

# Land Lines

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# Land Lines

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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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## Activities in China

### Lincoln–Peking University Joint Center

In October 2007 Peking University Provost Lin Jianhua and I signed an agreement to establish the joint Lincoln Institute of Land Policy–Peking University Center for Urban Development and Land Policy. Lincoln Institute and Peking University established this joint center to provide support for education, training, and research in urban economics, land policy and management, property taxation, local government finance, and urban and regional planning. The mission of the center is to study land, urban, and fiscal policies; to disseminate results from its studies and research; and to facilitate education, training, policy analysis, and research involving scholars, policy makers, and practitioners.

The center's education program will be composed initially of short-term training programs for scholars, graduate students, government officials, and practitioners; conferences, workshops, symposia, and roundtables; and programs to disseminate knowledge and information through traditional and Web-based publications. The research program will consist of fellowships, research projects initiated through requests-for-proposals or negotiated with partner institutions, and the center's own research activities.

The center's director is Joyce Yanyun Man, who also directs Lincoln's China Program. The vice director is Associate Professor He Canfei, a member of the Department of Urban and Regional Planning in Peking University's College of Urban and Environmental Sciences. The center will occupy its offices and begin operations in early 2008.

### Book on China's Urbanization

Lincoln Institute recently published *Urbanization in China: Critical Issues in an Era of Rapid Growth*, edited by Yan Song and Chengri Ding, both long involved in our work in China. Reflecting the major areas of emphasis in the China Program, the volume provides a balanced analysis of urbanization trends and challenges. The discussions and commentary enhance our understanding of the issues China faces and help to inform policy decisions in three key areas.

**Urbanization.** China's urbanization has paralleled the growth of its economy. Based on urban transitions of other coun-



Gregory K. Ingram

tries, China is likely to experience its fastest increase in its urban population share over the next decade. Predictions of the annual increase in China's urbanized population range from 15 to 20 million persons per year.

International experience and current government policy suggest that urban growth will be concentrated in small- and medium-sized cities rather than in China's current megacities. Such growth will require continuing high levels of annual public and private investment in infrastructure, such as electric power, telecommunications, and intercity transport, as well as in housing.

**Land policy.** The growth rate of developed urban land will exceed the growth rate of the urban population because the population density of new urban development is lower than that of existing urban development when incomes are rising. Conservative projections indicate that China's developed urban area will grow twice as fast as its urban population—if a city's population doubles, its land area will triple.

A key issue is the administrative allocation of urban land among alternative uses. China's emphasis on economic growth has led to a dramatic overallocation of new urban land for economic purposes. For example, this volume reports that the area of land set aside for economic development zones in urban areas exceeds the area of all other currently developed urban land.

**Funding local governments.** Urbanization produces very large increases—up to 100 fold—in urban land values relative to agricultural land values. Recent policies in China provided farmers a small share of that gain as compensation for the expropriation of their land. Local governments retained the largest share to finance infrastructure and urban development. The share distributed to farmers needs to increase.

However, continuing to have local governments use part of the increase in land value to finance the costs of urbanization is economically sensible and is a form of value capture. Providing additional revenue sources to local governments is now a priority, and China is committed to implement a property tax to help meet this need. 



# Planning for Climate Change

*Patrick Condon*

**T**he debate about the reality of global warming, and the human role in precipitating climate change, has been largely put to rest. Four working groups from the United Nations-sponsored Intergovernmental Panel of Climate Change (2007) have come to a consensus that would be gratifying if it were not so frightening. Yes, the globe is warming they say. Yes, humans are the primary agent for this change. Yes, the consequences may be dire.

The Stern Review on the Economics of Climate Change (2007) was also released last year by the Treasury Department of the British Government, whose only task was to assess the financial implications of global warming. That report warned that the costs of correcting this problem were affordable in the short term, but if nothing was done soon, the coming global economic calamity would make the depression of the 1930s look like a period of great luxury.

## **The Transportation and Land Use Nexus**

The burning of fossil fuels, mostly to heat and cool buildings and move our vehicles, is the predominant contributor to atmospheric climate change, helping to increase concentrations of carbon dioxide (CO<sub>2</sub>) to a level 35 percent higher than they have ever been. The United States is the largest single producer of atmospheric CO<sub>2</sub>, with per capita production second only to that of Canada. About a quarter of all CO<sub>2</sub> generated in the United States is directly attributable to the exhaust gases

discharged from the tailpipes of cars and trucks on our roads, and this component as a percentage of the whole is rising. This amount does not include the CO<sub>2</sub> contributions associated with gasoline refining, car manufacturing, and road building for all these cars and trucks. For example, the concrete industry alone is responsible for 5 percent of the total CO<sub>2</sub> production globally, and much of this concrete is used for road infrastructure.

Clearly an across-the-board reduction in CO<sub>2</sub> production will require a more carbon-efficient relationship between transportation and land use, and in the industry and infrastructure that support them. Most of the recent proposals for mitigating this crisis have focused on new technologies for saving energy, notably on a dramatic increase in average miles per gallon (MPG) of cars and trucks, and a gradual switch to low-carbon fuels like ethanol. Unfortunately, in the absence of a strategy to reduce the average number of miles driven by Americans, all increases in fuel efficiency and low-carbon fuels will only slow, not reverse, the rise in per capita CO<sub>2</sub> emissions, and the seemingly inexorable increase in the average number of miles driven by Americans every year (known as vehicle miles traveled, or VMT per capita) (Ewing et al. 2007).

Urban planning officials who have examined this alarming and steady increase in average VMT per capita have implicated land use and transportation planning habits that were formed in a period when Americans gradually shifted from walking and transit to almost exclusive auto dependence. More than half of the U.S. urban landscape is now developed in a pattern that suits the car, but makes transit use or walking almost impossible. Not only do these landscapes increase the amount of energy required for transportation (Bernstein, Makarewicz, McCarty 2005), but they are also linked to a 30 percent premium on the average cost of heating and air conditioning buildings when compared to buildings of similar uses in denser urban areas (Rong and Ewing 2007).

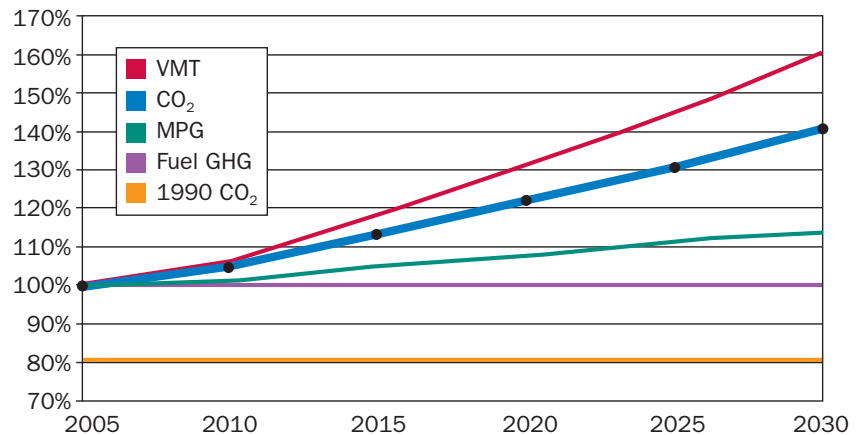
Given this trend, researchers and planning officials are asking: “What can we do to halt and reverse our damaging drift to ever-greater auto dependence? How can urban areas, the source of most greenhouse gas (GHG) production in the United States, reduce CO<sub>2</sub> by the amount necessary to at least lower GHG to 1990 levels by 2012, the target set in the Kyoto accord?” The possible contribution varies depending on the source, from about a 10 percent reduction in average per capita GHG to a 70 percent reduction—a level already achieved by the tightly packed and transit using residents of Manhattan (see figures 1 and 2).

The most recent and comprehensive study on this topic concludes that urban design can reduce VMT per capita by up to 40 percent. If 60 percent of new development were compact as opposed to conventional sprawl, the total aggregate reduction in national CO<sub>2</sub> production over trend would be in the order of 10 percent (Ewing et al. 2007). This change in the trend, in combination with stringent fuel economy standards, would be sufficient to lower aggregate GHG production attributable to cars and trucks to below 1990 levels. Perhaps of more importance, it would set in place an urban infrastructure far less dependent on the automobile and consequently more resilient to future disruptions in the energy supply.

### Characteristics of a Good Model

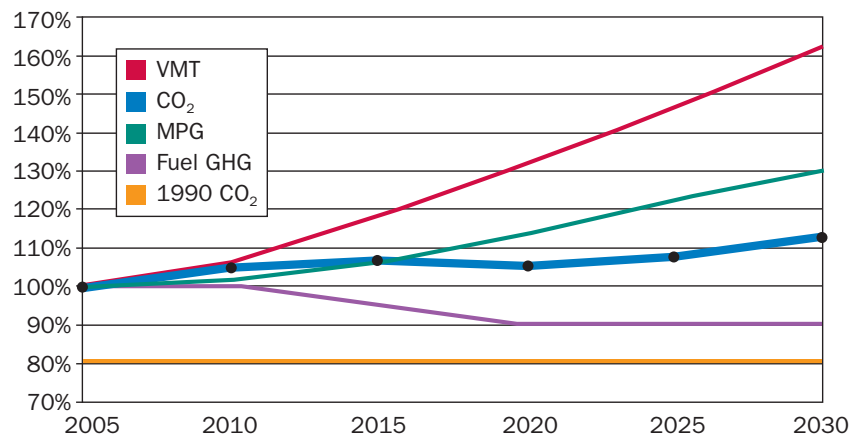
The Lincoln Institute of Land Policy has been working with policy leaders and senior planners from

**FIGURE 1**  
Projected Growth in CO<sub>2</sub> Emissions from Cars and Light Trucks



Source: Ewing et al. (2007)

**FIGURE 2**  
Projected Growth in CO<sub>2</sub> Emissions from Cars and Light Trucks Assuming Stringent Nationwide Vehicle and Fuel Standards



Source: Ewing et al. (2007)

NOTE: Projected growth with Senate CAFE levels—new passenger vehicle fuel economy of 35 mpg in 2020 and California low-carbon fuel standard of -10% in 2020 applied nationally.

across North America to identify solutions to this issue. As part of this effort, the Institute has identified the need for GHG modeling tools to chart the influence of urban form on climate change. While many people are working on modeling GHG, very little of this work focuses on how land use and transportation policies can be used to reduce GHG production. Additionally, researchers differ widely on the premises used to project the GHG consequences attributable to urban form.

Four alternative futures are dramatically displayed in this series of visualizations that show on-the-ground changes consequent to different policy actions. The visualizations are linked to science and provide a way for citizens and policy makers to more readily understand what is at stake in the GHG debate. Prepared by Stephen Sheppard, director, Collaborative for Advanced Landscape Planning, University of British Columbia.



According to planning directors from many of North America's major cities, there is a critical need for evidence-based models that can demonstrate the effects of different urban patterns on GHG production. Models are needed to support planning decisions that are increasingly impelled by laws and policies requiring reductions in CO<sub>2</sub>. City and regional planners, notably those in California, are under new obligations to meet GHG reduction goals as part of their ordinary responsibilities, and to be able to quantify the GHG costs or benefits of any site or district scale land use or transportation decision.

Absent robust evidence-based models that are easily applicable at the site and district scale, these officials are in a difficult if not untenable position. What is needed are tools that can explain these relationships in simple terms, generate credible quantitative results when alternative proposals are suggested, and are useful instruments for tracking overall progress towards medium- and long-range GHG reduction targets.

### Experiences in the Cascadia Megaregion

As a first step, the Lincoln Institute is working with leaders from the three major Cascadia metropolitan areas: Portland, Oregon; Seattle, Washington; and Vancouver, British Columbia. Each city is farther along the path to GHG reduction than most other parts of the continent, making them ideal for this study purpose. Furthermore, all three urban regions share a similar policy approach that makes land use and transportation decisions within the context of strong growth management acts. Officials in the center cities of those regions have been particularly active in tackling issues associated with urban form and its negative GHG consequences.

### Portland

The Institute for Local Self Reliance cited Portland as the only signatory of the U.S. Conference of Mayors Climate Protection Agreement of 2005 that was likely to meet its GHG reduction target (Bailey 2007). Of the 355 other cities in the program at that time (now there are more than 700), few if any seemed able to meet their goals, and in most cases GHG production had increased, sometimes dramatically. The authors attributed Portland's success to its urban growth boundary—a policy instrument set in place in 1974, not to reduce GHG, but to protect farmland and reduce sprawl. The benefits of this early initiative are now being felt in increased average density, reduced number and duration



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**Portland  
and one  
of its  
streetcars.**

of car trips, and increases in transit ridership.

The City of Portland will soon initiate a sustainable vision plan to accommodate a doubling of its population from one million to two million, while at the same time reducing its aggregate carbon footprint. Modeling tools that can quickly evaluate the costs and benefits of alternative urban design and planning scenarios will be tremendously important in this effort.

### **Seattle**

Seattle's September 2006 Climate Change Action Plan commits it to reduce GHG production within city limits by 2012 by more than 600 million tons, an amount that would bring it back to levels not known since the 1980s. A recent *Climate Change Action Plan: Progress Report* (City of Seattle 2007) puts them on track to meet this goal. Most of the projected reductions come from the transportation sector, and anticipate a revolutionary shift away from the automobile to transit, bicycles, and walking. Key to the strategy is the continued development of green neighborhoods, where higher density and pedestrian access to services and transit make these dramatic mode shifts practical and feasible. Again, modeling tools are required to assure citizens and decision makers that the GHG targets will be met, while accurately describing the urban design consequences of these changes on existing neighborhoods.

### **Vancouver**

The City of Vancouver is growing faster than any other large city in Canada. Growth rates consistently between 1 and 2 percent annually have boosted the population by 80,000 in less than ten years. Half of this new population has been accommodated in just one square mile on the downtown peninsula, almost all of it in high-rise construction. Planning policies have insured that increases in downtown population were accompanied by new open space and cultural amenities, all financed by proceeds from development. More than 75 percent of these new residents work within walking distance of home, eliminating the need for new bridge and freeway infrastructure that would have been required if these same workers had opted for living in the suburbs.

Encouraged by this success, Mayor Sam Sullivan has initiated the EcoDensity Initiative, a project that may double the population of the city while increasing amenities and cultural services (City of Vancouver 2007). The denser the city becomes, the more the



Downtown Vancouver

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countryside can be preserved, and the lower will be the per capita carbon footprint of residents—or at least that is the argument made in favor of the EcoDensity project. Absent credible models, staff and elected officials are less than fully armed when citizens, rightfully, ask what are the costs and benefits they can expect from this initiative.

#### Common Purposes and Alternative Frameworks

Because of these related policy initiatives and the shared need for models, the Lincoln Institute convened a meeting, held in early October 2007 in Vancouver, for policy makers from municipal, state/provincial, and regional levels of the Cascadia megaregion. These officials were joined by the region's leading modelers, to see if a common purpose could be struck. This first meeting of its kind in the region produced five key conclusions.

1. There is a need for a clear and concise “frame” or theory for a GHG-focused set of policies. None exists. Absent a theoretical frame, our common progress toward a set of tools and policy instruments will be necessarily chaotic.
2. Any tool must operate at and between several scales. Site scale efforts must produce evidence of city and regional impacts. Conversely, the site and district scale impacts of regional transportation policies must also be computed.
3. Because of the myriad variables involved in any transportation and land use question, no model will be absolutely accurate. Users must understand that models produce a range of outcomes that are defensible, but not absolute.

4. The interplay between urban management and physical form must be modeled. No amount of transit investment in a vast area of low-density, single-use cul-de-sacs will be cost effective; conversely a mixed-use, high-density neighborhood with interconnected streets will still be car dependent if transit investment is lacking.
5. For models to be useful, visualization tools must be included. The physical form of the city cannot be modeled without three-dimensional representations of proposed changes. Policy makers and citizens will be ill-equipped to undertake the dramatic changes required to reduce GHG production without physical representations of the consequences of their choices.

These findings were presented and critiqued at the Big City Planning Directors Institute meeting, held later in October in Cambridge, Massachusetts, and jointly sponsored by Lincoln Institute, Harvard Graduate School of Design, and the American Planning Association. Attendees concluded that there are a number of possible modeling frameworks for this project, and that the very act of defining the problem and the potentials for solution will influence the nature of the tools produced, and the efficacy with which they may be applied. The following three frameworks explicate the range of possible modeling options.

#### *Trend Modeling*

Much of current modeling work might be called “trend based,” where available data is analyzed and trend lines “bent” through one set of assumptions



or another to produce an alternative future outcome. For example, researchers model the results of a 60 percent shift of the housing market to a more compact urban pattern, and calculate the GHG consequences of such a change (Ewing et al. 2007).

### ***Inherent Capacity***

A second might be called the “inherent capacity” framework, in which the actual fabric of the city is examined, often in the context of a design exercise. For example, a design visioning exercise could look at the physical reality of the existing city and propose a redesign to increase GHG efficiency. These changes might include transit access improvements, densification, and increased land use mixing. By way of illustration, Cleveland and other “shrinking cities” with many square miles of underused, low-carbon impact, streetcar neighborhoods have tremendous inherent capacity to reduce per capita greenhouse gas production if these underused districts were repopulated. This framework often reveals more dramatic improvements since it depends less on trend lines and more on the actual capacity of the region’s existing land use and infrastructure for its conclusions.


### ***The City as a Machine for Carbon Mitigation***

This is a more robust, but necessarily more complex, framework wherein the city is seen as an organism capable of extensive adaptation for GHG reduction. For example, in addition to the density and transportation changes alluded to in the inherent capacity framework above, modelers would also examine the potentials of district scale infrastructure for heating, cooling, and energy load sharing. More aggressive changes in building performance also might be contemplated in the context of changes to urban infrastructure.

Street infrastructure might be completely reconceptualized to provide a host of unprecedented ecological and transportation services. Examples might include green streets for storm water management, ground source heating and cooling, and urban heat island mitigation. Streets might be reconceived for bicycles and pedestrians only, while rooftops could be converted for “green roof” community food production and local jobs. Obviously this framework requires the most dramatic re-imagining of the city, but it may be the only one with sufficient capacity to project the 80 percent

reduction in aggregate CO<sub>2</sub> production that most experts agree would be required by 2050.

### **Conclusion**

Within the next ten years, North American cities will have to respond to what Al Gore has called a “planetary emergency.” At the moment, few of the tools needed to understand and manage the relationship between urban form and GHG production exist. Without the tools necessary to understand, predict, and enact policies, cities and their officials will fail. Many actors must participate in a coordinated fashion to avoid this fate. Absent such coordination, efforts will be duplicated and wasted. Even worse, different regions and entities could produce work with so many different assumptions and methods that results might only add to our current confusion. The Lincoln Institute intends to play a strategic role in convening experts and helping to align otherwise separate initiatives. 

#### **▶ ABOUT THE AUTHOR**

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# The Property Tax

## AND THE FORTUNES OF OLDER INDUSTRIAL CITIES

Barry Bluestone and Chase M. Billingham

**M**ost people are not particularly fond of paying taxes of any sort, but the discontent with one particular type of public levy, the local property tax, is gaining momentum across the country. Disgruntled homeowners are demanding that governors and mayors find alternative methods to raise revenue in order to relieve their own property tax burden.

Decades ago this discontent led to such tax limitation measures as Proposition 13 in California and Proposition 2½ in Massachusetts. More recently, this movement has been driven by sharply rising property tax levies in many cities and suburbs as a result of the extraordinary appreciation in property values over the past few years. The high visibility of the property tax, which in contrast to sales and income taxes is often paid annually in one or two large installments, makes this form of revenue generation an attractive target for taxpayer antipathy.

Still, the property tax has a number of important virtues. Foremost among these is its revenue stability. Whereas the revenues generated from income taxes and sales taxes tend to fluctuate, often wildly, as the economy cycles between growth and recession, real estate values (upon which municipalities levy property taxes) seldom decline as sharply. Widespread layoffs can eliminate residents' incomes, thus drying up the supply of income tax revenues and household consumption that fuels sales tax revenue. Meanwhile, except in the case of extreme circumstances in some communities, real property tends to maintain its value comparatively well over the normal business cycle. Thus, if property tax rates are held constant, the revenue stream from the property tax remains relatively healthy, even during economic recessions.

According to Lincoln Institute fellows Joan Youngman and Andrew Reschovsky (2007), the property tax is also among the fairest, most transpar-

ent, and most reliable of all mechanisms for raising municipal revenue. Those who bemoan yearly increases in their property tax bills, they argue, should realize that this tax's visibility is among its greatest strengths, for it motivates households to compare the taxes they pay with the benefits they receive, or move to communities where the mix of taxes and public spending priorities best mirrors their own preferences (see Tiebout 1956).

### The Local Property Tax and Uneven Economic Development

There is another reason to consider the efficacy of the local property tax, beyond the considerations of frustrated taxpayers, revenue stability, and political transparency. In recent research supported by the Lincoln Institute we found that, at least for the Commonwealth of Massachusetts, *overreliance* on property taxation can have potential harmful effects on older industrial cities. Disparities in property tax revenue due to growing gaps in assessed property values between wealthy and poor communities can lead to uneven development, where the rich communities become even richer and the poor even poorer.

In older industrial communities, the loss of business, industry, and residents over the course of several decades has led to a slow rise in assessed property values and in some cases absolute stagnation. This slow growth naturally compromises the ability of these communities to provide the municipal services necessary for attracting investment and sustaining an attractive living environment for residents.

Meanwhile, other communities' rapid growth and steadily increasing property values have had the opposite effect, allowing them to fund economic development efforts that support new business investment and residential development. Not surprisingly, over time the prospects for investment have diverged between these two groups of communities. The property tax was not responsible for stimulating



Photo courtesy of Global Design & Publishing, LLC, Putnam, CT

Lawrence, Massachusetts

uneven development, but it now has the potential for exacerbating it. Without remedial intervention from the state, heavy reliance on the local property tax to fund local services ends up reinforcing these existing market trends.

In 2005, nearly 75 percent of locally generated revenue in cities and towns in Massachusetts came from property taxes. Only five other states, all in the Northeast, employed tax structures that focused as heavily on revenue from this one source. By contrast, Alabama's cities and towns generated only 18 percent of their local revenue from property taxes, balancing this revenue stream with sales taxes and service fees. These other sources of revenue are not necessarily better than the property tax—many are unstable sources of revenue and some lack transparency—but by relying so heavily on the property tax to fund municipal services, states like Massachusetts may very well be exacerbating the struggles of older industrial cities, even as they catalyze the growth of rapidly growing communities.

### Trends in Assessed Values and Property Taxes

To study this issue, we have followed trends in assessed values and property tax rates in two sets of Massachusetts municipalities. The first is comprised of 12 older industrial cities that experienced little employment growth and in most cases absolute job loss over the period from 1987 to 2004. The second group of 14 cities and towns experienced rapid employment growth over the same period. Many of these municipalities are directly adjacent to or close to the “deindustrializing” cities. This sample includes urban, suburban, and exurban communities located all across the state.

Between 1987 and 2004, the value of total assessed property in the affluent communities in our study grew between 2.5 and 3.5 times faster than

the value in the older industrial cities. In 1987, the City of Lawrence, which was once a hub of textile manufacturing, had just over \$13,000 in total (residential, commercial, and industrial) assessed property value per capita, compared to \$53,000 per capita in Andover, its rapidly growing next-door neighbor. By 2004 this already huge gap had widened spectacularly, with Lawrence's property values rising to about \$28,000 per capita while Andover's soared to nearly \$188,000, more than six times higher (see figure 1).

This is an extreme case, but the trend in diverging property values is unmistakable. By 2004 only one of the older industrial cities (Haverhill) had higher per-capita property values than all of the comparison communities, and in this case it was only \$1,000 higher than the lowest of the more affluent group.

These stark differences in property values have taken their toll on the public funding capacity of the poorer communities. To pay for schools, police and fire protection, infrastructure, and other municipal services for their relatively large and diverse populations, these older industrial cities have had to raise their tax rates, in many cases well above those in the more affluent municipalities. Indeed, as property values have risen and new construction has brought in new wealth, the more prosperous communities have had the luxury of lowering property tax rates, while still providing the same level of services.

In 1987, there were no large differences in the tax rates between these two sets of communities (if anything, the wealthier communities had *higher* tax rates on residential property). Over the next two decades, though, seven of the 12 older industrial cities increased their residential tax rates, compared to only one of the wealthier communities. It is likely, as well, that the older cities' higher tax rates have been capitalized into their assessed values, further reducing

property values and contributing to a vicious cycle of disinvestment—lower values lead to higher tax rates, which in turn discourage new investment and decrease property values even further.

**State Revenue Sharing to the Rescue**

If local services were funded strictly out of local revenue, the level of public spending in the older industrial cities would gradually fall further and further behind the level in the more affluent communities, reinforcing already existing uneven development. If left unchecked, this snowballing inequality might lead to an inescapable disadvantage that would forever condemn older industrial cities to decades of stagnation and decline.

Two key factors have mitigated this potential hazard, however, almost completely eliminating the differential in per-capita municipal spending between the two sets of communities. The first is the powerful redistributive impact of state-supplied aid to local communities. Youngman and Reschovsky (2007) note that state aid is unreliable and subject to the vicissitudes of the economy.

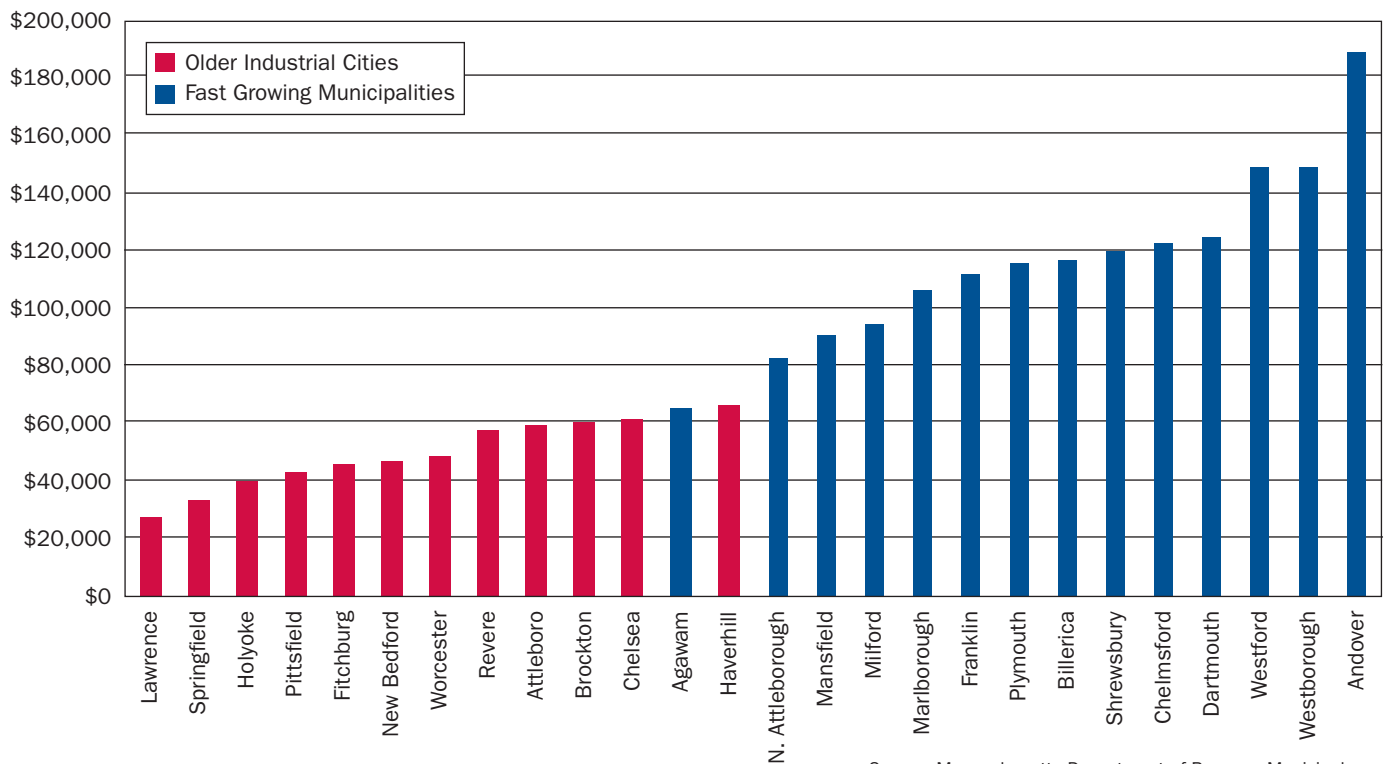
This is true, but Massachusetts has been careful in how it has distributed and, when necessary, cut state aid. By providing significantly more aid

to the communities with the least ability to raise municipal revenue from the local property tax, the state has systematically offset much of the per-capita differential in municipal spending on schools and other local services. To accomplish this feat, the state has had to provide a huge amount of resources in the older industrial cities while limiting support for the comparison municipalities.

In 2004 all 12 of the older industrial cities we studied were more reliant upon state aid for their fiscal health than the neediest of the 14 comparison communities (see figure 2). At the high end, 73 percent of local spending in Lawrence was financed with money from the state government. Even the most self-reliant of these older cities, the old mill city of Haverhill, used state aid to fund 39 percent of its budget. By comparison, the *most* dependent of the wealthier communities (Franklin) used state aid for only 37 percent of its total municipal spending. For Andover and Westborough, the state supplied less than 10 percent.

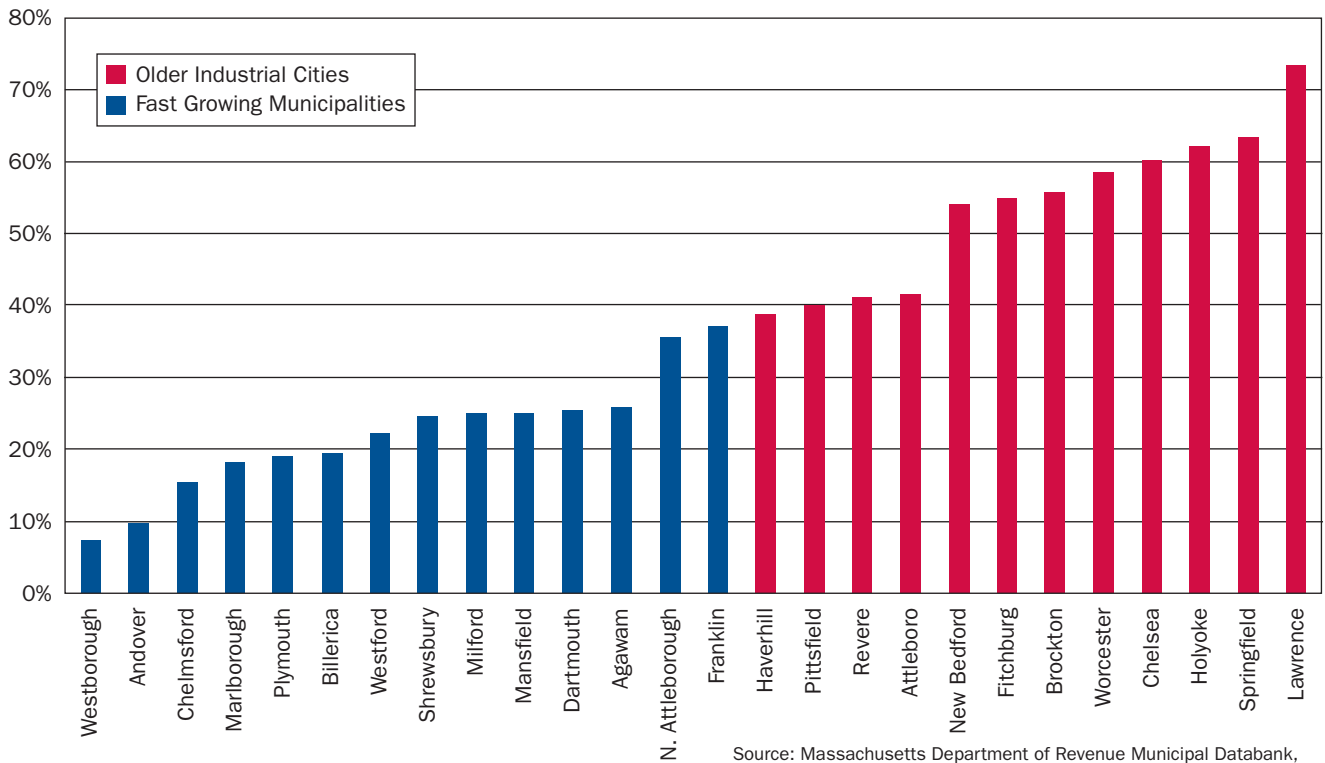
Reliance on state aid was most noticeable when it came to providing public education. In 2004, the majority of school spending in all 14 older industrial cities came from state-funded education aid, and three cities (Holyoke, Chelsea, and Springfield) had

**FIGURE 1**  
**Total Real Property Assessments per Capita, Selected Massachusetts Municipalities, 2004**



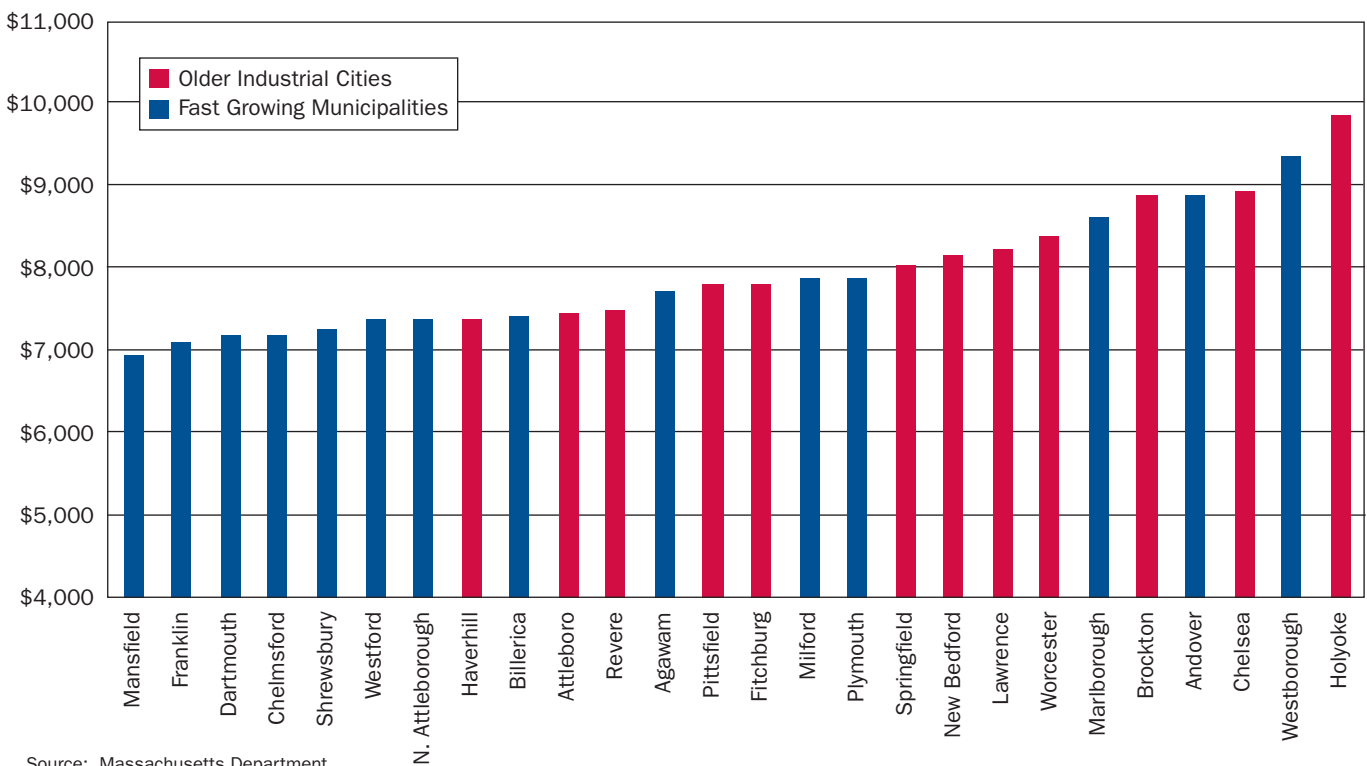
Source: Massachusetts Department of Revenue Municipal Databank, Fiscal Year 1981–1989 Assessed Values by Class; Fiscal Year 2000–2006 Assessed Values by Class; Population Data from U.S. Census Bureau.

**FIGURE 2**  
**Percent of Spending from State Aid, 2004**



Source: Massachusetts Department of Revenue Municipal Databank, Fiscal Year 2000–2005 School Versus Total Expenditures; Fiscal Year 2000–2007 Cherry Sheet Estimated Receipts by Program.

**FIGURE 3**  
**School Spending per Pupil including State Aid, FY2004**



Source: Massachusetts Department of Education, School Finance Statistical Comparisons, Fiscal Year 2004

100 percent of their school spending funded by the state. With the help of such generous state aid, nine of the 12 older industrial cities in this sample were located in the top half of per-pupil school expenditures in 2004 (see figure 3).

### The Peculiar Impact of Proposition 2½

Ironically, the second factor leading to more equal municipal spending has been Proposition 2½. This voter initiative, passed in 1980 and implemented in 1982, was the culmination of the anti-tax movement in Massachusetts. Proposition 2½ contains two important mechanisms for limiting the local property tax levy within individual cities and towns. The first, the levy ceiling, forbids a community from collecting more than 2.5 percent of its assessed property value in taxes, unless voters in the community approve an override in a referendum. This measure affects all cities and towns, but most acutely impacts the older industrial cities, which otherwise might raise property tax rates to make up for lagging property values.

The second key provision in Proposition 2½ has played a critical role in attenuating uneven development by limiting the amount of revenue wealthier communities can raise from appreciating property values. This measure, the levy limit, bars municipalities from increasing their total tax revenue on existing property by more than 2.5 percent each year, regardless of the appreciation in property values. The levy limit has little impact on older industrial cities where assessed values are hardly increasing, but it does affect more affluent communities where assessments are rising rapidly. Consequently, the actual gap in revenue generation between rich and poor cities is much smaller than it otherwise would be.

### The Combined Impact of State Aid and Proposition 2½

As an example of how these two factors—state aid and Proposition 2½—limit the disparity in total per-capita local spending, we can again consider the case of Andover and Lawrence, which border each other in the northeastern region of the state. Recall that Andover had more than \$180,000 of total assessed property per capita in 2004 compared with less than \$30,000 in Lawrence.

If there were no state aid and no property tax limitation, Andover could theoretically spend six times as much as Lawrence on local services per capita without charging a tax rate any higher than its older industrial neighbor. In fact, from local revenues alone, Andover spent about \$2,700 per capita

while Lawrence spent just under \$1,000. But with virtually its entire public school budget provided by the state, and with a generous allocation of state aid for the provision of other critical local services, Lawrence was able to spend \$2,600 per capita for local services in 2004.

Meanwhile, with minimal state aid and the constraints of the Proposition 2½ levy limit, Andover spent a total of \$3,200 per capita, just \$600 more than the total spent by Lawrence. Of course, even this diminished gap in spending can, and probably does, contribute to uneven development between the two adjacent communities, but the impact is muted by the state's generous redistribution policy and Proposition 2½.

### Is Equality Necessarily Equal? The Case of Public Safety

An improvement in distributional equity across communities is important, but is it enough? As evidenced by the data on municipal spending from local revenue sources and from state-funded local aid, Massachusetts has generally succeeded in its efforts to mitigate the impact of unequal property tax revenue between richer and poorer communities, especially with regard to K–12 schooling. Without the generosity of the state government, these cities would be forced to balance their budgets by cutting funds for teachers, textbooks, and school supplies, thereby placing more hurdles in the path to success for their school-aged children.

As older industrial cities struggle to provide services to poor, elderly, and foreign-born populations at rates far higher than those found in more prosperous cities and towns, and as they deal with the legacy of historical inequalities, leveling the playing field in other areas besides K–12 schooling requires a disproportionate response from the state.

Data on expenditures on police protection provide an illustrative example. It is true that the older industrial cities actually spend, on average, more per capita on police services than the rapidly growing municipalities. In 2004, for instance, Holyoke spent about 2.5 times as much on police protection as Shrewsbury, a town with a population just slightly smaller than Holyoke's. However, this fact obscures the reality of public safety in these two communities: Holyoke experienced 81 crimes per 1,000 residents in 2004, while Shrewsbury had 14. What is important for public safety has more to do with spending *per crime* than spending *per capita*. Thus, despite Holyoke's larger budget for police, the result is unequal public safety.

The most extreme example is the older industrial city of Springfield compared to the affluent community of Westford. In 2004 Westford had only 129 reported crimes, but spent an average of \$25,000 for each incident. By comparison, Springfield, with nearly 14,000 reported crimes, spent the equivalent of \$2,200 on each. If you were a rational criminal contemplating a crime, where would you plan your next heist? Westford might be more lucrative, but your chances of being caught are certainly higher there because the police have the resources to concentrate attention on your crime.

### Is Equality Enough?

#### The Case of Services and Amenities

Municipal budgets in cities with depressed property assessments can only achieve so much. Recognizing the need to prioritize, these cities have stretched their locally generated revenue and the aid donated by the state to give their residents the services they cannot live without: public schools, police and fire protection, water, sewer, and infrastructure. Yet, in struggling to meet these basic needs for their residents, they have been unable to fully invest in basic services and cultural and recreational amenities.

Each municipality is obligated, under the requirements of Chapter 70 of the Massachusetts General Laws, to meet a given “foundation” threshold of per-pupil school funding. Such obligations are not in place, though, for other important municipal amenities, such as the cost of planning, zoning, building inspections, and other services. Business enterprises demand that these services be provided effectively, efficiently, and with little delay if they are to consider investing in these communities.

Similarly, both homeowners and businesses seek out communities with cultural and recreational amenities. Of the 12 older industrial cities, nine are found in the bottom half of support for culture and recreation, including libraries, parks, and community celebrations—components that are essential for creating and sustaining an attractive environment in which to work and live. The affluent communities with rising property assessments are in a much better position to fund these public services, helping them attract investment and high-income households.

#### The Bottom Line: Unequal Property Values and Uneven Development

What does this all mean for development in Massachusetts and other states highly dependent on the property tax for local services? To the extent that

firms make decisions about where to expand operations or relocate new ones based on the quality of local services and the quality of life in each municipality, an initial inequality in assessed values can lead over time to a spiraling gap between older industrial cities and more affluent ones. The state can, and in the case of Massachusetts does, step in to try to rectify the massively different ability of local municipalities to provide local services. But even with a Herculean redistribution of resources through state local aid, older industrial cities are at a distinct disadvantage in competing for new investment and new jobs.

Our research suggests that while the property tax remains an important part of the local finance apparatus, it cannot, on its own, ensure the equitable provision of municipal services to rich and poor communities alike. The amenities available to residents and businesses should not be contingent upon the unique economic circumstances, positive or negative, that have affected the fortunes of the communities where they have decided to locate.

There is no simple remedy to this problem, but it suggests at least two things are needed to keep uneven development from becoming even more pronounced. First, the state government must continue to provide resources needed by poorer cities and towns to keep their communities viable and able to play a role in the overall economic development of state. Second, more study is needed to determine whether providing local communities with a more diverse set of fiscal tools, such as local income and sales taxes, would lead to more equity among local communities. **L**

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# HOUSING INEQUALITY IN CHINESE CITIES: HOW IMPORTANT IS *HUKOU*?

Mark Duda and Bingqin Li

**A**lthough vast differences in standard of living exist among the native-born residents of Chinese cities, the distinction between all urban natives and rural migrants runs deeper. It is, in fact, the fundamental social division in Chinese cities for several reasons, including labor market segmentation that sees migrants doing dirty, dangerous, and low-paying work; institutional rules that favor urban residents in everything from health care access to university entrance exams; and cultural ideas about the backwardness of rural areas and rural people.

In the housing sector, it is therefore not surprising that migrants' housing quality is quite low in an absolute sense and relative to that of other urban residents. What is less clear is the source of these differences. Research that we recently completed for the Lincoln Institute leads us to question the conventional wisdom that institutional rules linked to the *hukou* system are primarily responsible for the differential (Li, Duda, and Peng 2007). We believe that *hukou* status is only one of several factors responsible for migrants' differential housing outcomes, and that the research literature has not spent enough time assessing the relative importance of these factors. While not definitive, our empirical results provide several reasons to question a *hukou*-centric model of the sources of urban housing inequality.

## The *Hukou* System

The *hukou* system is a form of official residential registration introduced in the 1950s to support an urban industrialization policy that extracted a surplus from the countryside by keeping agricultural prices low. Capping rural incomes made it necessary to develop residence restrictions—the *hukou* system—to keep the poorly paid rural labor force from relocating to urban areas. Since the late 1970s, however, demand for workers to fill physically de-

manding, low-skill jobs has increased dramatically, and city officials have largely been obliged to tolerate the presence of migrants.

Nonetheless, for many years *hukou* status was used to enforce quotas and restrictions on migrants in some jobs and employment categories in order to maintain preferences for urban residents. As more migrants came to cities and played an ever-growing role in the urban economy, such quotas became increasingly untenable. Since 2000, the central government has sought to reduce institutional discrimination against rural migrants by eliminating national-level policies that prevent migrant workers from enjoying equal treatment in cities.

Today, the *hukou* system's role in regulating residence has largely ended, and migrant workers now live and work legally in urban areas without the need for urban/permanent *hukou*. However, local-level rules limiting migrants' access to many social benefits, such as health insurance, schooling, and public sector rental housing, persist. As a result, the *hukou* system remains a source of urban inequality due to local-level policies that deny migrants access to social benefits available to native-born residents, or require them to pay substantially more for these benefits.

## *Hukou*, Housing Choice, and Housing Quality

In looking at the potential ongoing impact of *hukou* status on housing inequality, the most important comparison is between low-income natives and rural-to-urban migrants in the low-cost segment of the urban housing market. Yet, no study has conducted such a comparison using data that reflects the impact of the substantial housing reforms of the late 1990s, which introduced cohort effects that strongly influence housing consumption even between native urban households formed before and after this period.

These reforms engendered a wave of privatization of public sector housing units and transferred resources from work units to their employees via





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housing allocations during the so-called “catching the last train” period. In seeking to determine if *hukou* status influences relative housing quality between migrant and native households, the focus should be on those households formed during roughly the last five years.

The mechanism most commonly proposed by which *hukou* status may continue to negatively affect migrants’ housing quality is by denying them access to public sector rentals (Huang 2003). The argument is that if migrants are indeed denied access to this type of housing, and if this housing stock tends to be of higher quality than private rentals at the same price point (i.e., if public rentals are meaningfully subsidized), then migrant housing quality is lower on average as a direct result of migrants’ inability to access the subsidized pool.

Assuming that public sector rentals actually are of higher quality at a given price point, the challenge is to determine whether migrants are indeed denied access to them. The extent to which this is the case

is not clear, despite the existence of city-level rules prohibiting or limiting migrants’ access to public sector rentals. Wu (2002), for instance, shows that the share of migrants in public sector rentals in her Beijing sample (18.7 percent) was nearly as high as the share of urban natives (24.7 percent).

Yet, it is not possible to determine whether migrants in public sector housing are renting directly from public sector work units or housing bureaus, are subletting from urban native households that are renting directly from these entities, or are renting from owners of privatized public housing. As a result, we do not know the extent to which the migrants benefit from any subsidies on such units relative to urban natives. The larger point is that, on this key issue linked to an important potential source of housing inequality between low-income migrants and natives, the research literature has nothing definitive to say.

A second problem with a *hukou*-centric explanation for housing inequality is that it is not clear

**Migrant workers rest under a sign that says, “Representative construction project designed by the modernist architectural masters.”**



Photos: © Guy Mayraz

**Migrants prepare meals and run small businesses on the street.**



**Residents play pool in a migrant housing community surrounded by temporary structures that they built.**

whether migrants who do not occupy public sector rentals have been denied access to them or have simply chosen alternative housing. In Tianjin, highly subsidized

public housing built specifically for migrants has seen limited use (Xiao 2006), and another migrant housing project in Chengdu had a similar outcome (Song 2007). In both cases, the problem seems to be that the housing is not located near jobs. As discussed below, this is consistent with our findings that employment concerns dominate migrants' housing choices, and that migrants are reluctant to spend money on transportation to work, which limits the distance they are willing to commute.

A third factor undermining the primacy of *hukou* status as the cause of urban housing inequality is the fact that many migrants do not search for housing in the conventional housing economics sense. In our study, half of respondents got their housing from their employer and, of this group, less than 20 percent paid rent. This implies that roughly half of all migrants never had the chance to be denied access to public sector rentals. Further, while employer-provided housing tends to be of low quality, it has compensating advantages in terms of being free

or low cost, and close to work. In our sample, 41.4 percent actually lived at the job site and those renting from employers paid an average of 80 RMB (US \$11) monthly, compared to 200 RMB (US \$27) for those renting in the private market (see note).

A final reason that *hukou* status may not be the key to migrants' low housing quality is because many migrants do not plan to stay in the city over the long term. Zhu (2007) asked a sample of migrants to five cities in Fujian if they would settle permanently in the city if they could have their *hukou* status changed, and only 35.2 percent said they would. Zhu argues that other factors—household-level risk diversification strategies and the inherent demand of the Chinese economy for labor flexibility—are responsible for the temporary nature of migrant behavior, which is related to their low housing quality.

Zhu (2007) shows that some migrant families who have no intention of permanently relocating divide their labor between urban areas and the countryside in order to maximize earnings or minimize the risk that they will fail to earn anything due to bad harvests, agricultural price fluctuations, and rising input costs. In our sample, 85.1 percent of respondents still held property rights to land in their home place, indicating that their migration is intentionally temporary.

Likewise, factory hirings are linked to the fluctuating volume of international orders, making the demand for migrant labor in the manufacturing

sector inherently unstable. Marginal workers in these industries will be continually hired and fired, or will see their work hours change dramatically in response to changes in external factors, leading many to conclude that it is unwise to spend more than a minimal amount of their wages to improve housing quality.

Although no study has ruled out *hukou* as the primary source of housing inequality between migrants and others, there are far too many unanswered questions to necessarily rule it in. Presenting definitive support for *hukou*-based or alternative explanations of inter-group housing outcomes requires a new round of research that controls for important cohort effects; investigates the influence of factors that work in the same direction as the *hukou* system; and intentionally sorts migrants into temporary or seasonal and permanent subgroups. Our study is not this ambitious, but it does offer support for those who would argue that it is too early to locate the cause of housing inequality between migrants and natives primarily in the *hukou* system.

### Empirical Results from Tianjin

Our study sampled 800 rural-to-urban migrants in Tianjin. By design, none of the respondents has permanent Tianjin residency and none are homeowners, thus focusing on the most policy relevant group of low-wage, low-status workers. Tianjin currently experiences substantial in-migration due to its size and its status as the home to the ambitious Binhai New Area development project. At the end of 2006, the estimated long-term population (i.e., residents who had been in the city as least six months) was 11.0 million, up 320,000 from a year earlier. Some 1.4 million, or about 10 percent, were migrants, and all but 200,000 of them were temporary (i.e., without Tianjin *hukou*).

One of our principal findings is that many migrants do not exercise housing choices, but rather face certain housing options as a result of their employment choices. Table 1 supports this claim, showing cross-industry variation in the share of migrants that pay rent and the share that get housing through their employer. The share of respondents who pay rent varies dramatically, from a low of 15.0 percent in the construction industry to a high of 87.1 percent for those with street businesses.

Similarly, although most construction and manufacturing workers receive housing through their employer, only about one-third of those in the service sector and one-tenth of those in various forms of street business do so. Among those who receive housing from their employer, very few of the respondents in the construction industry pay rent, while half of those in manufacturing do pay rent. In this context, we argue that housing outcomes are simply a function of prior, or perhaps simultaneous, employment choices.

These results suggest that a substantial share of migrants obtain housing independent of the effects of *hukou* status. That is, if 85 percent of construction workers live in housing provided by their employer for free or low rent, on or near the job site, their housing situation would seem to be a function of their decision to work in the construction industry, rather than of their *hukou* status.

Table 2 shows how this employment decision is reflected in inter-group comparisons of housing inequality. The data show that housing quality in the construction industry is generally much worse than average. In comparisons of housing quality across urban groups, the construction sector—which provides more than a quarter of migrant employment in large cities and almost no such employment

**TABLE 1**  
**Source of Housing by Industry Sector in Tianjin**

Industry	Respondent Pays Rent		Employer Provides Housing to Respondent		Respondent Pays Rent for Employer-Provided Housing	
	(#)	(%)	(#)	(%)	(#)	(%)
Construction	31	15.0	176	85.4	2	0.6
Manufacturing	133	63.9	147	70.7	74	50.3
Services	173	67.8	71	34.6	6	8.5
Street Business	108	87.1	12	9.7	4	33.3
<b>Total</b>	445	56.1	406	51.2	86	21.2

Note: Denominator for 'Respondent Pays Rent for Employer-Provided Housing' is 'Employer Provides Housing to Respondent.'

**TABLE 2**  
**Housing Quality Indicators by Industry Sector**

Industry	Respondents (#)	Tap Water		Indoor Toilet		Permanent Structure		Very Noisy		No Heat	
		(#)	(%)	(#)	(%)	(#)	(%)	(#)	Share (%)	(#)	Share (%)
Construction	206	62	30.1	77	37.4	65	31.6	36	17.5	38	18.4
Manufacturing	208	163	78.4	146	70.2	174	83.7	13	6.3	12	5.8
Services	255	217	85.1	119	46.7	217	85.1	12	4.7	29	11.4
Street Business	124	109	87.9	27	21.8	94	78.3	8	6.5	15	12.1
Total/Average	793	551	69.5	369	46.5	550	69.4	69	8.7	94	11.9



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**Migrant children are now allowed to attend city schools to obtain a formal education.**

for urban natives—will therefore substantially diminish the observed level of migrant housing quality. Since virtually no migrants employed in the construction industry have urban/permanent *hukou*, the construction sector heavily influences the likelihood that researchers will detect quality differences between migrants and natives, and that these will be linked to *hukou* status in multivariate models.

Our study also allows us to examine Zhu’s (2007)

argument that housing conditions vary among migrants because migrants, even within the low-wage/low-skill subset, are in urban areas for different reasons and that these different strategies translate into different housing outcomes. Table 3 uses household structure as a proxy for household strategies of permanent migration versus income maximization or hedging their bets. The indicator is whether, among respondents with children, those children reside in Tianjin or remain at home in the countryside. This variable allows us to distinguish households that have chosen temporary migration (children live in home place) to diversify earnings across urban and rural labor markets, and those that have decided to move to the city permanently (children live in Tianjin).

Table 3 shows how the family structure variable is related to the two housing outcomes discussed above, and to a housing quality index constructed from six quality indicators: having an indoor toilet; being very damp; having interior tap water; being in a temporary structure; having no heat source; and being in a building also used for business purposes. Among respondents whose children have joined them in Tianjin, nearly all pay rent, whereas only about one-third of others do so, in large part

**TABLE 3**  
**Family Structure and Housing Outcomes**

Respondents with Children (n=509)	Pay Rent (%)	Employer Provides Housing (%)	Housing Quality Index	
			Median	Mean
Children live in Tianjin	92.3	5.5	5	4.7
Children live in Home Place	36.6	67.6	4	4.0

Note: The Housing Quality Index is simply the inverse of the number of quality problems (having an indoor toilet; being very damp; having interior tap water; being in a temporary structure; having no heat source; and being in a building also used for business purposes). Having all six problems results in a score of zero, while having no problems results in a score of six.

because they get housing through their employer (67.6 percent). Employer-provided housing is typically of low quality, and is often in a dormitory setting or temporary structure that is particularly unsuitable for children. Table 3 also shows that housing quality is significantly higher for households with children in Tianjin (an index score of 4.7 versus 4.0, with t-statistic for difference of means of 6.35).

These results suggest that not only do households pursuing different migration strategies experience different housing outcomes, but those who have committed to settling in the city invest in better living conditions. The fact that having children in Tianjin is associated with improved housing quality supports the notion that factors in addition to *hukou* status influence observed levels of migrant housing quality. That is, our results are consistent with the claim that migrant housing quality is in part a function of migration intention, with those committed to settling in urban areas permanently occupying higher quality housing.

## Conclusion

Our fundamental argument is that very little is known about important aspects of rural-to-urban migrants' engagement in the urban housing sector. Given the range of unexamined alternative and complementary explanations for observed housing quality differentials between migrants and urban natives, we are not ready to accept the *hukou*-centric explanations offered in the literature. This is not to argue that *hukou* is unimportant, or that we think removing *hukou*-linked rules governing access to various urban social entitlements would be a mistake. Rather, we are saying that we have not seen sufficient evidence indicating that *hukou* reform will "naturally" lead to improvements in migrant housing quality or a reduction in housing inequality between migrants and urban natives to focus policy development in this single area, particularly given the often profound difference between rights and access to various social entitlements in today's China (Li 2005; forthcoming).

In addition, our research shows that housing outcomes are quite different across households with different migration strategies. It also shows that the housing situations of many migrant workers appear to be independent of the *hukou* system because they are the direct result of employment choices that are not linked to *hukou* status in the current environment. Taken together, intra-group differences, combined with occupational segregation suggest that factors in addition to *hukou* are responsible for migrant-native

housing quality differentials in the transitional economy.

It is important to point out that, although our data are more recent than those underlying other studies, they come from a single large city in a particular region of the country, with a specific industrial mix and housing market conditions. It is clearly possible that some specific findings from our study would differ in other contexts. Nevertheless, we feel it is unlikely that research will emerge that challenges our fundamental claims that the migrant housing sector has not received sufficient attention and that the current policy-making framework around migrant housing policy development is not well developed. **L**

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- NOTE:** Conversion is based on an exchange rate of 7.4 RMB to 1 US dollar (values rounded to the nearest whole dollar).



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# Fernanda Furtado

**LAND LINES:** *How and why did you become interested in issues of value capture?*

**FERNANDA FURTADO:** As with most urban planners in Latin America, my background studies in architecture did not include urban economics. Our urban planning system and planning schools typically follow a spatial approach and normative traditions that essentially ignore land markets and their effects on urban form or the spatial structure of the built environment, as well as the impacts of urban planning decisions on the functioning of the land market.

I was intrigued by a phenomenon that is too prevalent in Latin American cities to be ignored—the mismatch between the continuous occupation of areas lacking even the most basic items of infrastructure alongside fully urbanized areas waiting to be absorbed by the market. This remarkable feature of Latin American urbanization is largely attributed in the literature to the scarcity and spatial misallocation of public funds for the provision of urban infrastructure. The mismatch is also related to the practice of land speculation—that is, land retention in areas inside or close to serviced areas, rather than to speculative purchase and resale as in developed countries. Those apparently contradictory and unrelated factors are actually connected and supported by an institutional system of low charges on land values and limited land use regulation.

**LAND LINES:** *How can value capture policies address this mismatch?*

**FERNANDA FURTADO:** A closer look to the functioning of land markets in Brazil and other Latin American countries shows clearly the lack of enforced legislation to regulate the private appropriation of windfalls accruing from public actions. Value capture can be a natural response to this situation. The problem is more complex, however, since legislation and even detailed instruments do exist in many countries and local jurisdictions, yet there is not a strong record of concrete experiences. A self-reinforcing combination of ineffective implementation of value capture instruments and policies and ambiguous interpretation of their logic and functions results in a vicious cycle, whereby ambiguities in understanding the potential of value capture undermine the implementation of instruments, while the lack of learning from concrete experiences makes it harder to overcome these ambiguities.

**LAND LINES:** *Why has it been so difficult to launch value capture policies?*

**FERNANDA FURTADO:** This issue has deep roots in the historical and structural characteristics of the region, affecting the role of the state in the urbanization process, its patrimonial legacy, and a cultural tradition with direct consequences over the ways cities are planned, developed, and managed. People generally accept that it is the state's duty to provide infrastructure and services, but they do not connect this task with collecting taxes from land. They think that high property prices are a sign of wealth, so when land prices are not increasing, they blame the state. Even the poor value land as a form of wealth, and as a surrogate for an inadequate social security system and an underdeveloped capital market. Land is the best, and for many the only, asset to leave to their children.

**LAND LINES:** *Can you provide an illustration of how deeply rooted in the urban culture is the private appropriation of land value increments from land use regulations?*

**FERNANDA FURTADO:** In Leblon, a wealthy neighborhood in Rio, an ordinance was recently passed by the municipality to protect the area's local ambiance by enforcing preservation measures for some low-rise buildings that were considered representative of the historic character. However, other properties in the same area, especially those used as gas stations and supermarkets, remain subject to regular zoning criteria, allowing them to be developed without such restrictions. This new legislation has caused tremendous protests by the owners of the protected buildings, who claim that their properties have lost much of their economic value.

This situation illustrates how people understand private development rights, including potential or virtual rights, and the role of regular zoning to guarantee those rights. It also shows the lack of understanding by municipal officials on how to deal with such a sensitive matter, and more generally on how they could have used the value capture principle to resolve the situation. The critical issue is equity among affected and unaffected properties. If the municipality had passed an equivalent basic index equalizing development rights to all properties in the area, as allowed in Rio's Master Plan, at the same time as the preservation bill, the response could have been quite different.

**LAND LINES:** *How do some successful experiences with value capture in Colombia and Brazil relate to the current situation?*

**FERNANDA FURTADO:** Both countries have internalized at least part of the value capture idea to increase resources to meet infrastructure servicing needs, or as a means to promote horizontal equity on development rights, albeit each in a different way. Colombia has had solid experience with the use of the valorization charge, whereby the costs of urban infrastructure are financed by those who are directly benefited by land value increments due to those public works. Brazil has experimented in some municipalities, including São Paulo, Porto Alegre, and Curitiba, with the public selling of building rights in addition to regular zoning. Both endeavors have been accused of various drawbacks, such as imposing unacceptable tax burdens (on one side of the political spectrum), or benefiting only the rich sectors and not being truly redistributive (on the other side).

**LAND LINES:** *What lessons can be drawn from such experiences and related debates?*

**FERNANDA FURTADO:** The experiences in Colombia and Brazil were seen more as pragmatic ways to overcome the lack of resources to fund urbanization than as policies deliberately intended to capture land value increments. Using a value capture instrument is only an intermediary action between two other indispensable

ones: the first public action that originates land value increments, and the final one that defines the use of captured resources. However, the most successful experiences have been those where all three phases relate to the same affected landowners.

These and other experiences and their evaluation show the need for a better understanding of what value capture involves and what role it could play in the design of a land policy system. On the other hand, it must be remarked that the Colombian and Brazilian experiences, however fragile and subject to criticisms, were not in vain, for they were able to surmount some of the ambiguities and develop more consistent value capture policies that are now considered paradigms in the region.

**LAND LINES:** *What conditions do you think would permit value capture to work more successfully?*

**FERNANDA FURTADO:** If value capture is to be a key element of urban land policy in Latin America, it must be more comprehensive and apply to the city as a whole, not only to certain areas. It has the potential to change the rules governing the distribution of benefits and costs from urbanization, including the goal of redistribution as a necessary condition. Intense socio-spatial segregation between rich and poor, as well as great differences in access to serviced land, cannot be ignored in the process of designing a land policy system and corresponding value capture instruments.

If value capture applies only its traditional distributive function, it may actually add to the problem. For example, one tool used in the region is based on the idea that the approval of exceptional regulation in wealthy areas causes valorization that can help to raise funds to provide affordable housing in poor areas. It is not difficult to understand that this pseudo-redistributive measure only exacerbates intra-urban differences that are at the very source of Latin America's urbanization problem. Moreover, to overcome these historical and structural problems, value capture is less useful as a way of increasing public budgets than as a set of tools to discipline land markets by minimizing the level of expectations about land value gains.

**LAND LINES:** *How is the Lincoln Institute contributing to the debate about value capture?*

**FERNANDA FURTADO:** Cross-fertilization and dissemination of experiences is crucial, and the Lincoln Institute is playing an important role through the promotion of regional courses and seminars and comparative research. This work is fostering the debate on some key issues and misunderstandings that still hinder the discussion, such as the limits on development rights or the alleged inflationary impacts of value capture tools. As a result several municipalities have indicated a strong interest in these concepts, policies, and instruments.

I am currently developing the material for an Institute-based Web platform where all the materials produced over the last decade on value capture in Latin America will be available for urban planners, public officials, and academics interested in the topic. The idea is to not only assemble research reports, case studies, and actual experiences, but also to access relevant legislation and instruments. A bibliography and a glossary of terms will be included to help the public become more familiar with the topic. In short, although value capture is not exactly a new idea, there is still much to be learned about how it can be developed in the Latin American urban environment.

**LAND LINES:** *How will this material help future urban planners?*

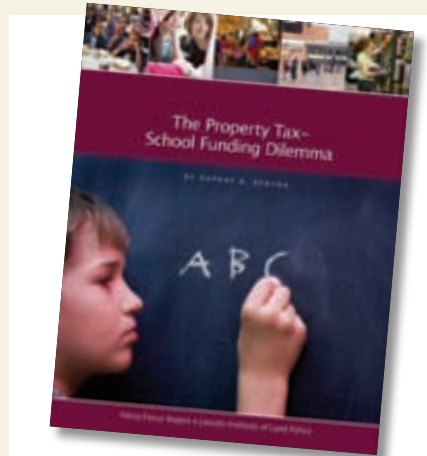
**FERNANDA FURTADO:** I am convinced that future Latin American urban planners will benefit enormously from a deeper understanding of market values arising from better land use definitions, as well as how this knowledge can be internalized in urban projects. In pursuing this goal, I have been working with the "translation" of urban economics and basic land policy issues so they can be understood by non-economists. I have been testing some of these materials with my graduate and undergraduate students, and they are fascinated with the new possibilities and responsibilities of working with those new tools while designing urban projects.

## The Property Tax–School Funding Dilemma

Property taxation and school funding are closely linked in the United States, with nearly half of all property tax revenue used for public elementary and secondary education. There is an active policy debate across the country regarding the degree to which public schools should be funded with property tax dollars. Some policy makers and analysts call for reduced reliance on property taxation and increased reliance on state funding; others claim that the property tax is a critical ingredient in effective local government. School funding is no less controversial, and most states have dealt with school funding litigation and court mandates at least once over the last several decades.

States experiencing taxpayer revolts among homeowners are tempted to reduce reliance on the property tax to fund schools. But a more targeted approach can provide property tax relief and also improve state funding for public education, according to this new report by Daphne A. Kenyon, a visiting fellow at the Lincoln Institute. “Those who have tried to reduce property taxes and improve school performance at the same time have not met with much success,” according to Kenyon.

The report includes a comprehensive review of recent research on both the property tax and school funding, and case studies of seven states—California, Massachusetts, Michigan, New Hampshire, New Jersey, Ohio, and Texas, the majority



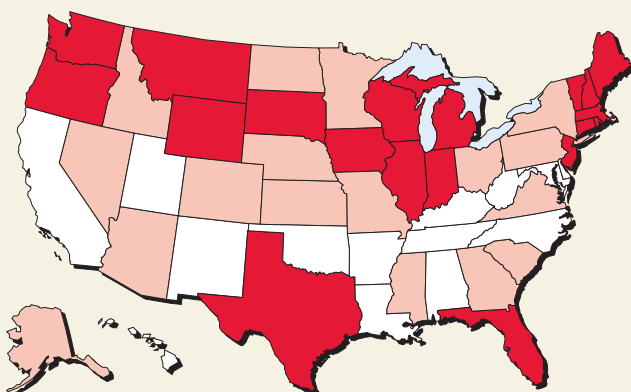
### The Property Tax–School Funding Dilemma

By Daphne A. Kenyon  
2007 / 64 pages / Paper / \$15.00  
ISBN 978-1-55844-168-2  
Policy Focus Report Code / PF015

#### Ordering Information

This report is posted for free downloading from the Lincoln Institute Web site ([www.lincolnst.edu](http://www.lincolnst.edu)). To obtain a printed copy of the report, order online or contact [help@lincolnst.edu](mailto:help@lincolnst.edu).

of them heavily reliant on property tax revenues to fund schools (see map). Among these states Massachusetts ranks the highest and California the lowest, according to the respective property tax relief and school funding principles presented in the report.



- Share of Tax Revenue from Property Tax >33%
- Share of Tax Revenue from Property Tax >25% but <33%
- Share of Tax Revenue from Property Tax <25%

Share of State and Local Government Tax Revenues from Property Taxes, 2005

Source: U.S. Census. 2007. Annual Survey of Government Finances, 2005.

One objective of the report is to provide information helpful to state policy makers and others who are grappling with the twin challenges of court mandates regarding school funding and constituent pressure to lower property taxes. Another objective is to correct some common misconceptions through a critical analysis of nine myths regarding school funding litigation, property taxation, and the state role in funding education. While there is no one-size-fits-all solution, the report recommends addressing property taxes and school funding separately.

**Property tax relief.** Arguing that the use of property tax revenue for schools is fundamentally sound, the report points out that increasing state aid for education does not necessarily result in lower property taxes, and it cautions against switching to greater reliance on a sales tax, for example, to fund schools. Instead, a more targeted effort can achieve fairness and relief, with the greater use of circuit breakers that adjust property tax bills based on ability to pay. Many states do not take full advantage of this policy instrument, or limit its application to the elderly.

**School funding.** Addressing the complex issue of statewide funding for schools, the report also recommends a targeted approach—distributing state aid for public education to the neediest school districts, schools, and students. State policy makers should not aim to provide any specific percentage for the state’s share of funding K–12 education, the report concludes.

#### ABOUT THE AUTHOR

**Daphne A. Kenyon** is principal of D. A. Kenyon & Associates, a public finance consulting firm in Windham, New Hampshire. She also serves on New Hampshire’s State Board of Education and on the Education Commission of the States, a national organization. She researched and wrote this report while serving as a visiting fellow at the Lincoln Institute of Land Policy. Contact: [dkenyon@lincolnst.edu](mailto:dkenyon@lincolnst.edu)



## New Latin American Publications and Digital Resources

The Lincoln Institute's Program on Latin America and the Caribbean has made several of its new publications available in digital formats. These electronic books and CD-ROMs can be distributed more easily to more readers than traditional printed books, so the research and curriculum materials can be shared with our Spanish and Portuguese speaking colleagues in the region.

### Electronic Books

The Institute's first electronic book was made available for free downloading in February 2007, and two additional e-books have been posted recently on the Lincoln Institute Web site ([www.lincolninst.edu](http://www.lincolninst.edu)).

#### Sistemas de información geográfica aplicados a estudios urbanos:

#### Experiencias latinoamericanas Geographic Information Systems Applied to Urban Studies: Latin American Experiences

Edited by Diego Alfonso Erba  
December 2006/207 pages/Spanish  
and Portuguese/ISBN 978-85-906701-1-7

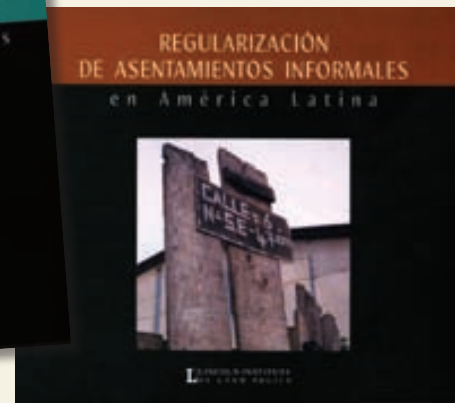
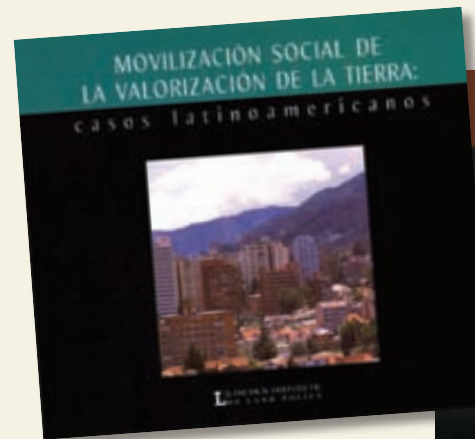
This volume presents case studies corresponding to GIS applications related to urban land policy. The nineteen chapters report on experiences developed in nine Latin American countries, which were selected for inclusion in this book based on their geographic distribution, replicability, and relevance. The case studies are grouped in three topics: informal settlements, urban cadastres, and urban studies.

#### Cadastro técnico multifinalitário urbano e rural

#### Urban and Rural Multipurpose Technical Cadastres

Edited by Carlos Loch and Diego Alfonso Erba  
May 2007/142 pages/Portuguese/  
ISBN 85-906701-2-0

This text presents the history and current situation of the Brazilian cadastre in accessible language, relating it to modern international visions of land information systems. It presents technical and methodological alternatives for cadastral updates, as well as the appropriate cadastral mapping geotech-



nologies. Topics related to urban and rural cadastre are addressed from a broad perspective, applicable beyond the Brazilian situation.

#### Cadastro multifinalitário aplicado a la definición de políticas de suelo urbano Multipurpose Cadastres Applied to the Definition of Land Policies

Edited by Diego Alfonso Erba  
November 2007/448 pages/Spanish/  
ISBN 85-906701-0-4

This compilation brings together the "old" and "new" paradigms that govern the evolution of urban cadastres into modern territorial information systems for the (re)definition of urban land policies in Latin America. The book's nineteen chapters are organized in six topical sections: cadastre and the territorial information; land taxation and urban financing; land valuation; geotechnologies applied to territorial cadastre; cadastre and urban development; and cadastres in North America and Europe.

### CD-ROMs

Two of the most prominent topics on the agenda of the Program on Latin America and the Caribbean are regularization of informal land markets and value capture. Case studies on each topic have been published in compendium format on CD-ROMs. These CDs are currently available for purchase, and the contents will be posted on the Lincoln Institute Web site for free downloading in early 2008.

#### Regularización de Asentamientos Informales en América Latina Regularization of Informal Settlements in Latin America

Edited by Adriana de Araujo Larangeira  
September 2007/Spanish/\$10.00/  
ISBN 978-958-44-1371-0/CD004

Ten case studies from six Latin American countries on the topic of regularization of informal settlements explore both conventional practices and innovative tendencies, with the aim of making a variety of tools and approaches available to decision makers, thus stimulating understanding of the topic and the adoption of adequate measures. The objective of the case studies is to increase access to urban land and housing for low-income sectors.

#### Movilización social de la valorización de la tierra: Casos latinoamericanos Social Mobilization of Land Value Increments: Case Studies from Latin America

Edited by María Clara Vejarano Alvarado  
September 2007/Spanish/\$10.00/  
ISBN 978-958-44-1370-3/CD005

Thirteen case studies from six Latin American countries on the topic of mobilization of land value increments present projects that have already been implemented and have relevant results. The compilation's objective is to foster improved understanding of this topic by decision makers and the adoption of adequate policies for a more equitable distribution of land value increments.

## David C. Lincoln Fellowships in Land Value Taxation, 2007–2008

The David C. Lincoln Fellowships in Land Value Taxation 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, founding chairman of the Lincoln Institute, and his long-standing interest in land value taxation. The program encourages scholars and practitioners to undertake new work in this field, either in the basic theory of land value taxation or its applications. These research projects add to the body of knowledge and understanding of land value taxation as a component of contemporary fiscal systems in countries throughout the world.

The DCL fellowships announced here constitute the eighth group to be awarded. The deadline for the next annual application process is September 1, 2008. For more information, contact [fellowships@lincolninstitute.edu](mailto:fellowships@lincolninstitute.edu) or visit the Institute's Web site at [http://www.lincolninstitute.edu/education/dcl\\_fellowships.asp](http://www.lincolninstitute.edu/education/dcl_fellowships.asp).

### Vicki Been

*Elihu Root Professor of Law, and Director, Furman Center for Real Estate and Urban Policy  
New York University School of Law*

### Ingrid Gould Ellen

*Associate Professor  
Robert F. Wagner School of Public Service  
New York University*

### Land Values, Institutional Barriers, and the Redevelopment of Underused Urban Sites

Many U.S. cities face concerns over increasingly expensive housing, due in part to the decreasing supply of readily developable land. In the face of apparently strong real estate markets, it is puzzling why some parcels remain underused (developed at less than the full potential allowed by zoning). Theoretical models suggest that parcels may remain underdeveloped due to current market conditions, uncertainty over future land values, or regulatory and institutional barriers. In this study we test the relative

importance of these hypotheses by assembling a rich dataset on redevelopment of underused parcels in New York City from 2000 to 2006. By linking this dataset to property sales data, we can also exploit these redevelopment decisions as a way to estimate land values.

### Sally Kwak

*Assistant Professor  
Department of Economics  
University of Hawaii-Manoa*

### Biases in Estimating the Effect of Hawaii's Split-Rate Property Tax Reform on Long-Run Spatial Development

Theorists hold that the split-rate system of property taxation leads to reduced sprawl and greater levels of development and land use efficiency, while reducing excess burden and holding revenue neutral. Recent empirical studies have shown however that the predictions of theory are not validated in practice. We investigate the bias in the effect of split-rate systems of property taxation on elements of spatial development. We address the potential non-randomness in the adoption of split-rate systems by examining one particular state, Hawaii.

### Stanley D. Longhofer

*Stephen L. Clark Chair of Real Estate and Finance, and Associate Professor  
Barton School of Business  
Wichita State University*

### Christian L. Redfearn

*Assistant Professor  
School of Policy Planning and Development  
University of Southern California*

### Extracting Land Values Using Residential Sales Data

We will develop a general method for using residential sales data to separate house prices into their land and building components. This breakdown is routinely assessed by local governments, but often using ad hoc methods. Quality land value estimates are important for understanding how local amenities are capitalized into property values. Furthermore, these values could serve as the basis for a land tax. It has been argued that land taxes are more efficient than property taxes, but have been difficult to implement in urban areas where vacant land sales are rare and estimates of land values are not credible.

### Elizabeth Plummer

*Associate Professor of Accounting  
Neeley School of Business  
Texas Christian University*

### Evidence on the Distributional Effects and Administrative Feasibility of a Land Value Tax: Who Wins, Who Loses, and Can It Happen?

This project examines how replacing a uniform property tax with a land value tax (LVT) would shift the tax burden, with the primary focus on residential properties. The project uses parcel-level property data for ten years (1997 through 2006), obtained from the Tarrant Appraisal District in North Texas, as well as U.S. census tract data. Statistical methods examine the effect of LVT on vertical and horizontal equity. This study also surveys the chief appraisers in Texas to assess their current level of awareness of LVT, and to gather information on land valuation practices in the state's 254 appraisal districts.

### P. Christopher Zegras

*Assistant Professor  
Department of Urban Studies and Planning  
Massachusetts Institute of Technology*

### Shan Jiang

*Candidate for Master of Science in Transportation and Master in City Planning  
Massachusetts Institute of Technology*

### Sustaining Mass Transit through Land Value Taxation: A Case Study of Chicago

Capturing the increasing land values attributable to mass transit and thereby providing an additional means of funding the transit system has become an increasingly examined alternative to help relieve the heavy financial burdens of many transit agencies around the world. This research project proposes to 1) investigate and estimate the impact of transit accessibility on land values in the Chicago metropolitan area by building a hedonic price model, and 2) apply the hedonic model to the South Chicago USX redevelopment project to forecast land value increases contributed by transit accessibility. Finally, this research will recommend a feasible financing mechanism to capture the land value increases, through which future transit services in the USX redevelopment area and other development areas in Chicago can be financed.

## Planning and Urban Form Fellowships, 2007–2008

Fellowships in Planning and Urban Form encourage and support research on land planning and development topics related to the Institute's agenda. In 2007–2008 one research fellowship and one special fellowship have been awarded through the Department of Planning and Urban Form. This program focuses on planning and the built environment, with a particular interest in 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, 2008. For more information, contact [fellowships@lincolnst.edu](mailto:fellowships@lincolnst.edu) or visit the Institute's Web site at <http://www.lincolnst.edu/education/fellowships.asp>.

### Richard C. Feiock

Askew School of Public Administration and Policy

Florida State University, Tallahassee

### Political, Fiscal, and Environmental Influence on Acceptance of High Density Residential Development

This study investigates how political institutions, fiscal conditions, and environmental factors influence changes in local use requirements to allow higher density development. Using panel data from 290 Florida cities in Florida's 19 metropolitan areas from 1998 to 2005, the empirical analysis investigates how land use decisions are shaped by interactions of physical conditions in the action arena, attributes of the community, and attributes of the institutions that structure decision making.

### Mark Ackelson Named 2008 Kingsbury Browne Fellow

Mark Ackelson, president of the Iowa Natural Heritage Foundation, has been appointed the 2008 Kingsbury Browne Fellow in the Lincoln Institute's Department



© Francesca Dallo

**Mark Ackelson (L) with Rand Wentworth, president of the Land Trust Alliance.**

of Planning and Urban Form. This prestigious fellowship was named for Boston tax attorney Kingsbury Browne (1922–2005), and is awarded annually by the Institute in association with the Land Trust Alliance. The fellowship celebrates individuals whose leadership has enriched the conservation community and whose contributions embody the values Kingsbury Browne demonstrated in his own life and work.

Browne is credited as one of the founders of America's modern land trust movement. In 1980, as a fellow 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 around the country. That initiative evolved into the Land Trust Alliance, formed in 1982, which today is a network of more than 1,700 land trusts that have conserved more than 34 million acres of land.

The Kingsbury Browne Fellowship will support Ackelson in lecturing, writing, and mentoring projects for one year beginning on January 1, 2008.

"I am proud to be a part of a profession and movement that helps protect the environment while also enriching people's lives," Ackelson said. "We talk about land, but really our work is about people, and communities that we work with to accomplish our shared goals. I am pleased to have had Kingsbury as one of my many mentors."

Mark Ackelson joined the Iowa Natural Heritage Foundation as one of its original staff members in 1980 and has been its president since 1994. The Foundation has helped protect nearly 100,000 acres of Iowa's prairies, wetlands, woodlands, watersheds, and trail corridors. Ackelson also helped found the Mississippi River Blufflands Alliance, Iowa Environmental Council, the Resource Enhancement and Protection Alliance, and the Land Trust Alliance.

## Graduate Student Fellowship Application Deadlines

### Dissertation Fellowships

The Lincoln Institute has opened its annual funding cycle 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 fellowships of \$10,000 each for the 2009 fiscal year, starting July 1, 2008. 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.lincolnst.edu/education/fellowships.asp>. An electronic version of the complete application must be received at the Lincoln Institute by the deadline date of March 1, 2008.

### 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 15, 2008.

The 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, 2008.

To learn more about these international fellowship opportunities, visit the Institute's Web site at <http://www.lincolnst.edu/education/fellowships.asp> or contact [fellowships@lincolnst.edu](mailto:fellowships@lincolnst.edu).

## 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.lincolninist.edu/education/courses.asp](http://www.lincolninist.edu/education/courses.asp).

For information about other programs offered by the Program on Latin America and the Caribbean, visit [www.lincolninist.edu/aboutlincoln/lac.asp](http://www.lincolninist.edu/aboutlincoln/lac.asp), and for information about the Program on the People's Republic of China, visit [www.lincolninist.edu/aboutlincoln/prc.asp](http://www.lincolninist.edu/aboutlincoln/prc.asp).

## Programs in the United States

**THURSDAY, JANUARY 24**

**Riverside, California**

### **The Humane Metropolis**

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

As metropolitan regions become the dominant living environment for humans, there is growing concern about how to make such places more habitable, healthy, safe, ecological, and equitable, in short, more humane. Diverse strategies to achieve more humane cities and metro regions are explored in the book, *The Humane Metropolis: People and Nature in the 21st-Century City*. Such strategies include urban stream and wetland restoration, urban gardens on vacant lots and school sites, rail trails and other outdoor activities (e.g., rail trails), brown-field reuse, environmental education, people-friendly parks and public spaces, green buildings and roofs, among other approaches.

**WEDNESDAY, JANUARY 30**

**Irvine, California**

### **Community Land Trusts 101**

**CLT Academy Instructors**

Community land trusts (CLTs) are place-based, nonprofit organizations formed to hold title to parcels of land to preserve its long-term availability for affordably priced housing or other community uses. Many CLTs combine private homeownership with community ownership of land as a means

to assure a permanent supply of affordable housing in their communities. This introductory course includes a comprehensive session on the nuts and bolts of the community land trust model: How are CLTs structured and governed? How do they operate? And why are so many communities turning to CLTs as their preferred community development and affordable housing strategies? Participants learn how local CLTs seek to balance the seemingly competing goals of providing limited-income homeowners with a fair return on their housing investment while seeking to assure that housing is kept affordable for future occupants of limited means.

**THURSDAY, JANUARY 31**

**Irvine, California**

### **CLT Intermediate Training**

**CLT Academy Instructors**

This intermediate course offers training primarily for CLT staff and board members. The goal is to provide resources and tools for CLTs in their early years of operation, helping them to address opportunities and challenges in building a stronger organization. An array of comprehensive, informative workshops, joint problem-solving exercises, and networking opportunities allows participants to gain experience and knowledge from their peers and from expert trainers. Prior familiarity with the CLT model is presumed.

**WEDNESDAY–THURSDAY, JANUARY 30–31**

**Irvine, California**

### **Inclusionary Zoning**

**Nico Calavita, San Diego State University; Dennis Keating, Cleveland State University; and Alan Mallach, National Housing Institute, Washington, DC**

Inclusionary housing (IH) programs require or encourage for-profit housing developers to include (or pay for) some affordable housing as part of new housing projects. The affordable units are either built by the for-profit developer within the market rate development or offsite, or by nonprofit developers on land donated by the for-profit developer. This course includes lectures, discussions, case studies, and exercises to answer questions about the origins, policies, and challenges of IH in the context of a larger housing strategy.

**THURSDAY–FRIDAY, FEBRUARY 14–15**

**Phoenix, Arizona**

### **University as a Civic Partner**

**Nancy Levinson, Phoenix Urban Research Laboratory, Arizona State University**

Arizona State University and the Lincoln Institute are convening a national conference to raise understanding of the implications of a significant shift in academia, from conceptualizing the university as a cloistered environment to viewing it as a vital participant in the life of a city. Academic and urban stakeholders—university administrators, city officials, city planners, architects and urban designers, civic and institutional leaders, community activists, and others—explore how various universities and cities are collaborating to enhance their urban settings.

**FRIDAY, FEBRUARY 15**

**Phoenix, Arizona**

### **Land Use and Property Rights in America**

**Harvey M. Jacobs,**

**University of Wisconsin-Madison**

Since the early 1990s, the property rights movement has played a significant role in the land use and environmental arenas at the national, state, and local levels. This course acquaints planners, citizens, and elected officials with the history and structure of the property rights movement; approaches to restricting land use and environmental planning (such as the initiatives in Oregon and the state-based laws following the U.S. Supreme Court eminent domain decision in *Kelo*); strategies to engage land use planning opponents in constructive dialogue; policy techniques that can address the concerns of property rights advocates; and the likely future of the property rights debate in local, state, and national politics.

**WEDNESDAY, MARCH 5**

**Denver, Colorado**

### **Resolving Land Use Disputes**

**Ona Ferguson, Consensus Building Institute; and Matt McKinney, Public Policy Research Institute, University of Montana**

This seminar provides an introduction to negotiation skills required to successfully address land use disputes. It is designed for people involved in land use decision making on local, regional, or state levels, and uses interactive simulations, discussions, and presentations to review when and how to apply consensus building or public involvement strategies. Participants share

their experience and insights on reducing conflict around development proposals, land conservation, and community planning efforts.

**TUESDAY–WEDNESDAY, MARCH 11–12**  
**Cambridge, Massachusetts**  
**An Introduction to Community Benefit Agreements**

**Wendy Fleischer, Brad Lander, and Laura Wolf-Powers, Pratt Institute, Brooklyn, New York**

A Community Benefits Agreement, or CBA, is a signed agreement between a coalition of community groups and a developer, in which the developer commits to providing specific benefits to the community in exchange for community support for the project. This course includes lectures, discussions, case studies and exercises to answer questions such as, What does a CBA do? How do CBAs work? Where are CBAs most effective? What are the main criticisms and challenges of CBAs?

**TUESDAY, MARCH 18**  
**Salt Lake City, Utah**  
**Visualizing Density**

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

As smart growth initiatives gain momentum across the country, one of the persistent obstacles to compact development is the public's aversion to density. Misplaced concerns over density often prevent the construction of urban infill projects or the revision of zoning regulations that would allow for compact growth. This workshop offers planners, designers, and community development officials specific tools for understanding residential density, based on the book *Visualizing Density*, by the instructors (Lincoln Institute, 2007). Using aerial photography and computer graphics, the course focuses on the link between urban design and density, and explores how various design approaches accommodate different levels of density. This course qualifies for 13 AICP continuing education credits.

**Programs in Latin America and Europe**

**SUNDAY–FRIDAY, JANUARY 20–25**  
**Caracas, Venezuela**

**Informal Land Markets: Regularization of Land Tenure and Urban Upgrading Programs**

**Claudio Acioly, Institute for Housing and Urban Development Studies (IHS), Rotterdam, The Netherlands; Edésio Fernandes, University College, London; Carlos Morales Schechinger, National Autonomous University of Mexico (UNAM); Gustavo Riofrio, DESCO, Lima, Perú; and Martim Smolka, Lincoln Institute of Land Policy**

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; social mechanisms of informal settlement formation and consolidation; new institutional settings; managerial procedures leading to alternative modes of project implementation, including community participation; and program evaluation at the project and city levels.

**MONDAY–FRIDAY, FEBRUARY 11–15**  
**Rotterdam, The Netherlands**  
**Introduction to Land Policies**

**Claudio Acioly, Institute for Housing and Urban Development Studies (IHS), Rotterdam, The Netherlands; Carlos Morales Schechinger, National Autonomous University of Mexico (UNAM); Gerrit Knaap, University of Maryland, College Park; Larry Walters, Brigham Young University, Utah**

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 transitional 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. This

module is open to some researchers and professionals who are not enrolled in the masters program.

**MONDAY–FRIDAY, FEBRUARY 11–MAY 9**  
**Bogotá, Colombia**  
**Specialization Course on Land Policy in Latin America**

**Martim Smolka, Lincoln Institute of Land Policy; Paul Bromberg, National University of Colombia; and María Mercedes Maldonado, National University of Colombia; and Carlos Morales Schechinger, National Autonomous University of Mexico (UNAM)**

Sponsored by the Faculty for the Rights of Social and Political Science at the National University of Colombia, this 12-week postgraduate specialization program on urban land markets and policies in Latin America is designed for professionals from diverse backgrounds with demonstrated experience in land policy themes. Preferred candidates will be professionals and/or academics representing public and/or private entities who are involved with land management issues, including planning, cadastres, property taxation, real estate finance and management, environment, and/or housing.

**MONDAY–FRIDAY, FEBRUARY 25–29**  
**Bogotá, Colombia**

**Legal Dimensions of Land Policy**

**María Mercedes Maldonado Copello, National University of Colombia; Juan Felipe Pinilla Pineda, Consultant, Colombia; Antonio Azuela de la Cueva, Institute of Social Investigations, National Autonomous University of Mexico; Edésio Fernandes, University College, London; Sonia Rabello, University of the State of Rio de Janeiro, Brazil**

This course examines the connections between legal systems and urban development in general and the legal dimensions of urban land policy and management in particular. It provides a critical review of the traditional categories of civil law and public law, and discusses the context and specifics of new legal frameworks proposed in several Latin American countries to address major land policy challenges. The course is designed to bring together senior legal professionals (attorneys, magistrates, advisors working for governmental and nongovernmental entities) as well as senior urban planners, academics, private business professionals, and members of nongovernmental organizations.

## MONDAY–THURSDAY, MARCH 10–13

Guatemala City, Guatemala

### Legislation and Land Use Planning in Central America

Silvia García Vettorazzi, Guatemala; María Mercedes Maldonado Copello, National University of Colombia; and Sonia Rabello, University of the State of Rio de Janeiro, Brazil.

This seminar examines legal instruments for the regulation of land use and urban planning. It focuses on the Law on Land Use Planning and Urban Development in Panama and the Law on Land Use Planning and Housing in Guatemala from the perspective of their relationship with the regulation of land markets, public intervention, and equitable distribution of costs and benefits. The seminar aims to attract national legislators and other relevant practitioners and academics who may influence the debate on land markets in these countries.

## MARCH 10–JUNE 13

Rotterdam, The Netherlands

### Specialization Course on Land Development Strategies and the Future of Cities

Claudio Acioly, Institute for Housing and Urban Development Studies (IHS), Rotterdam, The Netherlands; Martim Smolka and Armando Carbonell, Lincoln Institute of Land Policy; Carlos Morales Schechinger, National Autonomous University of Mexico (UNAM); Gerrit Knaap, University of Maryland, College Park; Larry Walters, Brigham Young University, Utah; Paulo Sandroni, Getúlio Vargas Foundation, São Paulo, Brazil; Harvey Jacobs, University of Wisconsin-Madison.

This three-month specialization course is open to participants attending the Master Course in Urban Management and Development offered by IHS in cooperation with Erasmus University, Lund University of Sweden, Rotterdam Development Corporation, and the Lincoln Institute of Land Policy. This unique program is designed for international practitioners, urban and housing researchers, policy makers, and senior government staff who want in-depth knowledge of land policies in developing and transitional economies. Topics supported by case studies and research address tax base definition, property valuation, land use planning, densification, and policies of smart growth, GIS application, land economics, and informal land and housing markets. Participants develop papers on their own countries, focusing



Diego Erba, fellow at the Lincoln Institute, leads a class on multipurpose cadastres in Latin America.

La Casa Productores, Panama

on regularization programs and informal land markets, property taxation, value capture, and large-scale urban projects.

## TUESDAY–SATURDAY, MARCH 25–29

Bogotá, Colombia

### Urban Land Market Analysis in Latin America

Martim Smolka, Diego Erba, and Ciro Biderman, Lincoln Institute of Land Policy

The quality of discussion on urban and land policy is directly related to the information available and to researchers' capacity to interpret the complexities of urban land markets. This weeklong course covers methods of data generation and analysis related to land market performance indicators. It is geared to provide academic researchers and land policy practitioners with the theory and tools for understanding the dynamics of land markets.

## MONDAY–FRIDAY, APRIL 7–11

Bogotá, Colombia

### Property Taxation in Latin America

Martim Smolka, Lincoln Institute of Land Policy; Claudia DeCesare, independent researcher and consultant, Porto Alegre, Brazil

Leading practitioners involved in the policies and administration of property taxes share experiences and exchange views on tax issues in this seminar. 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.

## 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.lincolninst.edu](http://www.lincolninst.edu)) for information about other dates, speakers, and lecture topics. The programs are free, but pre-registration is required. Contact [help@lincolninst.edu](mailto:help@lincolninst.edu) to register.

## WEDNESDAY, FEBRUARY 6

### Property Tax Responses to State Aid Cuts: Lessons from the Post-2001 State Fiscal Crisis

Andrew Reschovsky, visiting fellow, Lincoln Institute of Land Policy, and professor of public affairs and applied economics, University of Wisconsin-Madison

## WEDNESDAY, APRIL 23

### The Resilience of New Orleans: Urban and Coastal Adaptation to Disasters and Climate Change

Doug Meffert, visiting fellow, Lincoln Institute of Land Policy, Loeb Fellow, Harvard Graduate School of Design, and deputy director, Tulane/Xavier Center for Bio-environmental Research, New Orleans

## WEDNESDAY, MAY 28, 4:00–6:00 PM

### Global Universities and Urban Development: Case Studies and Analysis

#### Lecture and Book Signing by the Editors

David Perry, Great Cities Institute, University of Illinois at Chicago

Wim Wiewel, University of Baltimore

## Online Courses

**Online education offerings on the Lincoln Institute Web site take many forms. In addition to downloadable curriculum materials and publications, and more than ten subcenters that provide a variety of resources and tools, the Institute offers two main types of online courses on Lincoln Education Online (LEO) at [www.lincolninst.edu/education/leo/asp](http://www.lincolninst.edu/education/leo/asp).**

### **Self-Paced Courses in Planning and Taxation**

Online courses include self-paced, self-directed programs of study based on popular Institute classroom courses. These courses are available to any interested user 24/7. They are generally presented on a computer screen divided into five parts: a video of the teacher, a course outline, PowerPoint slides, a policy resource section, and a Web site link. Users simply log in to the Lincoln Web site at <http://www.lincolninst.edu/education/leo.asp>, and then set their own pace and sequencing of the selected course.

- **Planning Fundamentals**
- **Planning Fundamentals: Concepts in Land Use**
- **Vermont Planning Fundamentals**
- **Introduction to New England Forests**
- **Resolving Land Use Disputes**
- **Valuing Land Affected by Conservation Easements**
- **The New Model of Tax Administration**
- **Two-Rate Taxation of Land and Buildings**
- **Designing and Implementing Property Tax Systems in Africa**

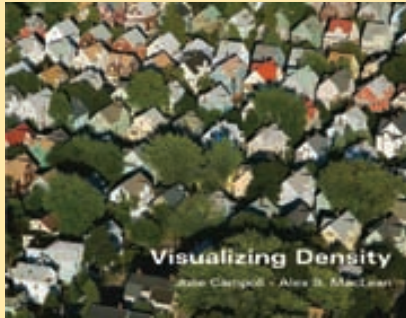
### **Moderated Courses for Latin American Users**

The Program on Latin America and the Caribbean has invested in Web-based education to increase participation in online courses, prepare students for longer classroom sessions, and supplement classroom courses. Online courses are offered in Spanish and Portuguese for practitioners from public and private institutions involved in urban issues. These scheduled,

seven-week courses are intensive and interactive, and include weekly assignments, a forum for discussion, and periodic evaluation of participants' work. Participants must apply and be accepted in order to enroll. See [http://www.lincolninst.edu/education/leo\\_lac.asp](http://www.lincolninst.edu/education/leo_lac.asp) for more information about these course topics.

- **Access to and Management of Urban Land by the Poor in Latin America**  
**Acceso y gestión de suelo urbano para pobres en América Latina**
- **Application of Multipurpose Cadastres in Defining Urban Land Policies**  
**Aplicaciones del catastro multifinanciarario en la definición de políticas de suelo urbano**
- **Geographic Information Systems (GIS) Applications for Urban Studies**  
**Sistemas de Información Geográfica (SIG) aplicados a estudios urbanos**
- **Property Tax and Real Estate Valuation**  
**Impuestos a la propiedad inmobiliaria y valuación de inmuebles**
- **Urban Land as a Source of Financing in Latin American Cities**  
**Financiamiento de las ciudades latinoamericanas con suelo urbano**
- **Urban Land Markets in Latin American Cities**  
**Mercados de suelo urbano en las ciudades latinoamericanas**

# Recent Books from the Lincoln Institute



## Visualizing Density

By Julie Campoli and  
Alex S. MacLean

2007 Winner  
**Outstanding  
Academic Title**

Awarded by *Choice Magazine*, the official  
publication of the  
Association of College  
and Research Libraries



**Analyzing Land Readjustment:  
Economics, Law, and Collective Action**  
Edited by Yu-Hung Hong & Barrie Needham



**Engaging the Future: Forecasts,  
Scenarios, Plans, and Projects**  
Edited by Lewis D. Hopkins & Marisa Zapata



**Land Policies and Their Outcomes**  
Proceedings of the 2006 Land Policy  
Conference  
Edited by Gregory K. Ingram & Yu-Hung Hong



**Perspectivas urbanas: Temas criticos  
en politicas de suelo en America Latina**  
**Urban Perspectives: Critical Land  
Policy Themes in Latin America**  
Edited by Martim O. Smolka & Laura Mullahy



**Territorial Cohesion and the European  
Model of Society**  
Edited by Andreas Faludi



**Urbanization in China: Critical Issues  
in an Era of Rapid Growth**  
Edited by Yan Song & Chengri Ding

[www.lincolnst.edu](http://www.lincolnst.edu)

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OF LAND POLICY**

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