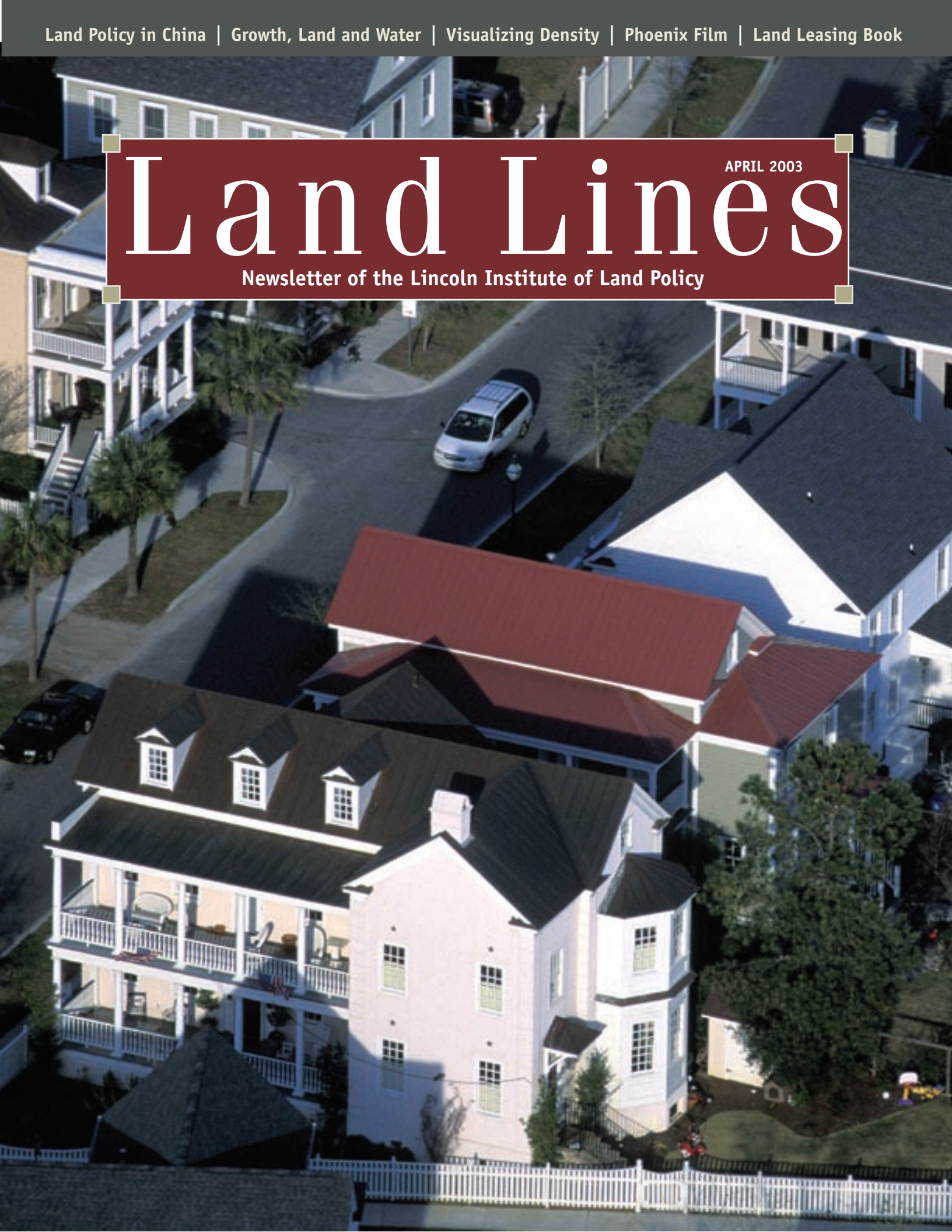


Land Lines

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The Lincoln Institute of Land Policy is a nonprofit educational institution established in 1974 to study and teach land policy and taxation. By supporting multidisciplinary educational, research and publications programs, the Institute brings together diverse viewpoints to expand the body of useful knowledge in two departments—valuation and taxation, and planning and development—and in the program on Latin America. Our goal is to make that knowledge comprehensible and accessible to citizens, policy makers and scholars in the United States, Latin America and throughout the world. The Lincoln Institute is an equal opportunity institution in employment and admissions.

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From the PRESIDENT

I am pleased to report that the Lincoln Institute has signed an agreement of understanding with the Ministry of Land and Resources in the People's Republic of China (PRC) to work together on researching and teaching about land and tax policies. Many places in the world face fundamental problems in land allocation and land taxation, but it is difficult to imagine a place and time where the resources of the Lincoln Institute could be more influential and could help more people than in China during the early twenty-first century.



Jim Brown

Land and tax policy makers in China are faced with enormous challenges as a result of the extraordinary urbanization of the past two decades. The number of established cities in China grew from 182 in 1982 to 324 in 1985, and reached 666 by 1996, and the average urban population grew by 227 percent between 1957 and 1995. Some cities grew by 200 percent from 1985 to 1995, and the urbanized area of Beijing doubled from 1985 to 1992. However, the extent of urbanization in the future will dwarf that of the recent past. Based on forecasts of population growth and migration, China must provide enough urban land and infrastructure to accommodate more than 450 million persons over the next 20 years. If all of the additional urban population were put in new cities of 10 million persons each, China would need to develop and finance 45 such cities.

China initiated fundamental and revolutionary land use reforms during the mid-1980s. The first reforms established privately held land use rights. The second set of reforms included multiple elements, such as land banking, land trusts, land readjustments, and development of land markets in both urban and rural areas. We believe that the Institute can make a real difference in assisting these reform measures by sponsoring education and training for government officials, supporting research and publications by U.S. and Chinese scholars, and facilitating more in-depth interactions through workshops and conferences.

Over the past two years the Institute has led two training programs in Beijing and participated in meetings between Chinese officials and scholars and Institute board members, faculty and staff. The Institute also sponsored several sessions on land and housing markets in the PRC at the First World Planning Congress in Shanghai in 2001. We anticipate several more training and exchange programs this year, but we believe this is still just the beginning of an expanded effort by the Institute to have a positive impact on land and tax policy in the world's most populous country. In this issue, Institute faculty associates Chengri Ding and Gerrit Knaap examine some of the recent reforms and current trends in urban land policy in China.

Urban Land Policy Reform in China

CHENGRI DING and GERRIT KNAAP

Driving around a bustling Chinese city, one can almost feel the pace of change. Just a few decades ago, China was a sleeping giant whose prominence in world affairs seemed forever relegated to its ancient past. Today China boasts one of the world's fastest growing economies and some of the most vibrant cities, and it is among the most active and interesting real estate markets.

From 1978 to 1997, gross domestic product in China grew at a remarkable 17 percent annual rate. Over the last several years, while most Western nations languished in recession, the economy of China grew at a steady 7 to 8 percent. China's population continues to grow as well. In November 2000, China's population was approximately 1.3 billion; by the year 2050 it is expected to reach 1.6 billion. Following familiar international patterns, the combination of population growth and economic expansion is manifest most prominently in Chinese cities. From 1957 to 1995, China's urban population grew from 106 to 347 million. In 1982 there were 182 Chinese cities; by 1996 there were 666.

While urbanization has led to significant improvements in the welfare of the Chinese people, it has also placed enormous pressure on China's land resources. China is the world's third largest country in land area (after Russia and Canada). But, with more than 21 percent of the world's population living on about 7 percent of the world's cultivated land, China's farmland resources are relatively scarce. Between 1978 and 1995 China's cultivated land fell from 99.4 million to 94.9 million hectares while its population rose from 962 million to 1.2 billion. Simply because of its scale, the widening gap be-

tween China's growing population and a shrinking supply of farmland has implications not only for China's ability to feed itself, but also for global food security.

To manage its land base and rapid urban expansion, the Chinese government in the early 1980s launched sweeping reforms of the structure of institutions that govern land and housing allocation. While maintaining the fundamental features of a socialist society (state or collective ownership of land), China has moved toward a system in which market forces shape the process of urbanization and individuals have greater choice over where to work and live. Among the most influential of these changes are the establishment of land use rights, the commercialization of housing, and a restructuring of the urban development process.

Land Use Rights

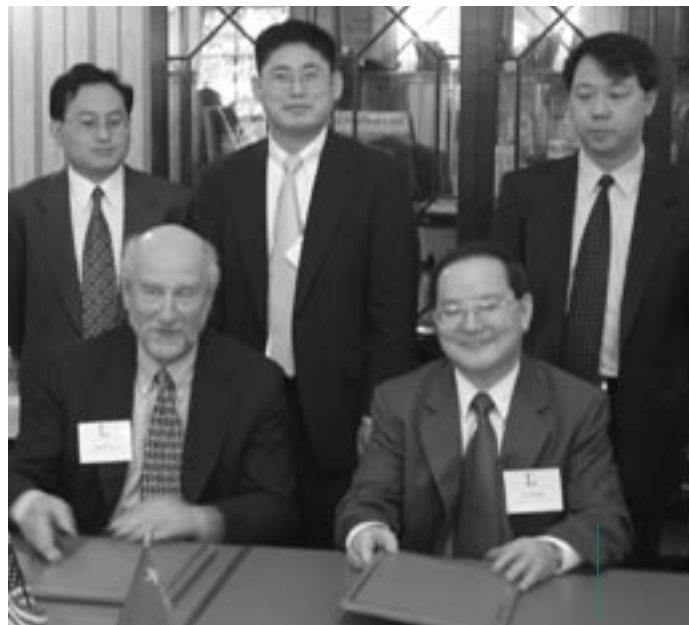
Before the People's Republic of China (PRC) was founded in 1949, land could be privately owned and legally transferred through mutual agreement, and property taxes were a key source of local public finance. Soon after the Communist Revolution, however, property use rights were radically transformed. In rural areas the

Communist Party confiscated all privately held land and turned it over to the poor. Later, peasants joined communes ("production co-operations") by donating their assets, including their land. Today, nearly all land in rural areas remains owned by farmer collectives. In urban areas, the Communist Party took a more gradual approach. While confiscating property owned by foreign capitalists and anti-revolutionaries, it allowed private ownership and land transactions to continue. Over the next two decades, however, through land confiscation, strict controls on rent and major investments in public housing, state dominance in urban land and housing markets grew. By the end of the Cultural Revolution in 1976, nearly all land was owned by collectives or by the state. Private property rights virtually disappeared and land transactions were banned.

Modern land reforms began in the mid-1980s. Following a successful experiment in Shenzhen (a Special Economic Development Zone on the border with Hong Kong), in which state-owned land was leased to foreign corporations, the Constitution was amended in 1988 so that "land use can be transacted according to the law." In 1990, China officially adopted land leasing as the

basis for assigning land use rights to urban land users.

In the current property rights regime, use rights for specified periods (e.g., 40 to 70 years) can be obtained from the state through the up-front



Kathy Foulger

H. James Brown, president of the Lincoln Institute, and Lu Xinshe, vice-minister of China's Ministry of Land and Resources, signed an agreement in September 2002 at Lincoln House. Observing the occasion are (left to right) Yang Yixin, deputy director general of the Ministry, Chengri Ding, and Wang Guanghua, director general of the Ministry's Information Center.

payment of land use fees. The fees are determined by the location, type and density of the proposed development. This separation of land ownership and use rights allows the trading of land use rights while maintaining state ownership of land. For the Chinese government, this separation offered three advantages: first, market mechanisms could help guide the allocation of land resources; second, land use fees would provide local government with a new source of revenues; and third, by retaining state ownership, social and political conflict would be minimized.

In the short period following its adoption, the new system of land use rights has had profound symbolic and measurable impacts. By embracing the concept of property rights, the system provided Chinese residents and firms with greater economic freedom and signaled to the world that China welcomes foreign investment on Chinese soil. By establishing legal rights of use, China has promoted the development of land markets, enhanced the fiscal capacity of local governments, and accelerated the advancement of market socialism. The system also created a fast-growing real estate market that is now transforming China's urban landscape.

Despite its advantages, the system created many new challenges. First, state-owned enterprises can still acquire land through administrative channels, causing price distortions and large losses of local government revenues. Second, government officials are tempted to lease as much land as possible for their own short-term gain. Since revenues from the sale of land use rights account for 25 to 75 percent of some local government budgets, future losses of revenue are inevitable as land becomes increasingly scarce. Third, there is great uncertainty about what happens when existing leases expire. Most leases stipulate, for example, that without payments for renewal, rights of use return to the state. However, it will be extremely difficult to collect such payments when hundreds or thousands of tenants share rights previously purchased by a single developer. Finally, the government lacks the ability to capture its share of rents as they increase

over time. As capital investments and location premiums rise, these losses could be substantial.

Whether land use rights and the markets they create will soon dominate the process of urban development or alter the structure of Chinese cities also remains uncertain. There is evidence that land use fees vary spatially in Chinese cities, much like prices and rents in Western cities. But it may be several decades before skylines and capital-land ratios in Chinese cities mirror those in the West. Further, fees remain set by administrative rather than competitive processes. Thus, the extent to which they will improve the allocation of land resources remains to be seen.

The Commercialization of Housing

The socialization of housing was an important element of the communist transformation. But because the communist party took a more gradual approach in urban areas, private ownership remained the dominant form of housing tenure in Chinese cities through the mid-1950s. Over the next two decades little private housing was constructed because the state owned all the land, imposed strict ceilings on rents, and generally discouraged speculative building. By the end of the Cultural Revolution in 1976, privately owned housing had virtually disappeared.

In the absence of private housing markets, shelter became part of the social wage provided by the state. Housing was not provided directly by the government but through the work unit or *danwei*, a state-owned enterprise that serves as a vehicle for structuring economic activity and social organization. The main defining feature of a *danwei* is its multi-functionality as a place of employment, residence, education and commerce. A *danwei* worker acquires housing "according to his work," a fundamental socialist allocation principle. In this system the allocation of housing is determined by social status and length of employment, not prices and incomes.

Danwei housing was an integral element of a centrally planned economy in which financial resources were planned by entire sectors (industrial, educational, health

care, and others). Housing was merely one element of these larger development projects and was constructed only if the project needed workers and those workers needed housing. Investments in housing and other services such as schools (if the project was large), canteens and daily-use grocery stores were made in conjunction with the overall project; entire communities were thus built all at once enabling workers to live close to their work. The distinctive role of the *danwei* has had a profound impact on the morphology of Chinese cities and has complicated housing policy reforms ever since.

While serving to promote socialist ideology and minimizing popular unrest, the *danwei* system had serious limitations. The combination of negligible rents and excessive housing demand placed heavy financial and production burdens on the state. Housing allocations were based on criteria such as occupation, administrative rank, job performance, loyalty and political connections. Gross inequities were common. Finally, inadequate revenue generation from rents diminished the quality of housing management and maintenance and discouraged the construction of private rental housing or owner-occupied housing by private developers.

When Deng Xiaoping came into power in 1978, he attacked the state-controlled public housing system and introduced market forces into the housing policy arena. Subsequently, the government initiated a reform program with privatization as a major component. The privatization of the state-controlled housing sector included several elements: (1) increases in rents to market levels; (2) sales of public housing to private individuals; (3) encouragement of private and foreign investments in housing; (4) less construction of new public housing; (5) encouragement and protection of private home ownership; (6) construction of commercial housing by profit-making developers; and (7) promotion of self-build housing in cities.

The dismantling of the *danwei* housing system and the commodification of housing, though far from complete, has produced rapid growth in the housing indus-

try and a substantial expansion of the housing stock. By 1992, the government share of investments in housing had fallen to 10 percent—less than the share of investment from foreign sources. In the wake of an extended housing boom, per capita living space rose from 4.2 square meters in 1978 to 7.9 in 1995.

Growing pains persist, however. Many Chinese still live in housing deemed inadequate by Western standards, and critical financial institutions remain underdeveloped. Housing for the wealthy is overabundant while housing for the poor remains scarce. Further, as space per Chinese resident rises, maintaining jobs-housing balance becomes increasingly difficult. The replacement of danwei housing with a Western-style housing market gives Chinese residents greater freedom of location, but it may lead to the deconstruction of communities in which work, leisure and commerce are closely integrated. Rising automobile ownership also may create Western-style gridlock. Furthermore, the rapid rise of commercial housing undermines the long-standing tradition in which access to affordable housing is an integral part of the social contract. As a result, the commercialization of housing, far more than a mere change in ownership structure, represents a fundamental change in the core institutions of Chinese society.

Restructuring Urban Development

Unlike many other rapidly developing nations, China is still relatively nonurbanized. In 2000, approximately 36 percent of China's population lived in urban areas, and no single metropolitan area dominated the urban hierarchy. Among the many reasons for this pattern is the government's regulation of rural-urban migration through a household registration system, or *hukou*. Every Chinese resident has a hukou designation as an urban or rural resident. Hukou is an important indicator of social status, and urban (*chengshi*) status is necessary for access to urban welfare benefits, such as schools, health care or subsidized agricultural goods. Without urban hukou status it is very difficult to live in cities. By limiting access to the benefits of urbanization,

the hukou system ostensibly served as the world's most influential urban growth management instrument.

As land and housing markets have emerged, the hukou system has weakened. Rural peasants now account for a significant portion of the urban population. As a result, China has been forced to manage urban growth, like other nations, through the conversion of land from rural to urban uses. Today, this can occur in one of two ways: (1) work units and municipalities develop land acquired from rural collectives through an administrative process; and (2) municipalities acquire land from rural collectives and lease it to developers. While providing local governments with new sources of revenues and introducing market rationality, this dual land market has introduced other complexities in the urban development process. Black markets have been created, for example, by the difference in price between land obtained virtually free through an administrative process and land leased to the private sector upon payment of fees. Work units have undertaken developments incompatible with municipal plans. And, urban sprawl has arisen in the special development zones that have proliferated in the rush to attract foreign investment.

To address these problems, the 1999 New Land Administration Law (which amended the 1988 Land Administration Law) was adopted to protect farmland, manage urban growth, promote market development, and encourage citizen involvement in the legislative process. Besides strengthening property rights, the law mandates no net loss of cultivated land. It stipulates that "overall plans and annual plans for land utilization take measures to ensure that the total amount of cultivated land within their administrative areas remains unreduced." This means that land development cannot take place on farmland unless the same amount of agricultural land is reclaimed elsewhere. As reclaimable land is depleted, urban land supplies will diminish, the cost of land reclamation will rise and ultimately that cost will be passed on to consumers. Since its implementation, the law has drawn widespread

criticism for stressing farmland protection over urban development. Due to rising incomes and larger populations, the demand for urban land will continue to increase. Given the fixed amount of land, development costs will certainly rise and gradually slow the pace of urban development.

Challenges and Opportunities

For those interested in land and housing policy, China is difficult to ignore. Through perhaps the most sweeping and nonviolent land and housing reforms the world has ever seen, China is moving from a system tightly controlled by the state to one strongly influenced by market forces. The pace at which this transformation is taking place offers rare challenges and opportunities. For land policy researchers, China offers opportunities to explore questions central to international urban policy debates: (1) how do market forces shape the internal structure of cities? (2) can markets provide safe and affordable housing for all segments of the population? and (3) are markets the primary cause of urban sprawl? For academics and practitioners involved in education and training, China offers the challenge of sharing the lessons of Western experience without encouraging the Chinese to make the same mistakes. In the process, both researchers and trainers have the opportunity to improve the process of development in the world's most rapidly urbanizing nation. **L**

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Linking Growth and Land Use to Water Supply

Over the past several years, the Lincoln Institute has sponsored executive courses for state planning directors in the Northeast and in the West. In October 2002, more than 25 planning officials from 14 western states met in Portland, Oregon, to compare their experiences, learn from each other's successes and failures, and receive briefings, lectures and case presentations. A featured panel discussion during that course addressed "The Role of Water in Managing Growth." This article provides a brief review of alternative policy options to link land use and water supply, and offers some suggestions for further research, education and policy development.

MATTHEW MCKINNEY

During the summer of 2002, many Colorado communities imposed watering restrictions as historic drought gripped the state. Along Colorado's Front Range, from Fort Collins to Colorado Springs, officials are now contemplating the possibility of adopting a coordinated program to help homeowners understand when they can, and cannot, water (Smith 2002). At the same time, Governor Bill Owens and other state officials hope to work with the Bush administration to harvest more trees in Colorado's high-country in hopes of increasing water supply (Stein 2002). The basic idea behind this proposal, based on decades of study of state forests in Colorado, is that by removing around 40 percent of all trees in an area, the runoff from spring snowmelt can be increased significantly (*Denver Post* 2003). Such a proposal could change the face of Colorado for decades to come.

The situation in Colorado is symptomatic of urban areas throughout the Rocky Mountain West, one of the fastest growing regions in the country, and one of the driest. Finding sufficient water to meet the demands of burgeoning urban areas while also providing water for agricultural, commercial, recreational and environmental uses is one of the region's most challenging land use issues.

But water is not a problem only in the West. Communities from Florida to Massachusetts experienced some form of water rationing during the summer

drought in 2002 (Snyder 2002). Frederick, Maryland, for example, has experienced a water supply crisis due to rapid growth and bad planning. After imposing a ban on new development, city officials approved an ordinance in September 2002 that will limit developers' access to water once Frederick moves beyond the immediate crisis and lifts the moratorium on construction. As further evidence of the growing need to link growth and land use with water supply, the Environmental Law Institute, the American Planning Association and other organizations cosponsored a conference in February 2003 titled *Wet Growth: Should Water Law Control Land Use?* It was cosponsored by and held at the Center for Land Resources at Chapman University School of Law in Orange, California.

Policy Options

Water and land are inseparable, yet the need to link growth with water supply in the process of making land use decisions appears to be a relatively recent phenomenon. A preliminary review suggests four prominent policy options to achieve this linkage.

Water Markets

In their 2001 report, *Water and Growth in Colorado*, researchers at the University of Colorado's Natural Resources Law Center write, "... managing growth through water policy ... is probably not an option worth considering." Their conclusion is based, at least in part, on two observations: abundant water supplies in the city of Pueblo have not spurred growth there, and

a lack of water has not restricted development in the nation's fastest-growing region, Douglas County. The authors explain that a more compelling set of issues revolve around the impact of land use and growth on water resources. The increasing demand for municipal water use tends to deplete stream-flows and thereby degrade fisheries, recreational opportunities and other environmental values; increase water pollution; foster inter-state disputes; and increase the price of water. While these impacts are undeniable and create their own set of problems, they distract us from the question of whether, and to what degree, water supply can or should direct growth.

In the West, water is considered a private property right (Getches 1984). It can be separated from the land and may be bought and sold in the free market like any other commodity. In Colorado and other western states, it is common to hear people say, "water flows uphill toward money." This means that water is reallocated to where it is most highly valued (or to those who can pay the most), as illustrated by the trans-boundary system that diverts water from the western slope of Colorado across the Continental Divide to the metropolitan areas along the eastern slope. Under this legal and institutional system, it is quite common to transfer water rights from agriculture, which accounts for about 75 percent of water use in the West, to ever-expanding urban areas.

Water markets thus facilitate growth by acquiring the water necessary for land use and urban development (Anderson and Leal 2001). But what if a community or

region is interested in managing growth to sustain some open space, wildlife corridors, and sufficient water flows for fish, recreational and other environmental values? How can water availability, or more accurately the lack of water, direct growth and land use into more desirable areas, thereby reducing conflicts with other community goals?

Public Trust Doctrine

One way is to establish priorities for water use through the political process. Article II, Section 1, of Hawaii's constitution states, "All public natural resources are held in trust by the State for the benefit of the people." Article II, Section 7, says, "The State has an obligation to protect, control, and regulate the use of Hawaii's water resources for the benefit of its people." Section 7 goes on to say that the state's water resources agency shall "establish criteria for water use priorities while assuring appurtenant rights and existing correlative and riparian uses ..." Interpreting these constitutional provisions, the Hawaii State Water Code clarifies that the state has both the authority and duty to preserve the rights of present and future generations in the waters of the state, and the state has a duty to take the public trust into account in the planning and allocation of water resources.

Hawaii's public trust doctrine is not uncommon; most western states have similar language in their constitutions (Sax 1993). Hawaii appears to be unique, however, in the degree to which it allocates water on the basis of the public trust doctrine. The state's water code declares that water should not only be allocated to domestic, agricultural, commercial and industrial uses, but also to protect traditional and customary Hawaiian rights, maintain ecological balance and scenic beauty, provide for fish and wildlife, and offer opportunities for public recreation. To achieve these purposes, the Commission on Water Resource Management is responsible for developing a water plan that allocates water on the basis of "reasonable beneficial use," and for regulating water development and use (Derrickson et al. 2002).

In 1997, the Commission issued water use permits for agricultural and other out-of-stream uses on the Waiahole Ditch water system. The decision was appealed to the Hawaii Supreme Court, which overturned the Commission decision and ruled that the public trust doctrine and the state's water code provide that, at least in this case, in-stream public uses of water receive special consideration over off-stream private uses. This and similar applications of the public trust doctrine suggest that it is possible for appropriate jurisdictions to establish priorities for water use, and then

Arizona's five active management areas were created in response to the 1980 Groundwater Management Act. Map reprinted from December 2001 Final Report of the Governor's Water Management Commission, Arizona Department of Water Resources.

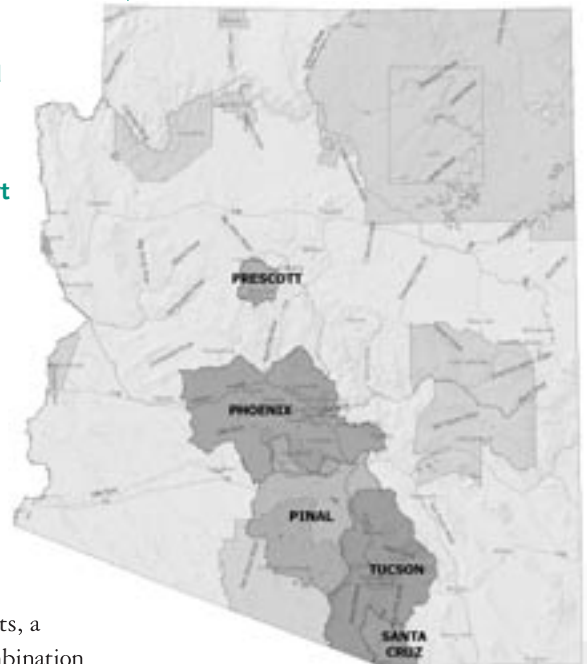
to allow the market to reallocate water rights from one use to another consistent with the priorities established by law and the political process (Sax 1993).

"Prove-it" Policies

Rather than rely on water markets, a public trust doctrine, or some combination of the two, several jurisdictions around the country have crafted policies that specifically require a link between water availability and development. According to the ordinance adopted in Frederick, Maryland, city officials will review every proposed development and decide whether the city can provide the necessary water. Under the ordinance, 45 percent of surplus water will be allocated for new residential developments, 30 percent for commercial and industrial projects, and 25 percent for other uses, including government buildings and hospitals.

Other states have adopted similar policies that require developers to prove that they have adequate water supplies prior to approving development proposals. According to Charles Unseld, the director

of Colorado's Office of Smart Growth, several communities along Colorado's Front Range are imposing such restrictions, at least on an ad hoc basis. In October 2001, California Governor Gray Davis signed Senate Bill 221, which requires developers of proposals for subdivisions of 500 units or more to prove they have water rights before they can receive final approval. While this requirement can be avoided by building smaller developments, it nevertheless represents an incremental step in directing growth according to the availability of water.



Perhaps the most sweeping policy framework linking water supply to growth is Arizona's Groundwater Management Act. Groundwater sources supply roughly one-half of the total annual demand for water in Arizona (Jacobs and Holway, undated). Like most western states, agriculture accounts for about 70 percent of water use in Arizona, although this percent is slowly decreasing as municipal demand increases and the agricultural economy declines. In response to a growing concern over groundwater mining (that is, pumping and using groundwater at a rate faster than it can naturally replenish itself), the legislature passed the Groundwater Management Act (GMA) in 1980, and it was signed by then-Governor Bruce Babbitt.

The GMA created four "active manage-

ment areas” (AMAs) around the state’s most populous areas: Phoenix, Pinal, Prescott and Tucson; a fifth AMA was created in Santa Cruz in 1993. The primary intent of the GMA is to sustain a long-term balance between the amount of groundwater withdrawn in each management area and the amount of natural and artificial recharge. This is accomplished through a combination of mandatory water conservation requirements and incentives to augment existing supplies. To help achieve the goal of “safe yield,” the GMA prevents new subdivisions from being approved in AMAs unless developers can prove that renewable water supplies are available for 100 years.

During a recent review of the GMA by a Governor’s Commission, water managers in Arizona concluded that the “assured water supply” program is responsible for much of the substantial progress that has been made in fast-growing municipalities to move away from groundwater overdraft toward renewable water supplies, including water from the Colorado River and reuse of effluent.

Another potential policy mechanism to link growth and land use to water supply is the use of urban growth boundaries (UGBs). The statutes that authorize UGBs in Oregon do not currently single out water availability as a variable for determining where the boundary should be located. However, Ethan Seltzer, director of the Institute of Portland Metropolitan Studies at Portland State University, has commented that it is not inconceivable to create a UGB within which developers would be required to prove that water is available for proposed growth.

Water and Land Management Strategies

In addition to asserting policies that explicitly link the availability of water supply to proposed development, there are other ways to meet the demand for more water to support development. Using existing water supplies more efficiently through conservation, xeriscaping and other water-saving measures can free up some water. Drought planning, water harvesting and the use of on-site gray-water systems can

also help manage supply to meet demand. Groundwater development and the conjunctive use of surface water and groundwater may be appropriate for some communities. Small-scale and off-stream water storage, while potentially expensive and environmentally controversial, also could help some communities satisfy their thirst for growth.

Another option, mentioned earlier, is to increase water supply through timber harvesting and vegetation management. While some people debate the technical merits of this option, nearly everyone must question its political feasibility. During the past decade, conservation and environmental groups have consistently challenged timber harvesting practices on federal lands throughout the West, often tying-up much needed salvage logging and restoration projects for years in the courts.

The Search for a Land and Water Ethic

A recent issue of *National Geographic* reports, “Among the environmental specters confronting humanity in the 21st century—global warming, the destruction of rain forests, over-fishing of the oceans—a shortage of fresh water is at the top of the list ...” (Montaigne 2002). In the face of what the World Bank refers to as the “grim arithmetic of water,” the author concludes that people around the world seem to emphasize two common approaches to this problem: efficient use of available water supplies, and a belief in using local solutions and free market incentives to emphasize conservation.

The relationship among water, growth and land use is a global problem that will be resolved most effectively at the local and regional level. While this article has reviewed several policy options, it is clear that there is much to be learned from other countries. More research, documentation and analysis of the effectiveness of alternative policies and practices are surely needed if the *National Geographic* story is correct: that limited water supplies are or will be the number-one environmental issue facing communities.

As we search for effective ways to integrate water, growth and land use, it is

instructive to keep in mind the “land ethic” articulated by conservationist Aldo Leopold (1949, 224-225): “A thing is right when it tends to preserve the integrity, stability, and beauty of the biotic community. It is wrong when it tends otherwise.” The land ethic, according to Leopold, is based on the premise that the individual is a member of a community of interdependent parts. It provides moral direction on relationships between individuals and society and between humans and the biotic community, which includes soil, plants and animals, or collectively, land and water. This principle should inspire and guide us as we develop effective public policies to sustain communities and landscapes. **L**

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Full Disclosure

Unexpected Improvements in Property Tax Administration and Uniformity

GARY C. CORNIA

Proposition 13, adopted by a referendum in California in 1978, was the most notable in a series of relatively recent actions to limit the property tax in the United States, and many experts view it as a watershed in state and local public finance. The property tax in virtually every state is now limited to some degree by statutorily or constitutionally imposed base restrictions, rate limits or revenue limits. These limits have influenced the use of the property tax, and there is substantial evidence that the rate of growth of the property tax has declined. The mix of funding for local expenditures also has changed, as cities, towns, counties, school districts and special districts are relying more and more on user charges, special fees, franchise fees, and local option sales and use taxes.

The limits on the property tax also have many policy and expenditure implications. There is evidence, significant in some cases and simply indicative in others, that the property tax restrictions have fostered a variety of policy outcomes in the delivery of services to citizens. Some of these tax limits have affected educational outcomes: reduced the number of teachers in classrooms, reduced the qualifications of individuals entering the teaching profession, and reduced student performance in math, reading and science.

The literature detailing the possible effects of property tax limits on local government also reports the following changes: reduced infrastructure investment by local governments, reduction in the rate of salary increases for public employees, and a shift to state-controlled revenue sources that has led to the centralization of power toward state governments (Sokolow 2000).

In this context, property tax limits may reduce intergovernmental competition and the discipline on the growth in government that results. Few observers would disagree that Proposition 13 and its imitators in other states have resulted in substantial nonuniformity in the property tax system (O'Sullivan, Sexton and Sheffrin 1995).

These outcomes illustrate the competing tradeoffs that accompany property tax

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limits. Depending on individual perspectives these consequences could be considered a plus or a minus. Supporters of Prop 13 and its derivatives want lower property taxes and less government (at least for others), but it is unlikely they also want less government for themselves. David Sears and Jack Citrin (1982) have labeled this behavior the “something for nothing” syndrome.

Therese McGuire (1999) notes that among public finance economists the advantages of the property tax for funding local governments approach “dogma.” In an opinion survey of more than 1300 Canadian and U.S. members of the National Tax Association, 93 percent of the respondents with training in economics favored the property tax as a major source of revenue for local governments (Slemrod 1995). This result probably explains why the World Bank and other international advisory groups are spending significant sums of money and offering assistance to improve and implement the property tax in devel-

oping and transitional countries. However, it also presents an interesting dilemma: experts support the property tax but voters want to limit it. Why the conflict?

Advantages of the Property Tax

The property tax provides local governments with a revenue source that they can control and avoids the strings that normally accompany fiscal transfers from a regional, state or national government. The result is local autonomy that allows local governments to select the level and quality of services demanded by local citizens. The property tax is relatively stable over the normal business cycle and provides a dependable funding source to local governments that must balance their budgets. Stability is important for certainty in operating budgets and is critical in the financing of long-term debt obligations.

The importance of a stable revenue source has been painfully exposed during the recent economic downturn in the U.S. State governments that are funded by less stable revenue sources are scrambling to balance their current and future budgets by cutting services and increasing taxes and fees. The fact that the property tax is imposed on an immobile base and is difficult to evade also makes it an attractive source of revenue for smaller governments.

Political accountability is another important element of the property tax. A noted function of a responsive tax system is one that provides price signals, or political accountability, on the cost of government to citizens. Compared to almost all other taxes, the direct and visible nature of the property tax suggests that it scores relatively high in this regard. The case for political accountability becomes even stronger when zoning for land use is in-

cluded in the discussion. Bruce Hamilton (1975) has demonstrated that the property tax, when coupled with local zoning, becomes a benefit tax that leads to efficient outcomes. The combination of property taxation and zoning is the way many public finance scholars describe the characteristics of local finance in the U.S.

Disadvantages of the Property Tax

On the other hand, the property tax is difficult to administer. It requires substantial administrative effort on the part of public officials to discover and maintain the property records of every land parcel. Even with effective methods to discover property, determining its taxable value has always been a challenge to public assessors. Unlike other sales taxes and income taxes, there is no annually occurring event to place a market value on unsold properties. Assessors must value property as if it had sold. Assessors also confront limited budgets and a finite number of trained experts.

Nevertheless, we want public assessors to value property, land and the improvements to land accurately, and to do so as inexpensively as possible. Fortunately, progress has been made in the technical area of property valuation. It is now common to find large and small taxing jurisdictions using statistically driven valuation processes to estimate property values based on carefully designed hedonic models. The technical advantages of statistically driven appraisal systems in terms of efficiency and effectiveness are substantial.

However, the advantage of accurate and timely property appraisals highlights what I believe is a fundamental problem with the property tax and why it receives such low marks from taxpayers and elected officials. When an assessor conducts a reappraisal, the outcome is likely to increase assessed property values. If there is no reduction in the tax rate that was applied to the old tax base, the local government that relies on the property tax receives a potential windfall. It is not surprising, then, that in such situations the assessor and the assessor's office are quickly identified as the villains of the tax increase. More important, these circumstances are power-

ful incentives to not reassess property regularly and thus avoid the angry backlash of property owners and voters.

Public finance experts have an expectation that the assessor will follow the legal and professional requirements and value property according to state law and professional practice. But, because of the uncertain political outcome when property is revalued, the assessor may act in self-interest, understandably being more concerned about reelection or reappointment than in ensuring that property is revalued properly. A system has been created that requires a reappraisal process and penalizes any assessor foolish enough to ignore it, but over time such avoidance behavior can foster nonuniformity in the property tax.

Political Challenges and Full Disclosure

We have solved many of the technical problems of property appraisal but not the political problems. Nevertheless, I believe there is at least one viable response to the political challenges: states and assessors can adopt a process of truth-in-taxation or full disclosure. The logic of full disclosure design is simple. A chilling effect on property tax growth is posited to occur when the "real" causes of increased property taxes are exposed to property owners. Helen Ladd (1991) states that full disclosure laws "tighten the link between taxpayer voter demand and local budgetary decisions."

The standard annual tax notice, common in thousands of local tax jurisdictions, does not create a similar chilling effect. A typical tax notice informs property owners about the assessed value of the property, often a modest percentage of market value, tax rates listed in mills, and the total taxes due. If any increases in the assessed value of properties are not offset by reduced tax rates, the new assessed values create additional revenue for the taxing authority. In fact, elected officials can honestly boast that property tax rates have not changed and thus avoid most of the responsibility for any tax increase. An analysis of the behavior of elected officials in Massachusetts found precisely this type of behavior following several cycles of increases in assessed value due to revaluations (Bloom and Ladd 1982).

A property tax full disclosure law generally proceeds in the following manner. Local taxing districts are required to calculate a rate that, when applied to the tax base, produces property tax revenue that is identical in amount to the property tax revenue generated during the previous year. The rate to accomplish this is often referred to as the certified rate; it is calculated by dividing the new assessed value into the property tax revenue from the previous year. The resulting rate is the rate that, when applied to the taxable value of the taxing jurisdiction, will generate the same amount of revenue as the previous year.

This process forces elected officials to reduce the property tax rate—or at least acknowledge that any increase is their choice. If the elected officials choose not to reduce the rate, a public notice must be given that a tax rate increase is anticipated. The public notice is generally carried in a newspaper with specific requirements about the size, placement and language of the notice. In some states a preliminary tax notice is also sent to the taxpayers before that actual budget is adopted, to announce when and where the particular budget hearings on the issue will be held.

Full disclosure laws are intended to create a system with opportunities for input on property tax rate changes and the subsequent size and mix of government, but not at the expense of informed outcomes (Council of State Governments 1977). Full disclosure laws have the aim of a process to inform citizens and limit the rate of growth in property taxes. Nevertheless, like the property tax, full disclosure laws have not enjoyed universal or even modest acclaim. Researchers hold full disclosure laws in such subdued regard that when studying the implications of property tax limitations they commonly classify states having full disclosure laws among the states having no property tax limits.

It is not surprising that many observers suspect that full disclosure laws have little influence on policy outcomes. In states with full disclosure laws, the property tax increases more rapidly than in states with legally binding limits. This suggests that, because full disclosure laws cannot prevent

all growth in the property tax, the strongest antagonists of the property tax and the often single-minded opponents to any growth in government will never find the approach acceptable.

However, I believe that full disclosure laws, like property tax limits, have other positive unintended outcomes. They may facilitate improvements in the administration of the property tax because they create a climate that fosters more frequent property tax appraisals by elected county assessors and more thorough and rigorous intervention on property tax matters by state revenue departments. If I am correct, the result is improvement in property tax uniformity. If this posited outcome is validated, then full disclosure laws can and should be judged beyond their immediate role in controlling the rate of increase in the property tax. **L**

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Urban Responses to the “Lost Decades”

As delegates to the World Social Forum (WSF) in Porto Alegre, Brazil, in January 2003, the authors examined alternatives to the neoliberal approach to urban development, to escape the negative results that are too often ignored by the media and even academia. Broad-scale, national-level alternatives to neoliberalism have been rare, but alternatives at the municipal level are more common. The authors draw from lessons in Brazil and from their home countries of Mexico, South Africa and the United States. Their lectures and seminars at the World Social Forum, and related programs at the University of São Paulo and the Federal University of Rio de Janeiro, have been supported in part by the Lincoln Institute.

PRISCILLA CONNOLLY, WILLIAM W. GOLDSMITH and ALAN MABIN

Residents of enormous districts in some of the world's largest cities suffer with miserable housing, difficult access to work, inadequate water supplies and sewerage, poor public services and exposure to violence. In many cases, conditions grew worse during the “lost decades” of the 1980s and 1990s, due to recession and cutbacks in planning and public investment. Those with faith in trickle-down improvements waited in vain for private markets to increase household incomes. Instead, in many countries the poorest three-quarters of the population suffered absolute losses.

Forced to respond to these kinds of problems, city governments contemplate new approaches to such questions as local versus national authority, productive efficiency versus neighborhood-based redistribution of services, and conflicts between plans and markets. At the municipal level the complications become painfully clear. Popular advocates of redistributive reforms struggle to survive in a hostile environment, often against strong private business interests, a privileged middle class, and conservative provincial and central governments. The problems in cities are immediate and concrete, requiring negotiation, concessions, compliance with an often-biased legal framework, and high degree of profession-



Martin Smolka

Gated neighborhoods are increasingly common in Rio de Janeiro and other cities throughout the world.

al competence and leadership. Municipal planners and activists cannot overturn the whole system, but for success they must look to exploit cracks and find institutional openings. In spite of the manifest failures of the neoliberal regimes, reformers will find no simple return to an earlier age.

This brief discussion highlights complex issues, perhaps raising questions more than answering them. How does one deal with land issues underlying most urban problems: ownership, regulation, taxation and value? How much scope is available to municipal governments to pursue economic development or to redistribute basic needs, including household income and access to land? How much difference does it make at the municipal level whether or not the national regime

is moving in progressive, redistributive directions? Complicating these issues, globalization may be intensifying, challenging cities with low-cost competition, increased transnational corporate reach, and ever-broader powers concentrated in multilateral institutions.

Land Values and Markets

The benefits of urbanization require public and private access to land, yet urban land values reflect differing degrees of access to a city’s benefits. Low bidders are excluded from more desirable land in most land markets, whether formal or irregular. The poor are pushed to the city margins or crammed into the deteriorated inner core. Weakly regulated land markets do not even guarantee economically efficient use of urban land, let alone ensure land use patterns vital to environmental survival. Local governments intervene with land use controls and taxation, or facilitate access to cheap urbanized land, in the best of cases pursuing equity, fiscal efficiency and environmental viability. Performance on all these counts is highly variable.

In Mexico, at least 60 percent of the urban population lives in areas developed by the illegal occupation of land that subsequently receives services and supports self-built (or rather, self-financed) housing. Thanks to historically ingrained traditions about the people’s right to land, informal settlements have been supported by infrastructure and service provision, regularization programs, and even credits for home improvements. Otherwise, the urban housing situation in Mexico would be much worse. During the 1980s, public institutions accrued significant land reserves, which were applied successfully in low-cost sites and services, core housing and mutual aid projects as alternatives to irregular development. But Mexico eliminated land banking, under World Bank influence, hampering the scope of planning to ensure equitable and sustainable urban development.

In recent years, mass-produced formal housing in cities has increased. In line with World Bank advice, the subsidized finance system for the salaried working classes and

middle-income sectors has been restructured, enabling commercial developers to operate on a very large scale, acquiring vast tracts of cheap greenfield sites (and some inner-city sites), and then designing, constructing and marketing industrialized housing. The initial advantages are the provision of services and the seemingly spacious suburban atmosphere. The disadvantages are inaccessibility, lack of urban amenities, reduced space standards, and lack of space for future growth. The gigantic scale of this type of development may deplete irregular settlements of middle-income residents, thus increasing social segregation.

In Brazil, municipal governments have begun to experiment with ways to regulate land use, such as property tax increases



Priscilla Connolly

Mass-produced formal housing similar to this development called Buenaventura is being built on the periphery of many Mexican cities.

linked with progressive taxation, including broad-scale exemptions for as many as half the property owners, and popular participation in decision making for regulatory changes (planning and zoning) and for investments in urban infrastructure. Many changes were first implemented by Workers Party (PT) mayors, operating in opposition to the federal and state governments, with the aid of fiscal and regulatory changes introduced in the 1988 Constitution. Now, with the PT government holding national power under President Luis Inacio (Lula) da Silva, left or center-left municipal governments may find themselves able to experiment more. Nevertheless, the obstacles are very great. Even in the relatively rich city of Porto Alegre a third of

the population lives in irregular settlements.

The South African experience since democracy was won in 1994 shows that tremendous difficulties confront those who would use public agencies to assist the poor to gain access to land. The government did succeed in subsidizing over a million families previously living in shacks and shared rooms, but almost all new houses were located at the extreme peripheries of the cities. A key progressive gain is that many large metropolitan areas are now consolidated in single municipal governments. But economic growth concerns and fiscal crises have limited the ability of the new jurisdictions to redistribute resources in favor of the poor. Planners intended to raise ample funds through taxation of high-value central land, to pay for subsidies for developments in poorer districts, but values did not follow predictions, and receipts were grossly inadequate. Land markets continue, by and large, to exclude the disadvantaged, and they haven’t yielded sufficient tax revenue. A continuing lack of coordination in the formulation of policy has seen programs in land, housing, services, public works and employment working against each other in some cases.

In the United States, nearly all land and housing development is “regular,” market-driven and dominated by private banking, real estate and development firms, and better-off households. The results are starkly unequal, pitting suburbs against much poorer central cities. Efforts to right the imbalance have generally been frustrated, because land markets do not deliver great efficiencies or fairness. The process is highly regulated, so that inequalities are generated not only by (land) markets themselves, but also by political groups such as “growth coalitions” and by fierce regulatory manipulation on behalf of privileged middle-class and wealthy districts.

The regulation of land markets through planning, land banking and taxation constitutes a broad arena for municipal intervention in land policy. Local governments have extensive potential authority and they typically have constitutional prerogatives for planning and taxation (although in practice they are still constrained by power-



Martin Smolka

Informal housing rises on environmentally sensitive hillsides above a resort pool near Rio de Janeiro.

ful national forces). They may act to support economic growth or to redistribute it, even in a conservative provincial or national climate. Local planning does constrain land markets, but often without redistributive effects, since city governments must contend with strong financial interests, patterns of privilege, and entrenched power. Professional competency and consistency are required to exploit the full potential of property registration and taxation systems, and financial decentralization limits the possibility of cross subsidies and redistributive measures.

Progressive Local Government

In spite of claims about the conservative nature of powerful constraints on the redistributive capacity of local governments, evidence from the four countries cited here suggests that municipalities may indeed find ways to redistribute public goods and services on behalf of their less well-off residents. Municipalities also may serve as laboratories for social experimentation and as sources of progressive ideological change.

In Mexico, the role of municipal and state governments in achieving more equitable cities is undisputed and constitutionally sanctioned, yet fraught with obstacles. In the 1990s, the first electoral defeats of the Revolutionary Institutional Party (the PRI, which dominated the political arena from the 1920s) were at municipal and then state levels. Throughout the country

there are genuine examples of successful innovative and socially redistributive programs run by municipal governments, such as participatory budgeting and planning, and community recycling. Mexico City's Federal District is now governed by the left-of-center Democratic Revolution Party, which also controls most of the poorer and more populous jurisdictions of the metropolitan area. In 2001, this government introduced a social investment program targeting the poorer districts, providing monthly cash payments of US \$70 in 2002 to people over seventy years, interest-free loans for home improvements in irregular settlements, and traditional public services and social assistance. Criticized from the left and right as populist and electioneering, this program is now emulated on a smaller scale by the center-right federal government and in local electoral platforms by the PRI. Despite initial positive evaluations, however, questions remain about costs for universal coverage and viability in poorer municipalities, and about reinforcing clientelism.

Brazilian experience with redistribution by municipal government has been documented in many notable cases, from giant cities such as São Paulo, to large cities such as Porto Alegre, Santo Andre and Belem, to the hundreds of smaller municipalities that have elected left-of-center administrations over the past 15 years. The case most often discussed is participatory budgeting, the innovation

that has involved more than 10 percent of Porto Alegre's residents in decisions to allocate more than one billion dollars of public expenditures on infrastructure and services. Other innovations in that city include improvements in transit services and expansion of bus lanes to challenge the hegemony of the automobile, which serves a privileged minority. Some progress has been made in housing, but local government capacity is limited.

South African municipal government has emerged only in the last two years from its long history of apartheid division and the turmoil of reform since 1994. But, new trends demonstrate innovation at the municipal scale. Although many aspects of municipal government have been "corporatized" in Johannesburg, the city is beginning to make substantial progress on the regeneration of decayed inner city areas, using a wholly owned company (the Johannesburg Development Agency) as the instrument of change. Agencies of this kind seem to be able to solve some of the problems of intricate relationships between different spheres of government—local, provincial (or state) and national—and to attract greater private interest in supporting municipal initiative.

New approaches to planning in South Africa are also starting to show signs of success. These participatory approaches bring public utility agencies and big-budget government departments, as well as citizens, into framing municipal action over the short- to medium-term. Such developments indicate that working on the linkages between different agencies is crucial for increasing effectiveness and reducing frustration during the early democratic period. Some municipalities are beginning to find ways of sharing experiences and shaping new forms of cooperation. An example is the new national Cities Network, which brings together nine of the largest municipalities in the country as a means of stimulating innovation and expanding impact.

Social and political innovation has also been documented at the municipal level in cities of various sizes throughout the U.S., often in situations that require resisting

politically conservative national trends. Very large cities such as Cleveland and Chicago developed city plans aimed explicitly at redistribution to provide assistance to needy households and deprived neighborhoods. Chicago also developed solid programs to support smaller and more local business enterprises, versus the usual beneficiaries among large firms and downtown interests. Smaller cities such as Burlington, Vermont, and Santa Monica, California, developed aggressive programs in housing and rent control aimed at helping needy constituents. As in the heralded examples of participatory budgeting in Brazil, these progressive municipal programs typically have strict limitations, because they can do little to improve the labor market and thus can offer only small improvements to household cash incomes.

Municipal efforts on land use and housing in the U.S. are often constrained by local control or “home rule,” which isolates the more numerous, wealthier suburbs that literally surround poorer central cities. The wealth and significant taxing power of these separate jurisdictions combines with a U.S. peculiarity—local financing of public schools—to burden city residents with powerful disadvantages. Since about 90 percent of U.S. children attend public schools, local control of schools is a hot-button issue in U.S. politics. Scholars construe *de jure* public suburban control as *de facto* privatization: by purchasing homes in suburbs, households are purchasing control of local schools, thereby excluding others, such as new immigrants and ethnic groups, especially African Americans.

One hears echoes of such U.S. suburban privatization and division in the rigidly separated districts and gated communities of Rio de Janeiro, São Paulo and other Brazilian cities; in the huge separations of privileged central districts and the unsegregated periphery in Mexico City; and in the surviving apartheid spatial structure of Johannesburg. We find that municipal governments do act against these inequities, at least in part because of an ideological commitment and because the resulting problems threaten their capacity to govern. Some localities may turn their limited

victories into building blocks for larger progressive structures at the national scale, as evidenced in Brazil.

National-level Urban Reform

Urban affairs is a hot issue in Brazil, and various laws, administrative practices, budgets and regulations have been brewing since the new Constitution of 1988 promised an improved status for cities. After more than a decade of extensive public debate, new legislation was enacted in the 2001 City Statute, a federal law on urban policy. The new left-of-center government led by President da Silva is betting on a new national ministry to integrate different activities and to find more effective approaches to persistent urban problems. This Ministry of Cities (*Ministerio das Cidades*) was established in early 2003 to improve housing, transit and neighborhood services for poor majorities, preserve and renovate historic centers, promote economic development, and drastically increase participation. National leaders aim to emphasize the concerns of mayors, city councils and the neediest citizens in the federal agenda. Other countries are generally a long way from such an urban policy, and the Brazilian experiment will be closely watched.

Mexico is a clear example of how constitutional rights to such things as decent housing, health and education may be considered important, but are not valued enough to guarantee their fulfillment; nor are all those good intentions laid out in the highly complex planning legislation. Even municipal-friendly constitutional amendments of the 1980s have not fully undermined the high degree of centralization of all public policy, including social spending and virtually all environmental regulation. As a result, the urban and social agendas of different levels of government are often competing rather than complementary, and are always insufficient to meet demand.

South Africa has tried to develop a new national policy in the urban field, starting with a national Urban Development Strategy after the 1994 democratic elections. But relatively little has been accomplished

since the strategy has tended to remain a paper commitment to good outcomes rather than a concrete program or a real obligation on different departments and levels of government to work together toward common goals. Part of the problem has been competition between different agencies over who should set the agenda. Diverse centers of power, from the president’s office to the finance ministry, the local government department of the national government, some of the provincial governments, and the national municipal association, are vying for position in shaping urban policy.

The lack of coherent urban policy in South Africa also must be placed in the context of the central agenda of government, which stresses not only economic growth but also the continuing empowerment of the previously disadvantaged black majority. There is by no means consensus over the roles of the cities in accomplishing either of these objectives. A single ministry addressing urban issues would seem like a dream to many observers, but other ways of achieving similar objectives by reorganizing relationships between parts of government suggest that progress can be made.

In the United States, the federal agenda for urban policy has been weak since the late 1970s, and general fiscal constraints have combined with suburban voters’ indifference to cities. These problems have been greatly exacerbated by the consequences of the terrorist attacks of September 11, 2001, by demands of the U.S. war economy, and by the conservative nature of redistribution pursued by the Bush Administration.

This range of international experience suggests that profound national changes and legislation can have immense local effects. A national government can provide fiscal, regulatory and administrative support for a whole series of municipal improvements, many of which would be eagerly implemented by local governments. National governments (and even international agreements, as in the earlier European common market) can inhibit or even prohibit such things as municipal

tax-cutting competition in pursuit of relocated private investment, thus eliminating a lose-lose situation for public budgets. But, even in the best of cases, such opportunities are limited, politically difficult and technically complicated.

Conclusions

In the context of the globalizing economy, city politicians and officials face remarkably similar uncertainties in Brazil, South Africa, Mexico and the United States. As economies have become more open, some industrial sectors have been hammered, while others have been able to take up new opportunities (such as motor vehicle exporting in South Africa) and new niches have emerged. The current geopolitical context poses challenges for city administrations; how they think about their role in this period of imported instability is significant. There is a tension between those who think that the role of city government is to frame competition with other cities, and those who see more cooperative roles.

Cities themselves need to develop capacity to formulate and implement plans. They cannot simply rely on the panoply of outside professionals and agencies that have increasingly defined urban agendas. Some of the needed sharing can fruitfully take place in an academic environment, especially where long-term research helps to inform choices. It is particularly important to widen opportunities for sharing between the city officials and scholars of the global South and the North, to the mutual benefit of both. **L**

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FACULTY PROFILE

Julie Campoli and Alex MacLean

Julie Campoli, a landscape architect, land planner and principal of Terra Firma Urban Design in Burlington, Vermont, and **Alex MacLean**, a photographer, trained architect and principal of Landslides Aerial Photography in Cambridge, Massachusetts, have worked collaboratively for more than two years to research and document the phenomenon of residential density. They have developed a catalog of more than 300 aerial photographs that illustrate a wide range of density in both established and newer neighborhoods around the country. The Lincoln Institute has supported their work, which has been presented through lectures and courses and is available as a digital working paper titled "Visualizing Density" on the Institute's website.

BELOW: Julie Campoli (left) assists Lincoln Institute course participants with a density exercise.



How did you join forces to begin this work on photographing and measuring density as a visualization tool for community planning?

We both have a longstanding interest in using visual images to illuminate land use issues. For years Alex has recorded human imprints on the land quite eloquently through his aerial photography. I am constantly experimenting with graphic techniques to communicate design ideas and to express how we shape the built environment. In our first collaboration, *Above and Beyond* (written with planner Elizabeth Humstone, APA Planners Press, 2001), we employed aerial photographs, many of which were digitally enhanced, to show how and why landscapes change over time. Our intent was to help readers understand the land development process by representing it in a very graphic way.

As we completed that book, we could see that fear of density was emerging as a



ABOVE: Alex MacLean flies his Cessna 182 on aerial photography assignments.

major obstacle to the type of compact, infill development we were advocating. It became apparent to us that, although people liked the *idea* of channeling growth into existing areas, they seemed to balk at the reality. We saw many instances where developers trying to build higher-density housing met stiff resistance from a public who equated density with overcrowding. In many communities density is allowed and often encouraged at the policy level, but it is rejected at the implementation stage, mainly because the public has trouble accepting the high numbers associated with dense development.

We became interested in this ambivalent attitude and wanted to look more closely at those density numbers. It seemed to us that a preoccupation with numbers and a lack of visual information was at the heart of the density problem. We thought that some of the graphic approaches we used in *Above and Beyond* might help people understand the visual aspects of the density issue. We wanted to translate the

numbers that were associated with various density levels into mental images, specifically to show what the density numbers mean in terms of real living places.

Why is density such a difficult concept to understand and visualize?

Anything is difficult to visualize if you have only a few pieces of information from which to conjure your mental image. Density is most often represented as a mathematical ratio. It is the number of units divided by the number of acres, or the gross floor area of a building divided by the size of its site. These measurements describe a place as a numerical relationship, which only takes you so far in being able to imagine it. Such information fails to convey the “look and feel” of density and often creates confusion in the community planning process.

An individual’s response to the issue of density often depends on past experience and the images that happen to be part of one’s visual memory. Someone might associate higher-density numbers with an image of Boston’s historic Beacon Hill neighborhood or central Savannah, but high-density development is more frequently imagined as something negative. This is the gap between density as it is measured and density as it is perceived. One is a rational process. The other is not.

What does your density catalog illustrate?

The catalog contains aerial photographs of neighborhoods in several regions of the country. They are arranged according to density level, ranging from exurban houses on 2-acre lots to urban high-rise apartments at 96 units per acre. Each site is photographed from a series of viewpoints to show its layout, details and context. The catalog can be used to compare different neighborhoods at the same density or to see how the design and arrangement of buildings changes as density levels rise. We included a wide array of street patterns, building types and open spaces, demonstrating how the manipulation of these components can create endless variations on neighborhood form.

What becomes apparent to anyone looking at the catalog is that there are many ways to shape density, and some are more appealing than others. We don’t try to suggest which images are “good” or which are “bad”; we let the viewer draw his or her own conclusions. Our hope is that after viewing the catalog people will not only have a clearer idea of what 5 units or 20 units per acre looks like, but, more important, they will be able to imagine attractive, higher-density neighborhoods for their own communities.

How do you measure density?

In the first phase of our project we focused on residential density as measured in units per acre. Using the 2000 U.S. Census, it is possible to find the number of housing units for any census block in the nation. We photographed neighborhoods across the country and calculated the number of units per acre for each site by determining the number of units from the census data and then dividing by the acreage.

Units-per-acre is a measurement commonly used in local zoning and in the



Kathy Foulger

review of development projects. It is familiar and understandable to the average person dealing with local density issues and provides a relatively accurate measure for primarily residential neighborhoods. In calculating the density of mixed-use or commercial sites, floor area ratio is a more precise measurement. We plan to extend our analysis to mixed and other uses with this measurement in the next phase of our work, to see how various design approaches can accommodate higher densities.

What is the connection between density and design?

Design plays a profound role in the success of compact development. Although it seems that the smart growth movement is confronting a density problem, it’s really more of a design challenge. It is not density but design that determines the physical character and quality of a place. This was made clear to us when we found examples of existing neighborhoods with widely varying character yet the same density. One area might have a sense of spaciousness and privacy, while another appears cramped. Different design approaches can dramatically affect one’s perception of density. This defies the commonly held belief that fitting more people into a smaller area inevitably results in a less appealing living environment. Higher densities, especially on infill sites, pose a greater challenge to designers, but they do not dictate a certain type of form or character.

As we measured the density of existing neighborhoods and assembled the catalog, we began to see specifically how design accommodates density. The most appealing neighborhoods had a coherent structure, well-defined spaces and carefully articulated buildings. They were the kinds of places that offered a lot of variety in a small area. If planners and developers want to promote density, it is essential to identify the amenities that make a neighborhood desirable and to replicate them wherever possible. Interconnected neighborhoods with high-quality public, private and green spaces, and a diversity of building types and styles, will win more supporters in the permit process and buyers in the real estate market than those neighborhoods without such amenities.

How can planners, developers and community residents use the catalog to achieve the principles of smart growth in their local decision making to design new neighborhoods?

The catalog can be used as a tool to refocus the density discussion away from numerical measurements and onto design issues. In our workshops we ask participants to



A sample page from the "Visualizing Density" catalog shows different neighborhood configurations at a similar density.

examine several photographs from the catalog showing nine neighborhoods that have a similar density but very different layouts. In articulating their impressions of the places they see, what they like and why, they are forced to think about how the design—the pattern of streets, the architecture or the presence of greenery—affects the quality of the place.

In a town planning process, if residents participate in a similar exercise, they will take the first steps toward a community vision for compact neighborhoods. They can see that the same design principles behind those preferred places can be used to create appealing dense neighborhoods in their own communities. Once they develop a vision for what they want, they can use the planning and regulatory process to guide development in that direction.

Developers of urban infill housing often find themselves on the defensive in the permit process, arguing that density does not necessarily equal crowding. The

catalog provides images that can help bolster their case. More importantly, it offers developers, architects and landscape architects visual information on historic and contemporary models of compact development. They can use the photographs to inform their design process, instilling features of the best neighborhoods into their own projects.

What are some of your conclusions about why understanding density is so important to the planning process?

Density is absolutely essential to building strong communities and preventing sprawl. It's also a growing reality in the real estate market. Instead of denying it or barely tolerating it, we can embrace density. The trick is to shape it in a way that supports community goals of urban vitality and provides people with high-quality living places. At this point though, we seem to be a long way from embracing density. It may be a deep cultural bias or simply that

many Americans are unfamiliar the benefits of density, such as more choices and convenience to urban amenities. And in many cases, they have not been shown that neighborhoods of multifamily homes, apartments and houses on small lots can be beautiful and highly valued. We hope that our residential density project and the digital catalog can provide some material to fill the void. □

JULIE CAMPOLI is principal of Terra Firma Urban Design in Burlington, Vermont, and ALEX MACLEAN is principal of Landslides Aerial Photography in Cambridge, Massachusetts. Their Lincoln Institute working paper, Visualizing Density: A Catalog Illustrating the Density of Residential Neighborhoods, is available to download at no charge on the Institute's website: (www.lincolninst.edu/pubs/workingpapers.asp). Search by author or title. Because of the large number of color images, the paper is divided into two documents. Contact: julie.campoli@verizon.net or alex@landslides.com.

PROGRAM CALENDAR

Courses and Conferences

The courses and conferences listed here are offered on an open admission basis and are presented at Lincoln House in Cambridge, Massachusetts, unless otherwise noted.

For more information about the agenda, faculty, accommodations, tuition fee and registration procedures, visit the Lincoln Institute website at www.lincolninstitute.edu/education/courses.asp or email rboff@lincolninstitute.edu.

MONDAY–FRIDAY, APRIL 7–11

Land and Building Taxation in Latin America

Martim Smolka, Lincoln Institute; and Claudia De Cesare, Municipality of Porto Alegre, Brazil

This course is designed for leading practitioners who advise and make decisions on issues related to policies and administration of property taxes in Latin America. Participants share lessons and innovative experiences, improve their access to useful information, and exchange views on polemic and complex issues of property taxation. The course examines not only theoretical aspects, but also several practices concerning policy and administration of the property tax. The curriculum includes determination of property values; property tax in the context of urban finance; principles of taxation; components and definition of the property tax base (assessment levels, valuation methods, complex properties); assessment performance; property tax rates and exemptions; property information systems (cadastre, maps and GIS); collection and appeal; analysis of the efficiency of current systems; and responsibilities for policy and administration. Formal lectures are combined with discussion of papers, analysis of practical experiences (case studies) and moderated debate among groups of participants.

TUESDAY, APRIL 22

Protecting Land with Conservation Easements: A Valuation Case Study (Series I)

James J. Czupryna, Townsend, Massachusetts; Paul V. O'Leary, West Barnstable, Massachusetts; Leslie Badham, Dartmouth Natural Resources Trust, Dartmouth, Massachusetts; and Richard Hubbard, Massachusetts Department of Food and Agriculture

All policy issues concerning value-based taxes, from the distribution of the tax burden to the impact of a tax on land use decisions, depend on a prior determination as to the meaning and computation of value for purposes of taxation. Using a specific parcel as a case study, this course offers a detailed examination of the valuation of undeveloped land. Actual documents concerning this parcel, including appraisal reports, site plans, deed restrictions and comparable sales data, will be provided to assist participants in analyzing market value before and after development. Seven hours of continuing education credits will be awarded by the Massachusetts Division of Licensure for Real Estate Appraisers and by the International Association of Assessing Officers.

FRIDAY, APRIL 25

The Homevoter Hypothesis: How Home Values Influence Local Government Taxation, School Finance and Land Use Policies

Daphne Kenyon, D.A. Kenyon & Associates, Windham, NH; and Christopher Hoene, National League of Cities, Washington, DC

Policy makers and tax practitioners will consider alternate economic interpretations of the local property tax, and their implications for tax policy choices. Dartmouth Professor William Fischel explains his analysis of the property tax as an incentive for efficient local government, as presented in his book *The Homevoter Hypothesis* (2001). A panel of economic experts and city leaders respond to Fischel's interpretation and offer their views on the role of the property tax in local government finance. Cosponsored with the National League of Cities.

MONDAY–FRIDAY, APRIL 28–MAY 2

Property Tax Policy

Jane Malme, Lincoln Institute; and Alan Dornfest, International Association of Assessing Officers (IAAO), Chicago, Illinois

This new course, developed in collaboration with the IAAO for use in their educational and certification program, provides a general introduction to the role of the property tax in a federal system of government and in an equitable and balanced tax system. It addresses the role of state and local officials in policy formation and analysis, and presents criteria for evaluation of various taxes and tax systems. The strengths and weaknesses of the property tax, and standards for property assessment and taxation are examined. The course includes thirty hours of classroom instruction and an examination. Continuing education credits will be available pending approval from the IAAO.

MAY 5–JUNE 13

Taoyuan, Taiwan

Infrastructure Planning and Urban Development

H. James Brown, Lincoln Institute; Gangadhar P. Shukla, Kennedy School of Government, Harvard University, Cambridge, Massachusetts; and John Chien-Yuan Lin, Graduate Institute of Building and Planning, National Taiwan University, Taipei, Taiwan

Over 200 billion dollars are spent each year on infrastructure in developing countries. This spending represents an enormous demand on scarce resources and has a significant impact on the form and quality of urban life. This course, held at the International Center for Land Policy Studies and Training in Taiwan, aims to prepare public officials from developing countries with basic tools to analyze the economics of infrastructure investment, to understand the impact of investment on urban environments, to develop alternative mechanisms for financing investments, and to manage the process that is necessary to get the projects done on time and within budget.

PROGRAM CALENDAR



Kathy Foulger

Jerry German explains the role of computerized approaches and statistical modeling in contemporary assessment practice.

ment of these projects; and social and urban impacts. Case studies include recuperation of deteriorated or technologically obsolete zones, historical centers and the reuse of vacant land.

Lincoln Lecture Series

The lecture series is presented at Lincoln House in Cambridge, Massachusetts, at 12 noon, and a complimentary lunch is provided. To pre-register, contact help@lincolninst.edu.

WEDNESDAY, APRIL 9

Moving to a Land Value-based Property Tax System:

A Case Study from Brazil
Claudia M. De Cesare

Secretariat of Finance, Porto Alegre City Council

WEDNESDAY, APRIL 23

Private Property Rights in the Twenty-first Century

Harvey M. Jacobs

Department of Urban and Regional Planning,
University of Wisconsin-Madison

Audio Conference Training Program for Planning Officials

This series is cosponsored with the American Planning Association (APA). All programs begin at 4 p.m., E.T. and run for one hour. For registration information, call the APA at 312-431-9100 or visit the website (www.planning.org).

WEDNESDAY, MAY 21

Planning the Physically Active Community

Americans are facing a major health crisis—obesity and the chronic diseases related to it. Is the design and function of our communities adding to the problem? Explore the dimensions of the situation and the innovative steps communities are taking to encourage walking, bicycling and other physical activity. Learn how your community can benefit.

WEDNESDAY, MAY 7

Comprehensive Planning

Armando Carbonell, Lincoln Institute; and John R. Mullin, Department of Landscape Architecture and Regional Planning, Center for Economic Development, University of Massachusetts, Amherst

This course provides an in-depth review of fundamental planning principles and the planning process. Exploring both the theoretical and practical aspects of comprehensive planning, this course is designed to equip participants with state-of-the-art tools and techniques for realizing specific planning objectives, and for framing, implementing, assessing and managing comprehensive plans. Topics include strategic and long-range planning, the land use plan, the capital improvements plan, the plan and the map, the plan and zoning, and growth management.

FRIDAY, MAY 23

The New Model of Tax Administration: The Implications of Using GIS in the Valuation Process (Series III)

Jerome C. German, Lucas County Auditors Office, Toledo, Ohio; and Michelle Thompson, Lincoln Institute

This course will consider the use of econometric models and spatial analysis in establishing value for property tax purposes. Faculty will discuss standards for evaluating models and present a demonstration of spatial valuation tools. Participants should

have a general understanding of geographic information systems (GIS) and computer assisted mass appraisal (CAMA). Continuing education credits are pending from the International Association of Assessing Officers, the Massachusetts Association of Assessing Officers and the Massachusetts Division of Licensure for Real Estate Appraisers.

MONDAY–FRIDAY, JUNE 23–27

Large-Scale Urban Redevelopment Projects: Regulations, Processes and Impact Analysis

Martim Smolka, Lincoln Institute; and Mario Lungo Ucles, Office of Planning of the Metropolitan Area of San Salvador (OPAMSS), El Salvador

Developed for experts involved in large-scale urban redevelopment, as well as for politicians and academics, this course is set in the context of the land regulation crisis in various Latin American countries and the new paradigms of urban management. Through case studies, students discuss the rationale for large-scale urban interventions, the implementation process and criteria to evaluate their impact on cities. This program includes the conceptual framework; analysis of alternative regulations (comparing punitive vs. incentive-based conditions); examination of the broader redistributive effects of land use regulation and economic investments; the role of local, state and national governments, and private sector in manage-

Making Sense of Place—Phoenix: The Urban Desert

Making Sense of Place—Phoenix: The Urban Desert is a one-hour documentary film about urban growth and change in and around Phoenix, Arizona. In only half a century, Phoenix has expanded from a small desert town into the sixth largest city in the country. Through the eyes and voices of Phoenix residents, the film explores the interrelationships both caused by and affecting individual choices, the democratic process and market forces in the region. Many factors contribute to this development pattern, which is providing homes and jobs to 100,000 new residents each year, but is also threatening the region's unique desert environment.

The film seeks to educate and inspire citizens to engage in a better-informed civic dialogue about social equity, diversity, economic opportunity and environmental quality. Viewers learn about the tensions between growth, economic development and quality of life in downtown areas, local neighborhoods and surrounding regions. While Phoenix is the case study in this film, the personal stories and narrations about the forces that shape current growth patterns are applicable to many other cities and regions across the country.

Phoenix: The Urban Desert was shot on location between September 2001 and April 2002. The film includes both original photography by Northern Light Productions and rich historical and archival footage. The producers conducted in-depth interviews with citizens who live and work in the region, local officials, and experts in land use and urban planning. Their diverse voices express how their city has changed over the decades and articulate the ongoing tensions between individual dreams and community concerns in the context of the area's rapid growth.



Educational Outreach Program

Broad educational outreach is a key component of the *Making Sense of Place* film project, and partnerships with community organizations, civic groups and other institutions will enhance the impact of the film. The goals of the outreach program are to:

- Engage diverse audiences involved in the city-making process, including citizens, land developers, local planning officials and policy makers;
- Provide a useful tool for educators who are teaching courses in urban and environmental studies, city planning and related subjects;
- Serve as a catalyst for community-oriented educational and programmatic activities;
- Encourage development of formal and informal relationships among stakeholders dealing with compelling regional planning challenges, such as the state trust land/education debate and water rights; and
- Stimulate media coverage, including radio and television discussions and op-ed and feature articles in the local press.

This outreach program seeks to raise awareness of urban development processes in American cities in general, and Phoenix in particular, and inform the participants about individual and collective actions to help shape their cities. Film screenings and follow-up programs will be offered in secondary schools, colleges and universities; public and school libraries; town

meetings and civic forums; museums; and other cultural and historical institutions.

Resource materials to be used in conjunction with the film include a moderator's guide to facilitate discussions following film screenings; a teacher's guide for classroom use; and a website (www.makingsenseofplace.org) to enhance the entire learning experience. In addition, the film is an integral part of the "Desert Cities" exhibit at the Arizona Historical Society Museum in Phoenix.

For information about film screenings and outreach opportunities in Arizona, contact Laurel Arndt, the outreach manager based at the Lincoln Foundation office in Phoenix, at 480-759-7250 or larndt@lincolninst.edu.

Phoenix: The Urban Desert was produced in collaboration with the Lincoln Institute and the Lincoln Foundation by Northern Light Productions. Founded in 1982 by independent documentary filmmaker Bestor Cram, the company is one of New England's premiere film and video production companies (www.nlprod.com).

Making Sense of Place—Phoenix: The Urban Desert

2003. 58 minutes. \$20.00 (DVD or VHS format)

Product codes: DVD001 or VHS001 (English) or VHS002 (Spanish)

A teacher's guide and other resource materials are available on request at no additional cost. Discounts are offered for teachers and for multiple-copy orders of 10 or more.

Ordering Information

To order a DVD or VHS version of the film, visit the Lincoln Institute website (www.lincolninst.edu) or the film website (www.makingsenseofplace.org), call 800-LAND-USE (800-526-3873) or email to makingsenseofplace@lincolninst.edu.

Leasing Public Land: Policy Debates and International Experiences

Leasing public land has been advocated as a viable land tenure option for former socialist countries and other transitional economies. However, the debate about land tenure has been influenced more by ideology and preconceptions than by lessons drawn from careful study of existing leasehold systems. This new publication, edited by Steven C. Bourassa and Yu-Hung Hong, offers a thorough examination of existing public leasehold systems from around the world and presents insightful recommendations for the future role of such systems. The book includes a tribute to Max Neutze (1934-2000) by his colleague Patrick Troy of the Center for Resource and Environmental Studies at Australian National University. Neutze was one of the original editors until his untimely death.

Bourassa and Hong introduce and discuss various issues and concepts of public leasehold, followed by two groups of case studies of international leasehold systems, organized into a framework for understanding the policy-making implications. The case studies are adapted from presentations at a conference sponsored by the Lincoln Institute in June 2000 in Cambridge, Massachusetts.

In their concluding chapter, the editors note that public leasehold systems cannot achieve all of the often-conflicting policy goals of land reform, although they can be effective as a tool for transitional economies. Leasehold is a flexible form of land tenure that can be designed to provide an ongoing stream of revenue to finance public infrastructure. What is crucial to the success of leasehold systems is the design and development of appropriate institutions and organizations to, among other things, clearly define property rights and values and provide for effective administration.



Part I: Introduction

1. Why Public Leasehold?
Issues and Concepts
Yu-Hung Hong and Steven C. Bourassa

Part II: Experiences from Developed Systems

2. Leasing of Publicly Owned Land in Canberra, Australia
Max Neutze
3. One Hundred Years of Public Land Leasing in The Netherlands
Barrie Needham
4. Site Leasehold in Sweden:
A Tool to Capture Land Value
Hans Mattsson
5. Public Land Leasing in Finland
Pekka V. Virtanen
6. The Land of Leaseholds: Israel's Extensive Public Land Ownership in an Era of Privatization
Rachelle Alterman
7. Policy Dilemma of Capturing Land Value under the Hong Kong Public Leasehold System
Yu-Hung Hong

Part III: Experimenting with Public Leasehold Systems

8. Tenure Choices for Urban Land Privatization in Ukraine: The Role of Leasehold
Ann Louise Strong
9. Learning from Louisiana: Leasing Military Bases
Christie I. Baxter
10. Political Economy of Public Land Leasing in Beijing, China
F. Frederic Deng
11. Long-term Public Leaseholds in Poland: Implications of Contractual Incentives
David Dale-Johnson and W. Jan Brzeski

Part IV: Conclusions

12. Rethinking the Future Role of Public Leasehold
Yu-Hung Hong and Steven C. Bourassa

STEVEN C. BOURASSA is professor and chair of the Department of Urban and Public Affairs at the University of Louisville in Kentucky. YU-HUNG HONG is assistant professor in the Department of Public Administration and Urban Studies at the University of Akron in Ohio. He is a recipient of a David C. Lincoln Fellowship in Land Value Taxation and a former visiting fellow of the Lincoln Institute. Contact: steven.bourassa@louisville.edu or hong@alum.mit.edu.

2003. 320 pages, paper. \$20.00
ISBN 1-55844-155-7

Ordering Information

Mail or fax the order form on the inside back cover of this newsletter, email to help@lincolninst.edu, or call 1-800-LAND-USE (800-526-3873).

OTHER RECENT PUBLICATIONS

In addition to publishing its own books and reports, the Lincoln Institute supports faculty associates whose research is subsequently disseminated by other publishers.

Mega-Projects: The Changing Politics of Urban Public Investment

Since the demise of urban renewal in the early 1970s, the politics of large-scale public investment in urban areas has received little scholarly attention. In *Mega-Projects*, Alan Altshuler and David Luberoff examine the forces that gave rise to a great wave of urban mega-projects in the 1950s and 1960s, that broke this wave in the years around 1970, and that have shaped a new generation of such projects in the decades since. While focusing principally on transportation mega-projects such as Boston's Central Artery/Tunnel project (the "Big Dig"), Denver International Airport, and the Los Angeles subway, they consider as well the scores of new stadiums, arenas, and convention centers built (mainly at public expense) in recent years.

Mega-Projects includes rich narratives of both national policymaking and local mobilization to bring about highway, airport, rail-transit, and downtown revitalization projects, particularly since the 1970s. The specific projects chronicled are drawn from numerous regions including Boston, Denver, Los Angeles, New York City, Chicago, Atlanta, Dallas, Portland, and Seattle. It also includes broad analyses, seeking to place the authors' findings in relation to leading theories of urban and American politics, and to appraise the most important practical consequences of policy shifts in this arena over the past half-century. In a concluding chapter, the authors examine post-September 11 developments and the potential effects of both new fiscal pressures and security concerns on the future of urban mega-projects.



ALAN ALTSHULER is the Frank and Ruth Stanton Professor of Urban Policy at Harvard University's Kennedy School of Government and its Graduate School of Design. He is also director of the Kennedy School's A. Alfred Taubman Center for State and Local Government.

DAVID LUBEROFF is associate director of the Taubman Center and an adjunct lecturer at the Kennedy School and the Design School. Their research for this book was supported in part by the Lincoln Institute. Contact: alan_altshuler@harvard.edu or david_luberoff@harvard.edu.

Mega-Projects: The Changing Politics of Urban Public Investment

Copublished by Brookings Institution Press and Lincoln Institute of Land Policy
2003. 368 pages.

ISBN 0-8157-0128-4 \$54.95 (cloth)
ISBN 0-8157-0129-2 \$22.95 (paper)

Ordering Information

Contact Brookings Institution Press, Washington, DC at 800-275-1447 or www.brookings.org/press/

Law and Illegality in the Production of Urban Space

The promotion of urban reform in Brazil, as in most Latin American and other developing countries, requires that the phenomenon of illegal urban land

development be confronted so the vicious cycle that has produced it can be broken. In this new book, published in Portuguese, 26 Brazilian jurists and urban planners address the historical dynamics established between legality and illegality, which lie at the root of the production of urban space in Brazil. The papers, selected and edited by Edésio Fernandes and Betânia Alfonsin, were presented originally at the First Brazilian Urban Law Conference in Belo Horizonte, in December 2000, with support from the Lincoln Institute. The authors critically discuss the following issues:

- instruments and experiences of land regularization;
- the management of regularization programs and political democratization movements;
- histories, strategies and perceptions underlying regularization policies and programs;
- land regularization, urban policy instruments and land markets;
- the illegality produced by the rich; and
- interfaces, loopholes and complicity of Brazil's urban legislation.

Official and unofficial responses to diverse forms of illegal practices (including land occupation to form favelas in public and private areas; irregular "clandestine" land subdivisions; and the widespread development of illegal gated communities) are



illustrated through case studies in numerous Brazilian cities: Recife, Maceio, Salvador, Belo Horizonte, Rio de Janeiro, Sao Paulo, Porto Alegre, Diadema and Vicosia.

The book makes an important contribution to the growing academic and socio-political debate in Brazil regarding the need for urban reform policies and political-institutional strategies based on a redefined, inclusionary legal order. Although they recognize that there are no easy or universal solutions, the authors use analytical and historical approaches to suggest which kinds of policies and actions should be either pursued or avoided by Brazil's governments at all levels to implement the groundbreaking legal paradigm introduced in 2001 by the internationally acclaimed City Statute, the federal law on urban policy. These lessons should be of interest to most developing countries determined to tackle the problems brought about by illegal urban land development. **L**

EDÉSIO FERNANDES is a lawyer, city planner and part-time lecturer at the Development Planning Unit of University College London. He was recently appointed director of the National Program to Support Sustainable Land Regularization in Brazil's new Ministry of Cities. **BETÂNIA ALFONSIN** is an advisor to the secretary of municipal planning in the City of Porto Alegre, Brazil, and a lecturer at Universidade Luterana in Rio Grande do Sul, Brazil. Contact: edesiofernandes@compuserve.com or betania@pro.via-rs.com.br.

A lei e a ilegalidade na produção do espaço urbano

Law and Illegality in the Production of Urban Space

Copublished in Portuguese by Editora Del Rey (Belo Horizonte, Brazil) and Lincoln Institute of Land Policy

2003. 485 pages, paper.
Brazilian Reais 50.00 (US\$15.00)
ISBN 85-7308-619-X

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www.delreyonline.com.br

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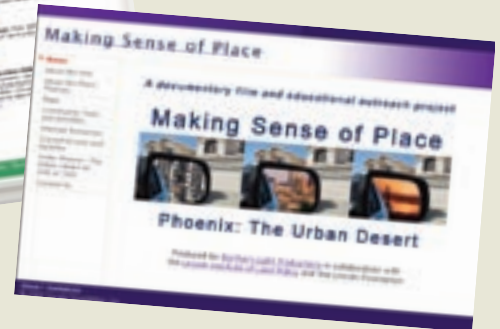
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What's New on the Web?

The Lincoln Institute's website provides a simplified interface and new features that make it easier for users to quickly obtain information on land and tax policy.



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MAKING SENSE OF PLACE

Making Sense of Place—Phoenix: The Urban Desert is a one-hour documentary film about urban growth and change in and around Phoenix, Arizona (see page 18). The Lincoln Institute has developed an additional website (www.makingsenseofplace.org) that includes the full script and explores the themes examined in the film, such as planning and making communities, desert environment and preservation, regional planning, immigration and economic development, and traffic congestion and development patterns. The website also presents maps, photographs and other graphic illustrations, lists upcoming outreach events and film screenings, and establishes links to related resources, publications and local partners. DVD and VHS versions of the film can be ordered online at the website.

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