.

One valid reason to seek higher densities on particular corridors is that it justifies or makes possible the construction of public transit. But since rapid transit systems can only serve fairly narrow corridors, it is counter-productive to force higher densities elsewhere.

A second reason to seek higher densities is environmental -- to protect sensitive areas, preserve open space and maintain rural activities.

Density is not a simple concept. Greater urban densities have costs as well as benefits.
MYTH

Employment should be concentrated into a few major downtown-like centers.

FACT

"Live-where-you-work" land use patterns will require decentralization of employers, zoning flexibility to permit mixed land uses and less commuting into the central business district (CBD).

The CBD is not suitable for many business activities which are considered LULUs, nor for providing opportunities for a jobs/housing balance because downtown land and high-rise housing is expensive. Focusing "live-where-you-work" only on the downtown CBD ignores the need for suburban mixed uses as a means of lessening suburb-to-suburb commutes.

Built into the PSCOG’s Vision 2020 study, this myth is a consequence of the belief in the superiority of rapid transit and a return to a 19th century image of the ideal city. The idea is that if jobs were concentrated, they would be more efficiently served by public transit from surrounding residential zones. This may be true for some kinds of businesses.

But the reality is that a large share of industry and business, in Europe as well as the U.S., have decentralized because it is economically more efficient, more productive and more convenient for owners, workers and consumers.

Some kinds of office activities do reap benefits from dense concentrations, such as attorneys and brokers, which have indeed built-up our downtown centers. But the large majority of manufacturers, transport and utility firms, wholesale and retail trade, and even the majority of services and routine office activities, don’t need or want such concentrations. They can relate to customers and other businesses much more effectively through a larger number of centers. Most commuters are not willing to compromise on the convenience of using one’s own
car for such routine errands as going to the grocery store, day care, video store, health club, dry cleaner, bank or physician. The reality is that many businesses would fail because a majority of needed or desired trips by their customers would not take place.

In reality, employers need and demand a wide range of locations and site characteristics for profitable operation. Suburban industrial and office parks are successful because they make it possible for many kinds of activity to survive.

Some planners believe that land use policies raising residential densities and concentrating development will relieve traffic congestion. It is true that dense, high-rise buildings have a higher percentage of transit riders than smaller-scale buildings. But, the reality is that the higher the density of housing and jobs the greater the congestion regardless of the existence of rapid transit or of greater use of public transit. Individuals will continue to drive automobiles rather than take transit until traffic congestion worsens to the point that they are willing to make a change. More flexible site design of industrial and commercial complexes and residential communities would encourage carpooling and the use of transit.

On a large scale, extreme concentration of jobs encourages public transit. However, commuters tend not to use public transit, making congestion inevitable. New York, Tokyo and London are by far the most congested cities, despite extensive subway systems.

The greatest problem of concentrating jobs into a few major centers is that most employees commute from widely dispersed areas with difficult or slow access to transit that they refuse to use it. Seattle in general and downtown Seattle in particular are very imbalanced with far more jobs than inner-city residents, thereby forcing huge volumes of distant commuting over very restricted corridors and bridges (especially SR-520 and I-90) during rush hours.

An alternative strategy is a greater jobs-to-housing balance by increasing jobs in communities which now have a large surplus of workers over jobs, or vice-versa. This could greatly reduce the congestion associated with long-distance commuting. A greater balance of jobs will not eliminate long distance commutes or congestion because it is not always possible for all workers in a household to live convenient to work. However, a more decentralized city will have less cross-commuting and rush-hour congestion than a city with very few large centers.

A jobs-to-housing balance requires the removal of impediments to mixed-use zoning and creative planning rather than rigid mathematical quotas or targets for achieving this balance.
Many planners and citizens view the "arterial commercial strip" as the epitome of poor planning. Without doubt, they are often ugly and ill-designed. But why are they so immensely successful, accounting for such a large share of economic activity? Strip malls work because they conveniently bring business and customers together. The costs of too much concentration are longer travel and greater congestion.

Los Angeles is often perceived as a classic example of what is worst about low density and sprawl. The fact is that Los Angeles has far higher population and housing densities over vast areas than anything Seattle even approaches. L.A. is denser than most eastern cities and has higher transit usage, housing 5,200 people per square mile. San Francisco has 4,010 people per square mile, Washington, D.C. has 3,425, Seattle has 2,870 and Pittsburgh has 2,540.

What we really don't like about L.A. is that it seems to "go on forever." But that is not sprawl in the low density sense; it is the result, like New York or London, of so many people. The L.A. area has 14 million people, or five times as many as all Central Puget Sound and almost ten times as many as King County.

L.A. has many serious problems but considering its sheer size it works remarkably well. We should be honest and recognize that what we don't like is sheer bigness. When Los Angeles had about 5 million people, about twice our size, it was a very acceptable place to live. Its decentralized structure worked very well.
---

**MYTH**

Public transit is always more efficient than the car.

---

**FACT**

We need a mix of transportation modes. We also need to recognize the inherent limitations of mass transit and realize that it can never completely replace the automobile.

---

The American public tends to look to technology for solutions to problems. Many expect some form of new transportation technology, such as rail systems, to alleviate all congestion. Unfortunately, major new technological changes aren't likely to dramatically impact urban travel. For all the appeal of rail systems, they aren't a major factor in reducing congestion since the origin of and solutions for the problem lie in the changing nature of urban form and travel.

Until World War II, the major concentration of employment and retailing was the central business district (CBD) of most cities. Residential areas began pressing outward at the turn of the century when the electric street car made it possible to commute longer distances cheaply. In these early years, land developers initially constructed most street car systems realizing that their property was worth considerably more if connected to jobs in the CBD. Congestion was in the downtown and viewed, within limits, as a positive indication of urban vitality.

The situation today is vastly different. While downtown congestion continues, it has also spread to the suburbs following the move of jobs, retailing and residences. By 1980 the suburb-to-suburb commute and personal auto use (such as errands) were the fastest growing segments of vehicle miles travelled nationally, as well as in Central Puget Sound.

Cross-suburb commuting, however, complicates travel patterns from many origins to many destinations. In general, suburban population and employment densities are too dense to allow uncongested travel, but not dense enough to
support effective mass transit service. The result is a net decline in market share for public transit. For metropolitan areas like Seattle and Portland, transit accounts for only 3 to 4 percent of all urban trips and only 8 to 9 percent of all work trips. Imagine a 50 percent increase in transit ridership. Though virtually impossible, such a dramatic increase would only boost the total market share to under 6 percent and the total number of commuting market share to about 12 percent. In other words, metropolitan congestion problems cannot be solved solely by mass transit. Mass transit can play a role in solving congestion but should not be considered as the sole solution to such vast and complex problems.

Transportation experts tell us that rail transit works best in high-density cities that already have it. It is an expensive and ineffective way to reduce congestion in a city that has not developed around rail transit. Yet despite this knowledge, most cities do not extend light rail to new growth corridors but serve existing inner-city neighborhoods -- often attracting more bus-riders from buses than car drivers from their autos.

Despite a massive investment in public transit facilities, transit is a shrinking percentage of all passenger trips (see Figure 18).

Concern about air pollution, rather than congestion, is the driving force behind many of the aggressive vehicle reduction plans throughout the country, especially in Southern California. Despite marked improvements in fuel efficiency and emissions, more vehicles generate more air pollution. In fact, motor vehicles are the number one source of certain urban air pollutants. Thus, the key to reducing air pollution and traffic congestion lies in maintaining autos, new emissions and fuels technology and decreasing the number of vehicles on the streets and highways.

The impact of reducing the number of vehicles can be enormous. A 1989 study regarding urban freeway congestion noted that a decrease of one in 10 vehicles on the road can reduce vehicle delay hours by more than 40 percent. A decrease of one in 5 vehicles can result in more than a 60 percent reduction in vehicle delay hours as was evident in Los Angeles during the 1988 Olympics.

Given that mass transit cannot serve most of a dispersed market, what options are available to effectively reduce the number of vehicles on the road?
Figure 18

Trends in Urban Transit Fixed Assets and Passenger Trips

The most immediate changes can be made by employers who are discovering that reducing the number of vehicles used by their employees simply makes good sense. For example, land that employers would normally designate for parking can be used for expansion. With more than 90 percent of suburban workers using the automobile, even modest changes in commuting behavior (usually referred to as Transportation Demand Management - TDM) can have a big impact. Many of the options open to employers are relatively simple things. Options include providing preferential parking for employees who carpool, offering an employee ride-matching service, subsidizing transit passes or providing flex-time options to avoid peak commute times. Ironically, federal tax laws allow employers to write off all parking expenses but only the first 15 dollars per month of transit pass expenses. In most cases, the biggest impact is made by charging employees the full cost of parking. While such an action may disgruntle workers, it has proven successful in terms of decreasing the number of single occupancy vehicles (SOVs), even in low-density suburban areas.

Yet another option is to encourage the use of telecommuting. A 1989 study prepared for the PSCOG estimated that telecommuting could take more SOVs off the road by 2010 than improved transit usage. Telecommuting does not necessarily involve full time work at home -- even a single day per week can significantly reduce congestion and air pollution.

Legislation may force employers to set firm transportation goals for their employees which may require corporations to hire transportation coordinators. Companies in close proximity may also choose to work together to form Transportation Management Associations (TMAs) to collectively develop programs for their employees. TMAs increase the size of carpooling and vanpooling candidates, thus improving the likelihood of successful matches. They also boost the effectiveness of transit authorities by developing specialized services, such as designing routes to pick up employees. They can also provide internal circulation within large suburban developments so that employees are not dependent on personal vehicles for occasional personal errands.

The bottom line is that even modest success in TDM techniques can significantly impact the number of vehicles on the road during peak hours, decreasing air pollution and congestion throughout the metropolitan area and neighboring suburbs.
Planning For Our Future

In other parts of the country, planning efforts to control or stop growth have proven quite dismal. Affecting one component of the market equation -- such as attempting to squelch the supply of homes -- negatively impacts another -- housing prices skyrocket, affordability plummets and homelessness grows.

To adequately plan for an increasing populous, our efforts must take into account the market forces driving that growth in the first place.
Planning allocates land more wisely than market forces and creates a more efficient and liveable city.

Central Puget Sound, like most urbanized areas, has developed plans which have failed to provide the quality of life demanded by its residents. These restrictive land use plans have also made our housing market one of the least affordable in the nation.

A partial rationale for strong growth management is the fear that a free land and housing market is destructive for the environment and the people. It suggests that planning, according to ideals and goals, will be more effective.

While zoning affords certain protection, the reality of imposing stricter growth controls is far more complex. Actions of individuals, towns and cities operating under conditions of dense urban living generate "negative externalities" or spillover effects that can harm other people or places. This fact has long justified planning and the primary tool of planning -- zoning.

Planning is properly viewed as a regulator or moderator of the market and not as a substitute for it -- a set of tools for mitigating negative effects of individual actions on the wider community. The evidence from centrally-planned economies, where normal land and housing markets were replaced by planning idealists, is quite disastrous. Soviet cities, for example, exhibit incredible land-use distortions and illogical juxtapositions because there is no effective competition among uses for land and location. The lesson is that growth management must be in the spirit of correcting deficiencies in the market process. Normal competition should remain, allowing a logical structure of prices and values.
Conclusion

Growth management, embraced in fear of change, risks taking the wrong forms - emphasizing prohibitions, constraints, penalties and costs. Rather, it should be cast positively in the form of goals, incentives and rewards for improved quality and performance. The former tends to undermine the desirable, efficient aspects of the market, while the latter can adjust the market toward equitable as well as efficient public and private decisions.

Let's return to the original goals of growth management: protecting the environment and preserving open space; relieving traffic congestion; coordinating development and infrastructure; and restoring housing affordability. Growth cannot be accommodated along with housing affordability if rigid and simplistic policies of urban containment are implemented. These goals can be realized, but only if growth management is executed carefully and in appropriate forms using the following guidelines:

1. Growth cannot be prevented, deflected to other regions or drastically slowed without severe cost to the economic well-being of the families already here.
2. Open space, other than productive farms and forests, should be acquired by the purchase of land or development rights, rather than by zoning.
3. If stringent sensitive land constraints are enforced on housing development, more land must be made available to compensate for the loss of buildable land.
4. Rather than forced compliance with the urban growth boundary method, development proposals should be evaluated on individual performance standards and criteria. The option of quality, satellite, master-planned communities must be considered as a space-efficient way to accommodate growth.
5. Encourage higher density through innovative zoning, incentives for site design and permitting of mixed-use rather than by assigning specific areas to absorb all density increases.
6. Concurrency policies should be used to accommodate growth rather than to prevent or slow the growth that is forecast for our region.
7. Forcing higher densities or constructing rail transit systems will not by themselves solve the problem of traffic congestion. To be effective they must be combined with improving existing infrastructure and implementing a variety of traffic management incentives.
8. Low-income housing is best assured by producing an adequate supply overall of housing, not by planning restrictions or public construction.
9. Planning and zoning must be coordinated amongst jurisdictions to ensure adequate buildable land for a variety of housing types and values. Ways and means must also be explored to transfer revenues across jurisdictions.
The goals and intent of traditional growth management tools are admirable; however the adverse consequences are often overlooked. These new growth management ideals offer an alternative approach to planning for our future to achieve the most positive goals of growth management while preserving our quality of life.
Bibliography


About The Authors

Richard Morrill, Ph.D., is a professor of Geography and Environmental Studies at the University of Washington and chair of the Interdisciplinary Group on Growth and its Management. He chairs the Seattle-Everett Census Statistical Area Committee and is a gubernatorial appointee to the King County Boundary Review Board. His teaching and research interests include population distribution and migration, economic and social inequality, local government organization, redistricting and regional planning.

Dr. Morrill has a long history in local involvement, including with CORE (Congress of Racial Equality), Seattle and King County Planning, METRO, Seattle and suburban and statewide school studies, United Way, political redistricting, and governmental reform. He is the demographer for the Seattle-Everett Real Estate Research Committee.

Dr. Morrill received his B.A. from Dartmouth and his M.A. and Ph.D. from the University of Washington. He also taught at Northwestern University and the University of Chicago. He is past president of the Association of American Geographers and of the Puget Sound chapter of Lambda Alpha (honorary Land Economics society). He has been invited to speak in April at the United Nations University conference on decentralization and regional planning in Barcelona.

David Hodge, Ph.D., is an Associate Professor of Geography and the Academic Coordinator for the Center for Social Science Computation and Research at the University of Washington. He is a gubernatorial appointee to the Washington State Expert Review Panel for High Capacity Transit and serves as co-chair of the University's Census Committee. His teaching and research interests focus on urban geography, especially issues related to urban transportation, the restructuring of urban land use and activity patterns and the role of gender in cities.

Dr. Hodge has been involved with policy studies for the State of Washington, the City of Seattle, METRO, and the Puget Sound Council of Governments. These studies have included such projects as estimating the impact of school district size on school achievement, the impact of revitalization on residential displacement and identifying new markets for transit in the region.

Dr. Hodge received his B.A. from Macalester College and his M.A. and Ph.D. from Pennsylvania State University. He also taught at McMaster University in Hamilton, Ontario. He is past chair of the Association of American Geographers Urban Specialty Group and served on the Urban Directorate for UNESCO’S (United Nations Educational, Scientific and Cultural Organization) Man and the Biosphere program. He was named a University of Washington Distinguished Teacher in 1990.