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The Lincoln Institute of Land Policy is a private operating foundation whose mission is to improve the quality of public debate and decisions in the areas of land policy and land-related taxation in the United States and around the world. The Institute's goals are to integrate theory and practice to better shape land policy and to provide a nonpartisan forum for discussion of the multidisciplinary forces that influence public policy. The work of the Institute is organized in four departments: Valuation and Taxation, Planning and Urban Form, Economic and Community Development, and International Studies.

We seek to inform decision making through education, research, demonstration projects, and the dissemination of information through publications, our Web site, and other media. Our programs bring together scholars, practitioners, public officials, policy advisers, and involved citizens in a collegial learning environment. The Lincoln Institute of Land Policy is an equal opportunity institution.

Land Lines is published quarterly in January, April, July, and October to report on Institute-sponsored programs.

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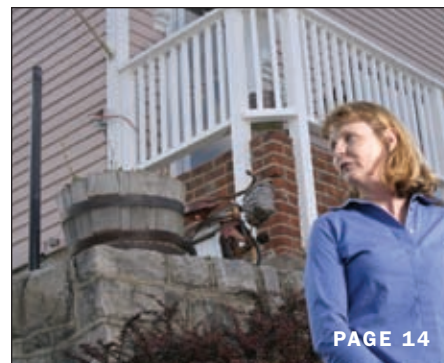
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Institute Merger Forms Private Operating Foundation

I am pleased to report that on November 1, 2006 the Lincoln Institute of Land Policy merged with the Lincoln Foundation to become a private operating foundation. Since

its establishment in 1974—and with continuing support from the Lincoln Foundation—the Lincoln Institute has been an educational institution with a major focus on teaching courses and seminars in classroom settings. This merger allows the Institute to broaden its reach in practice and policy while continuing to sponsor training, research, and demonstration projects in order to improve public policy affecting land.

Under its former status as an educational institution, the Institute faced constraints on the allocation of expenditures for non-classroom-based instruction and other activities. As the Institute's programs grew and the scope of its projects expanded, those constraints affected our ability to move in new directions and offer training programs in more globally accessible ways. Based on their analysis, the boards and managements of the Institute and Foundation determined that merging the two entities and becoming a private operating foundation would facilitate the Institute's pursuit of its mission and also produce efficiencies in management and oversight. This change, which required the approval of the U.S. Internal Revenue Service, was finalized recently.

Private operating foundations differ from private foundations in several respects. Most notably, they must be more directly involved in managing the programs they fund than are traditional grant-making foundations. As a private operating foundation, the Lincoln Institute will continue to engage directly in programs of its own design, including training, education, research, and evaluation and demonstration programs relating to land policy. Except for fellowship programs related to its education and research activities, the Institute will not normally give grants, and it will support only activities and joint ventures in which its staff is significantly involved.

While this reorganization was formally implemented in November 2006, the Institute and Foundation have been operating closely to realign the Institute's work program since the decision to merge was taken in 2004. The Institute has realized economies in the share of management expenditures



Gregory K. Ingram

while increasing the share of expenditures on research and distance education; for example, we now offer six introductory Web-based courses in English and five courses in Spanish and Portuguese, the latter as part of our Latin America Program. Since 2004 the Institute has increased the number of participants in its David C. Lincoln Fellows and Visiting Fellows programs and the number of research and policy publications (with more publications produced under our own

imprint), and we have released a second documentary film (on Cleveland) in the *Making Sense of Place* series.

As a private operating foundation, the Lincoln Institute will continue to adapt its training and education programs to new technologies and opportunities while maintaining excellence in traditional classroom courses and conferences. We will develop demonstration projects that evaluate policies affecting land and land use, and extend the range of Institute research and education networks. For example, we are now making more use of competitive requests for proposals on specific research topics. We are also exploring the possibility of expanding the Institute's role in the collection and maintenance of data relating to land policies, land and property taxation, and local public finance. The Institute's publications, Web-based content, and communications programs are being upgraded to increase the impact and visibility of the Institute's research and policy work.

The Lincoln Institute's mission is to improve the quality of public debate and decisions concerning land policy and land-related taxation through education, research, publications, dissemination of information, and evaluation and demonstration projects in the United States and internationally. The Institute will continue to provide a nonpartisan forum for scholars, practitioners, public officials, policy advisers, and involved citizens to discuss the multidisciplinary forces that influence public policy related to land. The Institute's interest in land derives from its founding objective—to address the links between land policy and social and economic progress as expressed by Henry George, the nineteenth-century political economist and author of the book *Progress and Poverty*. **L**



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Land Policies **Across Geography** and

Martim O. Smolka and Laura Mullahy

Any reference to Latin America as a single, homogeneous entity sharing common land policy issues is misleading. Moreover, the land challenges faced by large metropolitan areas are entirely different than those faced by small towns that operate as dormitory communities for rural workers. Similarly, many nuances may be found across countries in the form of their land policy institutions, such as the regulation of titling rights; private rights over land value increments attributed to public action; the limits for public-private partnerships on large and complex urban operations; or even the requirements applied to the formalization of property transactions. If all these differences pose considerable

methodological caveats, they also provide fertile ground for promising land policy analysis.

Geographical and Institutional Comparisons

There is much to be learned from the different land market manifestations and land policy attributes in countries or jurisdictions with apparently similar sociopolitical and economic frameworks that yield different outcomes. In many cases political will can affect performance as much as administrative factors. Lessons may also be drawn from the similarities of other land-related phenomena observed in countries or jurisdictions with apparently distinctive institutional frameworks. The ubiquitous presence of slums and irregular settlements, and their physical resemblance in the newly expanding areas of most Latin American cities irrespec-

tive of size and functional position in the country's urban system, certainly suggests powerful (and likely common) structural determinants in the functioning of urban land markets.

This idea that lessons may be drawn by comparing experiences across geography is contested by some observers. In our experience, in whatever city we are visiting, we hear impassioned statements claiming that urban land markets and land use patterns are absolutely unique, that land prices are rising as nowhere else in the world, and that local stakeholders in land markets have illogical, if not questionable, motives for their actions—in short, everyone is convinced of the singularity of land issues in his or her country, city, or district. This claim is reinforced by statements to the effect that reality beats theory: there are no commonalities, no grounds for generalizations, as any claim for relevance is circumscribed to individual lessons from accumulated local experience.

After 13 years of activity in Latin America, interacting with public agencies and officials, participating in academic seminars, promoting research, and producing publications, we are left with a compelling sense of *déjà vu* upon hearing these claims. Urban land markets in Latin America seem to be affected by definite macro-structural forces which, in most countries, have engendered very high prices for serviced land, persistent and impressive infor-

institutional determinants in the evolution and design of land polices. Insensitivity to these aspects in policies designed (or legitimized by the need) to improve the functioning of the urban land market in the region has largely contributed to the very existence, reproduction, and expansion of socially unacceptable land use outcomes.

Perhaps one of the characteristics that makes working on land policy in Latin America so fascinating is this ever-present contrast between the characteristics that are common throughout the region and the anomalies that make each country's relationship with land unique. The most salient issues lie somewhere between the commonalities and singularities. Our work has given us some insight into the issues that are truly critical, which are sometimes quite different from those that are most obvious or present in the public agenda.

Constraints on Effective Land Policy Implementation

Most countries in Latin America share a poor performance record in the taxation of land, recovery of publicly generated land value increments, dissemination of urban infrastructure and services, provision of housing alternatives for the urban poor, a strong culture of urbanistic delinquency, and so on. The responsibility for this state of affairs is attributed to a hostile environment for implementing

Time | **LESSONS FROM LATIN AMERICA**

mality, strong intra-urban residential differentiation (segregation), significant retention of land as a reserve of value, and widespread urbanistic delinquency.

One also confronts frequent sweeping generalizations of the “seen one, seen them all” type, alleging that whether they are called *barriadas*, *barrios*, *conventillos*, *favelas*, or *villas miseria*, all informal settlements look the same and they all undergo the same processes. No matter how unconventional are the forms taken by an expressive segment of the population to access and occupy urban land—illegal, irregular, informal, or clandestine—they ultimately reflect the assertion that urban land markets apparently do not function well in Latin America.

One need not dig deeply into the literature to realize the relevance of cultural, historical, and

land policy, as expressed in the need to overcome the lack of adequate administrative conditions and human and technical resources, and the need to curb a strong legacy of powerful landowning interests who attempt to influence land policies to their own benefit.

There is a growing understanding that many of the challenges affecting Latin American urbanites are not the result of the absence of land polices, but rather a paucity of good policies. Illustrations may be found in the significant number of existing slums and deteriorated settlements that began as emergency camps, or in specific public housing projects; the hard-to-comply-with, elitist, urbanistic norms and regulations (and their effects on land prices); or the distortions produced by clientelistic practices traditionally used when allocating public

infrastructure and services. There is even disturbing evidence of the possible negative effects of many regularization policies on informality itself. Although some such diagnoses are now commonplace, their contours and implications are not necessarily generally perceived.

Unavailable or Untapped Resources

Experience has shown us that the lack of operational capacity or unscrupulous behavior of authorities when managing existing resources is frequently a critical impediment that affects the development and execution of good projects. The paralysis of the Franja Costera project in Asunción, Paraguay, in spite of resources made available by the Inter-American Development Bank, is a case in point. On the other hand, in Porto Alegre, Brazil, the experience of using transferable development rights as a currency in costly expropriations or compensations of land needed for an important inner-city transportation corridor illustrates the existence of latent resources waiting to be tapped.

The use of more creative means to leverage the necessary resources is often met by strong resistance, however. It is with a sense of frustration that, in spite of the rhetoric and fanfare about capturing or mobilizing publicly created land value increments, the overall balance still leans in favor of the compensations given to private landowners by the public when acquiring land for public or social uses.

Urban land still seems to represent an asset for some to demonstrate their patrimonialist privileges in society, rather than a taxable base to generate needed resources for the broader community. From a different perspective, the historical legacy of the socially skewed concept of “privatization of benefits and socialization of costs” still predominates when it comes to public management of urban land. In sum, the resources exist, but not the capacity and willingness to tap into them.

Lack of Existing Information or the Capacity to Use It

A similar misconception prevails in regard to access to relevant land information. All too often the information exists, but not the capacity to find, recognize, organize, and above all interpret it. Consider the significant amount of public resources invested in cadastres and other sophisticated land information systems, academic empirical research (including graduate student theses), and commissioned consulting work, for example. Even after

discounting the frequent problems with updating of information systems, lack or stoppage of funding, and restricted circulation of these sources, there is still an overall balance of valuable, rich information that is applied, at best, superficially or ceremonially. The root problem is public officials’ inability (let alone unwillingness) to assimilate and translate such information into operational results.

Lack of Dialogue Between Urban Planners and Public Finance Officials

The making of land policy in Latin America is frequently impaired by the lack of dialogue between planners, who are mostly concerned with the quality of the built environment (even if their work is restricted to a small area of the city), and fiscal officials seeking to maximize public revenues. In practice this is reflected in planners often overlooking how projects should be financed and how urban form affects the tax base, or the impacts of tax collection practices on land uses.

Although these concerns come together in the increasing numbers of large-scale urban redevelopment projects, in most if not all cases the economic and/or financial benefits tend to be spatially and socially circumscribed, as in the case of gentrified enclaves. The real direct and indirect costs associated with these projects are largely ignored or unaccounted for, if not deliberately misrepresented. Puerto Madero, the seminal and much-acclaimed development project in Buenos Aires, has yet to be evaluated for its contribution to the economic and fiscal base of the city as a whole.

Discontinuity in Program Implementation

Political and administrative discontinuities can disrupt, derail, and ultimately terminate even the most popular or successful projects. This is a particularly important issue for expectations about the permanency of the rules of the game—a major component affecting how private agents behave with regard to land. Land use development is a long-term decision, and as such it is loaded with expectations regarding the fiscal, regulatory, and administrative environments. Too often a self-defeating cycle is created: stakeholders expecting land policy decisions to be discontinued hold onto initiatives supposedly targeted by the policy. Independently of how accurate an evaluation regarding the expected impact of the policy is, the resulting behavior may actually “prove” the policy to be ineffective, resulting in its ultimate discontinuation.



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Latin America abounds with promising ideas that were never implemented successfully, not because of their technical quality or social relevance, but because of outright petty political or economic interests. As a result, important land policy decisions are often met with skepticism, if not outright civil disobedience by stakeholders who knowingly count on this kind of administrative discontinuity that undermines decisions from their very inception. Distrust and suspicion toward the seriousness of administrative actions is illustrated by the all-too-familiar behavior of property taxpayers, informal occupants, and irregular developers who understand from experience that the last proposed amnesty is never really the last one.

Slow but Persistent Advances

In spite of this less-than-optimistic scenario, it is important to remember that not everything is “broken” in the region. A closer look reveals important signs of consistent improvements in land policies in certain areas over the last 10 to 15 years. Although one tends to take a somewhat nostalgic view, many deliberate efforts to innovate and im-

prove on policies have proved quite successful.

The history of implementing value capture instruments in Colombia corroborates the point made previously that a well-designed instrument is neither a necessary nor a sufficient condition for successful implementation of a policy. Even that country’s sophisticated *participación en plusvalías* needs to be improved and adjusted. If some landmarks have been reached, they have more to do with the growing legitimacy of these initiatives among stakeholders who see value capture as an integral part of the urban fiscal and regulatory culture.

It is not trivial that the City of Bogotá has approved a new program to finance about US\$800 million in public works with *contribución de valorización* over the next ten years. Indications of lowering land prices in areas affected by *participación en plusvalías* demonstrate the assimilation of the instrument by the market. The public legitimacy of these instruments and their success illustrate the growing recognition by policy makers of the politics of policy: the fact that no matter how enlightened the incumbent technocrat is, successful policy change and

implementation require ample involvement of civil society over a long trial-and-error period.

Another widespread issue is the legitimacy of most so-called informal occupations. Although many policies in this arena can be improved, the innovations and advances at the judicial level and the techniques designed for upgrading consolidated



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settlements have been significant. The region has been converted into a laboratory where a formidable array of important local innovations has been tested. At the institutional level, the 2001 Statute of the City in Brazil recognizes certain individual and collective rights to the use of land by informal settlers. At the market entrepreneurial level, an example is the privately provided affordable, fully serviced housing in El Salvador. Certain public-private projects involve the mobilization of land value increments directly for the provision of serviced land for the poor, such as the experiences with the Social Urbanizer project in Rio Grande do Sul region of Brazil, or the Nuevo Usme and Pereira macroprojects in Colombia. Other notable examples include the initiative of earmarking to public programs the voluntary property tax contributions beyond the imposed tax (Bogotá); the shift to a land value based property tax in many jurisdictions of Baja California in Mexico; or the use of the property tax as a tool for regularization of informal occupations in some Brazilian municipalities.

Latin America now exports technical expertise and innovative methods to deal with informality to officials in Africa, and even to U.S. authorities dealing with the *colonias* in Texas. The special social interest zoning (ZEIS), developed originally in Recife, Brazil, is now being assimilated in many other countries. Likewise, the experience with participatory budgeting, notably in Porto Alegre, is being disseminated throughout Brazilian municipalities and other countries, and the bus transportation corridors (surface metro) originally conceived in Curitiba, Brazil are being studied by other jurisdictions.

Education: A Key Ingredient for Policy Change

The tendency to underestimate local capacities, ideas, and technology in favor of “imports” from the developed countries persists as a major source of inspiration when designing new urbanistic norms and regulations. The Lincoln Institute, however, emphasizes local solutions and the need to look more closely at available resources and to recognize their value.


We have found over our long involvement with the Latin American land policy debate that not all limitations on improvements derive from powerful, vested political and economic interests. An important share of the unexplained variance associated with the success of land policies can be attributed to better understanding of the issues (basic concepts, the mechanics of the tools, and the likely impacts) involved in urban land policy. The Institute’s educational training and research initiatives may play an important role in bridging the gap between theory and practice. The sharing of experiences among public officials invited to our seminars, courses, and workshops has unequivocally demonstrated great pedagogical value. Likewise, the cross-fertilizing effects among our programs have revealed direct impacts that can reshape policy options.

Certain key concepts are most relevant in changing stakeholders’ attitudes regarding land policy initiatives. The capitalization effect of a fiscal charge on land value, or land value increment, is one example. Much of the resistance to value capture and property taxation is grounded in the misconception that the burden is fully transferred to final prices, thus affecting the size of the market in general and housing affordability in particular. The lack of understanding of locational interde-

pendencies in land markets is another major deterrent to discussions around project financing and targeting.

Overall there are many misunderstandings in the form of myths, prejudices, and misinformation that seriously distort the views of otherwise well-intentioned participants in the land policy debate. The list of fallacies is endless: landowners are motivated by monopolistic power, and all their properties are marketed according to strategies for maximum speculative gain; developers are equated to socially predatory speculators, whereas low-income families are seen to transfer informally tenured or owned land according to its strict use value (as opposed to market exchange values); land use irregularities can be found only in low-income settlements; informal occupation is a strategy used by the poor to “beat the system”; or it is useless to tax the properties of low-income landowners since they have no capacity to pay and are more likely to evade paying taxes.

These and many other similar propositions may have some historical origin, but most of them have not been subject to a rigorous empirical test. Anecdotal information collected during Lincoln Institute programs indicates that there may be grounds to question their perceived validity, but they need more extensive study and the results need to be translated into the languages of the stakeholders and disseminated throughout society. More important, this information should be used to qualify a broader range of stakeholders capable of not only implementing better land policies in the region, but also of demanding policy responses from public agencies. Efforts toward the qualification of demand from civil society are as much an essential ingredient for good land policy as the qualification of its supply.

Political sensitivities are a strong determinant in all public policy in Latin America, and land policy is no exception. The Institute places importance on political plurality and diversity by approaching the issues from different angles and political tendencies. We believe that land policy should transcend party politics, and our programs have often achieved constructive dialogue among opposing factions. Similarly, our work in Latin America aims to help bridge the gap in communication and interaction among public officials at different governmental levels, representatives of civil society, and urban development professionals in diverse disciplines. 

Urban Perspectives: Critical Land Policy Themes in Latin America

Perspectivas urbanas: Temas críticos en políticas de suelo en América Latina

This article is based on the introductory chapter of a new Lincoln Institute book that includes more than 60 *Land Lines* articles written over the last 13 years. Translated into

Spanish for our Latin American audience, this collection presents an overview of critical land policy issues based on the Institute’s experience in the region.

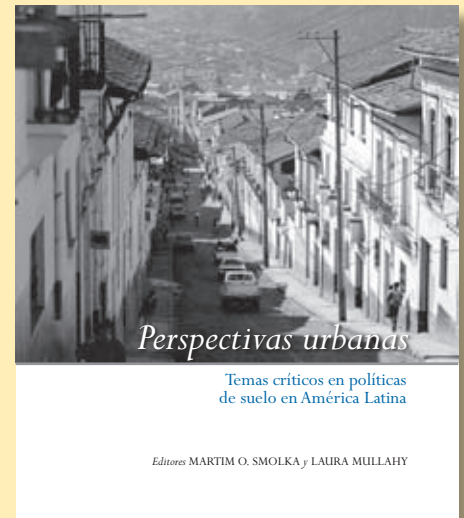
Each of six thematic chapters includes an introductory essay that highlights the articles on that theme: tendencies and perspectives in land markets; informal land markets and regularization of tenure; property taxation; value capture; planning and urban development; and public policy and participation. Taken together, these chapters present an opportunity to explore the similarities and differences that coexist in land use and taxation policies across Latin America today.

The editors make no claim of comprehensiveness on land policy subjects and geography in the assembly of these articles. Not all themes are equally pertinent in all countries, and not all countries are equally represented in each of the themes covered. Nevertheless, the book offers a spectrum of critical and original thinking on important land policy issues at the core of the Institute’s Latin America Program.

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Community Land Trusts

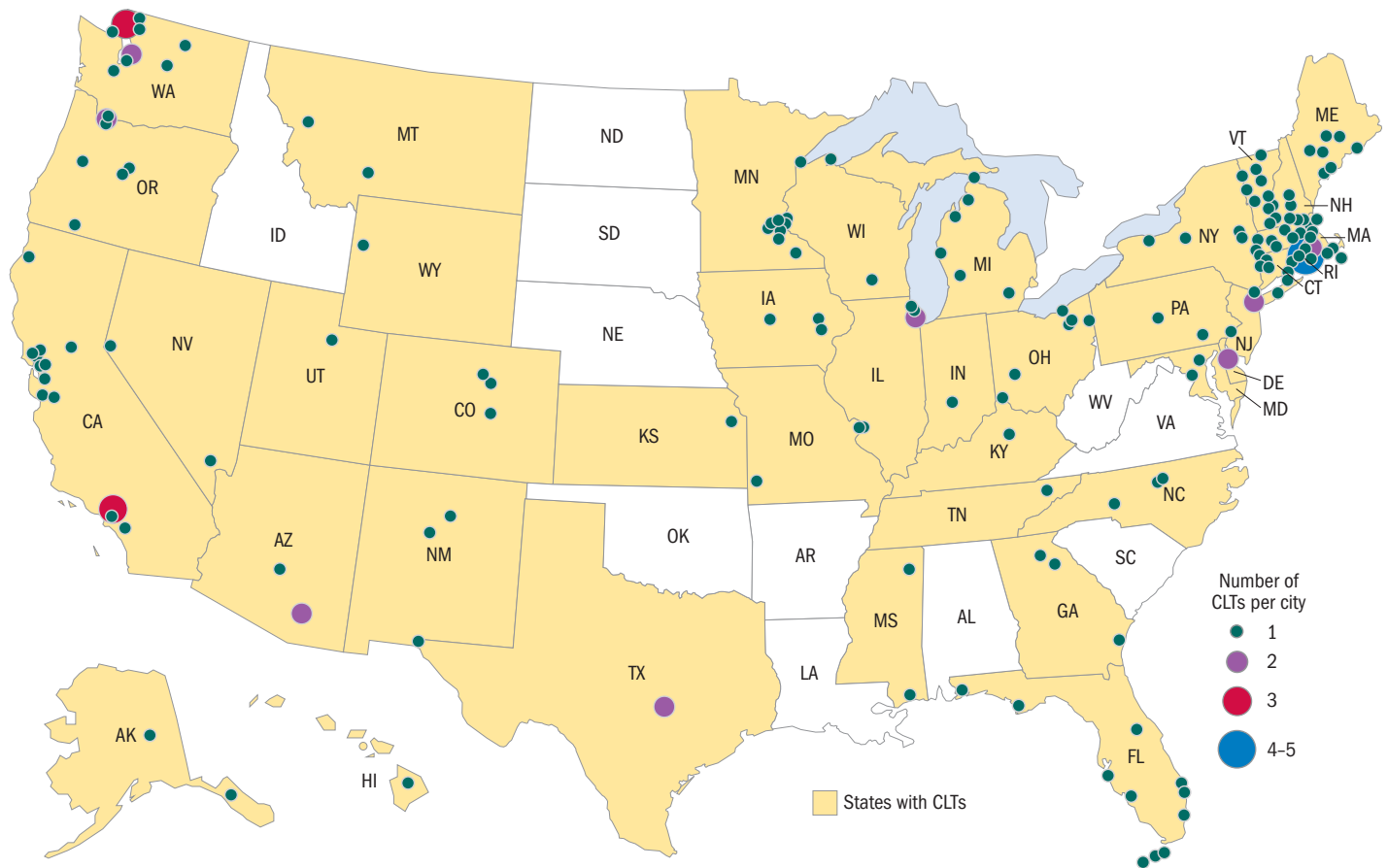
A Solution for Permanently Affordable Housing

Rosalind Greenstein and Yesim Sungu-Eryilmaz

With housing prices outpacing wage increases in the United States, the number of households that paid 50 percent or more of their income on housing rose by 14 percent, from about 13 to 15 million, between 2001 and 2004; of those 15 million households, 47 percent were owners and 53 percent renters (Joint Center for Housing Studies

2006). While this situation is apparent in many cities and towns across the country, it is most acute on the coasts and in some Sunbelt cities. San Diego, for example, had the largest increase in real median home values, changing from \$249,000 in 2000 to \$567,000 in 2005 (U.S. Census Bureau 2006). The widening gap between incomes and house prices moves ownership out of reach for many low- and moderate-income households, and greatly burdens renters.

FIGURE 1
Community Land Trusts Are Located Throughout the United States



The community land trust (CLT) is one mechanism that addresses this need for affordable housing, and it also can be considered an institutional mechanism for capturing socially produced land value. The CLT is typically a private, nonprofit corporation that acquires land parcels in a targeted geographic area with the intention of retaining ownership of the land for the long term. The CLT then provides for the private use of the land through long-term ground lease agreements. The leaseholders may own their homes or other improvements on the leased land, but resale restrictions apply. In theory, the CLT removes the cost of land from the housing price by separating ownership of the land from that of the house or other improvements.

Growth of the CLT Movement

The CLT movement is relatively new. According to a national survey of CLTs, most were formed over the last 20 years, with the pace of CLT formation increasing in the last decade (Greenstein and Sungu-Eryilmaz forthcoming).¹ There are now approximately 186 CLTs in 40 of the 50 states and the District of Columbia. CLTs are most concentrated in the cities of the Northeast (37 percent), the West (29 percent) and the Midwest (19 percent); only 15 percent of CLTs cur-

rently are located in the South (see Figure 1).

Several factors have remained important to the formation of CLTs over time. The efforts of individual members of the community have been a key factor in the formation of most CLTs, regardless of when they were formed. The efforts of local community groups was the third major factor in start-up support for the CLTs (see Table 1).

The impetus for CLT formation has shifted somewhat over the past four decades since the first CLT in the United States was founded in 1968 in rural Georgia. Over the past 25 years municipal governments have taken a greater interest in sponsoring CLTs than private businesses or other groups. For example, the City of Delray Beach, Florida and the Delray Beach Redevelopment Agency created the Delray Beach Community Land Trust in 2006 to own and manage land for the benefit of the Delray Beach community. In December 2005 the City of Chicago announced its intention to create a citywide CLT to be staffed by the City of Chicago Housing Department. In May 2006 Irvine, California announced its commitment to fund the Irvine Community Land Trust with more than \$250 million to create nearly 10,000 units of below-market-rate housing over 10 years.

According to our survey data, public officials provided a major impetus in the creation of 22

TABLE 1
Community Involvement Is Key to the Formation of CLTs

	Decade of CLT Formation				Number of CLTs
	1970s	1980s	1990s	2000s	
Number of CLTs formed per decade	4	24	39	52	119
CLT formation factors*					
Effort of local individuals	3	18	35	36	92
Financial support from the public sector	0	11	22	28	61
Effort of local community groups	3	12	19	26	60
Effort of local government or public officials	0	10	14	22	46
Effort of an organization outside the local area	3	9	13	19	44
Financial support from the private sector	2	9	16	16	43
Effort of local foundations and businesses	1	5	11	16	33

* Respondents could check one or more formation factors.

1 The goal of the national CLT survey was to provide important baseline data for the CLT model that is gaining national acceptance. The overall response rate for the survey was 64 percent.

of the 52 CLTs formed in the last six years (42 percent), and public financial support was important in more than half of these start-ups (see Table 1). This is in contrast to the first few CLTs in the 1970s, when public sector financial support was not reported as being important.

The municipalities and other entities that are exploring the CLT model are motivated by two features: permanent housing affordability and subsidy retention. CLT homes are made permanently affordable for low- or moderate-income homeowners through contractual controls embedded in the ground lease, even after the resale of the homes. When a CLT homeowner sells her house, the CLT retains the ownership of the land. Thus, subsidies to the CLT to purchase land stay with the CLT. Municipalities and private funders of below-market-rate housing find this subsidy retention to be both fiscally and politically attractive, since most other affordable housing programs—such as down-payment assistance, subsidy of closing costs, or forgivable second mortgages—do not incorporate perpetual affordability in their design.

While some of these programs may require the homeowner to repay subsidies when the house is sold, many do not, thus providing a windfall to the seller. In the CLT model, the selling price of the house is determined by the resale formula. These formulas vary among CLTs and are designed to balance the competing interests of the current owner to realize profits on their house investment with the interests of future owners to find an affordable home. The resale formula and the right of

the CLT to have the first option to purchase upon resale are the mechanisms that ensure permanent affordability for CLT houses.

To explore these and additional features of the CLT model, the Lincoln Institute gathered a group of scholars and practitioners in September 2006 to discuss recent research that addressed and raised critical questions about permanent affordability, the role of the community in the CLT model, subsidy preservation, and property taxation issues.

Provision of Affordable Housing

As interest in the CLT model as a mechanism for providing affordable housing expands, the evaluation of the model becomes very important. Currently CLTs largely serve low- and moderate-income households, but not very low-income households (see Figure 2). Steve Bourassa’s paper includes simulations of the costs to households of several CLT options relative to renting or fee-simple ownership given various assumptions about interest rates, house price inflation, and resale formulas (Bourassa forthcoming).

Since house appreciation is highly affected by local real estate conditions and interest rates, Bourassa concludes that CLT housing, when evaluated as an investment from only the homeowner’s point of view, may be a good investment only under certain conditions, just like market-rate, fee-simple housing. His paper raised the important policy question of whether any subsidies ought to go to home ownership when there remains such

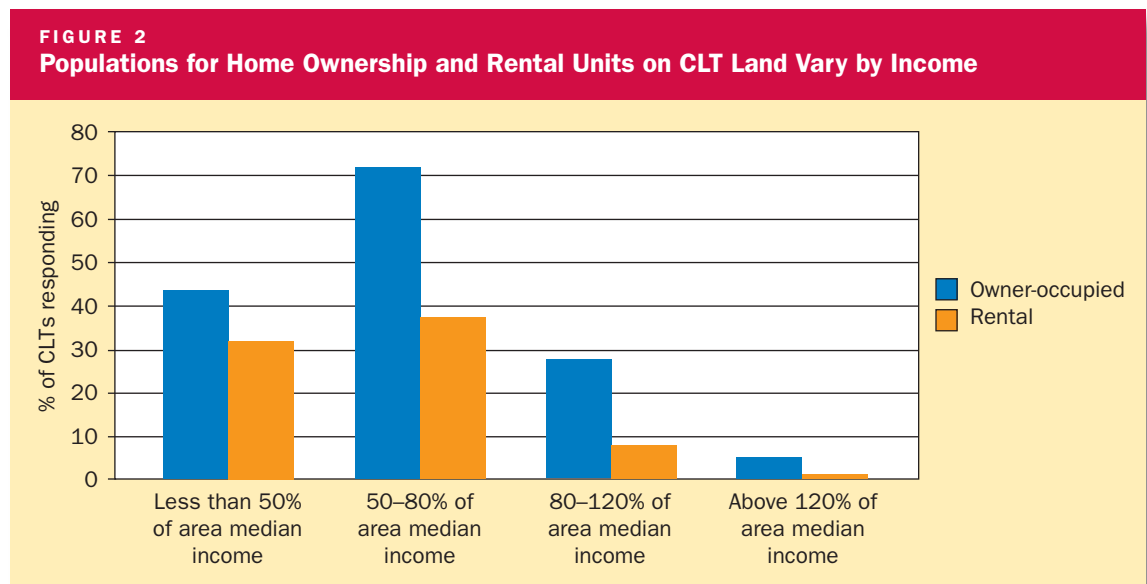
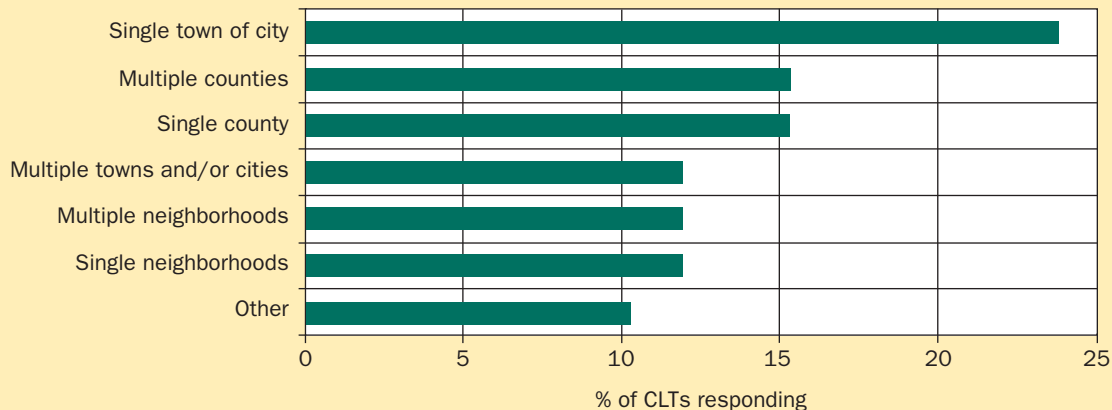


FIGURE 3
CLTs Serve Single and Multiple Communities



a great unmet need for assistance to low-income renters.

Tom Angotti and Cecilia Jagu (forthcoming) examined the costs and benefits of low-income, multifamily rental housing provided by three CLTs: Cooper Square Community Land Trust in New York City; Northern California Land Trust in Berkeley; and Burlington Community Land Trust in Vermont. Cooper Square emerged out of a decades-long community struggle to secure below-market-rate housing in lower Manhattan. The City of New York deeded the land to the CLT on which it built rental housing. While most CLTs do not face Manhattan's high land costs, rising costs in many metropolitan areas are likely to increase CLTs' stocks of multifamily housing.

Based on their analysis of Cooper Square, Angotti and Jagu argued that land trusts are able to provide rental housing at very low cost when compared to local markets, when there is strong local government support. However, reports from the field should cause CLTs to be quite careful as they enter the rental housing market. Bratt (2006) reports a series of challenges that experienced nonprofit organizations have faced in renting subsidized units, such as high turnover and vacancy rates, limitations on the ability to raise rents, overly optimistic revenue projections, and an inability to anticipate changing market conditions.

John Davis suggested that it is helpful to see CLTs, along with deed-restricted housing and limited-equity cooperatives, as shared-equity housing. In this sector, "occupants have more rights than are typically offered in rental housing and more restrictions than are typically imposed in home-

owner housing" (Davis 2006). The housing continuum then can include a variety of options for households with different needs based on income and family composition. While most CLTs have focused their resources on home ownership, according to the CLT survey, 46 percent of CLTs have some rental units in their housing portfolios.

Stewardship also plays an important role in the CLT philosophy. For example, CLTs steward land for community use and benefit, and they steward houses for low- and moderate-income families. The CLT typically is responsible for inspecting the house once a year. In addition, some CLTs dedicate a portion of lease fees to a capital reserve fund that stays with the house, not the leaseholder.

This philosophy of stewardship also has led CLTs to provide a package of homeowner services to the CLT leaseholders, who are frequently first-time homeowners or even first-generation homeowners. CLTs call this "backstopping." That is, they work with families who may face financial difficulties and or are on the verge of defaulting on their mortgage. When CLTs enter into landlord-tenant relationships, they bring this same stewardship philosophy to their renters.

The Role of the Community

The community served by CLTs differs among locations. According to the CLT survey, only 12 percent of CLTs described the community they served as a single neighborhood, whereas almost 25 percent encompassed a single town or city (see Figure 3). Reports on two case studies—the Durham, North Carolina CLT (Grey and Miller-Cribbs forthcoming) and First Homes of Rochester, Min-

nesota (Packnett 2005)—facilitated discussion of the definition of the community in the CLT model and allowed the seminar group to contrast a classic CLT with a variant on the model.

The Durham CLT, founded in 1987, targets multiple neighborhoods located between downtown Durham (former home of the “Black Wall Street,” the Hayti district, and the tobacco warehouses) and Duke University’s West Campus. Like most Southern cities, Durham had a flourishing African-American district, which was home to the social, cultural, spiritual, and commercial center of the community. As in many other cities, the Civil Rights Movement brought increased choices to individuals and, ironically, had a devastating effect on this historic section of Durham.

The Durham CLT develops affordable housing and engages in community revitalization in its service neighborhoods. Its elected board of directors is made up of one-third leaseholders, one-third community residents, and one-third representing the “public interest.” This tripartite board structure reflects the varied interests in a CLT property and is the structure referred to as the “classic CLT.” The CLT as the landowner and community steward of the land for affordable housing has an interest in the land that extends beyond the current users. The homeowner/leaseholder as the occupant of the land has an immediate interest, and the surrounding neighbors have a stake in the land since their own property values are affected by conditions in the neighborhood. The general

public also has an interest in the property as a mechanism to provide below-market-rate housing for their community.

First Homes, on the other hand, is a project of the Rochester Area Foundation. This program received half of its \$14 million in start-up funds from the Mayo Clinic, which saw the CLT as an effective tool to create affordable workforce housing in multiple surrounding counties. Its board of directors, appointed by the foundation, consists of both leaseholders and the public at large.

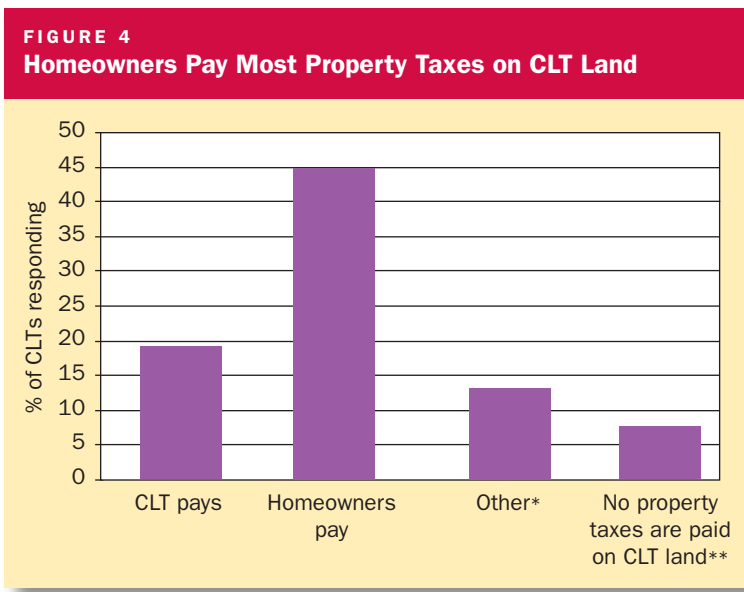
The different ways that board members are elected or appointed in these two cases affects the make-up and meaning of their respective communities, but we do not yet fully understand the implications of these differences.

Subsidy Preservation

Are CLTs a good investment for public and private agencies interested in promoting below-market-rate home ownership, and how does investment in CLTs compare to investment in other similar programs? How effective are CLTs compared to other affordable housing strategies in maintaining affordability for subsequent owners? Mickey Lauria and Erin Comstock (forthcoming) raised these questions and provided an empirical analysis of the Northern Communities Land Trust in Duluth, Minnesota, and the Minnesota Urban and Rural Homesteading Program, another affordable home ownership program in the same locality.

They reported three preliminary findings. First, less money was required to subsidize the purchase of a house through the CLT program than through a conventional mortgage assistance program, because the CLT does not have to subsidize the owner’s purchase of the land. Second, the CLT used subsidies more efficiently than the Homesteading Program. Considering that both programs served the same household income group, it cost the CLT around \$100,000 less to assist a low-income household to buy a house. Furthermore, for every one household assisted by the Homesteading Program, the CLT can assist an average of four households.

Lauria and Comstock’s third finding indicated that CLTs preserved affordability for subsequent low-income buyers in Duluth. For the most part, affordability was not only preserved upon resale of the CLT home, but it actually increased. That is, on average, homes were resold to households earning 4 percent less than the original purchasing



* Other includes cases where both the CLT and the homeowner pay the taxes.
** None of the CLTs that pay no property taxes make payments in lieu of taxes (PILOTs).

household, and furthermore homes were sold at prices less than the original purchase price.

Restricted Resale Value and Property Taxation

Property tax laws and procedures vary greatly across and within state jurisdictions, and CLTs must operate within the realities of local taxing environments. Because many CLTs are incorporated as a 501(c)(3) nonprofit organization, they can sometimes claim exemption from local taxes on their land. However, according to the national CLT survey, less than 10 percent of CLTs pay no property taxes on their CLT land. Forty-five percent of CLTs reported that property taxes on the land are paid by the homeowners (see Figure 4).

Alexis Perotta (forthcoming) found similar results and further explored issues in assessment and taxation of CLT homes and land. Her study surveyed 27 CLTs in 17 states to discover how property is assessed. Most cities are not in the practice of assessing land and improvements separately. However, in the case of CLTs, where the ownership of land and buildings is split between the CLT and the leaseholder/homeowner, her research found that land and property are assessed separately, although the same tax rate is usually applied to both assessed values. Her study also raised the issue that can occur when land and property are taxed without considering either the restricted resale value or the separation of land from improvements. The assessed value of a CLT house should reflect the contractual controls that reduce the value, and consequently the CLT land should be taxed at a reduced rate (Davis 2006).

Conclusion

The CLT model is an attractive institutional mechanism for providing and maintaining the stock of affordable housing, but more research is needed to evaluate the CLT model. From an economic perspective, research is needed about the effectiveness of the CLT model as a vehicle for creating initial affordability, preserving long-term affordability, and retaining the public's investment with respect to different populations served and varying market conditions.

From the legal and financial perspectives, understanding key policy issues such as the taxation, subsidization, and the mortgaging of CLT houses is needed. From a social perspective, questions of neighborhood stability and homeowner mobility

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are important. Research may determine the extent to which the CLT model is effective in foreclosure prevention, in creating personal wealth for individual homeowners at different income levels, and in retaining community wealth in locations with mixed social, economic, and political characteristics. Such research would provide recommendations for policy changes at the local, state, and federal levels. ■

Squaring the Eminent Domain Circle

A New Approach to Land Assembly Problems

Amnon Lehavi and Amir N. Licht

The U.S. Supreme Court's *Kelo v. City of New London* decision sparked a fierce debate throughout the United States when it validated the use of eminent domain for purposes of economic development, especially when the confiscated lands are then transferred to private parties that implement the project and enjoy its gains. Opponents see the decision as pronouncing the ultimate death of the Constitution's Fifth Amendment requirement that eminent domain be restricted to property taken for "public use," claiming it grants governments a *carte blanche* for a compulsory transfer of private property from ordinary citizens to politically powerful real estate entrepreneurs.

Lobbying groups such as the Castle Coalition have argued that the *Kelo* decision has "opened the floodgates" of eminent domain abuse, spurring governments to proceed with hundreds of projects in which homes, small businesses, and other properties would be razed in favor of high-profile private developments, leaving landowners with minimal compensation based on the preproject "objective" land values (Berliner 2006).

This version of events is only partially valid, however, both in theory and in fact. Many state legislatures and courts have already taken steps to mitigate the potential overuse of eminent domain powers. Some legislatures have placed new prohibitions on the use of eminent domain, either by prohibiting its use for private economic development, redefining more stringently the terms "public use" and "blight," or otherwise increasing restrictions on the use of eminent domain for such projects (Salkin 2006).

In addition, some state courts, as in Ohio (*City of Norwood v. Horney*) and Oklahoma (*Bd. of County Comm'rs of Muskogee County v. Lowery*), have interpreted state legal limits on the use of eminent

domain for private economic development more stringently than the Supreme Court's reading of the federal Constitution in *Kelo*. In this sense, post-*Kelo* reality may not necessarily be heading in only one direction.

On the policy level, a flat prohibition on the use of eminent domain to assemble land from numerous owners to allow large-scale, financially profitable projects is highly problematic. In the *Kelo* case, the 90-acre Fort Trumbull plan was presumably made with the genuine purpose of revitalizing the economy of the then-distressed City of New London. The plan included 115 privately owned properties, as well as publicly owned lands.

Such projects, involving dozens or hundreds of landowners, each holding an exclusive entitlement to a fragment of the designated project's area, could be impossible to implement if every affected property owner could veto the plan by refusing to sell his parcel. Unanimous consent is not a reasonable requirement for such large-scale projects. This problem is often referred to in the property literature as an "anticommons" dilemma, meaning that any landowner could prevent the assembly of land for its economically more efficient reorganization.

In some cases, this veto power may be benign, at least in the eye of the beholder. Susette Kelo may very well have preferred to stay in her home rather than take part in the ambitious Fort Trumbull development plan, which included construction of waterfront hotels, marinas, offices, retail spaces, and other commercial uses. In other cases, landowners of agricultural or natural landscape properties may object to new development on ideological or environmental grounds. Sometimes, however, objections might be purely financial, the result of strategic holdouts by those attempting to maximize their gains.

Large-scale contractual land assembly sometimes disguises the identity of the purchaser (as in the now-famous cases of Walt Disney's secret purchases

of thousands of acres from numerous property owners in Florida and in Virginia). In other cases, the collective action problem might unfairly reward strategic holdouts with a substantial premium, or cause the plans to fail altogether, thus preventing innovation, economic growth, and the realization of genuine public preferences. In addition, successful grassroots organization for urban development and redevelopment projects in the United States seems to be limited to the nonprofit community development corporations (CDCs) and community land trusts (CLTs), which aim primarily at the provision of affordable housing.

The current legal regime creates an uneasy dichotomy. When the use of eminent domain for certain types of for-profit developments is forbidden, projects offering private and public benefits may not happen. Alternatively, when eminent domain is validated to solve the anticommons problem, the government and third parties that take part in the project enjoy the entire increment in the assembled land value, since compensation to the previous landowners is based on the preproject fair market value.

A landowner restricted to such a measure of compensation is denied both the “subjective premium” (that is, the unique value that people often place on their properties, especially their homes) and the chance for a share in the appreciation brought about by the future project (Fennell 2004). This compensation regime can seem unfair, and it distorts governmental decision making by further encouraging use of its eminent domain power even when it may be socially undesirable or unnecessary for practical purposes.

Our research proposes a novel solution for “squaring the eminent domain circle” when large-scale, for-profit projects require the assembly of land from private property owners. Our proposed model would turn the landowners into *pro rata* shareholders in a development corporation that would acquire unified ownership of the land and the development project.

Current U.S. and English Legal Regimes

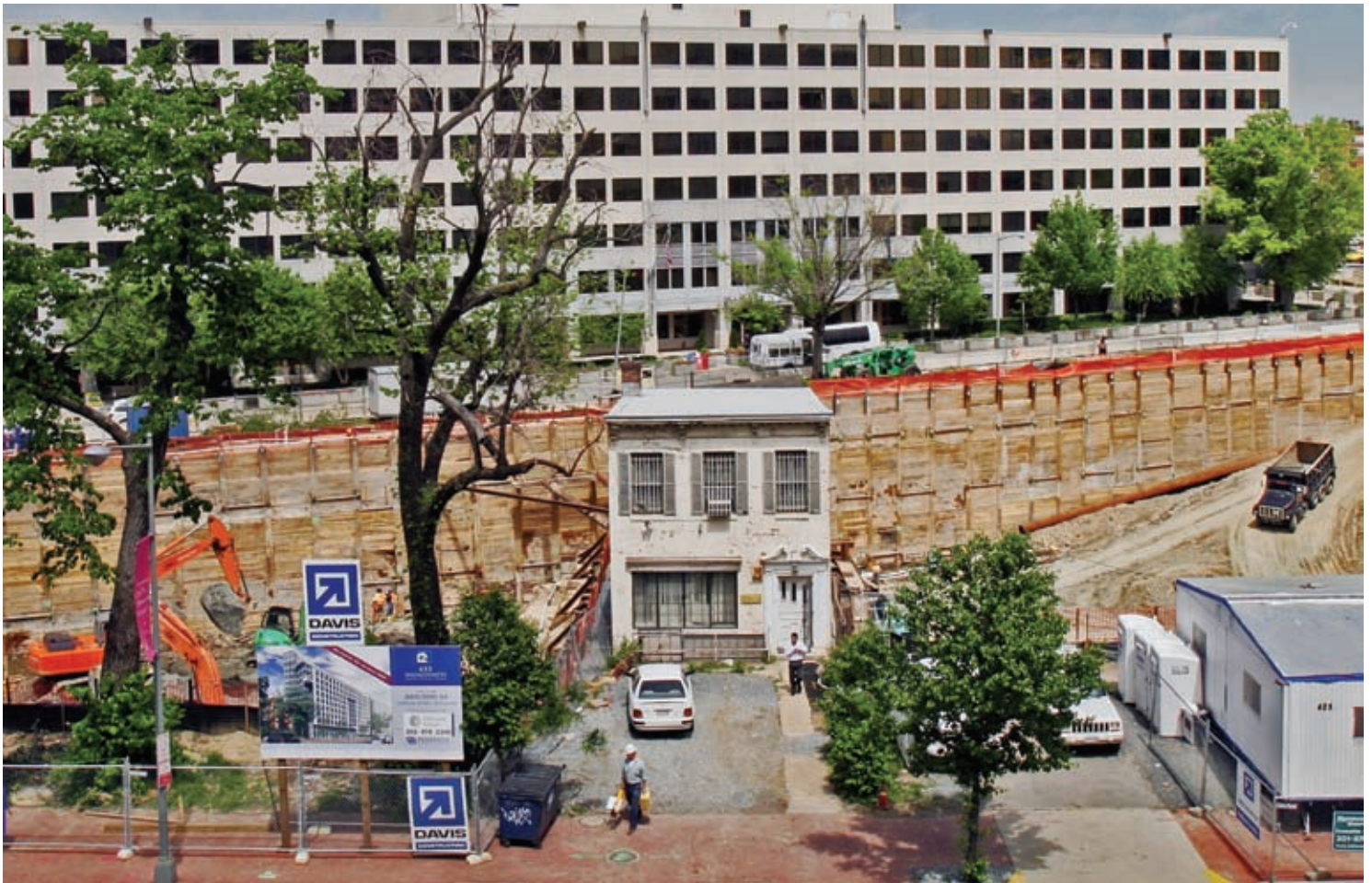
The prevailing land use regulation and land tax laws in the United States make the *Kelo* case and the use of eminent domain for private development particularly dramatic, especially compared to other countries. A private developer who receives regulatory approval for a development project, in-



Courtesy of Corcoran Jennison Companies

cluding rezoning of the land or granting of a building permit, enjoys nearly the entire increment to the land value, and bears only a small portion of the total costs to the government and to affected parties in the surrounding community.

On one hand, following the U.S. Supreme Court decisions in *Nollan v. California Coastal Comm'n* and *Dolan v. City of Tigard*, local governments are limited in their ability to require exactions from the developer. On the other hand, the U.S. tax regime imposes no betterment tax on the increased value of



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A Holdout's Last Stand

This dramatic photograph illustrates the case of a defiant homeowner in Washington, DC, who refused all offers from private developers, even rejecting payments of \$2 to \$3 million for his 116-year-old townhouse, which was assessed for just under \$200,000 (Layton 2006). This was not a public project, and eminent domain could not be used to force him to transfer his property.

Austin L. Spriggs and his wife, Gladys, have owned this house since 1980, and now use it as an office for the family's small architecture firm. When developers began purchasing property along this area of Massachusetts Avenue near the Convention Center and Union Station in 2003, Spriggs resisted. All his neighbors eventually sold their homes and small commercial buildings, but Spriggs could not be persuaded. He became a holdout who threatened to prevent the assembly of land along a rapidly redeveloping stretch of prime urban space.

Two developers working together finally determined they would build around the townhouse. Their plans envision a 12-story office building and an upscale condominium that will wrap around the Spriggs house and tower above it. In the meantime, the house has been secured at the developers' expense, and it is monitored daily to be sure it does not slip off its tenuous base.

The end of this holdout's story is not yet known, but according to the president of a Maryland-based pizza chain, Spriggs intends to open a pizza franchise just in time for the condominium dwellers and office workers who will move to his neighborhood during 2007 (Layton 2006).

land resulting from the governmental regulatory “givings.” This state of affairs presents the landowners with a “win all or lose all” situation: retaining their land ownership interests within the project and enjoying its gains, or being unwillingly bought out through eminent domain for compensation based on the preproject value. It is no wonder, therefore, that the post-*Kelo* public and legal waters are so stormy.

In this context, recent developments in England offer an interesting comparison. As in the United States, the English legal regime gives governments a broad mandate to assemble private land for urban regeneration projects and to pass on the land to private developers. The case of *Alliance Spring Co Ltd v. First Secretary of State* dealt with a major redevelopment scheme resulting from the Arsenal Football Club’s need for a larger stadium. Validating the use of land assembly through compulsory purchase (eminent domain) for this mainly private development, the court held that the Islington Council, the local planning authority, was within its authority to take property for the new stadium and to produce and promote a larger scheme “which it regarded as a comprehensive redevelopment of the area in the public interest.”

These governmental powers have been further broadened by the Planning and Compulsory Purchase Act of 2004, which allows the use of compulsory purchase for development or redevelopment that promotes or improves the economic, social, or environmental “well-being” of the area in question.

At the same time, however, in contrast to the United States (although some American skeptics would argue otherwise), the English Crown holds all landed property development rights (Connellan 2002). In theory, private landowners have no development rights in their property until these are explicitly granted by a governmental agency. This gives local governments in England substantial latitude both in deciding whether to grant planning permits and in negotiating with the developer over its planning obligations.

An influential analysis of housing supply in England by economist Kate Barker (2004) considered the role of planning obligations (either requiring the developer to perform certain actions, or having him pay a sum to the planning authority that will then itself take the said action). The Barker report suggests that planning obligations actually fulfill two different economic roles: as a vehicle

for compensating affected parties for the negative externalities arising from the development, and as an informal tax on land betterment.

Barker recommended that these two functions be separated so that planning obligations could be scaled back and restricted to dealing with the actual impacts of the development, whereas a new tax would extract some of the windfall gain that accrues to landowners. This tax would be passed on to the local community to help share the benefits of growth and manage its impacts. It would also allow the community to provide the infrastructure necessary to support housing growth, while still preserving private development incentives.

The government has accepted the Barker recommendations, and in December 2005 issued a consultation paper setting out the proposed features of the new tax, Planning-Gain Supplement (PGS), which “would capture a modest portion of the value uplift on land for which full planning permission has been granted” (Her Majesty’s Treasury 2005). By doing so, England, which has had experience with betterment taxes since 1947, seems on its way to using taxation to share the benefits of land value increments between the developer and the public (Connellan 2002).

While landowners in England face the same threat of losing ground (literally) for private developments, the conflicting interests are at least more balanced there, in that the project’s developer must share its gains with the public. In this respect, the public element of the use of compulsory purchase is more highly developed in England than is currently the case in the United States. Yet even under the English legal regime, let alone under the American (federal) regime, landowners are not only forced to transfer their land for large-scale private developments implemented by others, but are compensated on the much lower predevelopment land values.

This situation has prompted numerous calls for changes in U.S. legal doctrine, using either mechanisms that are already in existence in other countries (such as the planning tool of land readjustment, which is used in many European and Far East countries), or on theoretical suggestions for reforms, such as changing the fair market value compensation formula in certain circumstances. Thomas Merrill (1986) has suggested awarding condemnees 150 percent of the fair market value when there are “suspect” conditions in the eminent domain process, such as a high subjective value



Courtesy of the Institute for Justice

Susette Kelo, standing in front of her home, was the lead plaintiff in *Kelo v. City of New London*.

for the land, a potential for rent-seeking by the government or interested third parties, or fear of a deliberate bypass of potential market purchases. Although such a rule of thumb of increased compensation might have a general deterrent effect on governments, it could result in undercompensation or overcompensation for landowners. In any case, it does not create a reliable financial link to the risks and rewards of the planned project.

The Proposed Model: A Special-Purpose Development Corporation

Cases of land assembly for economic development are rife with market failures, and their circumstances vary considerably. Some landowners are not compensated for the exceptionally high emotional value they place on their land, while others receive a price that reflects not only its market value but also the harm caused to their sense of autonomy. It is exceedingly difficult, moreover, to distinguish a landowner’s opportunistic holdout behavior from regular bargaining. In addition, while some development projects may be promoted by benevolent public authorities, one cannot rule out scenarios in which eminent domain proceedings are initiated by opportunistic private developers who are motivated by the below-market compensation to current landowners.

Our proposed model would restore market mechanisms to the extent possible in such cases. A market-based solution would take advantage

of the market’s powerful price system to align the interests of landowners, public authorities, and land developers.

How does one place the eminent domain circle in the market square? The answer is through a special-purpose corporation. The economist Ronald Coase (1937) observed that firms are solutions that people devise to overcome market failures, in particular when parties fail to reach a contractual agreement because they fear that the other party will behave opportunistically. Firms concentrate the equity capital that is crucial for their functioning in a separate legal entity, a corporation. In exchange equity investors receive non-fixed claims against the corporation in the form of shares. These shares are tradable and, in theory, their price should reflect their true economic value as the net present value of future corporate profits.

U.S. law has developed elaborate doctrines and rules regarding corporations that can be utilized to mitigate the problems that currently haunt eminent domain. We propose that a public authority exercising its eminent domain powers for an economic development project incorporate a special-purpose development corporation (SPDC) for that project. This corporation may be set up as a subsidiary of a municipality’s regular development corporation, to which the municipality will have delegated its eminent domain powers. For instance, the City of New London delegated its eminent domain powers to the New London Development Corporation (NLDC), which in turn negotiated a 99-year ground lease for \$1 with Boston-based developer Corcoran Jennison.

Under our proposal, NLDC would have set up a subsidiary as a SPDC for the Fort Trumbull Municipal Development Project. Next, the municipality or a designated representative would exercise the city’s eminent domain power to take the private property and then grant certain rights in the land (such as a 99-year ground lease for \$1) to the SPDC. These rights would be the SPDC’s sole material asset.

Landowners whose land was condemned would have the choice of two forms of compensation: (1) just compensation under current law, which is based on the preproject fair market value; or (2) shares in the SPDC in proportion to the landowners’ contribution. From a financial point of view, this would be equivalent to offering landowners a real option to purchase SPDC shares for the equivalent of the legal just compensation,

while at the same time granting them the just compensation to cover the purchase cost. The SPDC would emerge from this stage with numerous shareholders. In this scenario, Susette Kelo, together with ten other landowners of Parcel 4A in the Fort Trumbull Project, might have received 2.67 percent of the SPDC issued stocks for their 2.4-acre share in the 90-acre project.


Next we envision that the SPDC could either negotiate land rights with the private developer who initiated the project, or auction its land rights. In many cases, the sole buyer would be the same developer. If a bidding war ensued among several private developers, it would benefit the SPDC and its shareholders. Then the SPDC would distribute the net proceeds from the sale as dividends to its shareholders. In the final stage, the SPDC would dissolve when its role was finished.

The proposed model thus separates the two components of eminent domain: just compensation; and the taking, which remains an involuntary nonmarket transaction. The justification for takings in economic development projects lies primarily in the likelihood of market failure due to collective action problems and opportunistic behavior. Whether eminent domain should be exercised in such a context is beyond the scope of our proposal, although the U.S. Supreme Court in *Kelo* approved its use in this way as a constitutional matter.

Our model suggests a significant modification to the just compensation component of eminent domain. Under current law this compensation, notwithstanding the term “fair market value,” bears only a weak relation to market conditions. We propose to link this compensation more closely to market value. The SPDC shares of landowners who elected to receive them will be transferable, and ideally these shares would trade on a stock market. If the number of shareholders is large enough, the SPDC may face disclosure requirements under federal or state securities laws. The upshot is that the SPDC share price will reflect the best assessment of the value of the entire land plot in light of the planned development and in light of publicly available information. The land-owners-turned-shareholders would be able to sell their shares outright or await the dividend distribution.

There may be numerous permutations on the basic scenario described above. For instance, the municipality might participate in the SPDC in different capacities, especially if public land is included in the project. Under an alternative compensa-

tion scheme, participating landowners may receive shares based on other additional factors, such as property value. It may also be possible to allow homeowners to hedge against a drop in the share price to avoid financial loss on the sale of their residence. Or, bidding for land rights may take the form of a tender offer for the SPDC shares.

We intend to elaborate on these issues in future work. For now it is enough to say that the proposed mechanism will create the right incentives for private developers and for public authorities to exercise eminent domain powers in projects that are truly welfare enhancing. 

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His current work examines urban land markets in formal and informal settlements in Latin America, and he is coordinating two large research networks: *INFOSOLO*, comprising nine universities and various state and municipal governments, focusing on the study of informal urban land use in Brazil; and *INFOMERCADO*, which links researchers who study the land economics of informal settlements in Argentina, Brazil, Colombia, Mexico, Peru, and Venezuela. Abramo has published extensively in the field of urban economics, including two award-winning books among the nine he has edited or authored and a long list of articles.

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Pedro Abramo

LAND LINES: *What is the focus of your current research with the Lincoln Institute?*

PEDRO ABRAMO: My research aims to understand the economics of informal urban settlements, especially long-established, consolidated communities and their relationships with formal real estate markets. I have been working on this theme for a number of years in Brazil and in other Latin American countries, and now collaborate with a network of researchers who are also affiliated with the Institute. These empirical studies have produced many counterintuitive findings that contradict widely held beliefs about informal settlements (*favelas*).

For example, it is often thought that informal settlers are a fairly homogenous group in their socioeconomic characteristics. In fact, the opposite is true. The socioeconomic composition of the *favelas* is more heterogeneous than that of formal neighborhoods, in terms of household income as well as ethnic, religious, and cultural background. Another common belief is that *favela* families are for the most part stable, long-term residents, suggesting that there is no active land market in such settlements. When we compare property turnover rates in formal and informal neighborhoods, however, we find higher turnover rates in almost half of the *favelas* analyzed. Research findings also show that residential mobility in and out of *favelas* is associated with socioeconomic mobility and with the functioning of land markets.

LAND LINES: *How do informal settlers value land in the favelas?*

PEDRO ABRAMO: One would expect land values among *favelas* to be associated with values in nearby formal neighborhoods. Thus, a *favela* located closer to a high-end neighborhood should command higher land values. Surprisingly, we found no such correlation. Instead we found that the social assessment system used to value informal settlements is quite different from that used in formal neighborhoods.

The *favela* is seen as having strong community externalities, with active social and reciprocity networks playing a critical role. Another unique aspect of the *favela* is the relative freedom in how to use the land and build one's own house, an attribute that is highly valued. Land prices reflect the influence of these externalities, so the land price gradient for the formal and the informal parts of the city are quite different and discontinuous. We have also found striking differences in land prices between formal and informal neighborhoods, and in particular surprisingly high land prices in certain otherwise poorly located informal settlements. These findings reflect the fact that the attributes used to value each of these types of settlement are not ordered in the same land price gradient continuum.

LAND LINES: *Do most favela families own their land?*

PEDRO ABRAMO: No, but the *favelas* have a very active rental market. In Rio de Janeiro, rental properties in informal settlements grew by approximately 30 percent over the last five years, and similar trends were observed in several other Latin American cities. This activity reflects the persistence of urban poverty and population pressure, combined with the fact that outright land occupation, which was common in the past, is no longer a viable option in most cities.

LAND LINES: *How does the favela rental market operate?*

PEDRO ABRAMO: Interestingly, rents in informal settlements can be higher, in relative market prices, than rents in formal neighborhoods. There may be two explanations for this finding. First, the formal rental market has requirements that many informal sector workers cannot meet, such as a steady job and/or a steady income, and a guarantor who is a property owner in the formal market. Those unable to meet these requirements are diverted to the informal rental market, where the added demand accelerates the production and price of rooms for rent and lot subdivi-

sions for building additional rental units. The second reason for the expansion of the rental market, especially in consolidated informal settlements, is their proximity to employment opportunities. The informal rental market is the only alternative for lower-income workers seeking to avoid long commutes from the city fringes to their workplaces.

LAND LINES: *What other features distinguish the favela and the informal economy?*

PEDRO ABRAMO: There are many examples of the complex rationality that drives the economic behavior of the *favela* dweller. The building materials industry is a case in point. Although self-help construction is an important segment of the demand for building materials, the materials sold in informal settlements fetch higher prices than elsewhere in the city, and the wages of construction workers also are higher. To compensate for these price distortions, families use progressive and mutual help building techniques, phasing the building process according to their capacity to pay, and mobilizing family and friends as part of a reciprocity network.

The prices of food and other goods also tend to be higher in local stores than in nearby formal neighborhoods. Nevertheless, families in informal settlements continue to buy from local vendors because they gain access to informal credit and the benefit of proximity. As a result, informal settlements offer far more than residential options. Many have vigorous commercial activities ranging from funeral houses to Internet cafes, major fast food chains, and branches of banking agencies.

LAND LINES: *Does insecure tenure in the favela affect land prices?*

PEDRO ABRAMO: Land prices apparently are not as affected by the lack of formal property titles as was previously thought, because tenure is not seen as insecure; in consolidated informal settlements property title is not a priority for most families. Property rights are seen as legitimate once a family invests in the property and occupies it over a period of time. Given this customary property rights concept, we would not expect prices to rise if property titles were issued, but this is a hypothesis that still needs to be more thoroughly test-

ed. It is possible, however, that the process of land title regularization and enforcement of urbanization standards in informal settlements may be a negative externality for the residents, because such a change would eliminate the freedom to build and divide lots, which represent a very important asset for the families involved.

LAND LINES: *Do you mean that government programs to upgrade informal settlements may have detrimental effects?*

PEDRO ABRAMO: Preliminary evidence suggests that the effects on land prices of government programs to regularize tenure and introduce higher urbanization standards in consolidated informal settlements are rather modest because prices are already at the top of the affordability threshold of their clientele. In the short run, the “announcement impact” causes a speculative reaction that inflates prices in the expectation of a better habitat in the future. But in the medium and long run, prices tend to fall back to preprogram levels or, if the improvements made were in fact significant, stabilize at a slightly higher level.

The same is not true in new informal subdivisions where the prospect of basic services provision has a significant effect on land prices. The anticipation of infrastructure modifies the marketing strategy of the informal developer, who capitalizes the future betterment in the lot price and acts as a futures trader. Such developers operating in the periphery of Latin American cities realize large profits, and land prices remain high in the short and medium term, whether infrastructure provision takes place or not.

LAND LINES: *What are the most critical issues to be addressed in further research?*

PEDRO ABRAMO: Our work suggests that we don’t know enough about several important linkages and discontinuities between the formal and informal urban land markets, especially the policy implications of increased competition as these markets intersect and the potential for integrating the informal areas into the urban fabric. Another important issue is to better understand how and why the informal market often provides the most realistic and rational option for low-income families,


even when formal alternatives are available. This also has important policy implications as it affects the sustainability of both public and private alternatives provided in the formal market for low-income families. In particular, we need to understand the role played by tacit norms and the alleged land use flexibility provided by informal land markets in Latin America.

LAND LINES: *What informal land market indicators should we be paying attention to?*

PEDRO ABRAMO: It is fundamental to develop and test indicators that increase the visibility of key attributes relevant to the functioning of these markets. For example, indicators of property turnover, the origin and destiny of the parties involved in the transaction (i.e., family relocation patterns), and the attributes contributing to price variations directly address the essence of these active informal markets.

To construct these indicators requires a great deal of raw empirical data, but the results fully compensate the costs of collecting and analyzing such data, given the need to dismiss myths and guide urban policy for the poor. I’m also convinced that—given the magnitude of these settlements—the research on the functioning of informal land markets is actually indispensable to understanding formal land markets and ultimately how Latin American cities are currently being produced.

LAND LINES: *What are the main difficulties in gathering information about informal land markets?*

PEDRO ABRAMO: There are many stories on this topic and one could write a complete fieldwork guide about it, as anthropologists do. Applying survey questionnaires in informal settlements is not an easy task and is often performed under stressful conditions. We have found that success in—if not the actual ability to perform—field work in the *favelas* requires working closely with local leaders and having them escort researchers during the data collection. Some of the indicators that our research produces expose fear and suffering. At the same time, they reflect the enthusiasm of a research team that is sure their work will, somehow, help improve the living conditions of the urban poor. 

David C. Lincoln Fellowships in Land Value Taxation, 2006–2007

The David C. Lincoln Fellowships in Land Value Taxation (LVT) were established in 1999 to develop academic and professional interest in this topic through support for major research projects. The fellowship program honors David C. Lincoln, former chairman of the Lincoln Foundation and founding chairman of the Lincoln Institute, and his long-standing interest in LVT. The program encourages scholars and practitioners to undertake new work in this field, either in the basic theory of LVT or its applications. These research projects add to the body of knowledge and understanding of LVT as a component of contemporary fiscal systems in countries throughout the world.

The DCL fellowships announced here constitute the seventh group to be awarded, and several recipients are continuing projects from last year. The deadline for the next annual application process is September 1, 2007. For more information, contact fellowships@lincolninst.edu or visit the Institute's Web site at http://www.lincolninst.edu/education/dcl_fellowships.asp.

Albina Aleksiene

Chief of Market Data Analysis Division
State Enterprise Centre of Registers
Vilnius, Lithuania

Arvydas Bagdonavicius

Deputy Director General
Vilnius Gediminas Technical University

Arturas Kaklauskas

Chair, Department of Construction
Economics
Vilnius Gediminas Technical University

Development and Application of a Market-Based Land Mass Appraisal On-Line System for Land Taxation

The Lithuanian State Enterprise Centre of Registers has developed a computerized system of mass appraisal of land and buildings, which is used mainly for taxation purposes. To improve the accuracy of this system we have begun to develop market-based land mass appraisal on-line system. Previous fellowships have enabled us to implement the project and perform the comparative analysis of the software

and intelligent automation applications for land taxation in developed countries and in Lithuania, and to prepare recommendations on how to improve the efficiency levels for a Web-based land taxation system. The present fellowship is focused on the further development of the system and its practical implementation.

Spencer Banzhaf

Associate Professor
Department of Economics
Andrew Young School of Policy Studies
Georgia State University

How "Smart" is the Split-Rate Property Tax? Evidence from Growth Patterns in Pennsylvania

Urban sprawl has become a policy concern of national prominence. Land or split-rate taxes are one potential way to address this issue. In theory, such taxes can reduce sprawl by increasing the capital/land ratio. However, this hypothesis has been subjected to few empirical tests. Moreover, even in theory, increased capital/land ratios need not imply less sprawl if housing quality or size increase instead of the number of housing units. This research would further explore this point by empirically testing whether the split-rate tax reduces sprawl—the policy variable of actual interest—and to what extent it increases housing quality or size.

Edward Coulson

Associate Professor
Department of Economics
Penn State University

Asset Portfolios and the Neutrality of the Land Tax

A neglected aspect of Martin Feldstein's famous 1977 rejection of the neutrality of the land tax is that risk considerations may affect that neutrality. Differences in risk and return make land and other assets imperfect substitutes in the portfolio and a land tax reduces both the risk and return to land. This proposal will assess the empirical content of this non-neutrality argument for residential housing by recognizing that for homeowners the "other asset" is housing capital. The Annual Housing Survey will be used to estimate risk and return measures for the two assets and to calibrate Feldstein's model.

John L. Mikesell

Professor and Director
Master of Public Affairs Program
School of Public and Environmental Affairs
Indiana University, Bloomington

C. Kurt Zorn

Professor and Associate Dean
School of Public and Environmental Affairs
Indiana University, Bloomington

Land Value Taxation to Support Local Government in Russia: A Case Study of Saratov Oblast

In year three of this project, research will continue on the movement within the Russian Federation toward basing land taxes on cadastral value rather than normative measures of valuation. The Saratov oblast will continue to be used as a case study to analyze how this market-informed basis of valuation of land is developing. A specific focus of this year's research will be to gain a better understanding of the variations and trends in valuation of land in urban settlements and to analyze assessments across types of land use, including types examined in earlier years of the project.

Rachel Weber

Associate Professor
Urban Planning and Policy Program
University of Illinois at Chicago

Ask and Ye Shall Receive: Predicting the Successful Appeal of Property Tax Assessments

How does the relative lack of comparable sales in a neighborhood influence the frequency of property assessment appeal applications and their likelihood of success? Using a data set of appeals applications submitted and decided in Chicago between 1998 and 2003, we estimate the probability of successful appeals for residentially zoned property as a function of market activity and relevant independent variables. We are interested in testing the hypothesis that appeals are both more common and more successful in thicker markets where information about comparable sales is readily available. The appeals process can exacerbate a lack of assessment uniformity if appeals success is correlated with other neighborhood and site-specific attributes.

Planning and Urban Form Fellowships, 2006–2007

The Research Fellowships in Planning and Development were established in 2004 to encourage and support research on land planning and development topics related to the Institute's research agenda. In 2006–2007 two fellowships have been awarded through the reorganized Department of Planning and Urban Form, which is interested in planning and the built environment, with a particular focus on three themes: spatial externalities and multi-jurisdictional governance issues; the interplay of public and private interests in the use of land; and land policy, land

conservation, and the environment.

The next application deadline for these fellowships is September 15, 2007. For more information, contact fellowships@lincolninst.edu or visit the Institute's Web site at <http://www.lincolninst.edu/education/fellowships.asp>.

Edward J. Blakely

Professor
 Planning Research Centre
 Faculty of Architecture
 University of Sydney, Australia
 and
 Visiting Professor in Urban and Regional Studies
 Department of Planning and Urban Studies
 University of New Orleans, Louisiana

Urban Planning and Settlement Design in a Climate Change Environment

Global climate changes threaten cities worldwide. The recent events in New Orleans in the United States and in Innisfail in Australia, both at similar latitudes, graphically illustrate devastating changes in natural systems near densely populated communities. This project will bring together current scientific knowledge on climate change for modelling and designing new urban settlements, as well as retrofitting old ones by knowing the risk and adaptation strategies that can be applied to communities threatened by various climate change scenarios. This project will lead to the design of more robust visualization and analytical tools to support policies and implementation measures, thus allowing for the creation of urban settlement systems that better respond to natural events such as cyclones, high temperatures, storms, fires, and floods.

Shawn Cole

Assistant Professor of Finance
 Harvard Business School

Rema Hanna

Assistant Professor of Public Policy and Economics
 Wagner Graduate School of Public Service
 New York University

Petia Topalova

Economist
 Macroeconomic Studies Division
 International Monetary Fund
 Washington, DC

The Effect of Transportation Infrastructure and Environmental Quality on Land Value: Evidence from Two Natural Experiments in India

Urban areas are becoming an increasingly essential engine for economic growth in developing countries, thus emphasizing the critical importance of land planning policies. Yet, the efficiency of expanding cities is often constrained by problems such as traffic congestion, high levels of pollution, and poor housing stock. These inefficiencies may be due to a lack of understanding of many aspects of urban land use in developing countries. We propose to use two natural experiments in Delhi, India, (the introduction of a metro, and reduction in air pollution) to increase our understanding of how these improvements in the built environment affect land values. □

Graduate Student Fellowship Application Deadlines

Dissertation Fellowships

The Lincoln Institute has opened its annual funding cycle to review applications for the Dissertation Fellowship Program, for projects that focus on land use planning, land markets, and land-related taxation policies in the United States and selected other parts of the world. This fellowship program demonstrates the Lincoln Institute's commitment to provide financial support to doctoral students who will contribute to land and tax policy research and will develop new ideas to guide policy makers. The program provides an important link between the Institute's educational mission and its research objectives by supporting scholars early in their careers.

The Institute will award a limited number of dissertation fellowships of \$10,000 each for the 2008 fiscal year, starting July 1, 2007. As part of the program, all recipients are invited to present their work to other fellows and Institute faculty in a seminar at Lincoln House. To download a copy of the Dissertation Fellowship Program application guidelines and forms, and to learn about the work of current fellows, visit the Institute's Web site at <http://www.lincolninst.edu/education/fellowships.asp> or request information by e-mail at fellowships@lincolninst.edu. An electronic version of the complete application must be received at the Institute by the deadline date of March 1, 2007.

International Student Fellowships

The Institute's Program on Latin America and the Caribbean offers fellowships to doctoral and master's students at universities in that region. Applications for these fellowships are due March 1, 2007. The program also cosponsors, with the City Studies Program at the National Autonomous University of Mexico, the FEXSU (Formación de expertos en suelo urbano) fellowship, available to graduate students writing theses on urban land policy issues.

The Institute's China Program also awards doctoral and master's thesis fellowships to graduate students attending universities in Asia and researching land and tax policy in the People's Republic of China. Fellows participate in a workshop in China to present their proposals and receive comments from an international expert panel. Applications for these China Program fellowships are due April 1, 2007.

To learn more, visit the fellowships Web site at <http://www.lincolninst.edu/education/fellowships.asp> or contact fellowships@lincolninst.edu.

Darby Bradley Named First Kingsbury Browne Fellow

Darby Bradley, president of the Vermont Land Trust and a longtime champion of land conservation, is the first recipient of the Kingsbury Browne Fellowship at the Lincoln Institute of Land Policy. Named after Boston tax attorney Kingsbury Browne (1922–2005), the fellowship will support Bradley's lecturing, writing, and mentoring projects for one year beginning January 1, 2007.



Armando Carbonell (right) of the Lincoln Institute congratulates Darby Bradley at the Land Trust Alliance conference in October.

© Joseph Kakareka

"I am honored to be the recipient of this award from a conservation community that has accomplished so much," said Bradley. "Kingsbury Browne had a big vision: to transform land trusts from small, isolated groups to a national movement. Twenty-five years later, we obviously succeeded."

Browne is credited as one of the founder's of America's modern land trust movement. In 1980, as a fellow himself at the Lincoln Institute, Browne first envisioned a national network of land trusts and persuaded the Institute to convene the first-ever gathering of land conservation leaders from coast to coast. The result was the Land Trust Alliance, formed in 1982 as the Land Trust Exchange to advance the mission of land trusts. Now this network of more than 1,500 land trusts throughout the United States has conserved more than 34 million acres.

The Kingsbury Browne Fellowship was announced in October, in conjunction with the Kingsbury Browne Conservation Leadership Award, also given to Darby Bradley by the Land Trust Alliance at its National Land Conservation Conference in Nashville, Tennessee. The award was presented by LTA president Rand Wentworth and former LTA president Jean Hocker, a current member of the Lincoln Institute board. Hocker commended Bradley as "a humble man who has dedicated his life to conservation. It is truly inspiring to see how much one passionate and dedicated person can do over a relatively short period of time."

Bradley has served at the Vermont Land Trust for 25 years as counsel and president, working with the group's founder to set up the organization and complete some of its early conservation projects. During his tenure, VLT has helped landowners in communities throughout the state to permanently protect more than 440,000 acres—roughly 7.5 percent of Vermont's privately owned land. A Dartmouth College graduate, he received a law degree from University of Washington Law School in 1972.

Recent Working Papers

The Lincoln Institute Web site hosts more than 440 working papers on a vast array of land use and tax policy topics by researchers whose work has been supported by the Institute. The following papers have been posted recently for free downloading at <http://www.lincolnst.edu/pubs/workingpapers.asp>.

Richard Almy

Improving the Valuation of Large Commercial Properties for Real Estate Tax Purposes

Ellen M. Bassett, John Schweitzer and Sarah Panken

Understanding Housing Abandonment and Owner Decision-Making in Flint, Michigan: An Exploratory Analysis

Arnold Chandler, G. Thomas Kingsley, Josh Kirschenbaum and Kathryn L.S. Pettit

The Potential of Parcel-Based GIS in Community Development and Urban Land Management

Jeffrey Chapman

What Happens When a Large City Doesn't Have a Property Tax, but Attempts to Enact One: A Case Study of Mesa, Arizona

Mary Edwards

State and Local Revenues Beyond the Property Tax

Jennifer Evans-Cowley

Development Exactions: Process and Planning Issues

Jennifer Hrabchak Molinsky

Landowners on the Metropolitan Fringe: Results from a Survey of Owners in Four U.S. Metropolitan Areas

Harvey M. Jacobs

The "Taking" of Europe: Globalizing the American Ideal of Private Property?

Mukesh Kumar

Geographical Scope of University Expansion and its Impact on Land and Housing Markets: A Method and its Demonstration with a Case Study of an Urban University

Shishir Mathur

Using General Obligation Debt to Finance Park and Recreation Public Improvements: The Case of San Jose, California

Brent D. Ryan and Rachel Weber

Does Urban Design Influence Property Values in High-Poverty Urban Neighborhoods?

Jeffrey O. Sundberg

Voting for Public Funding of Open Space

Jeffrey O. Sundberg and Richard F. Dye

Tax and Property Value Effects of Conservation Easements

Rachel N. Weber and Daniel P. McMillen

Valuing Land and Improvements in Thin Markets: Does the Frequency of Sales Cause Property Tax Inequities?

Visualizing Density

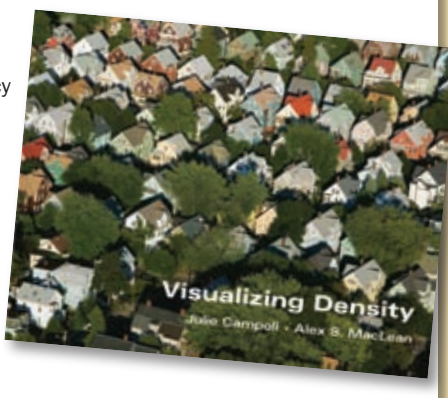
The American Dream of a single-family home on its own expanse of yard still captures the imagination. But with 100 million more people expected in the United States by 2050, rising energy and transportation costs, disappearing farmland and open space, and the clear need for greater energy efficiency

and qualitative (perceived) density. We tend to overestimate the density of monotonous, amenity-poor developments and underestimate the density of well-designed, attractive projects, thereby reinforcing the negative stereotypes. A primary objective of this work is to correct these misperceptions. As Campoli stated at the Massachusetts Smart Growth Conference in Worcester, Massachusetts in December, “We don’t have a density problem. We have a design problem.”

Visualizing Density includes an essay on the density challenge facing the United States, an illustrated manual on planning and designing for “good” density, and a catalog of more than 250 diverse neigh-

borhoods across the country, noting density in housing units per acre for each site. Four photographs of each location are included—close-up, context, neighborhood, and plan views—to provide an impartial and comparative view of the many ways to design neighborhoods.

This book grew out of a series of Lincoln Institute courses of the same name taught by Campoli and MacLean since 2003. Participants in those classes shared many stories of concentrated developments rejected outright or forced to reduce the number of housing units. This confirmed the authors’ belief that there was a clear need for a better way to present density to the public.



Visualizing Density

By Julie Campoli and Alex S. MacLean
Published by the Lincoln Institute of Land Policy
2007 / 160 pages / Paper / \$39.95
ISBN 978-1-55844-171-2

A CD of the density catalog is included in each book to facilitate the noncommercial use of nearly 1,000 aerial photographs in public discussions and education programs.

Ordering Information

Contact Lincoln Institute at
www.lincolnst.edu

and reduced global warming emissions, the future built environment must include more density.

Consumer demand for more walkable, mixed-use, and concentrated neighborhoods is already on the rise among some demographic groups—70 million retiring baby boomers, for example, and young professionals seeking transit-oriented development for shorter commutes. But for others, density continues to have negative connotations. In many established urban neighborhoods, concerns about traffic congestion and parking, and strains on infrastructure, schools, and parks have led to resistance to more concentrated settlement patterns.

Into this context, landscape architect and land planner Julie Campoli and aerial photographer Alex S. MacLean have joined forces with the Lincoln Institute to create a full-color, richly illustrated book to help planners, designers, public officials, and citizens better understand, and better

communicate to others, the concept of density as it applies to the residential environment.

For many Americans density is associated with ugliness, crowding, and congestion, even though it can be shown that, when properly planned and designed, higher density can save land, energy, and dollars. Moreover, many people have difficulty estimating density from visual cues or distinguishing quantitative (measured)

ABOUT THE AUTHORS

Julie Campoli is a landscape architect, land planner, and principal of Terra Firma Urban Design in Burlington, Vermont. She has developed innovative graphic techniques to illuminate land use issues, and has presented many workshops and lectures on issues of landscape change, sprawl, and density. Contact: terrafirma@burlingtontelecom.net

Alex S. MacLean, a pilot, photographer, trained architect, and principal of Landslides Aerial Photography in Cambridge, Massachusetts, has documented the history and evolution of the land and the changes brought by human intervention in numerous books, journals, and exhibitions. Contact: alex@landslides.com

Territorial Cohesion and the European Model of Society

The publication of this volume offers an occasion to revisit an earlier work, *European Spatial Planning*, also edited by Andreas Faludi and published by the Lincoln Institute of Land Policy in 2002. One of the Lincoln Institute's goals for that book was to familiarize American planners with the European approach to transnational planning, and possibly to apply analogous transboundary thinking to planning across state lines within the U.S. federal system. The difficulty of such a conceptual transfer was acknowledged, and it is thus gratifying to note the considerable recent interest in the United States in a new "megaregional" planning strategy that crosses all sorts of boundaries—municipal, metropolitan, state, and even national borders.

In this volume, based on papers first presented in Vienna in the summer of 2005, the authors have taken up territorial cohesion as a kind of successor concept to the European Spatial Development Perspective. The question posed here is whether there are lessons for U.S. planners to be found in the European experience, and, more tentatively, whether it is possible to reflect back to Europe any useful insights based on an American view of the world.

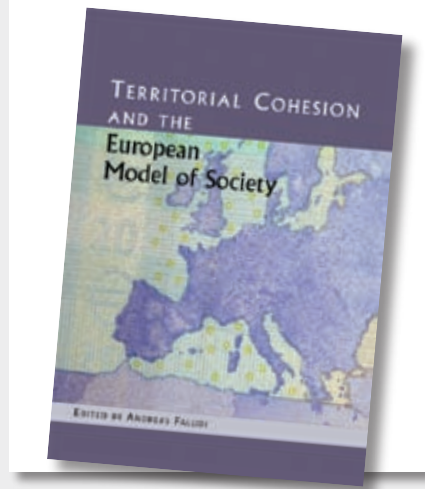
The title indicates that fundamental ideas about Europe, with its distinct "model of society," lie behind the concept of territorial cohesion, which can be understood as a goal of spatial equity that tends to favor development-in-place over selective migration to locations of greater opportunity. This approach contrasts with an American social model that views the equity principle behind territorial cohesion to be diametrically opposed to the efficiency principle based on free mobility of labor. The European model is a strategy based on "need" rather than "potential," as one conference participant noted. A willingness to make this trade-off between potentially higher productivity and a particularly rooted conception of place is indicative of the difference between the two models of society.

Territorial Cohesion and the European Model of Society

Edited by Andres Faludi
Published by the Lincoln Institute of Land Policy
2007 / 240 pages / Paper / \$25.00
ISBN 978-1-55844-166-8

Ordering Information

Contact Lincoln Institute at
www.lincolninst.edu



Apart from the obvious legal, political, social, and cultural differences between the United States and the European Union, it is often noted that the EU, now numbering 25 countries, contains a population 50 percent larger than that of the United States within less than half the land area, yielding a population density of almost 300 per square mile versus only about 85 per square mile in the United States. Yet the more urbanized parts of the United States are beginning to approach European densities. The 14-state Northeast megaregion, for example, with approximately 52 million people in 188,380 square miles, weighs in at more than 275 people per square mile. This trend suggests that at least physical planning around infrastructure, especially high-speed rail, could be informed by European precedents.

The hope is that this second publication in the series will provide new inspiration based on further understanding of the relationship of territorial cohesion to the European model of society and its possible applications across the Atlantic Ocean.

Contents

1. The European Model of Society, *Andreas Faludi*
2. The Origins of Territorial Cohesion and the Vagaries of Its Trajectory, *Jacques Robert*
3. Territorial Cohesion: The Underlying Discourses, *Bas Waterhout*
4. Territorial Cohesion and the European Model of Society: French Perspectives, *Jean Peyrony*
5. Territorial Cohesion, the European Social Model, and Spatial Policy Research, *Simin Davoudi*
6. Delivering Territorial Cohesion: European Cohesion Policy and the European Model of Society, *John Bachtler and Laura Polverari*
7. Territorial Development Policies in the European Model of Society, *Roberto Camagni*
8. Chasing a Moving Target: Territorial Cohesion Policy in a Europe with Uncertain Borders, *Jean-François Drevet*
9. The Vienna-Bratislava-Győr Triangle: The European Model of Society in Action, *Gabriele Tatzberger*
10. Unraveling Europe's Spatial Structure Through Spatial Visioning, *Wil Zonneveld*

ABOUT THE EDITOR

Andreas Faludi is a professor at OTB Research Institute for Housing, Urban and Mobility Studies, Delft University of Technology in The Netherlands. He has written extensively on planning theory and on Dutch and European planning. Contact: a.faludi@ipact.nl

Courses and Conferences

The education programs listed here are offered for diverse audiences of elected and appointed officials, policy advisers and analysts, taxation and assessing officers, planning and development practitioners, business and community leaders, scholars and advanced students, and concerned citizens. For more information about the agenda, faculty, accommodations, tuition, fees, and registration procedures, visit the Lincoln Institute Web site at www.lincolinst.edu/education/courses.asp.

For information about other programs offered by the Program on Latin America and the Caribbean, visit www.lincolinst.edu/about/lincoln/lac.asp, and for information about the Program on the People's Republic of China, visit www.lincolinst.edu/about/lincoln/prc.asp.

MONDAY–FRIDAY, JANUARY 22–26

Lima, Perú

Informal Land Markets: Regularization of Land Tenure and Urban Upgrading Programs
Martim Smolka, Lincoln Institute of Land Policy; and Claudio Acioly, Institute for Housing and Urban Development Studies (IHS), Rotterdam, The Netherlands

Participants examine informality and the land tenure regularization process through the analysis of Latin American and other international cases. Topics include the formal-informal urban land market nexus; legal issues associated with the security of tenure; property rights and housing rights; alternative policy instruments; new institutional settings; managerial procedures leading to alternative modes of project implementation, including community participation; and program evaluation at the project and city levels.

THURSDAY–FRIDAY, FEBRUARY 1–2

Calgary, Canada

Regional Collaboration: Learning to Think and Act Like a Region
Matthew J. McKinney, Public Policy Research Institute, University of Montana, Helena

Countless examples across the country suggest that planning across boundaries is becoming one of the major puzzles in land use policy. This puzzle is defined by two fundamental points. First, the territory of many land use problems transcends the legal and geographic reach of existing

jurisdictions and institutions (public, private, and other). Second, the people affected by such problems have interdependent interests and do not have sufficient authority to adequately address the problems on their own. The purpose of this workshop is to build and share knowledge about regional collaboration by highlighting some of the most promising case studies around the country. Participants have an opportunity to apply what they learn and develop an action plan on a regional land use issue that is important to them.

WEDNESDAY–THURSDAY, FEBRUARY 7–8

Goshen, New York

Redesigning the Edgeless City
Robert Lane and Robert D. Yaro, Regional Plan Association, New York City; Patrick Condon, Landscape Architecture Program, University of British Columbia, Vancouver

Presented in collaboration with the Regional Plan Association and based on the handbook *Redesigning the Edgeless City*, this course introduces planning and policy advocates, city and state officials, developers, and citizen stakeholders to principles and techniques that can be applied in different metropolitan contexts. Previous courses on this topic have dealt with such cases as the design of a sustainable suburban highway corridor and ways to redesign mature suburban areas into pedestrian-friendly, transit-oriented centers with a strong sense of place. This course qualifies for 13 AICP and AIA continuing education credits.

MONDAY–FRIDAY, FEBRUARY 12–16

Rotterdam, The Netherlands

Introduction to Land Policies
Claudio Acioly and Maartje van Eerd, Institute for Housing and Urban Development Studies (IHS), Rotterdam, The Netherlands

This one-week module, offered as part of the IHS Master Course in Urban Management and Development, analyzes the functioning of land markets in different contexts. Examples from North American and Western European countries are compared to developing and transition countries in Central and Eastern Europe. Land markets, property rights, land use planning, smart growth policies and urban density, and informality in land development are addressed through case studies, comparative research, and role playing. Participants acquire an understanding of price gradients and land policy interventions to deliver affordable and serviced land to low-income families.

MONDAY–FRIDAY, FEBRUARY 26–MAY 11

Panama City, Panama

Specialization Course on Land Policy in Latin America

Martim Smolka, Lincoln Institute of Land Policy; and Carlos Morales Schechinger, National Autonomous University of México

This eleven-week course on urban land policy in Latin America is designed for individuals who have been involved with the Lincoln Institute's work as participants or faculty in academic programs and/or as researchers; or professionals



Favela Dona Marta in Rio de Janeiro, Brazil

© Claudio Acioly/IHS

in general with demonstrated commitment to land policy issues who seek to complement their studies in the area. The course will cover a variety of topics related to the implementation of urban land policies in Latin America, including legal, fiscal, regulatory, and social aspects.

MONDAY–TUESDAY, MARCH 5–6

Seattle, Washington

Negotiating Community Partnerships

Ona Ferguson, Consensus Building Institute, Cambridge, Massachusetts

How do community based organizations successfully negotiate community partnerships? What should negotiators think about to improve their skills and produce better outcomes? This workshop integrates the theory of the mutual gain approach to negotiation with the practical experience of community based development organizations from across the United States. Using a combination of lectures, discussions, exercises, and clinics, the course offers a variety of practical strategies and tools to improve negotiation skills of community based organization staff members. The concepts presented are especially helpful for organizations working with diverse groups in a single community, and the exercises have been created to show participants how to apply the concepts in a practical way.

FRIDAY, MARCH 23

Pittsburgh, Pennsylvania

The Humane Metropolis

Rutherford H. Platt, Ecological Cities Project, University of Massachusetts, Amherst

This course explores new “pathways” to making cities and suburbs greener, healthier, and more enjoyable. Using experiences from various U.S. cities, topics include urban stream and wetland restoration, urban gardens on vacant lots and school sites, healthful outdoor activities (e.g., rail trails), brownfield reuse, and people-friendly public spaces. The course is based in part on the Lincoln Institute/ University of Massachusetts Press book, *The Humane Metropolis: People and Nature in the 21st-Century City*, edited by Dr. Platt, and its companion 22-minute DVD.

FRIDAY, APRIL 6

Lincoln House

Comprehensive Planning

John R. Mullin, Center for Economic Development, University of Massachusetts, Amherst

This in-depth review of fundamental planning principles and the planning process explores both the theoretical and practical aspects of comprehensive planning. It is designed to equip participants with state-of-the-art tools and techniques for realizing specific planning objectives, and for framing, implementing, assessing, and managing comprehensive plans. Topics include strategic and long-range planning, the land use plan, the capital improvements plan, the plan and the map, the plan and zoning, and growth management. This course qualifies for 4.25 AICP continuing education credits.

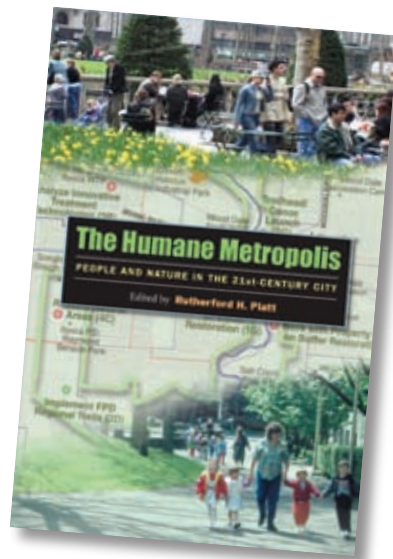
MONDAY–FRIDAY, APRIL 23–27

Santiago, Chile

Land and Building Taxation in Latin America

Martim Smolka, Lincoln Institute of Land Policy; and Claudia De Cesare, Municipality of Porto Alegre, Brazil

Leading practitioners involved in policies and administration of property taxes share experiences and exchange views on tax issues. Theoretical and practical aspects of the property tax are examined: determination of property values; links with urban finance; components and definition of the tax base; assessment performance; tax rates and exemptions; information systems (cadastre, maps, and GIS); collection and appeal; and responsibilities of policy makers and administrators.



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Lincoln Lecture Series

The Institute’s annual lecture series is presented at Lincoln House in Cambridge, Massachusetts, beginning at 12 p.m. (lunch is provided), unless otherwise noted. Consult the Lincoln Institute Web site (www.lincolnst.edu) for information about other dates, speakers, and lecture topics. The programs are free, but pre-registration is required. Contact help@lincolnst.edu to register.

FRIDAY, FEBRUARY 9

Constitutional Challenges to Assessment Limitations

Walter Hellerstein, Professor, University of Georgia Law School, Athens

WEDNESDAY, MARCH 14, 4:00 P.M.

Visualizing Density: Planning and Designing for Sustainable Development

Lecture, book signing, and reception

Julie Campoli, Terra Firma Urban Design, Burlington, Vermont and Alex S. MacLean, Landslides Aerial Photography, Cambridge, Massachusetts

THURSDAY, APRIL 12

The Impact of Energy on Land Prices

Jack Huddleston, Department of Urban and Regional Planning, University of Wisconsin-Madison



LINCOLN INSTITUTE ON THE WEB

Users of the Lincoln Institute Web site will see a new package of features under the category News and Events on the home page, along with existing sections on Education and Research, Publications, and About Lincoln Institute.

Public Affairs Manager Anthony Flint has developed several subcategories of **► News and Events** that will be posted and expanded regularly. This new vehicle for Web-based communication is designed to assist the media in using the Lincoln Institute as a resource, provide all users with a convenient archive of news stories where the Lincoln Institute is cited, and establish a forum making links between the work of the Lincoln Institute and issues of the day, such as property rights, community land trusts, or property tax policies.

► Pressroom is a listing of all press releases prepared by the Lincoln Institute, including links to publications and reports, as well as a media guide to sources and experts at the Lincoln Institute. Among the sources included are President Gregory K. Ingram and department chairmen Armando Carbonell (Planning and Urban Form), Rosalind Greenstein (Economic and Community Development), Martim Smolka (International Studies and Latin America), and Joan Youngman (Valuation and Taxation).

► Lincoln Institute in the News includes published news stories that cite the Lincoln Institute, reviews of Institute publications, and articles and essays authored by Institute staff and faculty.

► At Lincoln House will feature a new monthly column covering current issues in land use, with links to relevant research, publications, and projects at the Lincoln Institute. This section will also include **► Upcoming Events** to supplement the Lincoln Institute calendar with more details and context for Lincoln Institute lectures, seminars, conferences, and other programs.



For more information about
Lincoln Institute News and Events,
contact
Anthony.Flint@lincolninst.edu.

LINCOLN INSTITUTE
OF LAND POLICY

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**Urban Perspectives:
Critical Land Policy Themes in Latin America**
**Perspectivas urbanas:
Temas críticos en políticas de suelo en América Latina**

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A new Lincoln Institute book, edited by Martim O. Smolka and Laura Mullahy, includes more than 60 *Land Lines* articles written over the last 13 years. Translated into Spanish for our Latin American audience, this collection presents an overview of critical land policy issues based on the Institute's experience in the region. See pages 2–7 for more information about this book.

 **LINCOLN INSTITUTE
OF LAND POLICY**

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