

# Building a Balance:

HOUSING AFFORDABILITY, ENVIRONMENTAL PROTECTION, AND SMART LAND USE DECISIONS



## Some States' Selected Experiences

Regions that have implemented smart growth policies have had mixed results. While some states and municipalities have adopted policies that have been very successful, others have seen their growth policies result in unforeseen problems. The following examples demonstrate impacts of policies directed toward preserving farmland and controlling growth:

### In Maryland

Maryland has employed a wide range of programs to protect farmland, beginning in the 1950's with a state program to enact differential assessment laws. The Maryland Agricultural Land Preservation Foundation was responsible for beginning the state's Purchase of Agricultural Conservation Easement (PACE) program, where development rights to agricultural land are sold to a government or nonprofit conservation agency. Maryland has been able to leverage funding for its PACE program by requiring local governments to contribute matching funds for purchasing easements, and it also requires enrollment in agricultural districts as a condition of eligibility for PACE, which has helped stabilize the land base. Individual county programs arose in response to a decline in the state PACE. These include tax benefits for landowners who enroll in a district or sell an easement, installment options, and points systems for valuing easements that decrease the amount of time involved in the PACE process. Several counties also have effective Transfer of Development Rights (TDR) programs, which are designed not only to conserve farmland, but also encourage development on and use of existing infrastructure and developed land.

### In Washington

The state of Washington has experienced very rapid population growth, and, as a response, passed the Growth Management Act in 1990, which required fast-growing counties to develop comprehensive plans, and agricultural counties to designate important

agricultural lands. This policy had the effect of giving new powers and planning tools to conservation advocates that changed the political and legal climate in which land development and conservation issues were being determined. An urban growth boundary was also mandated for the fast-growing counties. King County provides both regulatory and incentive-based plans, including TDR programs and growth boundary regulations. Thurston County employs agricultural protection zoning; and Walla Walla County promotes integration of farmland preservation into the local planning process. These counties also promote and assist farming as a way to keep agriculture viable.

### In California

California has both types of smart growth policies; some that have not been very successful, or limited in scope, and others that have been more successful, especially those to conserve farmland. State programs include the Williamson Act, which provides tax relief to landowners who agree to a ten-year contract that limits their use of the land to agriculture or open space, along with other regulatory and funding measures. Approximately half of California's agricultural land was under contract in 1995. The state has also funded conservation easement and land purchase programs for preserving farmland. Programs to control or manage urbanization have been somewhat less successful than the farmland preservation programs. In addition to growth boundaries, California also began a program that established Local Agency Formation Commissions (LAFCOs) to contain growth to areas in and around cities, in response to the post WWII development boom, and later mandated to protect farmland as well. LAFCOs have the authority to approve or deny a city request to incorporate and annex land, and can establish and modify "sphere of influence" boundaries. LAFCOs develop their own policies and are comprised of city officials, so their effectiveness varies. In addition to these state programs, California also has many county level programs. These include agricultural protection zoning, caps on development, voter approval for zoning amendments, tax sharing plans, using sales tax revenues to support PACE programs, and agricultural marketing programs.

Growth boundary initiatives have gained in popularity in many regions of the state, driven mostly by concerns to protect open space. Development in Contra Costa County has been directed toward strictly commercial/retail use in order to generate sales tax revenues, instead of residential use, which affected the supply of affordable housing. In the case of Napa County, growth boundaries are expected to further reduce housing construction and increase housing costs. Development that has not been permitted in Napa City has occurred in other cities of the county. These policies, therefore, have not had a significant impact on preserving open space in the county or increasing density in the city.

### **In Oregon**

Growth boundaries were enacted in Portland, Oregon during the 1970s to encourage higher density development, reduce sprawl, and promote investment in the city core. In the intervening years the urban growth boundaries have accomplished all this. In addition, high rates of migration to the city have also highlighted the importance of coordinated planning efforts. Gentrification and poverty have been observed in some sections of the city as housing prices have increased. Political divisions among groups such as housing affordability advocates, no-growth advocates, developers, and others have exacerbated the debate between boundary expansion and removal options.

### **In Pennsylvania**

Lancaster County employs two strategies; one that was implemented in the 1980s is to purchase development rights of land. This has preserved almost 30,000 acres so far. The second strategy, begun in the 1990s, established growth boundaries. Lancaster's policies are similar to Portland's in that growth boundaries have been a major component of planning efforts. The county has been experiencing very high population growth rates, and is located near several large cities. Poor coordination of the growth management plans have resulted in lower densities in the city than the plan calls for, and most development continues outside of the boundaries due to a high population growth in the rural areas. The plan has not stimulated demand for high-density development, and farmland prices are now increasing, providing strong incentive for farmers to sell their land. Local residents continue to feel that boundaries are necessary to preserve Lancaster's farmland. However, non-agricultural development is the most probable future land-use pattern.

### **In New York State**

New York State is extremely diverse in its economic, geographic, and land use conditions. Many municipalities would welcome development in any form, while others are struggling to control it. Anti-sprawl and related policies have been adopted or debated in many local communities from Long Island to Erie County. As in other states, a broad array of interest groups -- ranging from environmental groups to homebuilder associations -- has participated in the debates. At state and local levels, a diverse coalition of these stakeholders has actively jockeyed for position while seeking common ground and policy influence. Most anchor themselves to a core concept: concentrating new development in or near existing developed areas to avoid sprawling haphazardly across a low density landscape.

New York has made use of mechanisms including the 1996 Clean Water/Clean Air Bond Act, the Open Space Conservation Plan, the New York State Environmental Protection Fund, and the Coastal Management Program to provide funds for communities for projects related to water and air quality improvements, open space acquisition, brownfields rehabilitation, and solid waste management. In addition, the Agricultural Districts Law provides for reduced property tax bills for land in agricultural production by limiting the assessment of such land to its prescribed agricultural assessment value.

Most of the state's municipalities have planning boards, but not all have comprehensive plans. Some counties have joined together to form regional planning commissions, and many of these are undertaking development projects that are uniquely suited to their localities. Some have created processes for involving businesses, community organizations, and interested citizens in neighborhood planning efforts. Others have focused on specific projects related to land use and economic development.

In January 2000 Governor George E. Pataki issued an Executive Order that created the Quality Communities Program. This initiative is intended to link state and local governments in efforts to foster environmentally sensitive growth and development. The Quality Communities Task Force studied state and federal programs that affect community development and has conducted community forums about growth issues around the state. The complete report by the Task Force is available at [www.state.ny.us/ltagovdoc/cover.html](http://www.state.ny.us/ltagovdoc/cover.html).

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