

Land Lines

Newsletter of the Lincoln Institute of Land Policy

Law and the Production of Urban Illegality

Edésio Fernandes

The creation of economic and institutional conditions for efficient urban environmental management, which are also committed to the consolidation of democracy, the promotion of social justice and the eradication of urban poverty, constitutes one of the major challenges for leading political and social agents in this century. This challenge to promote socio-spatial inclusion is even more significant in developing and transitional countries, given the complexity of problems resulting from intensive urbanization, environmental degradation, increasing socioeconomic inequalities and spatial segregation. The debate on the legal-political conditions of urban environmental development and management deserves special attention.

The discussion on law and illegality in the context of urban development has

gathered momentum in recent years, especially since the Habitat Agenda¹ stressed the central importance of urban law. At workshops promoted by the International Research Group on Law and Urban Space (IRGLUS) over the last eight years, researchers have argued for the need to undertake a critical analysis of the role played by legal provisions and institutions in the process of urbanization. The UNCHS² Global Campaign for Good Urban Governance suggests that the promotion of law reform has been viewed by national and international organizations as one of the main conditions for changing the exclusionary nature of urban development in developing and transitional countries, and for the effective confrontation of growing urban illegality.

Illegal practices have taken many different forms, especially in the expanding informal economy. An increasing number of people have had to step outside the law to gain access to urban land and housing, and they have to live without proper security of tenure in very precarious conditions, usually in peripheral areas. This process has many serious implications—social, political, economic and environmental—and needs to be confronted by both governments and society. It is widely acknowledged that urban illegality has to be understood not only in terms of the dynamics of political systems and land markets, but also the nature of the legal order, particularly the definition of urban real property rights.

The promotion of urban reform depends largely on a comprehensive reform of the legal order affecting the regulation of land property rights and the overall process of urban land development, policy-making and management. Special emphasis has been placed on land tenure regularization

policies aimed at promoting the socio-spatial integration of the urban poor, such as those proposed by the UNCHS Global Campaign for Secure Tenure.

Conservative versus Innovative Approaches

This complex legal-political debate has serious socioeconomic implications at the global level, and it has to be viewed against three conservative though influential and intertwined political-ideological approaches to law and legal regulation.

First, discussion of the role of law in urban development cannot be reduced to the simplistic terms proposed by those who suggest, despite historical evidence, that capitalism per se can distribute wealth widely and who defend a “hands-off” approach to state regulation aimed to control urban development. Whereas globalization is undoubtedly irreversible and in some ways independent of government action, there is no historical justification for the neoliberal ideology which assumes that by maximizing growth and wealth the free market also optimizes the distribution of that increment. (Hobsbawn 2000).

Several indicators of growing social poverty, especially those closely related to the precarious conditions of access to land and housing in urban areas, demonstrate that, even if the world has become wealthier as a result of global economic and financial

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growth, the regional and social distribution of this newly acquired wealth has been far from optimal. Moreover, the successful industrial development of many countries (e.g., the U.S., Germany, or even Brazil and Mexico) was achieved by adopting regulation measures and by not accepting unreservedly the logic of the free market. Perhaps more than ever, there is a fundamental role for redefined state action and economic regulation in developing and transitional countries, especially regarding the promotion of urban development, land reform, land use control and city management. The central role of law in this process cannot be dismissed.

Second, the impact of economic and financial globalization on the development of land markets has put pressure on developing and transitional countries to reform their national land laws and homogenize their legal systems to facilitate the operation of land markets internationally. This emphasis on a globalized, market-oriented land law reform, with the resulting “Americanization” of commercial laws and the growth of global Anglo-American law firms,” is based on an approach to land “purely as an economic asset which should be made available to anyone who can use it to its highest and best economic use.” This view aims to facilitate foreign investment in land rather than recognize that there is “a social role for land in society” and that land is a “part of the social patrimony of the state” (McAuslan 2000).

A third and increasingly influential approach has been largely, and sometime loosely, based on the work of the economist Hernando de Soto. He defends the notion that global poverty can be solved by linking the growing informal “extra-legal” economy to the formal economy, particularly in urban areas. In this view, small informal businesses and precarious shanty homes are essentially economic assets, “dead capital” which should be revived by the official legal system so people could have access to formal credit, invest in their homes and businesses, and thus reinvigorate the urban economy as a whole. Rather than questioning the nature of the legal system that generated urban illegality in



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the first place, the full (and frequently unqualified) legalization of informal businesses and the recognition of individual freehold property titles for urban dwellers in informal settlements have been proposed in several countries as the “radical” way to transform urban economies.

Contrary to these conservative approaches, several recent studies have argued that, in the absence of a coherent, well-structured and progressive urban agenda, the approach of legal (neo)liberalism will only aggravate the already serious problem of sociospatial exclusion. However, policy makers and public agencies should become aware of the wide, and often perverse, implications of their proposals, especially those concerning the legalization of informal settlements. The long claimed recognition of the state’s responsibility for the provision of social housing rights cannot be reduced to simply the recognition of property rights. The legalization of informal activities, particularly through the attribution of individual property titles, does not necessarily entail sociospatial integration.

Unless tenure legalization policies are formulated within the scope of comprehensive socioeconomic policies and are assimilated into a broader strategy of urban management, they can have negative effects (Alfonsin 2001). These consequences can include bringing unintended financial burdens to the urban poor; having little impact on alleviating urban poverty; and, most important, directly reinforcing the overall disposition of political and econ-

omic power that has traditionally caused sociospatial exclusion. New policies need to reconcile four major factors:

- adequate legal instruments creating effective rights;
- socially oriented urban planning laws;
- political-institutional agencies for democratic urban management; and
- socioeconomic policies aimed at creating job opportunities and increasing income levels.

The search for innovative legal-political approaches to tenure for the urban poor includes reconciling the promotion of individual tenure with the recognition of social housing rights; incorporating a long-neglected gender dimension; and attempting to minimize impacts on the land market so the benefits of public investment are “captured” by the poor rather than by private land subdividers. Pursuit of these goals is of utmost importance within the context of a broader, inclusionary urban reform strategy (Payne forthcoming). Several cities, such as Porto Alegre, Mexico City and Caracas, have attempted to operationalize this progressive urban agenda by reforming their traditional legal system. Significant developments to democratize access to land and property have included less exclusive urban norms and regulations, special residential zoning for the urban poor, and changes in the nature of fiscal land value capture mechanisms to make them less regressive.

Widening the Debate

In the context of this lively debate on urban law, the Lincoln Institute supported three recent international conferences:

- 7th Law and Urban Space Conference on Law in Urban Governance, promoted by IRGLUS, Cairo, Egypt, June 2000;
- UNCHS/ECLAC Latin American and Caribbean Regional Preparatory Conference in Santiago, Chile, October 2000;
- 1st Brazilian Urban Law Conference in Belo Horizonte, Brazil, December 2000.

Law in Urban Governance

Given the relatively new emphasis on reconciling urban studies and legal studies, the legal dimension of the urban development process still needs to be made more explicitly the focus of research. This requires a more consistent approach to language so key concepts, such as property rights, can be adequately discussed in both political and legal terms. Most of the papers presented at this IRGLUS conference focused on land regularization. While regularization has become the most frequent policy response to the general problem of illegal settlement, the term is used in a variety of ways, each with different meanings, by different agencies and researchers. The implementation of the physical dimension of regularization policies entails upgrading infrastructure and introducing services. It also highlights the need to be culturally sensitive. For example, regularization policies to provide security of tenure require greater attention to the gender implications of the process.

Participants also discussed the impacts of regularization policies on both formal and informal land market. Regularization was seen by some as the “marketization” of processes operating in erstwhile illegal settlements. One area of concern was the possibility of “gentrification,” which in this case means not the rehabilitation and changed use of buildings but the process of middle-income groups “raiding” newly regularized settlements for residential or other purposes and displacing the original inhabitants. Clearly, a broad range of economic and political issues needs to be addressed when defining regularization policies. In particular, the residents of illegal settlements need to be included in the economic and political life of the city to avoid the dangers of increased socioeconomic segregation.

Responding successfully to the complex problems of illegal settlement is difficult, and particular solutions cannot always be replicated in other places. Ultimately successful regularization is dependent on government and requires costly programs and legal reform. However, the gap between the questions raised and actual practice in the field is significant. Because of the pressing need to “get ahead” of the process of illegal settlement, public agencies are concentrating on cure not prevention.

How do local governments halt the process of illegal settlement? By working on more effective housing and land delivery systems. Conference participants defended the legitimacy of tenure programs, pragmatically in some cases, or as a fundamental right in others. Given the “top-down” approach frequently given to this issue, the discussion on empowerment needs to be widened so the voice of the urban poor can emerge.

The UNCHS/ECLAC Conference

Latin America was the only region to draw up a plan of action for Habitat II—an indication that, despite the existence of fundamental linguistic, historical and cultural differences in the region, there is a common agenda that should mobilize collaboration. The region’s urban structure is undergoing significant transformation as a result of several combined processes:

- new economic frontiers;
- growing social poverty and spatial segregation;
- environmental degradation;
- the impact of natural disasters on the precarious urban infrastructure;
- changes in family size and relations;
- generalized unemployment and growing informal employment; and
- escalating urban violence, frequently related to drug trafficking.

All such problems have worsened because of expanding economic globalization, inappropriate liberalization policies and largely unregulated privatization schemes. Despite its rapid integration into the growing global market, Latin America has seen social poverty escalate in the last decade. World Bank projections suggest that if this picture remains unchallenged 55 million Latin Americans may be living on less than US\$1 a day in the next decade.

The Santiago Declaration resulting from this conference clarified the goal of an urban environmental agenda for poli-

tical-institutional dialogue and joint action. The focus is to create the conditions needed to overcome political governance obstacles that still challenge the efforts made over the last two decades to promote economic reforms and democratization in the region. To develop a more competitive and efficient urban structure, such a regional action plan should:

- require broad political reforms to facilitate the adoption of decentralization policies to favor the action of local government;
- redefine intergovernmental relations and financial cooperation at national, regional and international levels;
- modernize the institutional apparatus;
- combat endemic and widespread corruption; and
- create mechanisms for effective democratic participation in urban governance.

An urgent need is to provide better and more accessible housing conditions for the urban poor, as part of a broader urban reform strategy. Since public investment in housing in much of Latin America has decreased recently, the provision of new housing units, improvements to the existing housing stock and the regularization of informal settlements cannot be postponed any longer.

The Santiago Declaration also advanced a number of proposals, including new regulation frameworks for urban and housing policies; territorial organization policies and land use control mechanisms; and public policies for social integration and gender equity. However, it failed to confront the fact that many of the region’s social, urban and environmental problems have been caused by the conservative, elitist and largely obsolete national legal systems still in force in many countries. Any proposed new balance between states, markets and citizens to support the process of urban reform requires not only economic and political-institutional changes but a comprehensive legal reform as well, especially the legal-political approach to property rights.

Brazilian Urban Law Conference

Brazil’s 1988 Constitution introduced a ground-breaking chapter on urban policy by consolidating the notion of the “social function of property and of the city” as the main framework for Brazilian urban law.

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Although previous Brazilian constitutions since 1934 nominally stated that the recognition of individual property rights was conditioned to the fulfillment of a “social function,” until 1988 this principle was not clearly defined or made operational with enforcement mechanisms. In short, the 1988 Constitution recognizes individual property rights in urban areas only if the use and development of land and property meets the socially oriented and environmentally sound provisions of urban legislation, especially master plans formulated at the local level. As a result, countless urban and environmental laws have been enacted at the municipal level to support a wide range of progressive urban policies and management strategies.

Some of the most interesting international experiences in urban management are taking place in Brazil, such as the participatory budgeting process which has been adopted in several cities (Goldsmith and Vainer 2001). The imminent approval of National Urban Development Law (the so-called “City Statute”) should help consolidate the new constitutional paradigm for urban planning and management, especially by regulating constitutional enforcement mechanisms such as mandatory edification, transfer of development rights, expropriation through progressive taxation and special *usucapiao* (adverse possession) rights.

This change in the legal paradigm is of utmost importance. The incipient tradition of urban legal studies in Brazil tends to be essentially legalistic, but it reinforces traditional notions of individual property rights found in the long-standing 1916 Civil Code. This obsolete Code views land and property rights almost exclusively in terms of the economic possibilities granted to individual owners, allowing little room for socially oriented state intervention aimed at reconciling different interests over the use of land and property. Just as important as enacting new laws is the need to consolidate the conceptual framework proposed by the 1988 Constitution, and thus replace the individualistic provisions of the Civil Code, which still provide the basis for conservative judicial interpretations on land development. Much of the ideological resis-

tance to progressive urban policies held by large conservative sectors of Brazilian society stems from the Code, which does not address the role of law and illegality in the process of urban development and management.

The papers presented at this conference explored the legal, political and institutional possibilities created by the new constitutional framework for state and social action in the process of urban development and land use control. Participants emphasized that the discussion of laws, legal institutions and judicial decisions has to be supported by an understanding of the nature of the law-making process, the conditions for law enforcement, and the dynamics of the process of social production of urban illegality.

Participants also remarked that if the legal treatment of property rights is to be taken out of the narrow context of civil law so it can be interpreted from the more progressive criteria of redefined public urban law, then the possibilities offered by administrative law in Brazil are not satisfactory either. The limited and formalistic administrative provisions now in force do not have enough flexibility and scope to deal with and provide legal security to the complex and rapidly changing political-institutional relations at various levels—inside the state, among governmental levels, between state and society, and inside society. New urban management strategies are based on ideas such as planning gains, public-private partnerships, so-called “urban” and “linkage” operations, privatization and public service subcontracting, and participatory budgeting, but they lack full support in the legal system. Furthermore, the new constitutional basis of Brazilian urban law still needs to be consolidated as the main legal framework for urban management.

Conclusion

Many important questions about law and urban illegality remain unanswered, and much more work, research and discussion needs to be undertaken before they can be properly answered. However, sometimes formulating the right questions is as important as providing the right answers. Thus, the discussion of the legal dimension of the urban development and management process will continue to explore questions and answers in the regional context of Latin America and internationally. **L**

NOTES

1) Habitat Agenda—the global plan of action adopted by the international community at the Habitat II Conference in Istanbul, Turkey, in June 1996

2) UNCHS: United Nations Centre for Human Settlements (Habitat). See www.unchs.org/govern for information on the UNCHS Global Campaign on Good Urban Governance and www.unchs.org/tenure for information on the UNCHS Global Campaign for Secure Tenure.

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Obstacles to Legalization of Squatter Settlements in Venezuela

Teolinda Bolívar Barreto

Few low-income urban settlements in Venezuela are located on land owned by their occupants. As a result, the occupants cannot register the structures they have built and are entitled to only a *substitute title* (“título supletorio”) granting them limited rights. A legal interpretation handed down by the Supreme Court in the early 1970s has been upheld by repeated court decisions: transactions involving structures on land not owned by the builder cannot be registered without the landowner’s express consent (Pérez Perdomo and Nikken 1979, 38). This is a general legal principle, applicable not only to urban shacks but to all structures.

It could be said, however, that the inhabitants of houses built in the country’s squatter settlements enjoy possession of the land they occupy, though strictly speaking it is what former Venezuelan President Rafael Caldera and others have called a “precarious possession.” These settlements have considerable stability in some cases, less stability in others, and in certain cases there is no stability at all; occupants are evicted and their structures are demolished.

Peaceful occupations of land, and occasionally more aggressive invasions, are by no means a new development in Venezuela; such settlements have been prevalent since the 19th century. As a result, Venezuelan cities are characterized by their physical and social diversity:

- varied materials and structures that reflect the country’s rapid urbanization (especially in the 20th century);
- the lack of access to standard housing for lower-income families arriving in the major cities;
- forms of urban government that have accepted unauthorized occupation of land *de facto* though not *de jure*;
- extreme socioeconomic inequality; and
- the Venezuelan people’s talent for building.



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Changing Conditions

Many observers wonder, when considering the legal status of the squatter settlements, why it has become “normal,” and to a substantial extent accepted, for Venezuelans to build houses or take up residence on lands assumed to be owned by others. Reactions to this complex situation can vary. It is striking that, in many instances, neither the presumed landowners nor the occupiers of these lands have taken the extreme responses available to each party—demands for eviction or expropriation by the owners or purchase of the land and legalization of its ownership by the occupiers. The presence of a *parallel official law* has permitted the establishment of settlements and improvement of housing conditions on “invaded” lands (Ontiveros & Bolívar 2000, 128-139). Furthermore, this pattern has become a chronic condition whose end is not demanded by any of the parties involved.

However, this tacit understanding has broken down in recent years, chiefly due to new requirements by banks, which refuse to lend to anyone who does not have registered ownership of the land. The World Bank’s involvement as a co-financier of urban renewal projects has also changed the status of the urban squatter settlements. The national Housing Policy Act (Article 14) now provides for the legalization of land holdings in the squatter settlements,

and a team of specialists, mainly lawyers, is drafting a bill that would help make it possible to end the illegal status of Venezuelan urban squatter settlements. Some lower-income neighborhoods with commercially built housing would also be legalized by this action.

Obstacles to Legalization

In spite of these recent developments, procedures and mechanisms relating to urban squatter settlements have been created and modified over many years. The state’s inability to legalize these entrenched settlements can be attributed to a number of interacting factors.

Unclear Land Ownership

Former President Caldera has argued that the main reason for the continuing illegal status of squatter settlements is a lack of clarity as to who actually owns the invaded lands. He argues that, given this prevailing doubt and uncertainty about land ownership, the most important and urgent need is to provide public utilities and other basic public services to the occupiers. Legalization has not been a top priority in the process of consolidating squatter settlements. Nevertheless, there are other causes for the continuing absence of legalization, causes that are deeper and less visible.

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Acceptance of the Status Quo

Since the expansion of urban squatter settlements in the 1940s and 1950s, it has been commonly assumed that eventually they would be controlled and demolished, though that has not occurred; they have simply been banished from city maps. The replacement of self-built settlements with standard housing developments has not gone beyond political rhetoric or electoral promises. Proof of this assertion is that half the residents of Venezuelan cities continue to live in these informal settlements.

A kind of official but informal law has emerged for the squatter settlements. Pérez Perdomo & Nikken explain "...how the State itself has contributed to the creation of a kind of informal legal order to meet the squatter settlements' legal needs in relation to the ownership of housing" (1979, 2). This is a *de facto*, but not a *de jure*, acceptance of squatter settlements.

Does this mean that the residents of these settlements do not want legalization of ownership? We know that is not entirely true because they treat the land they possess as if it were their own. When the owner appears and wants to evict them, they fight back until the eviction order is stopped. As long as mere possession poses no risk of eviction, the residents remain satisfied and make no effective distinction between ownership and possession in their settlements. Furthermore, some are afraid of having to pay taxes and accept other obligations that would come with legalization of their status.

Provision of Services and Infrastructure

Further evidence of this acceptance of squatter settlements is the provision of public utilities, services and infrastructure by state agencies, though in most cases the services are considered "precarious" investments. This official attention to the settlements is convincingly illustrated in the work of Josefina Baldó (1996), although it is well known that such attention is provided only to a minimal degree and only in exchange for votes.

Researchers and policy makers from other countries, especially in Latin America, express surprise at the range of public



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services provided in Venezuelan urban squatter settlements that do not have legal recognition. Even more surprising is the progressive improvement of housing units as they are transformed from shacks into solid houses and even multistory buildings made of appropriate materials (Bolívar et al. 1994). This pattern is not unique to Venezuela, but it reflects the path chosen by the country's leadership decades ago: a consistent policy of providing "precarious" public services for settlements whose occupation has been accepted, rather than first settling the issue of ownership. This policy has prevented, or at least slowed down, the legalization of the squatter settlements. In addition, improvements built by the residents are paid for by the government if the land is ever expropriated.

Bureaucratic and Legal Procedures

Venezuela is a country characterized by unequal access to the legal and administrative systems. Bureaucratic procedures consume a great deal of energy and are very costly. Accordingly, until a legal deed to property is required of them, most occupants appear content without it, and may even forget that such an option exists. It should also be noted that technical experts are not always available to determine ownership status and that incorrect diagnoses are not unusual.

Furthermore, legalization initiatives run up against the need to identify the true owners. It is necessary to specify the *legal tradition of ownership* and resolve questions

of *legally undivided plots* ("tierras indivisas"), which traditionally have been dispersed among multiple owners by inheritance. However, there is a prevailing lack of sensitivity and ignorance of the law among court employees and the professionals retained resolve these cases. The laws are very strict, and hence very difficult to apply. The situation is further complicated by unprepared and sometimes corrupt bureaucrats, who may be prejudiced against and resent the "beneficiaries" of land cases, especially when they are illegal occupants of self-built neighborhoods.

Still another obstacle expressed by government officials has to do with the diverse sizes and shapes of land plots in the squatter settlements (Bolívar et al. 1994, 53-100). Some plots may be only 20 m² in size, while others may cover thousands of square meters, making legalization extremely complicated. A land survey of each settlement would have to be taken, and in many cases their maps would have to be redrawn, implying a highly detailed and difficult challenge to city or state agencies.

Conclusions

Peaceful struggles by settlement residents to occupy land are seldom publicized, although some fights have resulted in the loss of human lives. Most of these battles are not recorded officially, but for those who work in this field they comprise indispensable documentation for the study of the legalization issue.

Risk Prevention in Irregular Settlements

Given these obstacles and other factors, the political will to launch a legalization process is also lacking in many Venezuelan cities. The politicians who depend on patronage to remain in office have no interest in “resolving” the problem, since that would “kill the goose that lays the golden egg.” To date the occupation of land and subsequent acceptance of possession has been the prevailing pattern, but many observers believe it is imperative to overcome that pattern. To continue relying on the ambiguous position that only possession counts and that ownership is irrelevant is to condemn both the possessors and the owners to a permanent legal vacuum. In time this posture leads to urban chaos and a daily life for the inhabitants characterized by uncertainty, fear and violence.

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In recent years, Latin America has suffered from many natural disasters that have had especially serious impacts on irregular settlements in densely urbanized areas. Drawing on the findings of research in Mexico funded by the World Bank and other institutions, the Lincoln Institute cosponsored a seminar in November 2000 in the port city of Veracruz, focusing on ways to mitigate the risks and results of natural disasters. The seminar explored such issues as:

- the relationship of irregular settlements in high-risk areas to regularization processes;
- the attitudes and efforts of the local populations;
- recent technological advances relevant to diagnosing risks;
- lessons learned from previous disasters; and
- successful experiences with disaster prevention and mitigation.

Representatives from municipal authorities and community organizations shared experiences and learned technical and practical methodologies to identify high-risk zones, implement policies to reduce illegal settlements in those zones, and establish prevention and mitigation measures. Participants also identified the importance of social participation in the process. The principal findings are summarized below:

Irregular or illegal settlements reflect the inability of land markets to provide suitable (low-risk) residential locations for low-income families. Mitigation efforts will continue to be frustrated unless this policy environment is improved.

Actions at higher levels of government are almost exclusively reactive, such as relief measures only after disasters strike and limited efforts to improve planning and prevention. There is an urgent need for governments to revise their priorities to avoid some of the predictable impacts of natural disasters.

Data and management tools to improve preventive approaches need to be made available to citizens and local authorities, who have been the source of most successful mitigation efforts in recent years and are in the best position to originate future initiatives.

It is important to begin promoting and developing insurance policies that will both reimburse households and localities for damage and losses and put in place incentives to improve practices with respect to building standards, maintenance of watercourses, and other preventive measures.

Since rapid and poorly managed urbanization has been a major culprit in increasing the number of families at risk, as well as the levels of risk, strengthened urban planning should be a vital tool in the quest to reduce the effects of disasters.

The Institute has been working on this issue with State, Urban and Municipal Services (SUME), an institution established in late 1999 to raise the quality and efficiency of governance and management at state and local levels in Mexico. SUME aims to accomplish these objectives through consulting, technical assistance and training of government officials. Its activities have been supported by the United Nations Centre for Human Settlements (Habitat), which cosponsored this seminar, and by the World Bank and the Interamerican Development Bank. □

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Market Value-Based Taxation of Real Property



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Public officials from Lithuania and Lincoln Institute faculty members met at Lincoln House in February to learn from each other about market value-based taxation policy and plans for introducing property taxation in Lithuania.

Delegates from Lithuania: Arturas Baksinskas, Vice-Minister of Finance; Dalia Bardauskiene, Advisor to the Prime Minister on Rural and Urban Development and Planning; Algirdas Butkevicius, Member of Parliament on Budget and Finance Committee; Rimantas Ramanauskas, First Deputy Director, SLCR; Albina Aleksiene, Advisor to the General Director on Property Valuation, SLCR; Arvydas Bagdonavicius, Deputy Director, SLCR; Algimantas Mikenas, Deputy Head of Property Valuation and Market Research Department, SLCR.

Lincoln Institute Faculty: Joan Youngman, Senior Fellow and Director, Lincoln Institute Tax Program; Jane Malme, Fellow, Lincoln Institute Tax Program; Dennis Robinson, Vice President, Lincoln Institute; Richard Almy and Robert Gloudemans, partners, Almy, Gloudemans, Jacobs and Denne, LaGrange, Illinois; John Charman, Consultant Valuation Surveyor, London; David Davies, Director of Information Technology, Massachusetts Department of Revenue; Jeffrey Epstein, Consultant, Quincy, Massachusetts; Sally Powers, Former Director of Assessment, City of Cambridge.

Jane H. Malme

Over the past decade of transition from communist to market economies, property taxation has taken on economic, political and legal importance as the countries in Central and Eastern Europe have developed new fiscal policies and new approaches to property rights. Taxes on land and buildings have served not only as revenue instruments but also as adjuncts to decentralization and privatization. In spite of the complex and varied national differences in this region, a number of common issues have emerged in regard to property-based taxes.

A period of transition places a premium on revenue sources that impose a minimum burden on the functioning of nascent market economies. Many of these postcommunist nations seek to strengthen

local government, and all must adjust their tax systems to account for emerging markets for land and buildings at a time when state administrative capacity is challenged by the introduction of new income and consumption taxes. There is often strong support for retaining a public interest in land as a fixed, nonrenewable element of the common heritage which, once sold, cannot be reproduced. This sentiment coexists with an equally strong impetus for development of private business and private ownership of property. Each of these concerns raises special questions with regard to the role of land and building taxes in the transition.

Such taxes on land and buildings have already been designated as local revenue sources in many nations of Central and Eastern Europe. As a tax base that cannot relocate in response to taxation, real prop-

erty permits an independent local revenue source. Times of fiscal stringency at national government levels dramatize the importance of such revenue for local governmental autonomy. Moreover, the goal of eventual international integration through the European Union and other trade arenas encourages development of taxes not subject to international competition.

Two primary difficulties confront efforts to implement land and building taxes in these countries. First, in the absence of developed property markets, the tax base requires a choice among formula values, price approximations, and non-value means of allocating the tax burden. Second, times of financial hardship present special problems in imposing taxes on assets that do not produce income with which to pay the tax. This dilemma has

left many property taxes at nominal levels.

These problems are closely related because the lack of reliable market prices, together with the legacy of officially determined price levels, can encourage legislation that assigns specific, sometimes arbitrary values to various classes of property for tax purposes. Given these difficulties, it is particularly significant that many of these nations have either adopted or are seriously considering some form of value-based taxation of immovable property as a source of local government finance.

The Case of Lithuania

Since declaring its independence from the USSR in 1991, the Republic of Lithuania has made rapid strides in economic reforms, privatization and government reorganization. Its plans for market value-based taxation of land and buildings reflect the country's transition to a market economy and private ownership of property. Municipalities will receive the revenues from the new tax and will have the power to choose the tax rate, subject to an upper limit set by the national government. The Lithuanian Parliament has recently prepared draft legislation for this tax which assigns responsibility for developing a valuation system to the State Land Cadastre and Register (SLCR).

The SLCR was created in 1997 to consolidate a number of functions: registration of property rights, maintenance of a cadastre of property information, and valuation of real property for public purposes, including taxation. Since then the agency has organized a central data bank for legally registered property rights, land and building information, and Geographic Information System (GIS) maps. The data bank currently holds information on more than four million land parcels and structures, and it is linked to mortgage and other related registers and to branch offices throughout the country.

The proposed market value-based real property tax will replace two existing taxes on real property commonly found in post-Soviet systems: a land tax on privately owned land and a property tax on build-

ings and other property (not including land) owned by corporate entities, enterprises and organizations. Taxable values are currently set by the SLCR through application of varying "coefficients" that adjust base prices to reflect land use and location. The resulting values do not reflect current market prices. The tax rate of 1.5 percent of the taxable value for land and 1 percent of the taxable value of property yielded represent approximately 7 percent of local budgets and 2.5 percent of the national budget in 2000.

Lithuania's growing demand for market-based property valuation data requires an increase in professional appraisal skills and experience with assessment administration. To address these needs, an Association of Property Valuers and a system of professional certification were established in the mid-1990s, in collaboration with



other international valuation associations. Lithuania has also joined Estonia and Latvia in publishing periodic reviews of real estate markets in the Baltic states. Information regarding market activity is posted on the SLCR's website (www.kada.lt).

Lincoln Course

The Lincoln Institute has taught courses on property taxation in transition countries for nearly a decade, and in February the Institute collaborated with SLCR to develop a curriculum for seven senior public officials from Lithuania. The week-long program was based on the course that the Institute presented, in cooperation with the Organisation for Economic Coop-

eration and Development (OECD), in the Lithuanian capital of Vilnius in December 1997, for government officials from Estonia, Latvia and Lithuania. Recognizing the importance of this year's program to Lithuanian public policy, the United Nations Development Programme (UNDP) provided support for the delegation's travel to Cambridge.

The program offered a policy-oriented analysis of issues relating to market-based tax systems. It included guidance in developing a strategic plan and a legal and administrative framework for a computer-assisted mass appraisal (CAMA) system suitable to Lithuania. Technical subjects were presented in the context of larger economic and political issues in land and property taxation. The course combined lectures, discussions with experienced practitioners, case studies, and field visits to state and local agencies in Massachusetts. Lectures addressing introductory, policy-focused subjects were supplemented by more specialized presentations covering market value appraisal techniques, mass appraisal, CAMA and tax law.

The Lincoln Institute will offer similar courses to public officials from other transition countries, and is continuing to develop other educational programs with Lithuania and its Baltic neighbors. **L**

Jane H. Malme is an attorney and a fellow of the Lincoln Institute in the Program on Taxation of Land and Buildings. She has developed and taught courses on property taxation and has been a legal advisor to public finance officials in Central and Eastern Europe. She is co-editor with Joan Youngman of *The Development of Property Taxation in Economies in Transition: Case Studies*, a book being published in 2001 by the World Bank. Contact: jmalme@lincolninst.edu.

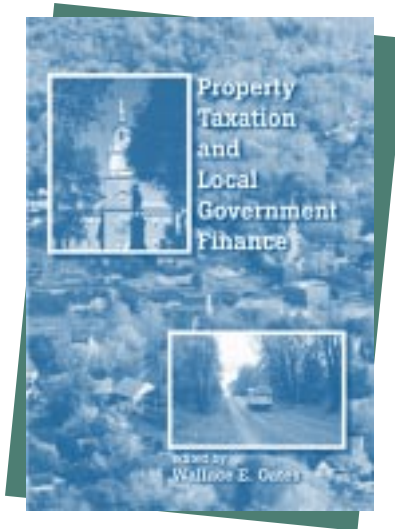
Property Taxation and Local Government Finance

Wallace E. Oates

The property tax has been the major source of tax revenues for local governments in the United States since colonial times. But, over much of its history, the tax has been the subject of intense controversy. In recent times, local property taxation has been under attack from the courts in a number of states for its role in financing public schools. This has led several states to restructure their systems of school finance to place less reliance on local property taxes. Yet, recent scholarship finds much to be said in favor of the property tax. In my view, there remains a strong case for local government to finance a large portion of its own spending with local taxation and, to this purpose, the property tax stacks up well relative to the relevant alternatives.

I have been pleased to serve as editor of a new Lincoln Institute book, *Property Taxation and Local Government Finance*, which is based on papers presented at an Institute-sponsored conference held in January 2000 in Scottsdale, Arizona. The purpose of the conference was to provide a systematic and comprehensive review of the economics of local property taxation and to develop its policy implications. While the conference drew on the recent scholarship on the property tax, our idea was to produce a volume that was broadly accessible to policy makers and other non-economists.

I am frankly quite thrilled with the outcome. The commissioned papers provide a wide-ranging treatment both of the competing conceptual views of the property tax as a local tax and of the practical issues in its implementation. The papers present a wealth of insights into the policy issues that surround the tax and suggest numerous reforms of local government finance. In addition, a group of prominent scholars served as discussants for these papers at the conference, and their written comments provide quite illuminating interpretations and extensions of the papers themselves.



The conference was also a celebration and an opportunity to honor C. Lowell Harriss, professor of economics, emeritus, at Columbia University, and a member of the Lincoln Institute Board of Directors. He has devoted his lifetime to research and teaching on local government finance and the property tax. As prelude to this volume, the reader will find a delightful and engaging “conversation” in which Lowell reflects on his own fascinating life and involvement with public finance and land taxation. The volume closes with a short note of thanks from Lowell in which he goes on to challenge us with certain “aspects” of local property taxation that require a “fuller understanding.”

Contents:

- “A Conversation with C. Lowell Harriss”
- “Property Taxation and Local Government Finance: An Overview and Some Reflections,” by Wallace E. Oates
- “Municipal Corporations, Homeowners and the Benefit View of the Property Tax,” by William A. Fischel
- “Reflections on the New View and the Benefit View of the Property Tax,” by George R. Zodrow
- “The Benefit View and the New View: Where Do We Stand, Twenty-five Years into the Debate?,” by Thomas J. Nechyba

- “A History of the Property Tax in America,” by John Joseph Wallis, and Commentary by Robert Inman
- “Property Taxation and Urban Sprawl,” by Jan K. Brueckner, and Commentary by Karl E. Case
- “Limits on Local Property Taxation: The United States Experience,” by Arthur O’Sullivan, and Commentary by Jon Sonstelie
- “The Property Tax and Educational Finance: Uneasy Compromises,” by William N. Evans, Sheila E. Murray and Robert M. Schwab, and Commentary by Susanna Loeb
- “Alternative Paths to Property Tax Relief,” by William Duncombe and John Yinger, and Commentary by David F. Bradford
- “Alternatives to Property Taxation for Local Government,” by Therese J. McGuire, and Commentary by Steven M. Sheffrin
- “Local Property Taxation in Theory and Practice: Some Reflections,” by Dick Netzer, and Commentary by Richard A. Musgrave
- “Thanks, and a Challenge,” by C. Lowell Harriss

Wallace E. Oates is professor of economics at the University of Maryland and university fellow at Resources for the Future in Washington, DC. He is also a member of the Lincoln Institute Board of Directors. Contact: oates@econ.bsos.umd.edu.

For more information or to order the book, *Property Taxation and Local Government Finance*, edited by Wallace E. Oates, call the Lincoln Institute at 800/LAND-USE (800/526-3873), fax the Request Form on page 15, or email to help@lincolnst.edu.

ISBN: 1-55844-144-1. Paper. 360 pages. \$20.00 plus shipping and handling.

Global City Regions: Their Emerging Forms



The “city region” is often claimed to be the appropriate focus for most urban policy and administrative initiatives today. These regions around the world increased in size in the 20th century, often spectacularly so, and their socioeconomic and physical forms have been transformed. Until recently, the scale and type of change experienced, and the period when it took place, were largely products of national economic circumstances and events. Now, city regions are experiencing dramatic changes at the same moment in time due to forces that are global rather than local or national in nature.

The recently published book, *Global City Regions: Their Emerging Forms*, edited by Roger Simmonds and Gary Hack, addresses a number of questions: What evidence is there that city regions are passing through moments of rapid transformation?

What trends, if any, can we discover in their changing social, economic and physical forms, and do these changing forms represent a new “type” of human settlement? Beyond understanding the forces that influence metropolitan development patterns, global city leaders need research and analysis to evaluate the costs and benefits in human terms and to devise effective management responses.

The book presents evidence about how 11 city regions around the world have been changing, decade by decade, since 1960. The city regions are Bangkok, Boston, Madrid, The Randstad (Netherlands), San Diego, Santiago (Chile), São Paulo, Seattle, Taipei, Tokyo and the West Midlands (UK). Each chapter was written by a locally based research director who analyzed both changing social and economic structures and the history of physical development and infrastructure building in his or her city region. The authors present the same types of statistical data, including maps and diagrams using the same symbols and scale to facilitate comparative analysis, and they discuss the changing institutions, policies and programs that have been established to manage their city regions.

In addition, the editors prepared two chapters in which they contrast and com-

pare this case study material, and nine international experts on urbanization and social trends have written essays on different ways of understanding the present moment of change in cities and presented their own perspectives on how urban settlements are affected by globalization.

The Lincoln Institute sponsored two symposia on global city regions, in 1995 and 1997, which brought together the invited research teams and framed the questions that guided the preparation of this publication. Rosalind Greenstein, senior fellow and director of the Institute’s Land Markets Program, and research assistant Jemelle Robertson wrote the chapter on Boston. **L**

Roger Simmonds is an urban consultant and lecturer at Oxford Brookes University, United Kingdom, and **Gary Hack** is an urban consultant and professor and dean of the University of Pennsylvania Graduate School of Fine Arts.

Global City Regions is published by Spon Press/Taylor and Francis Group, London and New York. 2000, 286 pages, cloth, \$99.00. ISBN 0-419-23240-0. To order the book, contact www.routledge.com or call 800-634-7064.

New Working Papers

The Lincoln Institute supports curriculum development and research by scholars and practitioners investigating a wide range of land use and taxation issues. In many cases this research is documented in the form of a working paper that is distributed as part of the Institute’s publications program.

To order the complete printed version of any of these working papers, call 800/LAND-USE (800/526-3873) or use the Request Form on page 15 of this newsletter. These papers are also available on the Lincoln Institute website and can be downloaded for free (www.lincolninst.edu).

Intrametropolitan Location Patterns of People and Jobs: Which Government Interventions Make a Difference

State and local governments intervene significantly into urban land markets. There is growing interest in how these interventions affect the locations of people and jobs because of concerns over urban sprawl and spatial mismatch between the locations of low-skilled workers and low-skilled jobs. Unfortunately, little evidence exists on these effects. This paper presents evidence on how a wide range of government interventions, as well as the impacts of crime, alter the spatial distributions of population and employment within a metropolitan area. A panel database for census tracts in

the Atlanta region is used to estimate a dynamic adjustment model with fixed effects. Two variables are distinguished by their robust effects across the 10 population and employment groups in our data: the existence of a limited-access divided highway in the census tract and the total crime rate for the jurisdiction in which the tract is located.

Christopher R. Bollinger is an assistant professor of economics in the Gatton School of Business and Economics at the University of Kentucky. *Keith R. Ihlanfeldt* is a professor of economics and DeVoe Moore Eminent Scholar in the College of Social Sciences at Florida State University. (2000, WP00CB1, 44 pp., \$9.00)

See **New Working Papers** page 12

New Working Papers

continued from page 11

Efficient Urbanization: Economic Performance and the Shape of the Metropolis

The influences of urban form and transportation infrastructure on economic performance show up in several contemporary policy debates, notably “sprawl versus compact city” and the future of megacities in the developing world. This paper probes these relationships using two scales of analysis. At the macro-scale, an econometric analysis using data across 47 U.S. metropolitan areas reveals that employment densities and urban primacy are positively associated with worker productivity, suggesting the presence of agglomeration economies. Congested freeways are shown to be a consequence of strong economic performance. An intrametropolitan analysis using data on subdistricts of the San Francisco Bay Area generally reinforce the findings of the macro-scale analysis. In the Bay Area, labor productivity appears to increase with the size of the labor market-shed and high accessibility between residences and firms. Higher employment density and well-functioning infrastructure also contribute positively to economic performance.

Robert Cervero is professor of city and regional planning at the University of California at Berkeley. (2000, WP00RC1, 40 pp., \$9.00)

Aerial Photography on the Web: A New Tool for Community Debates in Land Use

Low-altitude, oblique-angle, color aerial photography documents both buildings and landscapes, shows scale relationships well, and is especially useful for visualization of town character. New technology makes broad dissemination of color aerial photographs affordable and can encourage debate on land use among citizens, planners and elected officials. A website of the case study site, Guilford, Connecticut, shows over thirty color aerial photographs, along with text and maps (<http://classes.yale.edu/amst401a/guilford>). Founded in 1639, Guilford is a traditional New England town with four historic districts threatened by automobile-scale sprawl emanating from three exits of Interstate 95.

Dolores Hayden is professor of architecture, urbanism, and American studies at Yale University, New Haven, Connecticut. Alex MacLean is an award-winning aerial photographer and aviator whose company, Land-slides, is based in Cambridge, Massachusetts. (2000, WP00DH1, 18 pp. WEB ONLY)

Land Supply and Infrastructure Capacity Monitoring for Smart Urban Growth

The fundamental debate about urban growth—no growth, slow growth, go growth—will never be resolved, like debates over politics and religion, most of which derive more from deeply held beliefs than quickly calculated betas. There is general agreement that urban growth will occur, that it needs some type of management, and that such management requires (at least in part) public policies. The disagreements about growth management are about how many and which policies to use and how extensively to apply them. Growth management, however, has some measurable dimensions not available in metaphysics. The type, location, amount and rate of urban growth can all be measured; so can other factors that are correlated with and perhaps cause urban growth. This paper is motivated by the belief that such measures can be assembled, monitored and analyzed to gain a better understanding of urban growth processes and growth management policy.

Gerrit Knaap is a professor in the Department of Urban and Regional Planning at the University of Illinois at Urbana-Champaign. Terry Moore is vice president of ECORNorthwest in Eugene, Oregon, an economics consulting firm specializing in land use, transportation, growth management and market analysis. (2000, WP00GK1, 40 pp., \$9.00)

Land Market Development in St. Petersburg: Conditions and Peculiarities

The issue of land in Russia has undergone a lengthy and complicated evolution—from the time when the state had a monopoly on the ownership of land to the acknowledgement of private ownership and the legality of land use for commercial purposes. However, Russia still has no real land market, although the development of a land market could provide solutions to problems such as investment in and maintenance of the urban environment. This paper seeks to determine the principal

features of land relations in Russia during the course of economic reform and to characterize the behavior of enterprises on the land market. The paper analyzes the existing administrative procedures for city land privatization, registration, taxation and leasing. It uses data on the buy-out of land from 1994 to 1999, data on land transactions (sales, leases, mortgages) in the secondary market, the results of sociological surveys among enterprise managers in St. Petersburg, and data on the actual use of privatized sites by economic entities. This study explains why there is presently no requirement for the market-oriented use of land, and the causes and impediments of developing a land market.

Leonid E. Limonov is the director-coordinator for research programs and Nina Y. Oding and Tatyana V. Vlasova co-direct the research department at the Leontief Centre, International Centre for Social and Economic Research, in St. Petersburg. (2000, WP00LL1, 84 pp., \$14.00)

Site Value Taxation in Selected Countries

This study presents a review of land value tax systems as utilized at the local government level in South Africa, Kenya, Australia, New Zealand and Jamaica. Developments in New Zealand, and to some extent Australia, seem to indicate that the more developed a country becomes, the greater the pressure to migrate from a site value tax system to some form of capital improved value system. The primary driving forces for change, however, seem to be of a practical rather than a policy nature. Practical realities include the paucity of sales data, especially within the urban environment; statutory definitions and legal precedent; access to sophisticated, electronically driven appraisal technologies that ensure uniformity; regular revaluations; and the effective monitoring of assessment quality. These factors seem more important than theoretical and policy issues, such as taxpayers' ability to pay or expenditure-related pressures on a narrow tax base. 'Political' and/or legislative incentives (e.g., limiting site value to current use as in South Africa or limiting the use of differential tax rates to capital improved system as in Victoria, Australia) also seem to play a limited but nonetheless important role. The valuation profession in South Africa and Kenya would prefer a change to capital improved

value, again because it is more readily defensible and easier to explain to taxpayers.

Despite pressures for change, land value tax systems have been operating successfully in most of the jurisdictions under discussion. Most administrative problems experienced (e.g., in Kenya and Jamaica) revolve around limited coverage, outdated valuation rolls, or collection and enforcement problems, rather than inherent problems with the land value/site value as a tax base.

William J. McCluskey is a senior lecturer in real estate and valuation at the University of Ulster, Northern Ireland. Riel C. D. Franzsen is professor in the Department of Mercantile Law at the University of South Africa in Pretoria. (2001, WP01WM1, 120 pp., \$18.00)

Estimating and Analyzing Land Supply Development Capacity

This paper describes a method to estimate the land supply and development capacity of an urban area. This method, which draws on one devised by the City of Seattle, is applied to a portion of the city using parcel-level data with GIS software. Steps to estimate supply and capacity include the identification of all buildable lands (vacant, partially utilized and underutilized lands) and the calculation of the development capacity of each of these types of lands, taking into account zoning categories. Southeast Seattle has 11 percent and 17 percent of its net land supply in vacant or refill lands, respectively. It has the potential to increase its residential capacity by 57 percent and its employment capacity by more than 80 percent. Analyses suggest that the potential for mixed-use development and redevelopment may be hindered by the relatively high supply of both vacant and refill lands in the lower-density residential zones presently preferred by both producers and consumers. Analyses also show that the criteria used to identify refill lands can have a substantial effect on development capacity estimates. This indicates that planners need to carefully test the criteria selected before performing final capacity estimates. Finally, this case study shows that, while the structure and steps of land supply and capacity analysis are reasonably straightforward, the handling of the database requires special skills that many planners presently lack.

Anne Vernez Moudon is a professor of architecture, landscape architecture, and urban design and planning at the University of Washington in Seattle. (2001, WP01AM1, 40 pp., \$9.00)

Urban Sprawl in a U.S. Metropolitan Area: Sacramento

For more than 40 years, urban planners, environmentalists and other social engineers have used the pejorative catch phrase “urban sprawl” to categorize much of what Americans dislike about suburban life in U.S. metropolitan areas. In the early 1990s, the term grew to common usage in the public’s lexicon and is now a policy concern that is even debated at the national level. It is hard to find an individual or policy maker in any region of the U.S. who, at least publicly, favors urban sprawl. At the same time, it is equally difficult to find someone who can concisely define what urban sprawl is and how to best measure the degree to which it has occurred in a region. However, it is not hard to find an individual or policy maker concerned over the negative outcomes that are widely attributed to urban sprawl: loss of open space, traffic congestion, air pollution, a greater percentage of the poor living in the inner-city and central city blight. To correctly test the causal connection between urban sprawl and these negative outcomes, we need to develop ways to measure the degree to which urban sprawl has occurred in a metropolitan area, such as Sacramento. Once this measurement is chosen, factors cited as causes of urban sprawl can also be tested for validity. If appropriate, these tests can then form the basis for public policies designed to reduce sprawl and the negative urban outcomes attributed to it.

Robert W. Wassmer a professor of public policy and economics in the Graduate Program in Public Policy and Administration at California State University in Sacramento. (2000, WP00RW1, 18 pp., \$9.00)

Commercial Rents and Transportation Improvements: The Case of Santa Clara County’s Light Rail

Disproportionate benefits or burdens from government projects often fall on individuals. In Santa Clara County, California, property owners sued the County, claiming a burden due to the existence of the light rail. This research looked at commercial property rents and tested several

hedonic specifications to determine the effect of light rail on property values. It compared transit and highway accessibility as determinants of rent and used a series of hedonic indices to analyze effects over time. Results indicate that, controlling for other factors, properties within a half-mile of light rail stations command higher rents than other properties in the County. When controlling for highway access, it appears there are no particular locational advantages associated with proximity to highway, because coverage is ubiquitous. Furthermore, as the transit system matured, greater benefits accrued to the proximate properties, but, in times of more intense general market pressure, the rent premium was dampened.

Rachel R. Weinberger is the director of Multidisciplinary Studies in the Transportation Planning Division of URS Corporation in New York City. (2000, WP00RW2, 74 pp., \$14.00)

The Locations of Nonprofit Facilities in Urban Areas

How can nonprofit organizations compete for space in the most accessible downtown areas of American cities given current tight land use markets? Why would their location preferences and trade-offs be any different from those of private firms and government agencies? The research project summarized in this paper targets the theoretical considerations expected to distinguish the location behavior of nonprofits from service providers in other sectors. These assumptions are examined through analysis of the distribution pattern of nonprofit facilities in New York City. The findings tend to confirm the applicability of a rent gradient approach, but supplemented by explanatory factors such as *public good* and *neighborhood effects*. Nonprofits in the most expensive downtown sites are likely to be long-term owners of facilities exempt from property taxes and with high annual revenues and positive spillovers on neighboring property.

Julian Wolpert is Bryan Professor of Geography, Public Affairs and Urban Planning at the Woodrow Wilson School, Princeton University. Zvia Naphtali is data manager of the New York City Nonprofits Project. John Seley is professor environmental psychology at the CUNY Graduate Center and project director of the New York City Non-profits Project. (2001, WP01JW1, 46 pp., \$9.00)

David C. Lincoln Fellowship Papers

The David C. Lincoln Fellowships in Land Value Taxation were established in 1999 to develop academic and professional interest in land value taxation through support for major research projects. The fellowship program honors David C. Lincoln, chairman of the Lincoln Foundation and founding chairman of the Lincoln Institute, and his long-standing interest in land value taxation. The fellowship program encourages scholars and practitioners to undertake new work in this field, either in the basic theory of land value taxation or its application. The projects contribute to the body of knowledge and understanding of land value taxation as a component of contemporary fiscal systems.

The following working papers document the work of former or current fellows.

Implementing a Land Value Tax in Urban Residential Communities

Well over half the property tax base in most North American communities is attributable to residential land and buildings. In many cases land is largely developed and there are no or relatively few vacant land sales to help estimate land values, either for vacant or improved property. From the perspective of a land value tax, this reality creates practical difficulties in determining land values, particularly for built-on land. At the same time, assessment jurisdictions have made great strides in the last 20 years in using statistical analyses to estimate total values (land plus buildings). This report explores the possibility of using modern mass appraisal techniques to develop separate estimates of land and building values for residential properties, and analyzes the tax shifts inherent in implementation of a land tax.

Robert J. Gloudemans is a partner in the property taxation and assessment consulting firm of Almy, Gloudemans & Jacobs in LaGrange, Illinois. (2000, WP00RG1, 134 pp., \$18.00)

Land Value Taxation: Rating Principles and Guidelines for Kenya

Kenya has in the last few years initiated reforms at the national and local levels to

enhance revenue mobilization, economic efficiency and service delivery to her rapidly increasing population. At the local level, these reforms aim to strengthen local authorities to better perform their functions. Resource mobilization through land value taxation is a significant component of local government reform in Kenya. This paper reviews the institutional and statutory framework within which land taxation is administered in Kenya. It argues that the over-centralization of the land delivery and management system and that weak tax collection and payment enforcement mechanisms have prevented the land taxation system from realizing its full potential. Further research is necessary to establish new central-local government relations and appropriate decentralization mechanisms that will devolve more pro-active power to local authorities for the efficient administration of the land tax system. Such efficiency has to include some level of increased political support and enhanced administrative capability at the national and local levels respectively.

Tom M. Konyimbih is a registered and licenced valuer/appraiser in Kenya. He lectures on property valuations, property taxation and land economics in the Department of Land Development at the University of Nairobi. (2000, WP00TK1, 72 pp., \$14.00)

Preparing for Land Value Taxation in Britain

This project centered on a 'property tax stakeholder' postal survey and meetings with experts to discover what obstacles were perceived to inhibit implementation of land value taxation (LVT) in Britain. The survey indicated strong underlying support for many principles of LVT: that it could assist urban renewal; it encourages improvements to property; and it is more just than present business rates. Overwhelming support exists for conducting pilots of LVT before any nationwide decision on its implementation. However, there is a need for tools to enable the land value concept to be visualized, and hence better understood, even by property professionals. The main conclusion is that detailed proposals for a pilot of split-rate LVT to replace the Uniform Business Rate need to be prepared before any serious debate

about the merits of a 'tax shift' towards land values can occur.

Anthony J. M. Vickers is a chartered surveyor who has specialized in the management and use of geo-spatial data in public sector organizations. He is also chief executive of the Henry George Foundation of Great Britain, Ltd. (2000, WP00AV1, 60 pp., \$14.00)

The following papers by David C. Lincoln fellows have been summarized in previous issues of *Land Lines*. The newsletter articles and working papers can be downloaded from the Lincoln Institute website (www.lincolninstitute.edu).

A Study of European Land Tax Systems, by Peter K. Brown and Moira A. Hepworth. (2000, WP00PB1, 156 pp., \$18.00—see *Land Lines* March 2001)

Land Value Taxation in Indiana: Challenges and Issues, by Jeff Wuensch, Frank Kelly and Thomas Hamilton. (2000, WP00JW1, 50 pp., \$9.00—see *Land Lines* November 2000)

Land Value Taxation Views, Concepts and Methods: A Primer, by Jeff Wuensch, Frank Kelly and Thomas Hamilton. (2000, WP00JW2, 28 pp., \$9.00—see *Land Lines* November 2000)

Lincoln Lecture Series

Lincoln House, 113 Brattle Street, Cambridge, MA. 12 noon. The programs include lunch and are free, but pre-registration is required. Contact: help@lincolninstitute.edu

MAY 14

Robert Cervero, Professor, City and Regional Planning Department, University of California, Berkeley
Efficient Urbanization: Economic Performance and the Shape of the Metropolis.

JUNE 22

The David Fullmer Lecture
Peter M. Ward, Professor, Department of Sociology and Lyndon B. Johnson School of Public Affairs, University of Texas-Austin
Land and Housing Policy Lessons from Latin America: Informal Homestead Subdivisions in Texas and the U.S.

Program Calendar

Contact: Lincoln Institute, 800/LAND-USE (800/526-3873) or help@lincolninst.edu, unless otherwise noted. Consult www.lincolninst.edu for additional information about these programs.

Urban and City Management

Cosponsored with the João Pinheiro Foundation and the World Bank Institute
Belo Horizonte, Brazil
MAY 14-25
Contact: Flávia Brasil, gesurban@fjp.gov.br

State Planning Directors: Northeastern States

MAY 17-18
New Haven, Connecticut

Using Scientific Information for Better Planning

Audio Conference Training Program
Cosponsored with American Planning Assoc.
MAY 23
Contact: Jerieshia Jones at APA, 312/431-9100 or jjones@planning.org

Urban Land: Ethical and Legal Challenges

ANPUR IX National Meeting
MAY 28-JUNE 1
Rio de Janeiro, Brazil
Contact: Henri Acselrad, henri@novell.ippur.ufrj.br

State Planning Directors: Western States

MAY 31-JUNE 1
Park City, Utah

Land Supply Monitoring

JUNE 7
Indianapolis, Indiana

Real Property Taxation and Urban Land for the Poor: Successful Cases in Mexico

Cosponsored with College of Mexiquense Toluca, Mexico
JUNE 11-15
Contact: Alfonso Iracheta, axic@centauro.cmq.clomex.mx

Urban Land Markets in Latin America

Cosponsored with Urban Studies Program Autonomous National University of Mexico Mexico City, Mexico
JUNE 13-14
Contact: Manuel Perlo, perlo@servidor.unam.mx

European Spatial Planning

JUNE 29-30
Lincoln House
Cambridge, Massachusetts

Segregation in the City

JULY 26-28
Lincoln House
Cambridge, Massachusetts

Mediating Land Use Disputes

JULY 30-31
Santa Fe, New Mexico

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Land Lines is published six times each year.

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