This brochure has been prepared by the Puget Sound Section of the American Planning Association and the Municipal League of King County. It summarizes some of the material presented in the Myths and Facts About Growth Management monograph prepared by Dr. Richard Morrill and Dr. David Hodge. Copies of the monograph in its entirety can be obtained by contacting the Department of Geography at the University of Washington.

The purpose of this brochure, as with the mongraph itself, is to facilitate better understanding of the issues surrounding growth management, and to increase public awareness of these issues.

The views and opinions expressed in this brochure and the monograph are not necessarily those of the Municipal League and the American Planning Association.

Any questions regarding monograph, the brochure and the views presented in each, should be directed to Dr. Morrill and Dr. Hodge.

A CITIZENS' GUIDE TO

THE MYTHS AND FACTS ABOUT GROWTH MANAGEMENT

Based upon a monograph prepared by:
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INTRODUCTION

Most of us in central Puget Sound agree that growth in the region has brought uncomfortable changes. We face more traffic, more pollution, higher housing costs and less green space. Because of these symptoms of growth, we have reacted against urban development. Elected officials, planners, environmental activists, and now the public at large, are clamoring for action. How do we accommodate necessary growth, while, at the same time, contain the city and preserve the environment? Our leaders and planners promise to do all three, through the techniques of **growth management**.

Other fast-growing regions — California, Florida, Texas, Georgia, Arizona — have faced these challenges. While we have adopted some of their growth management techniques, the most important lesson is to learn what hasn't been effective so that we don't make the same mistakes. First, is to recognize that not only are many of the popular ideas we hold about growth wrong or misleading, but that some growth management techniques may do more harm than good — especially to housing quality and affordability. That's the message of this brochure. Our purpose is to uncover several misconceptions or "myths" about growth and how to control it, and to identify "realities" or facts about the relations among growth, growth management, housing supply and affordability, traffic congestion and infrastructure. Our hope is that an improved understanding about how urban areas in Washington state function and change will enable all of us to develop forms of regional planning that help everyone in our state create a future we can be proud of.

MYTH: Puget Sound growth is too much and too fast; growth is "out of control."

FACT: What has really changed is not the amount or rate of growth, but people's perception and reaction to that growth.

Our region has grown rapidly for the last 50 years. During the last decade, population of the four-county region (King, Pierce, Snohomish and Kitsap), grew 22 percent. However, in earlier decades, population in Central Puget Sound increased 46, 26 and 28 percent respectively. Even in absolute numbers, our most recent growth has not been unusual, when compared historically. For example, King county grew no more in the 1980s than in the 1960s.

What has changed is our perceptions of and reactions to that growth. In the past we welcomed growth and accommodated it. In the last decade, the same amount of growth now seems threatening, exceededing our ability to accommodate it through enough roads, schools and houses.

MYTH: Our growth is being fueled by outsiders, particularly from California.

FACT: Our growth is being fueled mainly by us and by our neighbors.

It is tempting to blame our problems on newcomers. But the fact is that most of the demand for space, housing and services came from us. Fifty-four percent of our population growth during the 1980s was caused by natural increase — more births than deaths. The large majority of the need for jobs and houses is from people already here. Households increase through divorce, children leaving home, marrying and having children.

While it is true that a significant percentage of growth in central Puget Sound came from migration, most of the people came from other parts of Washington state, or from the nearby states of Oregon, Idaho, Alaska and Montana. Only one in eight came from California. Many of the migrants are relatives or friends of those of us already living here.

MYTH: *Growth can and should be shifted to areas that need and want it.*

FACT: Business will locate where it can operate efficiently and profitably.

One of the most pervasive American myths is that jobs are somehow unfairly concentrated in "too successful" areas, depriving other areas of their proper share. This idea is even built into the Growth Management Act, which aims to displace excess growth to other parts of the state. But in a free economy, it is investors and employers, not the state, who create jobs.

Ask anyone in the real estate business what the top three reasons are for buying a site, and the likely answer will be location, location and location. Businesses locate operations close to their suppliers and customers, or to where the needed labor pool exists or where it wants and can afford to live. International companies want access to the port and airport to import supplies and export goods. Local companies want access to skilled employees and convenient delivery network to their customers.

While government can use enticements to encourage decentralization, it cannot force jobs into selected geographic areas. In the long run, market forces themselves will decentralize many businesses, as firms seek cheaper or larger sites, or expanded labor markets.

MYTH: *New development primarily serves newcomers.*

FACT: New development serves mainly those of us who are already here.

New development — housing and its associated infrastructure — primarily serves those of us already living in the area. A 1988 national survey of new homebuyers found that 60 percent already lived in the county where they purchased their new homes. Local folks trade up for newer houses, leave the rental market when they have children, move closer to jobs, or relocate for a number of other reasons.

In central Puget Sound during the 1980s, population grew by 20 percent, yet households increased by 30 percent. Why? Children leaving home; marriages, divorces and separation; increases in space preferences per person; job relocation; opening new businesses. The net impact is a sizeable, locally-driven demand for housing — demand occuring even if we were not growing in population.

MYTH: Newcomers are the main reason for infrastructure shortages.

FACT: We are paying the price today for not investing in schools and infrastructure over the past several years.

Our investment priorities, both locally and nationally, have shifted over the past 15 years. Under the Reagan administration, federal revenue-sharing and grants in aid to state and local governments for infrastructure were drastically reduced in favor of social services, defense and other priorities. Locally, high interest rates and increased demand for social and health services, such as for AIDS, housing for the homeless, public health and prisons, have limited the resources available for infrastructure. Between 1970 and 1984 local per capita expenditures on highways dropped 28 percent and for capital improvements 33 percent, but were up 33 percent for welfare-related programs. We were simply unwilling or unable to keep up with infrastructure as we had in the past.

State school construction also lagged, being severely underfunded due to a downturn in timber trust land income, its primary source of funding.

Additionally, stronger environmental regulation and greater community activism slowed the process of decisions, permitting and construction, and reduced the range of possible locations. NIMBYS (Not in My Backyard) and LULUs (Local Undesiveable Land Use) entered the vocabulary as communities opposed expansion and new construction in their neighborhoods.

MYTH: Growth is the main cause of traffic congestion. Stopping development will enable us to relieve traffic problems.

FACT: Congestion is the result of the need for increased travel by people already here and by our failure to invest in roads or alternate means of transportation.

There are more cars on the road, due to higher incomes, many more working women and youths, and because we have planned for a great concentration of jobs, especially in Seattle, when the only available housing was in the far suburbs. The national usage of cars has doubled in the past 50 years, from "one-half" vehicle per commuter in 1940 to one vehicle per person today. Locally, the figures are staggering. From 1980 to 1988, vehicle miles driven in the Puget Sound area increased 75 percent, while population rose only 15 percent.

The largest increase is in suburb-to-suburb travel, not the suburb to city commute. Most of our freeways and arterials, as well as the public transit system are geared to funnel commuters into downtowns. Relatively little has been done to meet the vastly increased suburban demand for mobility. Road investment has lagged far behind household and job growth, in part because of the revenue shortfall. But also in part because of a deliberate hope that we could force people to shift to transit. Stopping a particular development will not prevent new traffic; it will only displace it to another location, perhaps making people travel even farther to work or to shop.

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

FACT: Large lot zoning creates inefficient tracts of land – too small for farming, public open space, or later development, and too large for most homeowners to afford.

The past history of large lot zoning is dismal, and is being repeated today. Segmenting rural land into 5,10 and 20 acre plots encourages the rich to preempt the land for estates; this zoning provides tax subsidies to these affluent owners because their land is classified as "rural", "open space" or "farmland."

Public access to open space diminishes. Rather than protect the land for public use, it restricts the potential for regional parks, trail networks and other public recreational facilities. The mini-estate owners become an effective NIMBY lobby against development if the region wants it in the future. And these sizes of parcels are especially inefficient for later subdivision at higher densities.

MYTH: *A tightly-drawn urban growth boundary will accommodate long term needs for housing inside, while preserving open space and rural economies outside.*

FACT: Land owners within the boundary will demand and get much higher prices, impacting housing supply and affordability. Growth and commuting will leapfrog to distant communities.

An urban growth boundary is a crude and simplistic tool that ignores the realities of how and why cities grow. It is a form of large-scale zoning attempting to increase density and encourage infilling within the boundary, and to preserve open space and rural land uses outside it. Urban growth boundaries assume that land within the boundary is buildable and on the market, and that the land outside the boundary is environmentally sensitive. In reality, much of the land within the boundary is not on the market, or is unavailable for environmental reasons, while most of the buildable land is inconveniently outside the boundary. The rational landowner within the boundary tends to hold the land to reap excess capital gains as the market inevitably tightens. The result is to constrain the supply of land, raising its price and therefore raising housing prices.

Disrupting land and housing markets by restricting the supply of land below demand is socially and economically destructive. It encourages leapfrogging of development to less-restrictive jurisdictions and into neighboring counties. The result is longer commutes and greater dependence on the car. It is a major reason for the far more rapid than expected growth of Enumclaw, Duvall, North Bend, and Pierce and Snohomish counties, and for the rise in commuting from Kittitas, Island and Skagit counties.

MYTH: Large scale developments are more disruptive than many small projects.

FACT: Large development projects provide for roads, open space and other amenities that are often afterthoughts or impossible with many small projects occurring over time.

Because large developments are more visible, the perception is that these projects have more severe impacts on traffic and the environment. The reality is just the opposite. Master-planned developments are much less disruptive in almost every way, providing far more efficient use of the land than can be achieved by many small developments. Large tracts permit innovative road placement, allow for cluster design, a mix of sizes and styles and costs, and preserve open space and public amenities.

The far less efficient alternative is to build hundreds of smallscale subdivisions and short plats on small acreages. While psychologically easier to accept at the time, these more numerous developments require twice the total acreage for a given population than a well-designed master planned development, and they tend not to mitigate traffic congestion or provide other amenities incorporated into large projects.

MYTH: Concurrency will insure that adequate infrastructure matches demand.

FACT: Failing to build infrastructure in the past has created a backlog which may prevent concurrency from being a realistic option; it may be used as an excuse to stop all growth.

Concurrency policies require adequate infrastructure to be in place or simultaneously build in order for development to occur. It sounds reasonable; the problem is that many jurisdictions, potentially even whole counties, may want to slow growth or not accept much growth in an effort to avoid capital expenditures or higher taxes to finance infrastructure improvements. They will have a great incentive to adopt unrealistically low growth forecasts. The existing shortfall of capital investment can well be used as an excuse to reject future development proposals, by imposing moratoria — the most disruptive and destructive form of market intervention. To the extent that growth occurs anyway, especially as vacant properties are developed, the result may be increased congestion, water management problems, and escalating housing costs. The idea of concurrency is sound. But to work fairly, there has to be an honest and realistic acceptance of likely growth. Experience elsewhere show that the tool has been applied inconsistently.

MYTH: *New development is a net cost to society; developers should pay the full costs in the form of fees and exactions.*

FACT: Urban development is an investment, which repays society over time. Concentrating payment for development only on new owners raises the price of all homes.

Residential, commercial and industrial development is not a net long-term cost or burden, but repays itself over time through taxes and the contributions of the new citizens or activities. If all internal and external costs are to be paid up front by developers, the actual costs will be experienced by homeowners through higher housing prices. Fees can add as much as $15,000 to the cost of a home; unfortunately such inflation of costs of new homes simultaneously raise the sale prices of existing homes. For generations, almost all new development has provided its internal infrastructure and has provided assistance or mitigation to the wider community through access roads, utility extensions, schools and park land. New residents assume their share of the debt burden for past projects of the community.

It is not only the local residents, workers and shoppers who benefit from the new development, but the wider community. Public education is a classic example. Under the impact fee doctrine, only people with children in school should pay for schools. When related to new development, the doctrine becomes even more ridiculous. Should the retired home buyer who purchases a smaller, new home incur the developer fee for schools, while a neighbor with children purchasing a larger existing home, does not? Excessive development fees unfairly concentrate costs on people who are not yet voters, in order to avoid asking existing voters to accept their fair share.

MYTH: *Open space can be preserved by zoning.*

FACT: Open space benefits everyone, and is most effectively and fairly protected when purchased by the public.

Zoning is a risky, uncertain and unfair way to preserve open space. First, the courts have limited the ability of zoning to lock up large tracts of privately-owned land without compensation to the owner. Second, successive governments or market pressures can and do bring about selective re-zoning with the result of a slow, contagious, endless extension of the urban area. Third, such overly-restrictive zoning benefits city populations who are not paying for open space and rich households who can afford to purchase the protected states. And, fourth, it stops every-day people from making a return on land they may have owned for a long time with the idea of using it as a long-term investment, such as for retirement or their kids education.

The only secure and economically fair way is for urban residents to realize that open space is not “free”, but a socially desired goal. If we want to preserve it against normal market forces, we should buy the land or its development rights outright for that purpose.

MYTH: *Public transit is more efficient than the car.*

FACT: Public transit serves one part of mobility needs; the car and truck are better for many needs. A mix of transportation modes overcomes the limitations of mass transit.

Public transit is useful for carrying large numbers of people to concentrated job centers, and is needed by individuals who don't have cars. But most jobs and activities aren't concentrated, although if mass transit were now in place it would certainly spur concentrations near its service lines and stations. Regardless, commuters not only travel to work, but also use their cars for other purposes, such as taking children to daycare, shopping or running errands over lunch.

It's intuitively obvious that mass transit should be part of the transportation mix of services — but to what extent? For metropolitan areas like Seattle and Portland, mass transit accounts for only 3 to 4 percent of all urban trips, and only 8 to 9 percent of all work trips. Even a 50 percent increase in transit ridership, a virtually impossible achievement, would only boost the total market share to 6 percent. Mass transit can and should play a vital role in relieving congestion, but must not be allowed to preempt capital investment for the road system that must carry the ever-increasing and unstoppable use of automobiles. What is also needed is a whole range of "transportation demand" tools designed to raise the average occupancy per vehicle.

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

FACT: Employers need a wide range of locations and site characteristics for profitable operation, necessitating flexible zoning and mixed land use.

Growth management plans for the region are trying to recreate a 19th century image of an ideal city. The assumption is that if jobs were concentrated in a few centers, they would be more efficiently served by public transit. But although transit use might rise, so would congestion and long distance commuting. In reality, many companies have decentralized because it is economically more efficient, more productive and more convenient for owners, workers and consumers. Most businesses would fail if forced into a few dense employment centers.

An alternative strategy is a greater jobs-housing balance by increasing jobs in communities which now have a large surplus of workers. Balancing jobs and housing requires removing impediments to mixed-used zoning and creative planning, not implementing rigid mathematical quotas.

MYTH: *Growth management does not affect housing supply, prices or affordability. It is growth that raises housing prices.*

FACT: **Any attempt to contain or restrict growth reduces the economically available supply of land, and raises its cost and the cost of housing built on it.**

Growth controls do not repeal the laws of supply and demand. Where growth controls reduce the supply of land, prices are pushed upward, causing many families to be unable to move up to better housing. This, in turn, tightens the market for low-end homes, forcing many lower-income families into poor quality or inadequate rentals, or even on to the streets.

Seattle is a classic example; in a metropolis allowing little land for growth, land prices have risen astoundingly; housing prices alone claimed 60 percent since 1983, while construction costs rose only 17 percent. Simply, unmet demand is pushing up prices. Many faster growing cities than Seattle have not experienced severe housing price inflation or unaffordability, simply because they did not restrict the land supply. These cities adopted plans that did not drastically disrupt the land and housing markets.

Growth forecasts for Central Puget Sound indicate that the demand will continue to increase at a rate of 15 to 20 percent per decade over the next 30 years. As the population grows, further restricting the land and housing supply — such as through growth boundaries, concurrency, developer fees and building moratoria — will cause land and housing prices to escalate even more out of control.

CONCLUSION

People and communities of a region can and should work together to forge a metropolitan landscape that works well and maintains environmental integrity. To do so, they must have a common understanding of the realities inherent in growth management plans, and recognize certain risks of relying on what seem to be simple and logical planning tools.

The essence of our argument is simple — tools that substitute planning expertise for the market are unlikely to work. Tools that severely constrain the supply of land and housing lead to socially unacceptable damage to housing affordability. Rigid urban containment is not compatible with the expected economic and population growth of our region. Instead we urgently advocate exploring growth management tools that rely more on incentives, rewards, design quality, and standards of developer and community performance, than on prohibitions, moratoria, constraints, threats, fees and exactions. These tools will enhance the ability of the markets to allocate land and housing efficiently, fairly, and environmentally responsibly.