

URBAN CONTAINMENT PRINCIPLES:

Services, Growth Boundaries and Zoning

by Susie Gabrielson, Jeff Yorg and Richard Keith

I. Introduction to Urban Containment Principles

The Dictionary of Geography defines *urban containment* as “the policy of limiting sprawl by restricting out-of-town development.”¹ While this is a simple definition, it is true that urban containment aims to limit sprawl, and that it does so by restricting development outside of a designated zone. But a slightly broader view is necessary in order to include the aims of urban containment in terms of *in-town* development as well.

This paper provides an overview of several aspects of urban containment, including its basic principles, the urban containment techniques of managing urban service areas, urban growth boundaries and zoning restrictions, and the challenge of balancing jobs and housing in urban areas. The paper does not address several other aspects of urban containment, including infill development, neighborhood preservation and the development of new communities.

¹ Mayhew, Susan. **Dictionary of Geography**. Oxford University Press. 1997.

The primary objectives of urban containment are the efficient delivery of public facilities; the preservation of farms and forest land; the reduction of air, water and land pollution; and the cultivation of quality of life by creating a distinctly urban ambience. When these objectives are implemented effectively, urban containment provides for the accessibility of all destinations in an urban area to all the area's residents². Shopping, jobs, and schools are closer to home and more easily serviced by private and public transportation. The urban area's pollution is reduced by compact development, and cultural institutions and public parks are well coordinated to correspond with traffic patterns, making them more relevant to the lives of an urban area's residents.

Although urban containment plans vary in their stated goals depending on where they occur, most share these specific elements essential to effective urban containment³:

1. Protect public and merit goods.
2. Accommodate development needs.
3. Provide adequate facilities at minimum cost and with equitable burdens.
4. Share necessary burdens and benefits.
5. Prevent negative and foster positive externalities.
6. Implement plans efficiently.

² **Report to Pima County (Arizona) Board of Supervisors on Urban Growth and Development in Eastern Pima County.** County Administrator, Pima County Department of Transportation. 1998

Protect public and merit goods: Public and merit goods such as clean air, rivers, agricultural areas and forest land must be preserved for the future. The market economy considers these things, if it considers them at all, in terms of the near future only. Urban containment attempts to preserve landscapes which provide public and merit goods in the long future—usually a 20 year planning horizon or more.

Accommodate development needs: Urban containment intervenes in the market in an attempt to consider all the development needs of an urban area, including public facilities, business and housing. It does this by containing development and by managing rural and ex-urban development.

Provide adequate facilities at minimum cost and with equitable burdens: Urban containment attempts to provide facilities at low cost and with equitable burdens for an area's residents. Compact development brings more cost-efficient facilities and services than sprawling development does. The cost of not providing adequate facilities, such as water, wastewater, electricity and roads, is that development may seek locations outside of the urban containment zone in locations identified as preservation priorities. The result of some people paying less than their proportional cost of facilities, such as through fee structures that ignore widely varying usage rates, is that facilities will become less efficient and more expensive for those using less of the facility.

Share necessary burdens and benefits: Urban containment attempts to balance the placement of particulars such as low-income housing, major shopping centers and sports

³ Arthur C. Nelson. **Urban Containment as Smart Growth**. Article and lecture, 2000 American Planning Association National Planning Conference. 2000.

arenas, in order to reduce the effects of NIMBY (Not In My Backyard) reflexes and communities competing in bidding wars over tax-base affecting projects .

Prevent negative and foster positive externalities: Urban containment attempts to prevent negative externalities and encourage positive ones. If several antique stores locate near each other, a mutually positive externality is created because they will attract customers who want to comparison shop. If a landfill is re-located to a residential neighborhood, a negative externality is created for the residents, as their property values may decrease.

Implement plans efficiently: Long and short rang planning processes are time-consuming. Also consider the time requirements of coordination between city, state and federal efforts and regulations, the costs of such elements as impact studies, citizen input hearings and capital improvement projects. Urban containment programs strive to understand the economic, housing and public works needs of an urban area, in order to accommodate those needs and anticipate the growth of the area. Effective urban containment must make long-term development easier to predict and manage for the results desired by the community, or it will inevitably break down.

Using urban containment techniques of growth boundaries and service area management, the costs of water, wastewater and public utilities can be kept low and growth is carefully concentrated in strategic contiguous areas and restricted in outlying areas containing agricultural and forest lands. Using zoning techniques can help to achieve minimum population densities by mixing multi-family housing such as apartments in with single family homes, thereby keeping housing costs affordable even as

land prices may rise. The next sections of this paper will examine the specific techniques of urban growth boundaries, service areas and zoning regulations.

II. Urban Service Areas and Growth Boundaries

From the urban containment principles stated above, many options have arisen which serve to regulate and control growth. These options include Urban Service Areas (USAs) and Urban Growth Boundaries (UGBs). Both are used by various municipalities to provide a given municipality with the authority to decide what developments would occur, where they would occur, and when they would occur. Both options provide this ability in different ways, yet each is an important tool depending on the situation. A discussion of each option follows along with a detailed description of how each provides municipalities with this control over development.

Urban Service Areas

Urban Service Areas are defined as “artificial boundaries established by a municipality beyond which no public infrastructure services will be extended”.⁴ Basically, USAs are established by cities to define how far out from the center city they will provide city services such as streets, sewer lines, and water lines to name a few. These USAs are useful in numerous ways. First, they control urban sprawl. Any land outside of this USA will not receive public financed infrastructure; rather the developer must pay for it if they want to develop the land. This makes most projects outside the USA cost prohibitive for developers and forces them to either not develop or look within

⁴ Stele, R. Samuel and Gerard C.S. Mildner. “Urban-Growth Boundaries and Housing Affordability: Lessons from Portland.” Research Public Policy Institute, October 1999 p. 2.

the USA. Second, it allows for the planning of urban developments. USAs provide developers with perfect information about where the infrastructure will be put in; meaning they can more easily plan urban projects. Lastly, USAs achieve desired growth and development by only installing infrastructure where the city wants development thus providing a developer the incentive to build in those desired development zones.

Urban Growth Boundaries

Urban Growth Boundaries are defined as a “politically designated line around cities beyond which development is either prohibited or highly discouraged”.⁵ At their most basic level, UGBs are used to set where development can and cannot occur within a municipality’s jurisdiction. UGBs purposes are very close to those of USAs. First, UGBs control sprawl as well, however, instead of providing disincentives for developing outside the zone like USAs, UGBs simply dictate that no developments occur outside the zone. Second, these rings allow the city to ensure that space in the developable city is used to its fullest, and gives them some control on the speed of development. Third, UGBs ensure that undeveloped land can remain undeveloped if deemed appropriate. Lastly, these zones ‘force’ developments back into inner cities thus acting as a revitalization tool for many communities.

Limitations and Drawbacks

While UGBs and USAs provide many ways for combating sprawl and uncontrolled developments, they also come with some drawbacks. First, restricting potential developable land limits the land supply causing the developable land values to

⁵ Ibid. p. 2

rise. This rise in property values almost always causes an increase in property taxes. These higher taxes hurt low income and fixed income residents disproportionately, and could cause many to move out of their neighborhood if not out of the city itself. Second, with less developable land developers will want to get the most 'bang for their buck'. The tendency will be to build higher density developments in order to bring in enough money to pay for the higher property values. This situation is a double-edged sword because while a city wants high-density development in certain areas, USAs and UGBs create incentives to produce high-density developments everywhere. This can be stopped by zoning, but then a city risks creating a situation where people have to sell their land, but no one will buy because they cannot develop the land for a profit. Third, USAs and UGBs could create problems like those mentioned above that require legislation to fix. For example, rent controls could be used to stem the higher property values being passed on to renters. However, rent controls also create more demand than there is a supply which puts pressure on the economy and does not fix the problem of many people not being able to afford to live within a city with USAs and UGBs.

Conclusion

Over 100 cities and counties in the United States currently use Urban Service Areas and Urban Growth Boundaries to control their growth. Some cities use them very effectively, such as Austin, Texas. The City of Austin has established Desired Development Zones and 'Smart Growth' Incentive Programs which act as both USAs and UGBs. They map out where the city wants development and provides incentives through infrastructure and tax breaks to entice development into these desired development zones and away from the open space they want to preserve. These programs have worked well, yet

Austin is running into many of the limitation problems discussed earlier in this paper. So, in conclusion, Urban Service Areas and Urban Growth Boundaries serve very important roles in urban containment, but these options are not a perfect remedy for unchecked growth.

III. Utilizing Zoning Restrictions

Another important growth management and urban containment tool is zoning. “Zoning is used to divide a city into areas determined by specific restrictions on types of construction.”⁶ Numerous forms and variations of zoning exist and are available for local land use planning. Some of these zoning practices aid smart growth while others have the potential to impede effective growth management.

Upzoning and downzoning are used to reallocate land in an attempt to protect resource areas and prevent sprawl. Downzoning is used in rural areas to protect resource lands by zoning them exclusively for farming or forestry and by changing minimum lot sizes from 1-10 acres to 20-100’s of acres, thus limiting the use of the land by preventing small acreage non-farming homesteads. Growth management polices must in turn further develop urban areas by upzoning them, compensating for the development potential lost in the downzoning of rural areas by increasing urban density.⁷

Another growth management zoning approach is non-transitional zoning, a response to the transitional zoning that has often resulted in low density housing

⁶ Webster’s New Dictionary, Second College Edition, 1982 Simon & Schuster, Inc. New York, NY

⁷ Nelson, Arthur C. and Duncan, James B. **Growth Management Principles and Practices**. Planners Press, American Planning Association. 1995. Page 82.

spreading into rural areas. Non-transitional zoning establishes moderate and high density and intensity land use in entire urban areas. It helps establish nodal developments, particularly around transit routes and multi-modal intersections. It reduces or eliminates low and very low densities within urban containment areas and eliminates low-density development in resource areas and on environmentally sensitive lands.⁸

Exclusive use zoning typically preserves land for a single type of use, often replacing Euclidian zoning, which uses a pyramid shaped land use scheme. In this Euclidean pyramid scheme the top level is zoned solely for residential use, the next level is reserved for commercial and residential use, the next lower level for industrial, residential and commercial use, and the last level for agriculture, residential, commercial and industrial use. With Euclidean zoning, land uses allowed are often not compatible with the primary purpose of the zone, such as residential homes in an industrial zone. This has caused a trend towards exclusive use zoning which preserves land for its primary purpose or preserves it for mixed-use development in which the design of the development makes different uses compatible and appealing.⁹

Inclusionary zoning is used to encourage or require a wide range of housing costs within developments. Some communities use exclusive zoning strategies to exclude low-income housing by zoning for large lots and large minimum floor areas. Inclusionary zoning, in contrast, requires developments to include affordable housing or to contribute linkage fees used to build low-income housing. Currently New Jersey, California,

⁸ Ibid. Page 82.

⁹ Ibid. Page 83.

Florida, and Oregon take an active role and require communities to avoid exclusionary practices.¹⁰

Minimum density zoning, another urban containment tool, requires a minimum number of housing units per net developed acre, giving developers the ability to secure higher density developments. With the density mandates, a city can assure economical and efficient delivery of public facilities and services. The Metro Portland Housing Rule requires at least six housing units per net developed acre in cities with populations of less than 8,000, requires at least eight units per net developed acre in cities with populations between 8,000 and 50,000, and requires at least ten units per net developed acre in cities with a population over 50,000.¹¹ These strategies are effective in managing population density and in managing growth.

IV. Balancing Jobs and Housing

Creating a balance between location of employment and location of residences is a crucial consideration in urban containment programs. This imbalance became an issue in the 1950's when many residents moved out of the central cities and into the suburbs due to increased mobility and government incentives that encouraged home-ownership. This failure to balance jobs and housing has resulted in inefficient growth patterns. Just as it is expensive and inefficient for government to provide electricity, water, sewage, and other public services to low and very low population density areas, it is also expensive and inefficient for government to provide the transportation infrastructure needed to

¹⁰ Ibid.

¹¹ Ibid.

absorb traffic on roads congested due to job dispersal. Localities can manage this congestion better by balancing the number and types of jobs in an area with the amount and cost of housing in an area. Employees must be able to afford the housing or it will not create any more of a balance. Some strategies used to create this balance are mixed use requirements (developments with both commercial and residential units), linkage programs that require non-residential development projects to contribute to an affordable housing fund, and private-public partnerships in which the governments contribute financially in order to support and encourage developments that help balance jobs and housing¹².

In Sacramento County an effort has been made to reduce the average length of commuting time by 25%, limiting 80% of all trips to 8-miles or less. In their attempt they allowed manufacturing plants in or near residential areas. As part of the deal, these developments were required to include housing, but because the projects were phased incorrectly, with the job generating uses added first, most of the housing was delayed, and some of it was not built at all, resulting in little progress towards their goal.¹³ Costa Mesa, CA was more successful in their attempts, requiring phasing agreements that balanced job creation and housing creation throughout construction. In one of their commercial projects, 18% of residents live within walking distance of work, 22% live within 1-mile of work, and another 22% live within 8-miles of work, showing that if administered correctly this can be an effective jobs/housing balancing tool.¹⁴

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid. Page 85.

Another successful strategy has been to create housing in job rich areas and to send jobs from job rich areas to job poor areas. The spread of new urbanism has helped bring more residents to center cities and has helped fuel the development of new housing opportunities in downtown areas. In downtown Orlando over 2,000 new apartments and condos have either been constructed over the past two years or are in the process of being constructed, increasing the number of downtown households by 12% and quadrupling the rental market.¹⁵ These sorts of changes are occurring in numerous cities throughout the U.S. and are helping to create a better jobs/housing balance in turn decreasing traffic on the streets.

V. Summary

The central strengths of urban containment are its capacity to promote compact development, efficient service delivery, and preserve open space. By using urban containment techniques urban areas can provide controls for gradual and manageable development and growth and ensure an appropriate type, mix, and size of development for a particular urban area. What needs to be considered by all urban areas when examining urban containment are the states in which they are located. State laws and programs exist that bring about unmitigated growth that urban areas have no control over. Road construction, the way land is defined, and even economic development plans all play a part in the growth of urban and exurban areas, which could effectively nullify urban containment practices. Nevertheless, with determination and communication, urban containment programs can efficiently and comprehensively plan for the future needs of a

¹⁵ www.downtownorlando.com/work/majordevelopments.html

community, lowering both facility costs and pollution levels, and providing for a richer quality of life for the residents of an urban area.