

# Summary

In the early 1970's, bipartisan legislation was introduced in Congress to establish a national land-use policy, but failed after extensive debate. In the decades that followed, the urbanized area in the United States has more than doubled. Public concerns about ill-controlled growth once again have raised the issue of the Federal role in land-use policy. While anecdotes are legion, there are surprisingly few places to find a comprehensive picture of land-use changes in urbanizing areas, relative to the rural landscape. This report describes the forces driving development, its character and impacts on agriculture and rural communities, the means available to channel and control growth, and the pros and cons of potential Federal roles. The report also provides detailed, documented, objective evidence culled from the literature and from original analyses.

## What Is Sprawl?

This report is about urban development at the edges of cities and in rural areas, sometimes called “urban sprawl.” Because “sprawl” is not easily defined, this report is couched in the more neutral terms “development” or “growth,” without making implicit judgments about the quality or outcomes of that development or growth. Concerns about development around urban areas are not new, but have arisen periodically during most of the last century, and certainly since automobile ownership became widespread after World War II. What lessons have been learned about urban development and the Federal role in managing it?

**The processes of land-use change are well understood and flow predictably from population growth, household formation, and economic development—**Changes in land use are the end result of many forces that drive millions of separate choices made by homeowners, farmers, businesses, and government. The ultimate drivers are population growth and household formation. Economic growth increases income and wealth, and preferences for housing and lifestyles, enabled by new transportation and communications technologies, spur new housing development and new land-use patterns. Metropolitan areas grow organically, following well-known stages of growth.

**There are two kinds of growth, but both affect the amount and productivity of agricultural land and create other problems—**Our existing urban areas continue to grow into the countryside, and more isolated

large-lot housing development is occurring, generally beyond the urban fringe.

**Development imposes direct costs on the communities experiencing it, as well as indirect costs in terms of the rural lands sacrificed to it—**A number of studies show that less dense, unplanned development requires higher private and public capital and operating costs than more compact, denser planned development. Residential development requires \$1.24 in expenditures for public services for every dollar it generates in tax revenues, on average. By contrast, farmland or open space generates only 38 cents in costs for each dollar in taxes paid.

**Continued demand for low-density development despite negative consequences for residents can be understood as a market failure—**Consumers, businesses, and communities fail to anticipate the results of development because they often lack information on potential or approved development proposals for surrounding land. Often, communities fail to plan and zone to provide an institutional framework within which development can proceed. Real estate markets are based on many small decisions which, when taken without an overall context, produce results that can neither be envisioned by nor anticipated by consumers and developers. Inaccurate judgments about future landscapes are locked in because development is irreversible.

**Urban growth and development is not a threat to national food and fiber production, but may reduce production of some high-value or specialty crops—**Despite doubling since 1960, urban area still made up less than 3 percent of U.S. land area in 1990 (excluding Alaska). Developed area, including rural roads and transportation, made up less than 5 percent in 1992. The increase in urban area in the United States poses no threat to overall U.S. food and fiber production, but some crops in some areas are particularly vulnerable to development.

**Agriculture can adapt to development, but does so by changing the products and services offered—**Low-density, fragmented settlement patterns leave room for agriculture to continue. Farms in metropolitan areas are an increasingly important segment of U.S. agriculture, making up 33 percent of all farms, 16 percent of cropland, and producing a third of the value of

U.S. agricultural output. However, to adapt to rising land values and increasing contact with new residents, farmers may have to change their operations to emphasize higher-value products, more intensive production, enterprises that fit better in an urbanizing environment, and a more urban marketing orientation.

**Benefits of conserving rural land are difficult to estimate and vary widely depending on the circumstances**—Based on information and assumptions about the number of acres likely subject to development in the future, and limited studies of residents’ willingness to pay to conserve farmland and open space, we estimate that households would be willing to pay \$1.4–\$26.6 billion per year to conserve rural lands. This equals \$13.5 to \$255.8 billion in present value. Conserving land for agriculture helps preserve farming in the rural economy, and is often seen as a bulwark against the worst effects of development.

**Local governments generally do not develop adequate capacity to plan for and manage growth until it is too late to effectively channel development**—Because urban growth processes are well understood, strategically directing development to the most favorable areas well in advance of urban pressures offers the greatest hope for controlling growth. Local governments often fail to appreciate impending growth facing them, and generally lack capacity to develop adequate responses before growth overwhelms them.

**State governments can do more to deal with growth strategically**—Increasingly, States are realizing that local governments cannot adequately address growth pressures that transcend local boundaries. Some of the more progressive States have adopted “smart growth” strategies that actively direct transportation, infrastructure, and other resources to channel growth into appropriate areas.

**The cost of effective land conservation incentives would be large, but if resources were redirected, almost one-third of the cropland with the greatest development potential could be protected**—Purchasing the development rights to rural land effectively protects it from being developed, while continuing farm use. We estimate the cost to purchase development rights on cropland most likely subject to urban pressure over the next 30 to 50 years at \$87–\$130 billion. If tax expenditures currently devoted to use-value assessment were redirected to purchase of development rights, almost one-third of the cropland with greatest potential for development could be protected.

**There are neither clear requirements nor restrictions on Federal roles in managing growth**—Historically, authority over land-use decisions has been reserved to the States, which have delegated these powers to local governments. However, the evolution of environmental policy shows an expanding Federal involvement in site-specific, local circumstances that recur across the Nation. The Federal Government has no constitutional mandate to take action on urban growth and development issues, but it can define an appropriate role for itself.

Potential Federal roles include:

- Helping Increase State and Local Planning Capacity
- Coordinating Local, Regional, and State Efforts
- Coordinating Federal Development Activities and Growth Management Goals
- Funding Monetary Conservation Incentives
- Conserving Rural Amenities as Part of Greater Agricultural and Trade Policy Goals.