

# Land Lines

Newsletter of the Lincoln Institute of Land Policy

## Revisiting the Sitcom Suburbs

Dolores Hayden

The largest of the post-World War II suburbs were the size of cities, with populations between 50,000 and 80,000, but they looked like overgrown subdivisions. In Levittown, Lakewood and Park Forest, model houses on curving streets held families similar in age, race and income whose suburban lifestyles were reflected in the nationally popular television sitcoms of the 1950s. The planning of these suburbs was often presented in the popular press as hasty, driven by the need to house war heroes returned from the Battle of the Bulge or Bataan; any problems could be excused by the rush. But, haste was not the case. Political lobbying during the 1920s, 1930s and 1940s shaped postwar housing and urban design. The postwar suburbs were constructed at great speed, but that is a different part of their story.

Postwar suburbs represented the deliberate intervention of the federal government into the financing of single-family housing across the nation. For the first



time, the federal government provided massive aid directed to developers (whose loans were insured by the Federal Housing Administration, FHA) and white male homeowners (who could get Veterans' Administration guarantees for mortgages at four percent, with little or nothing down, and then deduct their mortgage interest payments from their taxable income for 30 years). The federal government came to this policy after fierce debates involving architects, planners, politicians, and business and real estate interests.

Herbert Hoover, as secretary of commerce (1921–1928) and then as president (1929–1933), drew the federal government toward housing policy to promote home building as a business strategy for economic recovery from the Depression. Working closely with the National Association of Real Estate Boards (NAREB), Hoover's Commerce Department had established a Division of Building and Housing in 1921, and went on to establish and sup-

port Better Homes in America, Inc. By 1930, this coalition had over 7,000 local chapters composed of bankers, real estate brokers, builders, and manufacturers who lobbied for government support for private development of small homes to boost consumption.

In 1931, Hoover ran a National Conference on Homebuilding and Home Ownership that explored federal investment, discussing not only financing and construction of houses, but also building codes, zoning codes, subdivision layout, and the location of industry and commerce. President Franklin D. Roosevelt launched numerous New Deal programs in planning and housing. The National Housing Act created the FHA in 1934; the Resettlement Administration, created by Executive Order in 1935, sponsored the Greenbelt Towns; the U.S. Housing Act (Wagner Act) created the U.S. Housing Authority to sponsor public housing in 1937.

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## Sitcom Suburbs

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### The RPAA and the Labor Housing Conference

Housing activists such as Catherine Bauer and Edith Elmer Wood were members of the Regional Planning Association of America (RPAA), along with planners Lewis Mumford, Clarence Stein, and Benton MacKaye. They advocated federal support for public housing through the Wagner Act. Bauer, an architectural critic and author of *Modern Housing*, was also executive secretary of the Labor Housing Conference, which campaigned for the design of multi-family housing with child care centers and recreational amenities. Projects such as the Hosiery Workers Housing in Philadelphia and the Harlem River Houses for African Americans in New York, designed by teams of noted architects in the 1930s, demonstrated the excellence possible for multi-family urban projects. Nevertheless, conservative Republicans refused to vote for the Wagner Act in 1935 and 1936, passing it in 1937 with severe cost restrictions, means testing for tenants, and slum clearance provisions to protect private landlords. These provisions meant that design would be minimal and residents would be poor. The Labor Housing Conference members bemoaned the final result as the “Anti-Housing Act.”

### The Realtors' Washington Committee

Many of NAREB's members, large-scale land subdividers of the 1920s, were originally real estate brokerage firms, not home-builders. (They left the home building to small contractors or mail order house companies.) By the 1930s, many of these subdividers realized they could enhance profits by erecting houses on some of their lots to enhance the image of community and stability they were selling. They renamed themselves “community builders.” Herbert U. Nelson, NAREB's chief lobbyist, became executive director of the Realtors' Washington Committee, which lobbied hard for the FHA, so that federal sources of capital and guarantees of mortgages would provide a safety net for the subdividers' building operations. Both the Urban Land Institute (ULI) and the National Association of Home Builders (NAHB) formed in the early 1940s as spin-offs from NAREB.

Beginning in 1934, the FHA insured bank loans to developers so they could purchase land, subdivide it, and construct houses on it with very little of their own capital involved. These loans of 80 or 90 percent of project cost eliminated risk and were made long before the developers had buyers. In return, the developers had to agree to submit site plans and housing plans for review by the FHA, which issued booklets offering conservative advice about architecture and site design. Meant to correct the worst abuses of corrupt builders, these manuals on small houses and on “planning profitable neighborhoods” rejected regional styles, scorned modern architecture and, according to architect Keller Easterling, instituted mediocre “subdivision products.” Kenneth Jackson has documented that the FHA's concern for resale value also led it to refuse loans for racially mixed neighborhoods. Only all-white subdivisions, enforced by deed restrictions, would qualify.

The Realtors' Washington Committee supported the FHA. It also lobbied against federal government funding for any other approaches to housing, including complete towns planned by the Resettlement Administration, wartime housing for workers constructed by the government that might provide competition for private efforts, and public housing in the cities. Allied with NAREB were the U.S. Chamber of Commerce, the U.S. League of Savings and Loans, the National Retail Lumber Dealers Association, and others.

### Housing Hearings of 1947–1948

After the war ended, demand for housing was intense. People were doubled up with relatives, friends and strangers. Veterans lived in converted chicken coops and camped out in cars. The need for shelter was only expected to grow as waves of demobilized veterans, wartime savings at the ready, married and formed new households.

Although they were deeply disappointed by some aspects of the 1937 housing legislation, Catherine Bauer and other advocates of multi-family housing in urban residential neighborhoods did not retreat. They campaigned for expanded public housing through better legislation in the form of the bipartisan Taft Ellender Wagner housing bill first introduced in 1945 and supported by such groups as the AFL, the CIO and the Conference of Mayors.

These advocates found themselves in a shouting match with NAREB lobbyists who were busy discrediting public construction of shelter as “un-American” and promoting government subsidies for private housing development. Historians Rosalyn Baxandall and Elizabeth Ewen, in their book *Picture Windows*, document the hearings on housing dominated by Senator Joseph McCarthy in 1947 and 1948. McCarthy hassled proponents of public housing and planned towns. Attacking one federally funded multi-family project for veterans, he claimed the government had paid for “a breeding ground for communists.” NAREB's Herbert U. Nelson also believed public housing was communistic, whereas public support for private businesses was fine. He argued that “public credit can properly be used to help sustain home ownership and private enterprise,” and he railed against the women housing activists trying to promote affordable housing for women workers. McCarthy's committee also attacked building workers in the AFL's traditional craft unions as incompetents who produced “slack” work and would impede the postwar housing process.

McCarthy found in developer William Levitt an ally who testified that only federal aid to large private builders, coupled with abolition of zoning codes, building codes and union restrictions, could solve the postwar housing shortage. Levitt and Sons, of Long Island, became the nation's largest home building firm by 1952, creating its first postwar suburb of over 70,000 inexpensive houses on small lots. Levitt followed FHA restrictions on race, refusing to sell to African Americans, so Levittown became the largest all-white community in the nation. There was never an overall town plan for Levittown, which spanned two existing Long Island towns, Hempstead and Oyster Bay, in Nassau County. Levitt and Sons provided no sewers, relying instead on individual septic tanks, and built only residential streets that failed to connect with county and state highways. The project was all about selling houses, not about the basics of sheltering tens of thousands of people according to professional standards of housing or urban design.

By October 1952, *Fortune* magazine gushed over “The Most House for the Money” and praised “Levitt's Progress,” publishing his complaints about government interference through too-strict FHA

and VA inspections and standards. With a straight face, and despite receiving hundreds of millions of dollars of FHA financing, Levitt said, “Utopia in this business would be to get rid of the government, except in its proper function of an insurance agency.”

Meanwhile, Catherine Bauer and her allies faced the same kind of opposition they had confronted on the earlier housing bill. The 1949 Housing Act did not meet their expectations, and its provisions for demolition began the neighborhood destruction pattern that would later become “urban renewal.” With each succeeding year, fewer units of new public housing construction were authorized.

### The Two-Tier Legacy

In *Modern Housing in America*, historian Gail Radford defines the 1930s and 1940s as the time when Americans developed a “two-tier” policy to subsidize housing. Cramped multi-family housing for the poor would be constructed by public authorities, while more generous single-family housing for white, male-headed families would be constructed by private developers with government support. By separating disadvantaged women and people of color, as well as the elderly and people of low incomes, from traditional nuclear families, this policy had profound implications for urban design. Inadequate financial resources hampered multi-family housing complexes, while material resources were wasted in single-family housing production without proper urban planning. Worst of all, federal policy mystified many working-class and middle-class Americans, who saw minimal visible subsidies helping the poor but never understood that their own housing was being subsidized in a far more generous way through income-tax deductions that grew with the size of their mortgages.

Despite the greater scope for urban public amenities suggested by New Deal legislation enabling federal involvement in town building and public housing, it was the FHA’s mortgage insurance for private subdivisions that proved to have the greatest long-term effect on American urbanization patterns. As real estate historian Marc A. Weiss has stated: “This new federal agency, run to a large extent both by and for bankers, builders, and brokers, exercised great political power in pressuring local planners and government officials to conform to its requirements.” Between

1934 and 1940, Weiss concludes that “FHA had fully established the land planning and development process and pattern that a decade later captured media attention as ‘postwar suburbanization.’” Barry Checkoway notes that accounts of subdivisions “exploding” often attributed their growth to consumer choice, but in fact consumers had little choice. The well-designed urban multi-family projects Bauer and others had envisioned were not available as alternatives to the large subdivisions of inexpensive houses constructed by the big builders who now controlled the housing market.

The distrust and anger generated by the two-tier housing solution endure today. Public policy has separated affluent and poor, white and black, male-headed households and non-traditional households, young families and the elderly. Advocates of affordable housing and urban amenities often see white suburbs and their residents as the enemy, while many affluent white suburban homeowners and successful builders don’t want to deal with city problems. The two-tier solution also dampened idealism in the planning and design professions. Architects lost the chance to build large amounts of affordable multi-family housing with sophisticated designs. Regional planners lost the chance to direct the location and site design of massive postwar construction. Sixty years later, metropolitan regions are still shaped by a legacy dominated by special interests and short-sighted policies. [L](#)

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## Lincoln Lecture Series

**Lincoln House, 113 Brattle Street,  
Cambridge, MA, 12 noon.**

**The programs include lunch and  
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is required.**

**Contact: [help@lincolninst.edu](mailto:help@lincolninst.edu)**

### **Easements, Covenants and Servitudes: Traditional Limitations and Future Trends**

MARCH 7

Gerald Korngold, Dean, Case Western Reserve University School of Law

### **Recent Colombian Experiences with Value Capture**

APRIL 9

Samuel Jaramillo, Researcher, Center for Development Studies, University of the Andes, and Liliana Bonilla, Consultant, Bogotá

### **Efficient Urbanization: Economic Performance and the Shape of the Metropolis.**

MAY 14

Robert Cervero, Professor, City and Regional Planning Department, University of California, Berkeley

### **Colonias in America: Housing and Community for Whom, and on Whose Terms?**

JUNE 22

The David Fullmer Lecture  
Peter M. Ward, Professor, Department of Sociology and Lyndon B. Johnson School of Public Affairs, University of Texas-Austin

# European Property Taxation: Changing Times

Peter K. Brown and Moira Hepworth

The study of property taxation in Europe offers special challenges because each country has a different definition of land and property, and a different approach to local property taxation. The term property often includes both land and buildings, but may also include plants and machinery as well as certain possessions, such as automobiles. In Denmark, for example, separate taxes may be levied on the land and property elements of a single holding.

Among the 41 countries in our study, we identified 61 different forms of local taxation. Most are based on annual value, usually assessed on a capital or rental basis, and are payable annually. While most countries tax the sale of property at the state level, the Czech Republic, Italy, Portugal, Slovakia and Spain levy such taxes locally. Yet, amid such diversity, a basic central pattern emerges. Each country, except Malta, operates some form of annual property tax on the use or occupation of land and/or property, usually levied at the local level, and the revenues contribute to the provision of local services.

## Tax Reform and the European Union

Over the last 10 years France, Denmark, Germany, the Netherlands, Belgium, the United Kingdom and the Republic of Ireland have either completed or are in the process of completing substantial reforms to their taxation systems. Other countries have undertaken more minor reforms. Even some emerging democracies are reviewing and reforming their relatively new taxation systems in light of changes elsewhere. No individual tax exists in isolation, and all are affected by larger fiscal, economic and political developments. The reform of one tax will often have consequential effects on others, and property taxation in all its forms is no exception.

One impetus to tax reform in Europe is the European Union (EU). Fifteen of the countries in our study are members, and many other countries are in various stages of being considered for membership. Many countries are taking this opportunity



to reform and improve their tax administration systems and to make their taxation rates competitive with those of other member states. Tax harmonization is not one of the declared aims of the EU, although it may be a natural consequence of many EU policies.

The main incentive for tax reform in Europe is coming from the states themselves. In one of the first signs of the problems caused by traditional national taxation systems, the Ministry of Finance in the Netherlands noted in the early 1990s that not only were businesses locating in the most tax-favorable areas but they also were buying goods and services from other countries where tax rates and other costs were lower. The close proximity of the Netherlands to Germany, France, Belgium and Luxembourg, as well as the good transport links between the countries, exacerbated the situation.

The introduction of the Single European Market has opened internal markets to foreign competition with the removal of trade barriers and the abolition of customs duties between member states. Business

competitiveness now depends primarily on efficiency and the amount of taxation imposed by the national government, rather than on state aid and trade policies.

## Approaches to Local Taxation

### *The Taxpayer*

The majority of property taxes are payable by the owner. Of the 51 taxes we studied, 29 identified the owner as the taxpayer and 12 are paid by the occupier; the remaining 10 are sales-based taxes. The occupier figure was distorted because the United Kingdom accounted for 50 percent of this figure, due to differences in the implementation of its local taxes. In the Netherlands both parties can be taxed at different amounts. For sales-related taxes the results were less clear, with the taxpayer being the seller in half the cases and the purchaser in the other half.

### *Sources of Valuation Information*

Many countries have some form of computerized cadastral system to record property-related information, and as part of the assessment process different levels of

government usually exchange information. The nature and implementation of such systems vary considerably, from a series of different registers administered at various levels of government to a single register administered nationally.

The rights of the taxpayer to centrally held information also differ among countries. Some provide no rights to any information, while others provide notice whenever a new valuation or alteration is made. In some cases, valuation and comparable evidence may be made available at the request of the taxpayer.

### *Bases of Valuation*

Three alternative approaches for the valuation bases are used most frequently. The Capital Value Approach is normally based on the open market value of the property at a specified baseline date, which may be a current date such as the start of the tax year. Sweden designates a date two years before the tax year. This approach has the advantage of giving valuation authorities more time to consider all the evidence available before arriving at their final valuations. The open market value is usually defined on the basis of a property's best and/or highest value.

The Rental Value Approach is based on the open market rental value at a specified date. England, Wales, Scotland and the Republic of Ireland specify a baseline date some time before the new values come into effect, as in Sweden. The open market rental value may be restricted by assumptions as to changes of use and alterations. The rationale is that the tax is levied on the occupier and the amount of tax is based on the current use of the property, not its potential value.

Properties not normally bought and sold in the market require alternative approaches to valuation. For example, the use of a revenue (or accounts) approach has been adopted in England and Wales for many types of leisure-related property, and its use is expected to increase. The cost approach, related to the cost of construction, also is widely accepted in England and Wales and in other European countries.

The Overall or Unit Approach relates to a property's size. The tax is levied at a prescribed rate per square meters or per unit, which may vary depending on the predominant use of the property. These rates may be loosely based on rental or capital values,

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**TABLE 1**  
**Frequency of Revaluation of the Tax Base (Selected European Countries)**

Country	Type of Tax	Date of Last Review and/or Frequency of Review
Albania	Property Tax	No revaluations since 1994
Austria	Real Estate Tax	Mid-1980s, with some updating of the valuation base through indexation
Bulgaria	Property Tax	No information available
Czech Republic	Land Tax Property Tax	Tax imposed on the sale of property Tax base changes only when a property is altered or use is changed
Denmark	County Real Estate Tax Municipal Real Estate Tax <i>Ejendoms-værdiskat</i>	1997—every 4 years 1997—every 4 years Annual review at 1st January
Estonia	Land Tax	No revaluations since 1996
France	Property Tax Property & Land Tax Business Tax	1980—subsequent revaluation postponed; annual indexation (same for all three taxes)
Republic of Ireland	Residential Property Tax Rates	No longer applies Rolling program, between 5–10 years
Italy	Communal Real Estate Tax Tax on the gains from immovable property	No revaluation since 1993 Tax based on sale price
Macedonia	Property Tax	Annual—by change of tax rate only
Moldova	Commercial Enterprise Tax Personal Property Tax Land Tax	Annual—by change of tax rate only Annual—by change of tax rate only Tax rate fixed for 3 years, then reviewed
Netherlands	Onroerend-Goedbelasting (OGB)	1999—revaluations every 4 years
Poland	Urban Property Tax	Annual—by change of tax rate only
Portugal	Immovable Property Tax Property Tax	1988—annual indexation Imposed only on the sale of property
Romania	Building Tax Land Tax	Annual—accounts or insurance valuation Annual—by change of tax rate only
Slovakia	Land Tax	Imposed only on the sale of property
Spain	Urban Land Appreciation Tax Local Property Tax Local Business Tax (IAE)	Imposed only on the sale of property 1994—annual indexation Based on profit and rental value
Sweden	Real Estate Tax	1996; revaluations carried out on a rolling program basis every 6 years
Switzerland	Municipal Business Tax Real Property Transfer Tax	Annual—based on rent and profit Reflects market value on sale
UK—England	Council Tax Non-domestic Rating	No revaluations since 1993 2000—every 5 years
UK—Wales	Council Tax Non-domestic Rating	No revaluations since 1993 2000—every 5 years
UK—Scotland	Council Tax Non-domestic Rating	No revaluations since 1993 2000—every 5 years
UK—N. Ireland	Rates	No revaluations since 1997

## European Taxation

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but are more often an arbitrary rate fixed by the appropriate taxation authority. In 1997 the Netherlands moved away from such a system in favor of a market-related capital value approach. Many new democracies have adopted the unit approach due to a lack of property information, a limited and restricted property market, and insufficient resources to enable the development of alternative systems. It is anticipated that many of these countries will move to a value-based system when resources and circumstances permit.

A number of other approaches are used under special circumstances. One is the capital value banding approach adopted for the valuation of residential property for the Council Tax in England, Wales and Scotland. In this approach property is ascribed to various value bands rather than valuing each individual property precisely. Another example is the local business tax, which includes the value of the property plus in the case of France a percentage of salaries and in the case of Spain and Switzerland the business profits.

### Revaluation of the Tax Base

One of the key factors in examining European property tax systems is whether the valuations on which the tax is charged are up-to-date. Our research identified a very mixed picture: some countries have not revalued their tax bases for many years and others undertake revaluations regularly, every four or five years (see Table 1). Many countries have either no provision for regular revaluations or have postponed revaluations so often that their tax base bears little resemblance to current market values.

### Indexation

Many countries have attempted to overcome the problems associated with infrequent revaluations by some form of indexation. Those countries performing annual revaluations may implement them through actual annual revaluations, indexation of an earlier revaluation or self-assessment declarations by the taxpayer. While annual indexation between regular revaluations every few years may ensure a relatively accurate tax base, its use becomes more questionable when the base has not been updated for 10 or 20 years. The position is made far worse in countries where the property market is

changing rapidly, especially in major cities and towns. Any adopted index needs to be closely related to the property market in that location and to the specific property type. In most cases, however, the index is a single figure applied across the entire country and for all types of property.

### Exemptions and Reliefs

Exemptions can be considered from two viewpoints: the nature of the property or the nature of the taxpayer. In addition, some countries have introduced arrangements that place a ceiling on the amount of tax payable. Some common features relating to the types of properties for which some form of relief may be granted are:

- land owned by the state and used for the provision of public services, such as schools, hospitals, cemeteries etc., if usually exempt or excluded from the tax legislation;
- land and property used for religious purposes;
- historic land and buildings;
- agricultural land.

Relief to taxpayers takes many forms and can include:

- relief to persons of retirement age;
- relief to disabled persons;
- relief of a percentage of the tax for certain owner-occupiers or remittance of an initial amount of the tax.

### Calculating the Amount of Tax

The simplest systems for calculating tax payments adopt a given tax per square meter occupied. Once the area of the property is agreed, it is a relatively simple matter to apply a given tax rate to that area. In some countries, the assessed value must be multiplied by an index or co-efficient and then by a locally determined rate that can vary depending on the size of the authority levying the charge. In France, the situation is even worse for the business tax, where a series of limitations have to be calculated to ascertain whether a ceiling or cap applies to the taxable amount.

### Appeal Systems

Most countries have a system by which the taxpayer may challenge the tax assessment or valuation, although that action generally does not postpone the payment of the tax. In some cases the first step is an informal approach to the authority, which may be able to resolve the dispute without the need for more formal action. Where a formal

approach is adopted, the appeal may be dealt with as part of the general tax appeal process through the normal tax tribunals and courts, or it may be handled outside the normal tax system, often in courts and tribunals established for the purpose.

### Tax Collection and Payment

In many countries taxes are collected by the national tax authority, often as part of the income tax process. This method has the advantage of being linked with national exemptions and benefits; the resulting tax is usually payable over the whole tax year. Under the second common method, the tax is paid directly to the relevant taxing authority, sometimes in installments.

### Conclusion

European countries are constantly reviewing their tax systems and adopting the best features of other systems. This presents special challenges to a survey such as ours, but also enhances its potential impact by allowing comparative analysis to influence new legislation. One very important conclusion at this early stage of the research project is the importance of keeping the tax base up-to-date. This not only simplifies the entire valuation and collection process but also ensures a tax base that is more acceptable and understandable to taxpayers. During this year we propose to widen our research and complete data collection on other European countries. In addition, we will attempt to compare the amounts of revenue raised by each type of taxation and analyze them within the context of each country's local government and finance system. 

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### RELATED PUBLICATION

Peter K. Brown and Moira Hepworth. 2000. "A Study of European Land Tax Systems." Lincoln Institute Working Paper. 150 pages, \$18, WP00PB1. Also available on the Institute website ([www.lincolninst.edu](http://www.lincolninst.edu)).

# Urban Sprawl and Land Regulation in Latin America

Mario Lungo

Urban sprawl has generated many studies, discussions and policies in the United States, but in Latin America the expansion of large cities has received relatively little attention, even though very large and rapidly growing cities are a widely recognized characteristic of the region. Several reasons may explain this disparity:

- the belated urbanization process in most Latin American countries, where an economic model based on agriculture has predominated until recently;
- the strong and traditional dominance of major cities, particularly capital cities with a very concentrated pattern of spatial growth around central areas; and
- the development of illegal settlements on the urban peripheries, outside the limits of urban regulations and largely ignored by both public and private investment.

Urban sprawl in most Latin American metropolitan regions presents a landscape of poverty, informal and illegal patterns of land use, and a lack of infrastructure, public facilities and basic services. This pattern contrasts with the U.S., where suburban sprawl is characterized by residential zones for high- and middle-income groups and highly valued commercial and retail complexes that are well-connected by a transportation system favoring the automobile.

## Recent Tendencies

Demographic and economic changes are influencing the expansion of various types of new residential developments in Latin America. Ranging from large projects for middle- and low-income groups to exclusive “gated communities” for high-income groups, these residential areas sometimes coexist with huge commercial centers situated along main highways. Nevertheless, public facilities and urban services, such as public transportation, municipal water and sewer resources, and adequate access roads, are frequently unavailable for the lowest-income settlements.

The tendency toward sprawling growth in overvalued yet unserved peripheral

areas contrasts with reduced residential activity in central city areas well serviced with functional infrastructure. As these urban zones of underutilized and vacant land become less populated and more devalued, the cycle of deterioration worsens. The enigmatic relationship between controlling territorial expansion and promoting urban densification is critical to discussions of land use regulation among academics and policy makers in Latin America, and it carries over into three related land policy concerns—environmental impacts, historic preservation of older city centers, and urban competitiveness.

The study of urban sprawl and the use of new instruments of urban land regulation were the subject of two recent seminars organized in Latin America by the Lincoln Institute. The first, in association with the Planning Office of the San Salvador Metropolitan Area (OPAMSS) and the Central American University José Simeón Cañas, was held in San Salvador, El Salvador, in October 2000. The second seminar was held in São Paulo, Brazil, in collaboration with McKenzie University, in December. These seminars are elements in the development of a Latin American urban land regulation network supported by the Lincoln Institute.

## Common Concerns about Sprawl

Research results presented at the seminars and subsequent discussions about those findings revealed many common characteristics and shared concerns between cities in developing and developed countries. One overriding topic concerns the impacts of sprawling development on environmental conditions and their relationship to land use norms and regulations. Some Latin American examples are Panama City and its surrounding Canal Zone; Caracas and its adjacent coast; San José de Costa Rica and the mountains around the urbanized area; and São Paulo and its water basins. Latin American countries need to design and incorporate new market-oriented instruments for urban land regulation that take environmental concerns into account, particularly given the obsolete and restrictive regulatory instruments and approaches

now being used in many places.

A second common concern relates to quality of life and socio-spatial segregation. Unequal access to urban services and public facilities is connected to other issues such as security of tenure, poverty and social exclusion. The provision of adequate public transportation could play a central role in improving the quality of life in Latin America’s expanding cities. The current situation is exacerbated for the poor who have limited or no access to credit, cannot afford the overvalued, expensive housing in the city, and are forced to move to informal settlements on the peripheries. Because of limited transportation alternatives, they must spend many hours a day and pay a large share of their incomes to reach jobs in the city.

A third concern refers to public responsibility over urban growth controls. In most cases, territorial expansion occurs in a context of obsolete administrative jurisdictions characterized by fiscal fragmentation and disparities. Regional planning and metropolitan-wide management, either under the model of a metropolitan government or an association of local governments, is unavoidable given the overlap and competition for responsibilities among the different governmental entities trying to deal with urban land regulation. For instance, in the San Salvador Metropolitan Area, the design and use of infrastructure road systems is managed by at least three central government offices and a municipal planning bureau, creating numerous inefficiencies and conflicts.

Finally, the negative effects and costs of urban sprawl affect the competitiveness of cities throughout the Americas. Urban competitiveness is understood here as the synergistic combination of increased urban economic productivity, an improved quality of life, and the creation of new and more democratic governance relations, not only as economic productivity in general terms. The success of Barcelona’s revitalization and competitiveness during the 1990 has generated much interest and is used as a model for urban planning in several Latin American cities.

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## Sprawl and Regulation

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### The Role of Urban Land Regulation

To address these common concerns, four aspects of urban land regulation are most relevant in Latin America:

- the economic impacts of regulation;
- regulation of rights and responsibilities of landowners;
- management of the regulation process;
- the relationship between public investment and regulation.

A key point of departure is to recognize that urban land regulation processes have economic effects that often result in increased land prices, as when permits or restrictions on construction are announced. This result is closely related to concerns about the rights and obligations of landowners and is linked to traditional elitist protectionism. The economic impact of regulation offers an interesting opportunity for comparative analysis of public policies, taxation systems and conceptions of the role of land ownership in different countries, which do vary significantly despite the region's common cultural heritage and legal framework.

The economic effects of land regulation are not restricted to individual lots but have far-reaching social implications

in conjunction with job creation, and related training programs.

The second topic touches on one of the main dilemmas of urban policy: the advisability and possibility of controlling negative economic effects and the ability to capture and distribute fiscal benefits generated by land regulation. Levies such as taxes on property or on "plusvalías" and other mechanisms for capturing added land value have been applied in Latin American countries to differing degrees and with varying results. However, these policies compete with the newer, market-based approach that conceives of development rights as a commodity available to be traded in the real estate market as a way to compensate landowners for inequalities generated by regulations, as when environmental regulations limit the right to build. In a limited number of justified cases it is possible to accept this compensation approach, but not as a general rule.

The creation of new regulatory instruments needs to be conceived as a part of the overall construction of new models for urban management. Here the debate over the role of new actors and their unequal bargaining power in the land regulation process emerges very clearly. New actors include local governments, developers of informal settlements (which increasingly are becoming legalized over time), institu-

private investors, intermediate territories within metropolitan areas become increasingly important. These peripheral areas are often under pressure for both formal and informal development and thus require coordination among neighboring jurisdictions, as well as the central government and local citizen's organizations.

The relationship between land use regulation and public investment presents another concern. Large public investments in urban infrastructure and facilities have given way recently to more private investments and to different types of public-private partnerships and linkage arrangements. However, this decrease and fragmentation of public investment and the growth of private, market-driven investment has created new challenges for existing regulatory systems that are not prepared for all the complex fiscal and social implications.

### Summary

The seminar discussions can be summarized as concerns about the limits of urban land regulation given the current economic growth model, the traditional instruments of land regulation, appropriate conditions for intervention, and the role of regulating entities. The conclusion is that most Latin American countries are facing a land regulation crisis that runs parallel to the urban planning crisis that started at the end of the 1970s. Most participants agreed that to make advancements in land use planning and regulation it is necessary to intensify research and understanding about the actual functioning of urban land markets, as well as the social and political consequences of uncontrolled urban expansion of both formal and informal sectors. Table 1 outlines some priority research topics on urban sprawl and land regulation for further analysis in Latin America and for comparison with North American cities. **L**

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- Lincoln Institute of Land Policy. 2000. *Metropolitan Development Patterns. 2000 Annual Roundtable*. Cambridge, MA.
- Lungo, Mario. 2000. "Ciudad grande, país pequeño: los desafíos de la gestión metropolitana en Centroamérica", in *Repensando a experiência urbana da América Latina: questões, conceitos e valores*. Ana Clara Torres Ribeiro (organizadora). CLACSO, Buenos Aires.

TABLE 1

### Comparative Research on Urban Sprawl and Land Regulation

Priority Topics in Latin America	Differences with North America
Better understanding of the economic costs and fiscal impacts of regulation	The existence of an important informal sector
New political actors and opportunities for consensus building	Relatively recent democratic institutions and participatory processes
Land use regulatory regimes that encourage compliance	Limited capacity to implement and enforce urban norms and regulations
Regulation in the context of interjurisdictional competition for private investments	Limited local autonomy and inertia in fiscal and administrative centralization

for certain zones, and for the city as a whole, to guarantee sustainable development, environment protection and the overall competitiveness of cities. The example of Eixo Tamanduatehy in Santo André, near São Paulo, Brazil, illustrates the use of regulatory mechanisms to redevelop a large urban industrial area for new land uses, new employment opportunities

tions of multilateral aid, and the local private sector. These new actors have emerged along with the privatization of urban services, decentralization processes, and the promotion of both local development initiatives and new locally based regulations.

With the diminishing role of central governments in land regulation and the increased role of local governments and

# Introducing LEO: Lincoln Education Online

**Dennis Robinson**

**L**EO, Lincoln Education Online, is an exciting new education resource offering a variety of Internet-based courses and curriculum materials. The first two products now available through LEO are Basic Planning, an interactive course for planning board members and “citizen planners,” and Curriculum Resources on Property Taxation, a structured collection of written materials. Other online programs under development address small-lot forest management in urbanized areas and land use and transportation interactions.

The Institute views distance learning as part of a broad education strategy in which the mode of instruction is appropriate for the topic and the student. We believe that basic training programs for a large audience are well suited for distance education options, whereas debating advanced topics with colleagues and experts is more suited to a seminar format in a traditional classroom. Web-based courses offer flexibility and convenience to users who are able to pursue their education on their own schedules. Thus, these new electronic learning opportunities are designed to supplement, not replace, the Institute’s established education program of face-to-face courses, seminars, lectures and workshops.

## **Basic Planning Course**

The goal of the first LEO course, Basic Planning, is to introduce the fundamentals of planning vocabulary, concepts and processes to nonprofessional planning officials (e.g., members of planning boards, conservation commissions, zoning boards and open space committees). The course was developed by John Mullin, AICP, of the University of Massachusetts in Amherst, Zenia Kotval, AICP, of Michigan State University, and Maureen Lempke, curriculum assistant at the Lincoln Institute. In addition to their teaching experiences in urban and regional planning, each has worked extensively with planning officials around the country on a wide range of community planning projects.

The course contains 22 lessons and

five self-assessment quizzes. The curriculum is based on a multi-session classroom course that was offered at the Institute in past years. The lesson texts are supplemented with audio clips that provide examples and case studies to amplify important points; links to research papers, *Land Lines* articles and other resources on the Lincoln Institute’s website; links to other related websites; photographs; bibliographies; and interactive message boards. Each lesson takes about 30 minutes to complete.

Sample lesson topics are:

- Introduction (definitions, terms, responsibilities and expectations)
- Ten Principles of Planning
- Environmental Planning
- Transportation Planning
- The Role of Zoning
- Developing a Master Plan
- Growth Management

In addition to the lessons and quizzes, LEO contains a section for submitting comments to discussion groups, where users can share ideas and experiences with other course participants. Another section lists Frequently Asked Questions (FAQs), which will grow as more users submit questions through LEO’s email function. This course is not monitored, so users will not have direct access to the faculty. However, the faculty will read all the questions received and will attempt to address them through the regular posting of answers and comments.

Another feature of this LEO course is the opportunity to customize the material for particular states or audiences. For example, the Orton Institute, the educational arm of the Orton Family Foundation based in Rutland, Vermont, and Steamboat Springs, Colorado, is developing programs for citizen planners in those states to be offered in conjunction with the Basic Planning course.

## *Technical Considerations*

Computer-based learning is an exciting and convenient way to acquire new skills and knowledge, and LEO will be online 24 hours a day, 7 days a week. However, the user should first understand both the fundamentals of using a computer for dis-

tance learning and the frustrations inherent in a technology that is improving every day, but is not always perfect. LEO users should have a basic level of computer proficiency to successfully navigate the Basic Planning course, such as downloading various kinds of software as instructed to make LEO more interactive.

Good “response time” is another essential ingredient for minimizing computer frustration and getting the most out of the course. Because many of the lessons contain graphic images and audio clips, we recommend using a computer with at least a 56k-modem link to the Internet. LEO is designed to run with either Netscape or Internet Explorer versions 4.0 or later.

## *Registration Information*

The \$75.00 registration fee gives the authorized individual user access to the planning course for one full year. This allows ample time to study each lesson, explore the links and related materials, and participate in ongoing discussion groups. The \$200.00 registration fee for local government entities, such as planning boards or nonprofit community groups provides all board members access to the course for one full year. Financial assistance is available through the Ronald L. Smith Scholarship Program, named for a former president of the Institute.

If you are interested in reviewing the complete Basic Planning syllabus, testing a free sample lesson or registering for the course, go to the Lincoln Institute website ([www.lincolninst.edu](http://www.lincolninst.edu)) and click on the LEO button.

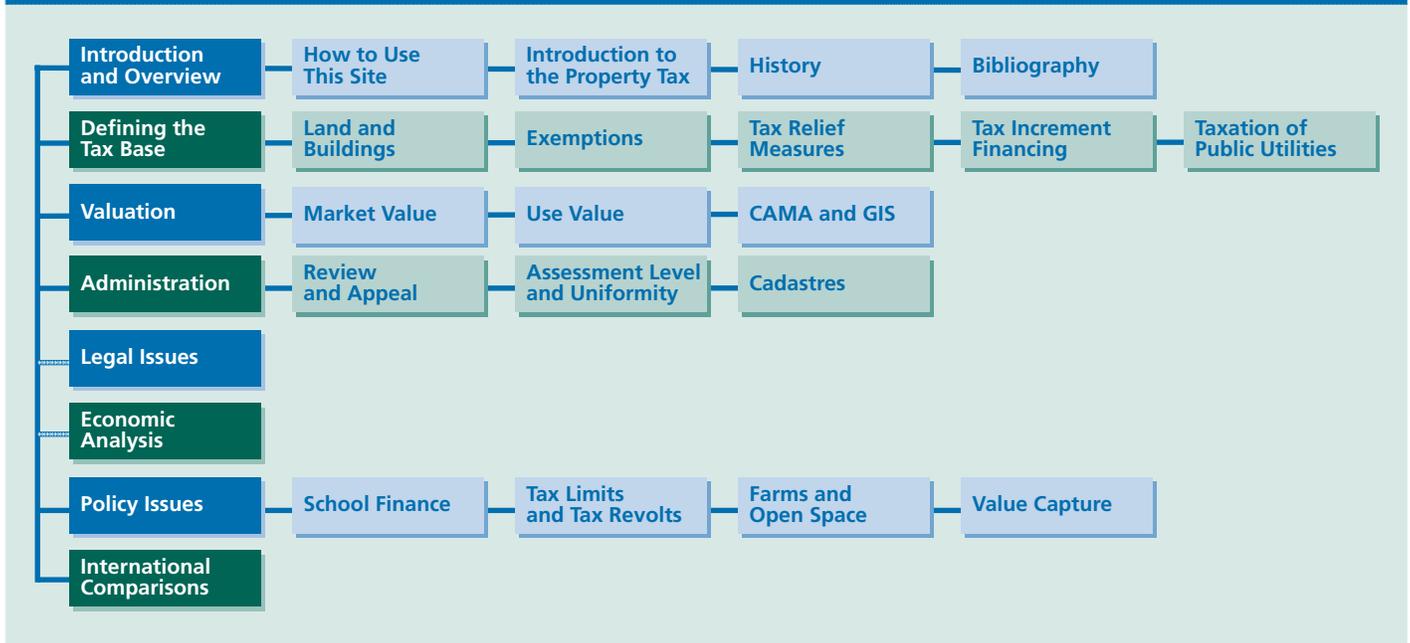
## **Curriculum Resources on Property Taxation**

The second new feature of LEO focuses on property taxation with links to working papers, *Land Lines* articles, and presentations from past Institute conferences and courses, all of which can be downloaded free of charge. The site was developed by Joan Youngman, senior fellow and director of the Institute’s Program in the Taxation of Land and Buildings, with Jane Malme, fellow of the Institute, Sally Powers, direc-

See **Education Online** page 10

FIGURE 1

## Curriculum Resources on Property Taxation



### Education Online

continued from page 9

tor of the Assessing Department for the City of Cambridge, and Michelle M. Thompson, visiting faculty in the City and Regional Planning Department of Cornell University.

The tax section of LEO has two primary functions: to allow easy access to important Institute-sponsored educational material on property taxation, and to provide an overview of the topics addressed by this program area. The materials are divided among eight categories and subsections (see Figure 1). Over time these subsections will be updated and expanded with new course materials, research reports and papers commissioned especially for LEO, as well as bibliographies, glossaries and links to other websites that address property tax issues.

These materials complement regular classroom courses offered by the Lincoln Institute by allowing students to read introductory and background material at their convenience before a course or seminar, thereby reserving classroom time for advanced presentations and discussion. The availability of material from past courses can help prospective students choose new programs best suited to their interests and needs, and allows those who have attended a course to review its content and explore other aspects of the subject matter. **L**

**Dennis Robinson**, vice president of finance and operations at the Lincoln Institute, is directing the development of LEO in conjunction with the faculty and staff named above, and with Sean Courtney, webmaster, Kim Egbert, web programmer, Laura Mullahy, research assistant, and Skip Green, president of Digital Energy Interactive, LLC. Contact: [leo@lincolninst.edu](mailto:leo@lincolninst.edu).

## Land Use Mediation

Throughout the United States, communities of all sizes are relying on a new approach to resolving land use disputes—a consensus building approach that brings all the relevant stakeholders together in a face-to-face dialogue assisted by a professional mediator. For several years the Lincoln Institute has been developing a series of courses and publications on this important and popular topic with Lawrence Susskind, professor of urban and environmental planning at Massachusetts Institute of Technology and president of the Consensus Building Institute (CBI) in Cambridge, Massachusetts.

This year we are offering the core course, Mediating Land Use Disputes, in two locations:

- Portland, Oregon, May 14–15
- Santa Fe, New Mexico, July 30–31

The tuition fee of \$250 covers all instruction sessions and exercises, lunch, and course materials. Enrollment is limited to 36 per location. **L**

### RELATED PUBLICATIONS

*Using Assisted Negotiation to Settle Land Use Disputes: A Guidebook for Public Officials*, by Lawrence Susskind, Ole Amundsen and Masahiro Matsuura.

1999, 26 pages, paper, \$12.00. ISBN: 1-55844-134-4

*Mediating Land Use Disputes: Pros and Cons*, by Lawrence Susskind, Mieke van der Wansem, and Armand Ciccarelli.

2000, 40 pages, paper, \$14.00. Policy Focus Report: PF009

"Resolving Land Use Conflicts through Mediation: Challenges and Opportunities," by David Lampe and Marshall Kaplan.

1999, 94 pages, \$14.00. Working Paper: WP99DL1

Contact the Lincoln Institute via email ([help@lincolninst.edu](mailto:help@lincolninst.edu)) or website ([www.lincolninst.edu](http://www.lincolninst.edu)) for further details about these courses and publications.

# Program Calendar

Contact: Lincoln Institute, 800/LAND-USE (800/526-3873) or [help@lincolninst.edu](mailto:help@lincolninst.edu), unless otherwise noted. Consult [www.lincolninst.edu](http://www.lincolninst.edu) for additional information about these programs.

## Urban Management

Cosponsored with the World Bank and the Planning Office of Metropolitan San Salvador (OPAMSS)  
MARCH 25–APRIL 4  
San Salvador, El Salvador  
Contact: *Alejandra Ortiz*, [aortiz@worldbank.org](mailto:aortiz@worldbank.org)

## Seminar on Land Regulation

Cosponsored with the Planning Office of Metropolitan San Salvador (OPAMSS)  
MARCH 30  
San Salvador, El Salvador  
Contact: *Mario Lungo*, [opamss1@salnet.net](mailto:opamss1@salnet.net)

## The Theory and Practice of Land Valuation: A Case Study Approach

APRIL 4  
Lincoln House  
Cambridge, Massachusetts

## Value Capture in Chile

Cosponsored with Catholic University of Chile and the Ministry of Housing and Urban Development  
APRIL 18–21  
Santiago, Chile  
Contact: *Gonzalo Caceres*, [gacere@puc.cl](mailto:gacere@puc.cl), or *Francisco Sabatini*, [fsabatin@puc.cl](mailto:fsabatin@puc.cl)

## Property Taxation Series: Improving Collection and Administration

Cosponsored with the Municipality of Porto Alegre  
APRIL 27–MAY 2  
Porto Alegre, Brazil  
Contact: *Claudia M. DeCesare*, [cmdecasare@smf.prefpoa.com.br](mailto:cmdecasare@smf.prefpoa.com.br)

## Land Reform and Emerging Property Markets in Russia

MAY 3–4  
Lincoln House  
Cambridge, Massachusetts

## Mediating Land Use Disputes

MAY 14–15  
Portland State University  
Portland, Oregon

## State Planning Directors: Northeastern States

MAY 17–18  
New Haven, Connecticut

## State Planning Directors: Western States

MAY 31–JUNE 1  
Park City, Utah

## Mediating Land Use Disputes

JULY 30–31  
University of New Mexico  
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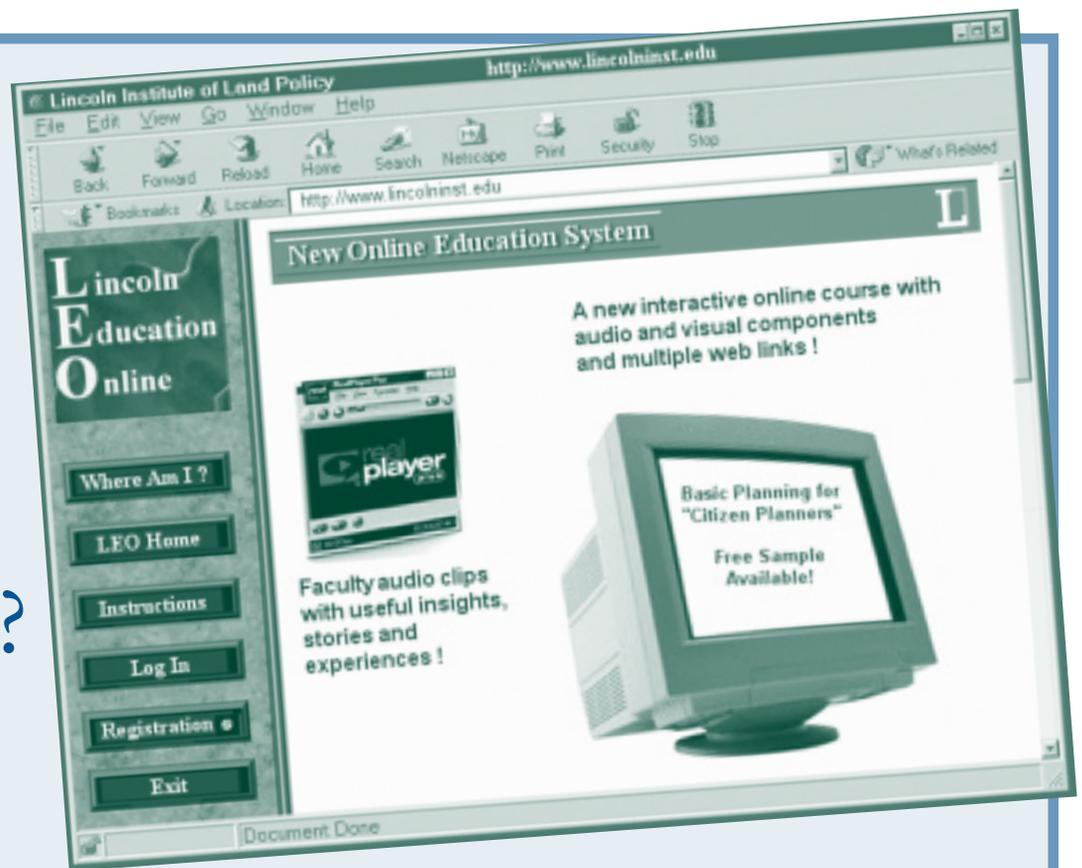
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# What's New on the Web?

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