

Improving Michigan Land Use Policy: Lessons From Other States

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Key Goals of Growth Management

- “Shape” the community through wider public participation
 - “Compatible” growth
 - Implement a community “vision”
 - Stop “sprawl”
- Promote “efficient” growth
 - Link service demand with service provision
 - Preserve open space
 - Stop “sprawl”
- Sustainability

“Models” of Statewide Growth Management: Oregon

- Mandatory
 - State goals and objectives
 - Process based
- Regional planning
 - Urban Growth Boundaries
 - Preserve open space through regulation
- Environmental Planning

“Models” of Statewide Growth Management: Florida

- Mandatory
 - “Consistency”
 - State approval of local plans based on reducing sprawl
- Concurrency
 - Infrastructure should be in place to support development
- Environmental Sensitivity

“Models” of Statewide Growth Management: Maryland

- “Voluntary” Program
 - Focus on incentives
 - State policy
- Priority Funding Areas (PFAs)
- Rural Legacy Program
- Live Where You Work
- Brownfield Redevelopment
- Job Creation Tax Credits

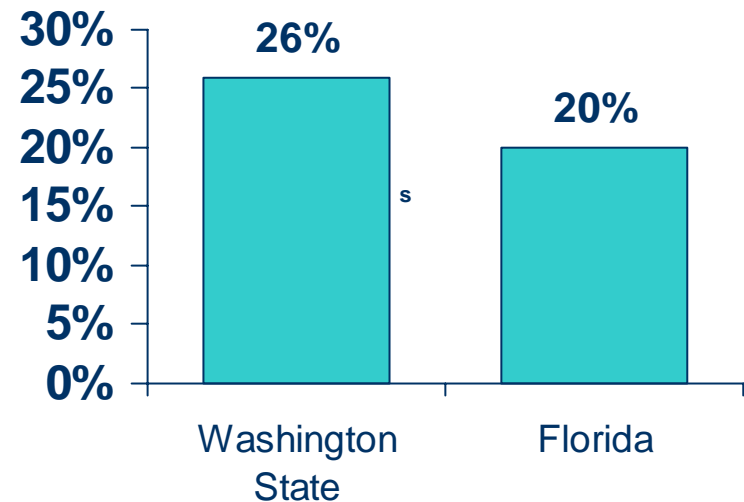
“Models” of Local Growth Management

- Local experimentation is extensive
- California
- Pennsylvania
- Ohio
- Michigan

Consequences for Affordability: Evidence from Washington State and Florida

- Controlled for:
 - Density
 - Household size
 - Household income
 - Geography
- Florida: 20% of housing price increases could be attributed to compliance with state GML
- Washington State: 26% of housing price increases

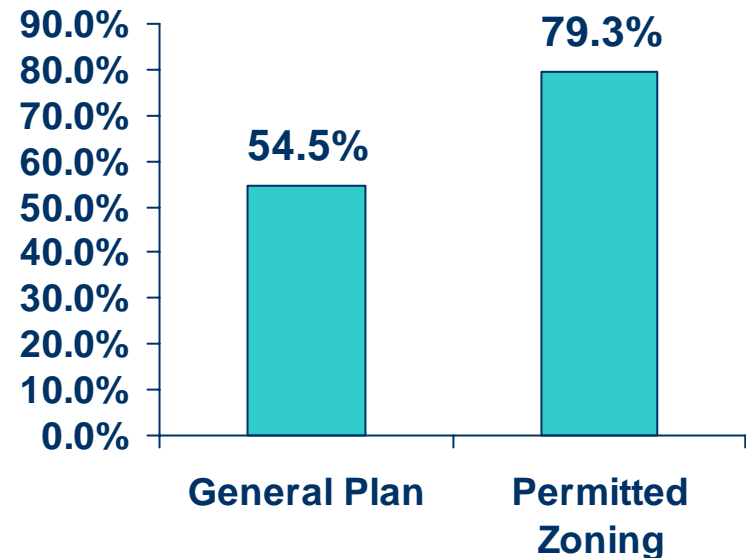
Change in Housing Prices
Attributed to Statewide Growth
Management Law



Consequences of Growth Management: Ventura County (CA)

- One of California's fastest growing counties
- Operates under SOAR
- Housing shortage
 - Need 60,000 units by 2020
 - 33,000 to 46,000 will be built at current trends

Housing Units Approved In Ventura County



What do We Know About the Effects of Statewide Growth Management?

- Not much
 - Many supporters (and opponents) are partisan
 - Little academic research on statewide programs
 - Most programs are based on “hope” not results
- Most programs are ongoing experiments
- They do not repeal the laws of economics or politics

Practical Pitfalls of Conventional Growth Management I

- No consensus definition
 - Advocates have prescriptive tendencies
 - Little discussion of tradeoffs
 - All growth management is local
- Fundamentally a political approach—not consumer driven
 - Responds to no-growth sentiments
 - Policy choices and market trends are oversimplified
 - Nuance and complexity are ignored

Practical Pitfalls of Conventional Growth Management II

- “Closed system” often prescribes solutions inconsistent with what consumers want
 - Higher density
 - Mass transit
- Regulation is easier than deregulation
- ***Diversity and innovation become difficult under conventional development regulation***

Can Smart Growth Apply to Michigan?

- Culture of local control
 - Strong townships
 - Local government responsibilities
 - Implicit recognition of diversity
- Fragmented government structure
 - Makes regional approaches difficult
- Politically and culturally diverse
 - Traverse City, Detroit, Grand Rapids, Grand Haven
- Low density preferences
- Automobile-based lifestyle

A Few Guiding Principles

- Focus on **performance**
 - Link goals, tools, and implementation
 - Problem-specific remedies
- Resist the “silver bullet”—one size does **not** fit all
 - The housing market is **dynamic**
 - **Diversity** evolves
 - Community is **open ended**
- Recognize the **limits** of public policy
 - Property rights are here to stay
 - Markets will trump centralized planning
 - Individual choice is fundamental to housing culture

A Few Policy Guidelines

1. Focus on *incentives* not mandates
2. Preserve choice
 - Build presumption favoring markets
3. Get prices “right”
4. Minimize micromanagement & politics
5. Focus planning on:
 - Spillover impacts
 - True public goods
6. Long-range infrastructure planning
7. Ground recommendations in data whenever possible

A Few Tools

- Nuisance-based development regulation
- Full-cost pricing for infrastructure
- Public rights of way
- Congestion pricing
- Market-determined densities
- Cluster housing
- Conservation easements

Potential Impacts on GM Impacts on Housing Prices

- Increase prices
 - Urban growth boundaries
 - Permit caps
 - Expanded public participation
 - Inclusionary zoning
 - Impact fees
 - Public votes on rezoning
- Lower prices
 - Administrative approval for development regulations
 - As of right zoning
 - Market-driven density regulations
 - Overlay zoning districts

In Conclusion...

- Recognize trade-offs
 - No absolutes
 - Real world v. ideal world
 - Incrementalism
- Focus on performance
 - Continuous evaluation
 - Policies tied to outcomes
 - “Menu” of market-driven approaches
- Focus on amenity benefits (nuisances)