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## ***Developer-Planner Interaction in Transportation and Land Use Sustainability***

Mineta Transportation Institute  
San José State University  
San Jose, CA 95192-0219

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# **Developer-Planner Interaction in Transportation and Land Use Sustainability**

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## EXECUTIVE SUMMARY

National transportation policy faces a number of urgent imperatives, including mitigation of air pollution and greenhouse gas production, and coping with congestion in the face of constrained capacity to construct and expand roadways. Because of these concerns, research into the interaction of land use

and transportation policy has focused on the capacity of alternative land use approaches—including transit villages, New Urbanist development, jobs-housing balance, and compact development in general—to moderate growth in vehicle miles traveled (VMT). These development forms are referred to collectively in this study as "alternative" development.

A number of current planning and transportation regulations may currently preclude the development of these alternatives. These regulations come in the form of zoning that seeks to lower densities and separate land uses and transportation regulations that specify ample roadways and large parking lots. These regulations, implemented by scores of communities in each metropolitan area, amount to a design template guiding and regulating both new development and redevelopment. It may be the relaxation of this design template—rather than the imposition of still stricter requirements—that is required in order for the land use alternatives to develop. The purpose of these development alternatives is not strictly the reduction of VMT. Rather, where land use policy allows for this kind of variation, it provides greater household choice among land use and transportation environments. While VMT reduction would be a desired side benefit, scientific uncertainty regarding these effects is an inadequate basis to exclude these alternatives by regulation.

This study argues that significant unmet demand exists for alternatives to conventional auto-oriented development; and further that planning interventions that restrict densities and land use mixing in developed areas are a major reason that this demand remains unmet. In order to explore these hypotheses, this study carried out two principal investigations. The first is a national survey of developers, randomly selected from the database of the Urban Land Institute in Washington, DC, the premiere national organization of land developers. Overall, the survey reveals considerable interest on the part of the private development community in developing in a fashion that is more compact than regulations currently allow. This interest varied by region, with the greatest interest expressed in the densely settled regions of the mid-Atlantic and the Northeast. Developers in the Southwest and South Central regions (Texas, New Mexico, Oklahoma, Arkansas and Louisiana) expressed considerably less interest in developing in a more dense or mixed-use fashion than permitted by current regulation. Similarly, interest in developing more intensely than current regulations permit varied by setting. Little such interest exists for development in rural areas, but developers' interest in such development in inner suburbs was especially keen.

The second investigation switched from a macro, national focus to four very local settings with case studies of actual development projects. The cases were located in California and in Michigan. Two kinds of case studies were developed in each state. A "successful" case was one in which the private sector succeeded in producing a development that qualified, in the judgment of the study's authors, as an alternative to standard auto-oriented suburban development forms. An "unsuccessful case" was one in which such developments were proposed but significantly modified as part of the planning process, in a fashion that reduced considerably their "alternative" character. The successful development case studies included Rio Vista West in San Diego, a Transit-Oriented Development (TOD) and West Village in Dearborn, Michigan. Unsuccessful development case studies included Whisman Station in Mountain View, California, a development adjacent to a Santa Clara County Transit light rail station whose proposed density was substantially reduced (by over 50 percent) in the course of the planning process. In Michigan, an unsuccessful case, Pembroke Park, was studied in West Bloomfield Township, where a development proposed for 122 units to the acre was reduced in density by 50 percent in the course of the planning process. The two unsuccessful cases were characterized by a reduction in the numbers and types of housing units and in their affordability. In contrast, in the case of the San Diego development, the principles of TOD (if not the letter) were held, with different types of residential and retail uses at relatively high densities within walking distance of the station. A different situation held in the West Village project in Dearborn, where the original mix of uses, densities, and housing types were maintained at a much smaller scale and in a more pedestrian-oriented (rather than transit-oriented)

context.

The arguments presented here are not intended to criticize land use regulation per se. Such intervention arose from early reformist activism aimed at unhealthy urban conditions, a concern that remains relevant today. But, these concerns aside, this research suggests that the tools are broadly misused to exclude some development forms (and by extension, the population groups that would inhabit them) from selected communities, and to preclude innovation in metropolitan transportation and land use patterns. They are not the only such barriers. As tools implemented by the planning profession, these regulations and their potential choice-constraining effects deserve more critical scrutiny by transportation and land use researchers than is currently evident.

## INTRODUCTION

National transportation policy faces a number of urgent imperatives, including mitigating air pollution and greenhouse gas production, and coping with congestion in the face of constrained capacity to construct and expand roadways. Largely because of this urgency, research into the interaction of land use and transportation policy has focused on the capacity of alternative land use approaches--including transit villages, New Urbanist development, jobs-housing balance, and compact development in general--to moderate growth in vehicle miles traveled (VMT). These development forms are referred to collectively in this study as "alternative" development, in that they constitute alternatives to the more common auto-oriented, low-density suburban development.

For the purposes of this study, alternative development projects possess one or more of the following characteristics: higher than usual densities in a suburban context, a mix of land uses in close proximity, a variety of housing types in the same development, pedestrian- or transit-oriented amenities, a range of different transportation modes, and easy accessibility to major regional destinations.

Considerable debate surrounds the issue of the impact of alternative development on travel behavior. Because of the impossibility of controlled experimentation in this area, the data remain open to a number of conflicting interpretations. On the one hand, residents of neighborhoods that are more compact, mixed in terms of their land uses, and amenable to pedestrianism and transit use do appear to consume fewer VMT than their counterparts in more auto-oriented and suburban neighborhoods. But this simple observation is complicated by self-selection; people may select neighborhoods to begin with at least in part on the basis of the transportation possibilities that these areas offer. The fact of self-selection does not negate any VMT-reducing potential of these alternative land use forms; in the absence of these development alternatives, even the household who prefers pedestrianism and transit use may have few alternatives to an auto-intensive lifestyle. But in the face of such methodological complexities, the prospects for resolving unambiguously the impact of alternative land use forms on VMT remain remote.

Some authors (Giuliano 1999, Crane 2000) have suggested that in the absence of reasonable scientific certainty regarding the influence of land use on travel behavior--or alternatively, doubt about the capacity to effect the massive land use changes that would be required to alter travel patterns significantly--these alternatives have a very limited role to play in transportation policy. This view implies that VMT reduction is the principal criterion by which these land use alternatives should be judged, at least as an element of transportation policy. That is, a failure in the VMT reduction test would undermine the rationale for the planning interventions that are presumed to be needed in order for these alternatives to arise. Thus some researchers, notably Boarnet and Crane (2001), have called for concerted efforts to understand the link between land use development and travel behavior better as a prerequisite to the formation of sensible policy based on this connection. Much of this current effort is

documented in a review of over 50 current studies by Ewing and Cervero (2001).

While improved social-scientific understandings of the influence on built form on travel behavior are unquestionably called for, it is doubtful that scientific advances in this area alone will resolve the debate over land use and transportation policy. This is because both the policy interpretation of these findings and implications for public action depend intimately on the observer's theory regarding the paucity of alternative development to begin with. For example, one guiding notion is that the reason for the relative lack of alternative developments is weak market interest on the part of potential tenants and purchasers. An observer who explicitly or implicitly adheres to this theory might suggest that a prerequisite for public intervention would be the scientific establishment of the efficacy of these developments in modifying travel behavior and thus mitigating transportation's external costs. And the mode of intervention--should benefits be established with sufficient certainty--would be "market forcing" and might include regulations and subsidies to alter market outcomes fundamentally.

In contrast, others might suggest that it is regulatory obstacles--such as zoning, transportation standards, or NIMBYist sentiment that is played out through local government intervention--are at the root of the relative lack of such developments. To the extent that this theory holds, both the rationales for public attention and the modes of intervention would change radically. Removal of such regulatory obstacles would be designed to increase households' effective range of choice of land use and transportation environments; any scientifically established benefits in travel behavior modification would be seen as "icing on the cake" rather than the sine qua non. The mode of intervention would be altered as well; policy attention would not be based on market forcing, but would be aimed at removal of obstacles to such development, together with the designation and reservation of territory to facilitate critical masses of agglomeration of such developments. These policies would produce alternative development only in areas where land development market can support these alternatives. Interestingly, Giuliano (1999:20) suggests reducing zoning restrictions would increase development densities, though since this increase is presumed not to be sufficient so reduce congestion or VMT significantly, she does not view it as particularly relevant to transportation policy.

In practice, a number of current planning and transportation regulations may currently preclude the development of these alternatives. These regulations come in the form of zoning that seeks to lower densities and separate land uses and transportation regulations that specify ample roadways and large parking lots. In many cases it is not the rigidity of the regulations per se that constitute an obstacle to alternative development, but the willingness of the local decision makers to employ the regulatory function to exclude these alternatives. While mechanisms for altering regulatory obstacles abound, the political will to employ them may be in shorter supply.

Implemented by scores of communities in each metropolitan area, these regulatory frameworks amount to a design template guiding both new development and redevelopment. It may be the relaxation of this design template -- rather than the imposition of still stricter requirements--that is required in order for the land use alternatives to develop. While VMT reduction would be a desired side benefit, scientific uncertainty regarding these effects is an inadequate basis to exclude these alternatives by regulation. Where there is ample market interest in these alternatives, lack of proven benefit in VMT reduction would hardly be sufficient reason to exclude them; and where there is insufficient market, no land use regulation is required for their exclusion, as the discipline of the market accomplishes this much more effectively.

If land use and transportation choices have been limited by current regulation, remedying such constraints on choice would be highly relevant to transportation policy, quite independently of any demonstrated effects on VMT. This is because it would allow people to forge a closer match between their transportation and land use preferences on the one hand and choices on the other. We refer to this

argument as a "choice-based" rationale for alternative development forms. Such a rationale rests in part on the notion that the private development market is interested in providing more alternative development than current regulations allow. Such desired growth may take the form of expansion in sheer numbers of housing units developed in a more compact, pedestrian- and transit-friendly fashion; in addition, it may take the form of more accessible locations for such developments. It is considerably more difficult, because of local opposition, to create an alternative development in the heart of an already developed community than in undeveloped territory beyond the metropolitan fringe. New Urbanism is a significant movement in contemporary American urban design, which draws its inspiration from 19th and early 20th century American towns, in terms of higher densities, mixed used, walkable distances, diverse housing types, human-scale architecture, and pedestrian amenities. This may imply a constraint on the supply of alternative neighborhood styles in particular locations, in addition to restrictions that may limit supply overall.

This study argues that significant unmet demand exists for alternatives to conventional auto-oriented development; and further that planning interventions that restrict densities and land use mixing in developed areas are a major reason that this demand remains unmet. If this notion were true, one would expect significant numbers of developers to express interest in developing in a more dense or mixed-use fashion than regulations currently allow. This should hold particularly in areas where development pressures are high, but where land use standards seek to restrict development to low density forms. This issue is explored here through a national survey of developers, randomly selected from the database of the Urban Land Institute in Washington, DC, the premiere national organization of land developers. Overall, the survey reveals considerable interest on the part of the private development community in developing in a fashion that is more compact than regulations currently allow. This interest varied by region, with the greatest interest expressed in the densely settled regions of the mid-Atlantic and the Northeast. Developers in the Southwest and South Central regions (Texas, New Mexico, Oklahoma, Arkansas and Louisiana) expressed considerably less interest in developing in a more dense or mixed use fashion than permitted by current regulation. Similarly, interest in developing more intensely than current regulations permit varied by setting. Little such interest exists for development in rural areas, but developers' interest in such development in inner suburbs was especially keen.

## **PLANNING TO MODIFY BEHAVIOR VERSUS PLANNING TO ACCOMMODATE PREFERENCES**

Despite the constraints on alternative development forms posed by current land use and transportation regulations, one widely held view is that current low density, auto-intensive development is largely the product of the neutral accommodation of peoples' travel preferences. Under this view, alternative development, such as that proposed by the New Urbanists, represents directed intervention oriented towards conscious modification of individuals' travel behavior. For example, Boarnet and Crane (2001) argue that

(M)ost transportation planning of the first half of the twentieth century sought to respond to the rapidly increasing demand for automobile travel. This is importantly different from the more recent goal of using urban design to, among other things, change how people wish to travel. In the former instance, even if planners sought to transform cities and transportation systems, the key players viewed themselves as responding to changes in travel behavior that were caused by other factors, such as the popularity of the newly developed automobile. In the latter case of the more recent urban designs, the projects often have the more ambitious behavioral goal of seeking to change the desired travel patterns of some persons. (p. 185).

There is considerable evidence against the assumption that equates the development of alternative land

use forms with directed governmental intervention. In many communities, the situation is reversed; regulatory structures in place are quite antithetical to development at higher than usual densities, and it is when that regulatory template for low density, auto-oriented development is relaxed that the more compact and accessible alternatives arise. For example, land use conflicts frequently arise on the basis of developers' desire to build more densely in highly accessible areas than allowed by local government general plans, zoning ordinances or negotiated agreements (Bogart 1998, Fischel 1985). Thus in the name of preserving local environmental quality such planning activities may, on aggregate, be limiting the supply of accessible residential opportunities.

It is important to separate conceptually the analysis of New Urbanist theorists from the on-the-ground reality of how alternative developments are developed or excluded. Many of the former will in fact argue for directed interventions for the express purpose of reducing people's automobile travel. But in implementation, New Urbanist designs and other alternatives referred to here are subjected to the discipline of the market; they can be provided only where they are commercially accepted. Developers studied here who have experience with alternative development may well tout its capacity to reduce automobile trips, but ultimately these individuals are guided by profits, not social engineering. The households who choose to reside in such areas do so because these neighborhoods offer a bundle of attributes--including their transportation characteristics--that render them a desirable choice. In this way, these development forms are best seen as one of a range of market choices, but a choice that has been significantly limited by planning intervention.

## **DOES PLANNING ENCOURAGE DENSITY?**

Current planning practice employs a number of tools developed ostensibly to encourage the private market towards denser development. These include transfer of development rights, incentive zoning, and new urbanism codes. This section examines the prevalent assumption (e.g., Nelson 1999, Smith 1986) that these tools constitute planning's encouragement of more compact development. It concludes that in general, even successful use of such tools does not represent planning's encouragement of denser-than-market development. Quite the opposite: where such tools are effective they provide evidence that the property development market seeks to provide greater density than is ordinarily allowed by planning regulations.

### **Transfer of Development Rights**

Transfer of development rights is a land use regulatory tool that allows developers or land owners who wish to develop in areas slated for growth, to purchase the development rights from land owners in areas where growth is to be discouraged (Maiorana 1994). The land where growth is to be encouraged is referred to as the "receiving" zone; land where development is discouraged is the "sending" zone. Land in the sending zones remains the property of its original owner, but it becomes undevelopable, the rights to build having been sold. In contrast, the land in the receiving zone is permitted to be developed at greater density than would ordinarily be permitted by the zoning code.

This technique is frequently seen as an approach to encouraging more intense development in the receiving zone. It is clearly appropriate to view this approach as discouraging development in the sending zone, as it creates a mechanism for rights to development in these zones to be sold permanently. But regarding the receiving zone, such a technique amounts to the municipal authority allowing developers to pay extra for the rights to build densely, which hardly constitutes the "encouragement" of dense development. To see this, consider that an alternative to transfer of development rights might be rezoning the receiving area to allow the higher density that the developer prefers to build. Under these conditions, the developer would be allowed to build densely without additional cost, in contrast to a



transfer of development rights policy that allows the developer to build densely but in exchange for a payment. Thus, far from an incentive to dense development, transfers of development rights amounts to a levying of a fee for density. The fact that in some cases developers are willing to pay the fee provides prima facie evidence of private markets' interest in developing more densely than conventional planning regulations allow.

### **Incentive Zoning**

Incentive zoning, also called density bonuses, is a regulatory approach that increases allowable density or floor area ratio in exchange for some desired public contribution by the developer. For example, the City of Seattle allows development at densities beyond the conventional zoning for amenities such as a day care center, a shopping atrium, sidewalk widening, or urban plaza (reported in Garvin, 1996). Similar to transfer of development rights, incentive zoning is sometimes referred to as a technique for promoting dense development.

But in the same fashion as transfers of development rights, incentive zoning is in fact a technique for billing developers for the right to develop more densely than zoning regulations permit. The reason why it works is that rights to develop densely are limited and hence valuable; but the limitation in the first place is the product of zoning restrictions. Thus the incentive zoning itself is additional evidence of the extent to which the private development market desires to develop more densely than conventional zoning allows.

### **New Urbanism Codes**

New Urbanism codes are zoning ordinances inspired by a New Urbanist design approach. Such codes could specify smaller lots, narrow streets, alleyways, mixes of residential and commercial uses, and minimum development densities. Clearly, these codes can allow New Urbanist development, in contrast to standard zoning and transportation standards that limit densities and specify large streets and parking lots. But because the codes are detailed and prescriptive, they may be seen as going beyond this to impose New Urbanist designs by regulatory fiat. This section considers that interpretation.

To start with, it should be noted that the environment within which nearly all new development occurs is guided by a regulatory design template of current zoning and transportation standards. In the vast majority of cases, development densities are specified as maxima, not minima. In relatively few cases nationwide do zoning ordinances seek to specify minimum densities of development; New Urbanism codes would be one example of this phenomenon.

The distinction between regulation for maximum density and regulation for minimum density is very significant. Consider, for example, a parcel of land that could provide a developer greater profits if developed at higher than usual densities. Assume the territory is zoned for low density despite this development potential. Notwithstanding the superior profit potential of high-density development, as long as lower density development provides at least normal profits for developers, the property would in fact develop in a low-density fashion. Thus the regulations will have effectively forced the market to produce a product that it would not otherwise have produced.

Conversely, consider the situation in which a parcel of land is zoned for higher density development--say in a New Urbanist zone--but that such dense development in that location would offer developers only subnormal profits. Under such circumstances, there is no ability, short of outright subsidy, to induce developers to invest in such a zone; they will simply seek more attractive development opportunities in other areas of the city, region, or nation. In this way, whereas maximum density

standards can force the market to produce lower densities than it otherwise might, minimum density standards, under ordinary circumstances, are unable to compel the market to produce higher densities. Minimum density standards ultimately enable such densities, but cannot require that they be constructed.

**Table 1-1: Interaction of municipal regulatory stance and profit situation to produce alternative development outcomes.**

<i>Regulatory Stance of Municipality Towards Denser Development</i>	<i>Denser development on a particular site offers</i>	<i>Development Outcome</i>
Prohibit	Lower profits than other development opportunities	Low density
	Higher profits than other development opportunities	Low density
Allow	Lower profits than other development opportunities	Low density
	Higher profits than other development opportunities	High density
Facilitate	Lower profits than other development opportunities	Low density
	Higher profits than other development opportunities	High density
Require	Lower profits than other development opportunities	Low density or vacant
	Higher profits than other development opportunities	High density

These outcomes are outlined more formally in Table 1-1. The left column specifies four possible municipal regulatory stances towards denser development, representing the range of possible approaches: on a particular site, the city can either prohibit such development, allow it, facilitate or require it. Interacting with this regulatory stance are the potential profit circumstances for denser development; such development can offer profits that are either lower or higher than other development opportunities (the case where profits are precisely equal to those of other development opportunities is omitted). The following discussion assumes that developers have foresight regarding the profit situation they face at various sites. This assumption is clearly a simplification; many developers are less than systematic about their profitability analyses, basing their decision instead on other similar projects, instinct, encouragement from other factors, a booming local economy, incentives from local government, or favorable financial terms. Thus perfect foresight is clearly impossible; nonetheless it is assumed that developers ultimately stay in business by accurately judging the profitability of investment opportunities.

The following simplified scenarios are described in order to establish a finer-grained and more nuanced discussion than is common on the interaction between land use regulations and land development markets. Planning that is supportive of alternative development is sometimes characterized as imposing these development forms on a market that is not especially interested. In contrast, these scenarios point to the crucial role markets play in determining the levels of density that gets built, if regulations allow.

**Case 1: City prohibits dense development**

In circumstances where zoning disallows dense development, and no rezoning has been undertaken, such development will not be allowed to occur. This is clearly the case when dense development offers only subnormal profits. In addition, even where denser development might command higher profits, but is zoned out, it is assumed that such development will not occur. At that point, developers need to examine the profitability of lower density development at the site. Assuming that it provides at least normal profits--a reasonable assumption given that the site could have supported higher density development--the site would be expected to develop according to a lower density pattern. Under these circumstances, regulations would have altered the outcome that the property development market would have sought to provide.

**Case 2: City permits dense development**

Where the city adopts a permissive attitude toward density of development, the potential profits will determine the density at which the development occurs. Urban economic theory holds that under such circumstances, land that is more accessible becomes more valuable, and that higher land values tend to support greater development densities (Heilbrun 1987). Thus more peripheral land that offers relatively low accessibility will tend to develop at lower densities; land that is closer to destinations such as employment centers will tend to develop more densely.

At the same time, there are clearly forces that could lead similar and adjacent parcels to be developed very differently. For example, the profit situation for higher density development may differ at different points in the business cycle. During periods of economic expansion, development at higher densities may be more supportable on a particular site than during periods of slow growth and or recession. During such periods, a site may developed at low densities, thus precluding higher density development later. Similarly, developers' habits vary; where one may develop a site densely and profitably, another may opt on the same site for low-density development based on the kind of products he or she is accustomed to providing.

**Case 3: City facilitates dense development**

For this reason, a strictly permissive stance may lead to the loss of opportunity for a city to foster a district of higher density development. The city may view this as a forgone opportunity particularly in areas of high accessibility, such as near a public transit station. Under these circumstances, the city may designate areas in which dense development is required, and seek developers interested in carrying out transit and pedestrian oriented projects.

Such facilitation can ease the process of proposing, securing approval and creating such development, and as such can lower its cost to the developer. Where this happens, such facilitation may render some alternative development worthwhile that otherwise might not have been feasible. Still, in areas where there is inadequate market for such development, facilitation alone would be insufficient to bring this development about.

**Case 4: City requires dense development**

By requiring alternative development on a given site, the city is signaling that any proposals for development at lower than the minimum densities would be rejected as inconsistent with the area's zoning. If higher density development offers higher profits, there is no conflict between the market and

current zoning; one would expect higher density development to arise on the site. In contrast, if higher density development offers lower profits than other development opportunities, developers would be expected to shun the site in favor of other sites elsewhere in the city, region or country. In other words, despite the mandatory nature of the zoning ordinance, the municipality has no ability to force developers to develop according to the specified template. This stands in sharp distinction from the much more common maximum density regulations, which clearly hold the potential of inducing the market to produce development forms it would not otherwise have produced.

Thus, in a circumstance where high-density zoning is enacted in an area for which there is insufficient market demand for such densities, the land would be expected to remain vacant. Ultimately, the municipality would be faced with a choice: allow lower density development or face the prospect of the land continuing to remain undeveloped. Under these circumstances, the municipality may well ultimately relent. If this were to happen, then the development outcomes associated with "requiring" dense development would be identical to those associated merely with "permitting" such development. In this way, minimum density requirements--under current circumstances where they are clearly the exception, rather than the rule--ultimately permit, rather than force denser development.

As described above, there is more to New Urbanism codes than minimum densities, however. Lot sizes, design guidelines and street widths all tend to be prescribed in a highly specific fashion. Regardless of the specificity of the codes, municipalities will depend on developers who see profits in such development; without such private development interest, the designated zones will remain vacant. An example of a city designating a New Urbanism district proactively is found in the following story from Westminster, a suburb of Denver, reported in the Denver Rocky Mountain News (Patty 1999, 20A):

October 4, 1999

#### Westminster Wants 'New Urbanism' Development

Westminster officials took steps this week to take a step back to an old concept.

The city wants to build a "test" development project that includes a mix of residential housing with retail and commercial uses. The idea is called "new urbanism" because it harkens back to the old mixed-use neighborhood...The concept dovetails with regional smart-growth initiatives that call for more transit-friendly developments that encourage walking with less dependency on cars, Carpenter said. The higher density of such projects makes for more efficient use of land, he said.

On Monday, the city council gave the go-ahead to seek proposals from developers for a mixed-use project. One developer has expressed an interest to do such a project along West 120th Avenue between Lowell and Sheridan boulevards..."We realize there is a place for both types of development, the traditional and the neo-traditional," Carpenter said. "But we believe there is an interest for some residents to live and work and shop in this new-old type of environment." (emphasis ours)

Thus, the city of Westminster could designate the district for New Urbanism development, but then was dependent on private development to take advantage of the opportunity. Not being in the development business itself, it was not in a position to provide such a neighborhood directly, merely to permit it should private development see profit opportunities in this manner of development. In this case, there was sufficient development interest, as detailed in the following story, reported a year and a half after the first, in the Denver Post (Couch 2001, M1):

June 10, 2001

#### Firm plans urban style in suburbia

Westminster alters zoning for dense Continuum project

Continuum Partners starts construction this week on a \$220 million urban village in an unlikely place: an undeveloped field in Westminster.

The Denver real estate developer hopes to carve a new pattern in the land of suburban sprawl.

With its narrow streets, front porches, back alleys and urban-style townhouses, the 120-acre Bradburn development will bring a new look to suburban development...In late April, the Westminster City Council agreed to revamp its zoning rules to let Continuum build its brand of denser, more urban-style development at West 120th Avenue between Interstate 25 and U.S. 36.

Continuum plans to blend offices, stores, restaurants and houses into a cozy neighborhood that will promote walking from site to site...That planning philosophy guides Continuum's projects, but it is the economics that makes them work, Falcone said.

The value of office buildings, stores and houses increases faster when they are surrounded by multiple uses rather than similar uses, Falcone said...Bradburn in Westminster is a true test because it applies Continuum's new urbanist principles to the clean slate of a green field...The project will put 310,000 square feet of commercial space next door to 756 residential units in a compact, walkable neighborhood filled with parks.

Falcone contends that the pieces belong together.

'People accuse me of complicating and intellectualizing the development process,' he said. 'If you are in it with a short-term horizon--three to five years--then you can afford to not worry about it.

'I think it's better to think of the long-term value, and that is not simple. That is very complicated.' (emphasis ours)

Importantly, the revision of the zoning rules is seen as enabling the development company to pursue its desired style of construction, rather than imposing a design template on an unwilling private sector actor. Revision of previous zoning codes were the prerequisite to this innovation, as prior zoning would not have allowed for the density or mixed use that this project entails.

Thus New Urbanism codes can permit compact development better than the older tools of incentive zoning or density bonuses, in that they allow the developer to build more densely than standard suburban development without having to purchase the right. Nevertheless, ultimately, such codes amount to enabling legislation permitting such development on the part of the private sector. For municipalities interested creation of such areas, zones such as these can be useful in reserving land for this purpose, but the ultimate fate of such territory will be determined by profits available.

## **ORGANIZATION OF THE REMAINDER OF THIS REPORT**

Between the extremes of excluding alternative development by regulation on the one hand, and seeking to reserve territory for it on the other lies the range of planning stances towards these development forms. This study seeks to develop better understandings of the ways in which the planning function both impedes and facilitates the development of such alternatives. Chapter 2 reviews relevant literature in the production of neighborhoods, and the interaction of planners and developers in this process. Chapter 3 presents the results of a national survey of developers on the impact that land use regulation has on their products. Chapter 4 presents the two "successful" development case studies that were

developed. Chapter 5 presents the "unsuccessful" development case studies that were significantly modified in the course of the planning process in a fashion that reduced their density, and pedestrian and transit-friendly character. Conclusions of the study are drawn in Chapter 6.

## **LITERATURE REVIEW OF EXISTING RESEARCH AND MAJOR ISSUES**

This chapter examines existing research on development processes in cities and the role various major actors play in these processes at the local level. As a short hand, we use the term alternative development, which refers to alternatives to automobile-oriented, single-use, low-density, suburban development such as single-family housing on large lots located in segregated land uses.

### **ALTERNATIVE DEVELOPMENTS AND OBSTACLES**

Demand for alternative developments arise out of changing demographics (e.g. increasing numbers of single parents and couples without children), a diversity of lifestyles (e.g. gays and lesbians), cultural preference for urban lifestyles, a need for affordable housing where land is scarce, changing work habits due to technology, emergence of niche markets including those catering to minorities, and most especially an increasing awareness of the costs of the low-density, single-use, automobile-oriented development, such as long commuting times, decreased access for those without cars, high consumption of a precious resource that is land, physical and social fragmentation, and built environments which are inhospitable to human beings.

Thus, new issues and players are fast changing the rules of the residential and mixed-use development market, making some types of development faster and easier while making others more difficult or more costly. The reductions in federal funds for infrastructure are straining local budgets. Empty nesters, single-parent households, ethnic groups and an aging population are changing the face of the housing market. New ideas in community design are literally rewriting a few local zoning regulations, and increased concern for open spaces, the environment, community character and sense of place are affecting what consumers are interested in buying and what politicians will approve (Anderson et al. 1998, 4-11). These changes are happening, but at a much smaller and slower scale.

However, alternative developments face a number of obstacles such as lack of critical mass in terms of market demand, resistance from neighborhood residents, zoning and other regulations which favor conventional development, and in terms of financing, difficulties with appraisals and finding suitable comparables, lack of good market research to show the financial feasibility of such projects, and the difficulty of assessing the risk of mixed-use development (in which, for example, the residential component might be more or less risky than the commercial component) (Moudon 2000). The focus of the present study is the nature of developer-planner interaction in these alternative developments, but in order to understand this interaction, we first examine the larger political and economic contexts within which they occur.

Thus, in this part of the study, we review research material (e.g. studies, essays, articles) on the role of developers and planners in conventional suburban development, as well as in alternative suburban development (e.g. high density, mixed-use, abundance of usable public spaces, compact size, interconnected street networks, pedestrian or transit-oriented, ecologically sensitive--such as respecting native vegetation and climate, mixed-housing type designs, etc.). For example, the research addresses questions such as who takes the initiative in promoting alternative (and often, innovative) developments--planners or developers? Do developers simply respond to market demand for alternative developments, and do planners act as bureaucrats who simply enforce rigid regulations (e.g. zoning ordinances)? What is the range of developer-planner interaction in residential and mixed-use development, and what is the role of tertiary actors? Emerging from the literature in the following sections are a number of themes: development process, planners as police, developers as builders, market demand, tertiary actors, contentions of alternative developments, and dominant trends.

### **Development Process**

Cities are built and maintained by a host of agents: families, industrial firms, city bureaus, developers, investors, regulatory and subsidizing agencies, utility companies, and the like (Lynch 1981, 40-41). Each has its own interests, and the process of decision is fragmented, plural, and marked by bargaining. Typically the leading agents are single-purpose actors, whose aim is to increase their profit margin, complete a sewer system, support the real estate market, or maintain a taxation system, which generates sufficient revenue. No single actor takes anything like a comprehensive view of the evolving spatial

structure, except perhaps the local planning agency, which is one of the weaker actors. In the development process, there are five distinct classes of participants that must be considered in any development undertaking: (1) entrepreneurs (e.g. developers, sponsors, and owners); (2) consultants (e.g. designers, financial and legal experts); (3) public officials (e.g. mayors, city council members, county commissioners); (4) city staff (e.g. planners, members of the public works and building services departments); and (5) community members (e.g. as consumers, citizens, and political constituents). Their roles are discussed in the following sections.

### **Role of Entrepreneurs and Developers**

First are the developers, sponsors, or owners--the proponents who initiate a project and have the most to gain from its implementation. These entrepreneurs do not appear automatically whenever there is unfulfilled demand for something. They have to believe that the risk of failure is minimal and the rewards that come with success are generous (Garvin 1996, 21-26). Unless such favorable conditions are prevalent, entrepreneurs will exploit other more attractive opportunities. The role includes coordinating a plethora of participants, dealing with uncertainty, recognizing available opportunities that have not yet been exploited, and frequently accomplishing things in ways that have never been tried before. While private developers rarely seek to generate and sustain a widespread private-market reaction, some of their projects make profound changes to surrounding communities. For example, the Ghirardelli Square project altered the character of Fisherman's Wharf and shifted a substantial amount of San Francisco's tourism to the waterfront. Related to the entrepreneurs and the developers is the second group, including the designers and other consultants hired by the developer. These actors are project proponents, who bring in specialized expertise.

### **Developers: City-Builders or Sprawl-Promoters?**

In American cities, despite the power that public officials and planners hold to stop development, it is primarily developers who determine what actually gets built, when it gets built, and what it looks like (Peiser 1990, 496). They lay out the streets in subdivisions and direct the architects who design the public spaces in shopping centers and business districts where people congregate. According to Peiser (1990), then, it is developers, working within existing political and economic institutions, its built environment who plan America--at least, its built environment.

However, most developers believe that planners do not trust developers' motives and are suspicious and cynical about their actions. Many developers feel that planners want to keep developers from receiving permissions that are theirs by right--such as the right to build according to zoning. They believe, perhaps all too often with some justification, that planners loathe developer "profits" and that the role of planners is to soak development of its profits by requiring many (and sometimes outlandish) "public interest" improvements (Peiser 1990, 497).

A developer can also learn to work within almost any constraints, if they are known. If a city is going to require extensive fees and mitigation measures, and these are known in advance, the developer can either pay less for land, or build only when market conditions will support the higher prices that will be needed to offset mitigation costs. Typically higher entitlement costs are borne in part by diminution in land value and in part by higher prices passed on to the ultimate consumer. However, when working in an entitlement process that does not provide certainty to the developer, the developer must assume greater risk. If the developer's projections are too conservative, others will offer more for land, and the developer will not have any chance to develop. If the developer makes assumptions that are too aggressive, the developer may acquire the site but then be unable to recover costs (Cuff et al. 1994, 157).

Developers also make convenient villains. According to Bookman (1999, 5B), there is a popular perception that they turn beautiful green pastures and forests into subdivisions and strip malls; they manipulate politicians like so many puppets on a string; and once a project is finished, they take their profits and scam, leaving neighbors and nearby property owners to deal with the consequences. While there may be an element of truth to these claims--after all, developers are motivated by profit--there is also a risk of over-simplification--after all, developers respond to market demand, which is driven by consumers. Consumers feed the demand for growth and development, but consumers (in the guise of neighborhood associations, for example) also generate planning templates which restrict densities, uses, and other innovative urban design characteristics.

### **Role of Public Officials and Planners**

A third group comprises officials elected with the intention that they will represent some group of constituents. These individuals' futures often depend in part upon how they handle contentious development. They, along with the fourth group of city staff--including planners--must approve the project, as well as manage and control the process. These third and fourth groups together exercise their power to approve or stall a project based on the planning function (e.g. zoning regulations and master plans), or based on political interests (e.g. pressure from the city council or neighborhood associations). According to Garvin (1996, 27), these groups can play a major role in fostering desirable interaction between proposed real estate development and their neighbors. Government can use investment (housing subsidies), regulation (e.g. parking requirements) or incentives (a zoning bonus) to alter the ingredients of a successful project (e.g. market, location, design, time of operation.).

### **Planners: Police or Facilitators?**

According to some authors, planners are the police of contemporary urban America (Peiser 1990, 496). They enforce the rules, they regulate the process, and they stop the offenders. Most planners believe that developers would ignore them if they could. They feel that developers view the planning and approvals process as a needless meddling and a waste of time and money. At heart, many planners believe developers feel no responsibility for improving the quality of urban life beyond their projects, think only of the near term, and are fundamentally selfish (if not outright greedy) about profits (Peiser 1990, 497).

However, there are limits to what planners can achieve through regulation. Dalton's study (1989) of local planning agencies in California demonstrates the weaknesses of regulation for implementing plans. She notes that the reactive nature of the regulatory process leaves the initiative for implementation in the hands of developers rather than planners: When distributive and redistributive policies are implemented by a regulatory agency, they become subject to the limits of regulatory policy. That makes them contingent upon the demand for new development--which is likely to be absent in some of the very communities where distributive and redistributive programs are most needed.

Most planning regulations (e.g. zoning codes and ordinances) deal in quantities of things: heights, setbacks, coverage, lot dimensions, parking stalls etc. and uses, rather than the quality or design of things (Hinshaw 2000). Zoning ordinances are paradoxically both restrictive and subject to change, leading to less certainty on the part of designers and property owners. The latter find themselves restricted to smaller building envelopes, down zoning, and often, required negotiations with neighbors. While the result may be fewer disastrous developments, all parties to the development process feel their interests are somewhat alienated and threatened (Cuff et al. 1994, 2). For example, a comprehensive plan for development was approved by Cranberry Township officials in Pennsylvania, which had three goals--to decrease the density of residential development, to decrease the density of commercial retail



development, and to carry out both of these goals while remaining attuned to the environment. Some developers and retailers were not happy with this, and as a property owner in the community since 1948 claimed, the township administrators had bowed to the demands of homeowners while ignoring others (Kogut 2000.)

On the other hand, zoning ordinances can also be deeply ingrained. In many cases, they are the result of many political compromises, and nobody wants to tinker with them (Stuart Meck of the American Planning Association, cited in Conte 2000, 32). In these cases, local zoning ordinances are greatly responsible for hindering sustainable and accessible developments. In an extensive review of land use near more than 200 existing and proposed rail stations in southern California, Boarnet and Crane (1997) found little evidence of residential TOD in local zoning codes (Boarnet and Crane, 1998). The overwhelming trend was one of commercial and industrial zoning in station areas, a pattern that held across community and commuter rail systems characteristics (Boarnet and Crane, 1998). Many authors suggest that local governments will favor commercial over residential uses in a system dependent on either property or sales tax finance, since commercial properties often generate tax revenue without the service requirement of new residents (e.g. Ladd 1975; Schneider 1989; Altshuler and Gómez-Ibáñez 1993; Fisher 1996; Boarnet and Crane, 1998).

Furthermore, local citizens are often buttressed in their anti-development uprising by the cooperation of local bureaucracies. Indeed, in their analysis of San Diego planner, Calavita and Caves (1994) found that public planners tended to mirror closely anti-development views of the general population, while planners working in the private sector were more likely to reflect pro-development views. On the other hand, it is also true that, under certain circumstances, public planners might be more likely to moderate their policies if their budgets are affected by the rate of development in their respective locales. This situation must create some degree of pressure to modify, restrain, or otherwise ignore the impulse to restrict development (Nieman and Fernandez 2000).

Planners--and the planning function (e.g. planning commissions, zoning ordinances, public policies)--are also facilitators of alternative development, albeit in a small number of cases. Public policies, programs, and regulations have provided significant support for transit-focused development, by guiding or even mandating the locations, densities, and other aspects of development in station areas. These actions may be strategic in nature: e.g., adopting community policies to focus development in station areas and constrain it elsewhere, and preparing plans for station areas that anticipate development, or local governments can act in highly specific ways to promote station-area development: e.g., instituting redevelopment programs, funding infrastructure improvements, or mandating parking restrictions. However, most government initiatives are effective only when supplementing market forces; except for public facility siting, they can entice demand but not create it (Porter, 1998).

### **Role of Citizens and Consumers**

The fifth category of participants consists of the active community members, generally organized into ad hoc groups advocating local concerns or larger environmental interests. There is usually more than one group representing competing claims upon the development project. Consumers purchase or rent real estate by economic means (and represent market demand), while citizens support or oppose real estate development by political means (and represent public opinion). Of course, these two groups are often the same and their roles are often conflated.

### **Market Demand**

The heart of free-market economists and interests' argument is that consumer demand--in particular, our

strong appetite for large houses and big yards--is the dominant force shaping America's urban landscape. Government efforts to control urban growth are not only wrong but also doomed to fail because they ignore the enduring desire for a spread-out, car-centered way of life (Conte 2000, 29). At the same time, there are groups of consumers, who, when shown slides of standard suburban development versus the New Urbanism--village greens, mixed uses, houses with picket fences a few feet from the street--almost always express a preference for the latter, notes Paul Gottlieb of the Center for Regional Economic Issues at Case Western Reserve University (Conte 2000).

A demographic study by the marketing firm American LIVES indicates a growing desire for community, open space, and town-centered living with less reliance on the automobile (Anderson et al. 1998, 9). Demographic shifts underlie and support these trends. The "typical" family--a married couple with children--described 40 percent of all households a generation ago, it now accounts for only 26 percent. Homebuyers are getting older too. Fully one-third of the home-buying market is over the age of 45. In surveys published by the National Association of Home Builders, most respondents in this market segment wanted to live in communities where residents are of various ages and where various types and sizes of housing are available. Three of their top four location priorities were based on easy transportation, access to shopping, access to family and friends, and access to medical care. And of mature homebuyers who intended to move, most intended to move to smaller houses with smaller yards to reduce cleanup and yard work (Anderson et al. 1998, 9).

Why, then, don't we see types of alternative residential development? Gottlieb believes a massive amount of risk aversion keeps developers from building and consumers from buying different kinds of housing. In his view, Smart Growth advocates have done little to educate consumers on how their individual decisions--to seek a big house on a big lot, to move out of a neighborhood when minorities move in, to drive a sport utility vehicle, or to look for a home "in the country"--can add up to social outcomes that neither they or their neighbors particularly want (Conte 2000, 33).

### **Public Opinion**

Another important factor that should not be negated is the (Not In My Back Yard) NIMBY syndrome. While most suburban people advocate higher densities, strong advocacy groups have been instrumental in opposing such developments in their neighborhoods (e.g. in the Whisman Station and Pembroke Park case studies, later in this report). Despite the strong importance that our national myth gives to broad democratic participation in our political processes, in practice these processes go forward with a substantial exclusionary effect (Brion 1991, 63). A person participates not just on the basis of intensity of feeling over the particular issue at stake but also on the basis of intensity of personal material interest. This often results in a political gridlock where the community is strongly against a development even though the city officials might be for such a development.

Community opposition to a particular development may be triggered by a shared perception that it will not provide a good fit between the proposed design of a new project with the surrounding built and natural environment. The most commonly voiced physical concerns include building height and massing, density, parking, traffic, contextual architectural design, and environmental conservation. If the project's context has some cohesive history and enduring, if not unique, location, landscape, or architectural heritage, the question of fit is likely to become a central issue. But place issues are more than just a matter of aesthetics. The basis for community opposition is rooted in deeper concerns about the sense of place, which is difficult to articulate. In such instances, traffic, noise, pollution, density and building heights, loss of views, or socio-economic balance, may serve as surrogates, even though they never satisfactorily capture the deeper concerns that motivate community organizations (Cuff et al. 1994, 3).

Take the issue of density. To a lot of people, it's simple: High-density growth is bad; low-density growth is good. Quality residential growth is always defined as large houses built on very large lots; smaller houses on smaller lots might be barely tolerable, while apartments are associated with all that is wrong with public housing, for example (Bookman 1999, 5B). Density makes people of suburban and rural communities uncomfortable since that evokes the feeling of inner city--the very places suburbanites supposedly are trying to escape (Platt 1999, 74). Also, concerns about what would happen to property values and who may reside in high density housing gives rise to community opposition.

Critics of community-developer negotiations find fault with the process because there is no one looking out for overarching interests. This tends to create a fragmented environment of enclaves, operating within an ignored, malfunctioning whole. Thus, the neighborhoods try to stop the homeless from peopling their streets merely by pushing them into other parts of the city; a building is designed to respond to local concerns without regard for urban design issues; environmental concerns produce local solutions such as parks rather than the systemic solutions that sustainable development would demand. Since few constituencies advocate large scale planning priorities, these are downplayed in the advocacy-based process of hearings, and among the voters who will judge elected officials. Similarly, no-growth activists may be able to stop growth in their own communities, but that growth merely occurs elsewhere, where advocacy groups are less powerful or non-existent (Cuff et al. 1994, 104).

### **Tertiary Actors**

Alexander Garvin (1996) argues that neither planners nor developers plan America, that bureaucrats and bankers do. Bureaucratic regulators determine what the landscape looks like. Many people think that homeownership is driven exclusively by supply and demand. However, by creating a tax advantage for the purchase of larger, more expensive housing, subsidies tend to favor new, low-density developments located outside the central metropolitan core. In addition, infrastructure policy and spending have been managed to enable and promote current patterns of development (Anderson et.al. 1998, 7). Special care has been taken to ensure that telephone, electricity, and mail services are available regardless of residents' choice of location. The federal government historically has paid to build new water and sewer facilities with grant programs and revolving loan funds. Government support for the suburban lifestyle, and for the exodus from cities and older suburbs has been substantial (Anderson et.al. 1998, 7).

The number of actors increases yearly--fire and safety officials, environmental health officials, air quality officials, and so forth. Bankers determine what gets built, since developers depend on them for financing. The financial community is conservative in its tastes and follows a herd instinct. Concepts and designs that have been financially successful elsewhere are much easier to finance than those that are new and innovative (Peiser 1990, 499). For example, Chip Abernathy, senior vice president of First Union National Bank in Jacksonville, Florida says that many bankers look at elements of the New Urbanism--particularly multi-use buildings--as risky. Nevertheless, First Union made a \$2.5 million loan to finance part of a neo-traditional project, Amelia Park, in Fernandina Beach, Florida. Abernathy explains that the developer did not emphasize the uniqueness of the project, but presented it as he would an ordinary subdivision. (Chapman 1999).

Still, it is through developers that financial institutions affect the built environment. They depend on developers to initiate the projects and to assume the risk of development, and to receive their permissions from planners, planning agencies, and planning regulations.

### **Current and Future Trends**

There exist a few trends which may affect the way residential development--especially alternative development--is conceived and implemented. These include federal policies which encourage transit use and development, financial institutions which are becoming more comfortable with financing New Urbanist developments, and local planning regulations which are being modified to reflect more closely market demand and sustainable practices.

At the national level, major changes in federal transportation legislation--coupled with a rising mobility crisis in many cities, the advancement of the smart growth movement, and increased federal transit spending--are expanding opportunities for joint development projects near transit stations (Zimmerman 1999, 101). The 1988 passage of the Transportation Equity Act for the 21st century (TEA-21) codified Federal Transit administration (FTA) guidelines on joint development and created new incentives for transit agencies to promote joint development projects as a way to supplement revenue and increase ridership (Zimmerman 1999, 101). "TEA-21 provides significant funding to help communities and commuters overcome traffic congestion. TEA-21 provides funds for transit, enhanced coordination between transportation and land use planning, and the development of bike and pedestrian trail system" (ULI-Smart Growth: Myth and Facts). Until now the two biggest obstacles were limitation on private ownership of land, which restricted the types of projects developers could pursue, and lack of incentives for transit agencies to engage in these ventures since most of the revenue was returned to the federal government.

Also at the national level, some banks, particularly in the Southeastern U.S., already are comfortable lending to New Urbanist projects. Vince Graham, developer of I'On in Mount Pleasant, South Carolina, reports that two banks, Wachovia and Nations Bank, were bidding to finance the 243-acre Traditional Neighborhood Development (TND). Wachovia ended up making the loan, even while Graham was still fighting a zoning-related lawsuit. Familiarity with successful projects like Newpoint, which Graham is developing with Robert Turner in Beaufort, South Carolina, added to Wachovia's comfort level. Turner agrees that, once banks have seen some TNDs work such as Newpoint they will be more comfortable with financing developments of this type ("Maryland County takes a New Look at Street Standards," Urban Land, Dec. 1996 from ULI packet no. 338, New Urbanism/Neotraditional Planning).

Communities are realizing the need for a change at basic design standards stipulated in their planning books and are taking the initiative to change it. For example, continuing reliance on street standards created in 1950s in Montgomery County, Maryland, forced pioneering developers like Joseph Alfrandre to go the costly and time-consuming "waiver route" in obtaining permits to build the sociable street in Kentlands, an award-winning community. As in many jurisdictions, old road standards drastically limited the types of roads that could be built and did not always accommodate sidewalks, street trees, or on-street parking. In some cases, the old standards were actually in conflict with county policies to encourage transit-oriented development and use of public transportation. So Montgomery County transportation officials, urban designers, consultants and developers have been quietly hammering out a new set of road standards designed to avoid reliance on waivers and create a more transit-oriented, pedestrian-friendly street system. The new standards for the first time include a set of transitway standards accommodating transit lanes in medians and along the curbside of a street and as separate transitways.

These are however, exceptions, as the following sections of the study--the national survey of developers and the four case study projects--will demonstrate; for the vast majority of suburban residential development continues to be low-density, land-use segregated, and automobile-oriented, thanks in no small part to planning.

## SURVEY RESULTS

During the winter of 2001, a national survey was conducted in order to assess developers' perceptions of the impact of planning regulations on their products. Principal themes of the survey included:

Perceptions regarding the market for alternative development. Is it sufficient or insufficient currently to expand the provision of alternative development forms? Is the level of such development adequate currently to satisfy the demand for it? If not, what are obstacles to its expansion?

Developers' experience with proposing and developing these alternatives. How many have experience with such proposals? How are such proposals handled, modified, accepted or rejected by the planning system?

Strategic behavior in response to planning interventions. In what ways do developers modify their behavior in anticipation of the intervention of the planning function?

Impact of regulations on the densities and land use mixing of development. How do developers believe that their products would change if land use and transportation regulations were liberalized?

The survey form is presented as Appendix A. It began by defining alternatives to conventional, low-density, automobile-oriented, suburban development. The survey characterized these alternatives as having:

Higher than usual densities;

A mix of land uses;

A variety of housing types close together;

Pedestrian or transit-oriented design;

Availability of a range of transportation modes; and

Easy accessibility to major destinations.

"Alternative development" as referred to in the survey and throughout this report is development that has a significant share of the characteristics described above. In the case of the survey, what counts as alternative development was a function of a developer's individual perceptions; this must be identified as a limitation of the study methodology. Undoubtedly some developers may consider a number of their products to be "alternative," many architects or urban planners evaluating these same products may judge them to be quite conventional. Data regarding a developer's individual experience with alternative development must be assessed in this light. In contrast, data regarding developers' desired density of construction and land use mixing would not be subject to this limitation. Nevertheless, the entire survey clearly measures developers' perceptions, rather than any objective reality.

## STUDY METHODOLOGY

Two databases were considered for use as a sampling frame for this study: the membership of the National Association of Home Builders, and the developer membership of the Urban Land Institute. The latter was selected as better representative of developers, as opposed to builders. While sometimes the two functions are combined in a single firm, the two roles are readily distinguishable from each other. Builders construct homes and commercial structure on land that is prepared for development, generally including subdivision, permitting, infrastructure provision, etc. In contrast, developers' role is to bring land to the point where it can be built upon; thus they take care of land purchase and assembly, as well

as the functions referred to above. By the time the builder is involved, there is frequently little latitude regarding the directions of development, as the fundamental template has already been established. In contrast, developers have significant leeway to propose a number of different development forms. For this reason, the membership of the Urban Land Institute, the nation's leading association of land developers, served as a basis for development of the survey sample.

The Urban Land Institute staff selected from its membership database all those individuals who were classified as "developers." In all 4,183 individuals matched this description. Questionnaires were mailed to a simple random sample of 2,000 was drawn from this group. The cover letter indicated the purpose of the survey, and offered ten prizes of \$100 each to randomly selected survey respondents. Questionnaires were marked with a code identifying the respondents, and several weeks after the initial mailing, a follow-up postcard was sent to people who had not responded to the initial mailing. Several weeks after the follow-up postcard, a duplicate questionnaire was sent to people who had still not responded. Each of the additional mailings triggered new responses, and overall the response rate to the survey was 36.5 percent (Table 3-1).

Respondents were asked to indicate the geographic areas in which they worked. To analyze the survey data, multistate regions were defined, based on the regions of the Department of Housing and Urban Development (HUD), (See Table 3-2). In some cases, two HUD regions were combined in order to ensure reasonable sample sizes within each geographic unit. The regions, together with the surveys received from each are shown in Table 3-1.

**Table 3-1: Response to Survey Questionnaire**

Initial questionnaires mailed	2000
Returned for bad addresses	47
Returned incomplete with indication that the survey respondent is not a developer	19
Returned completed	706
Response rate	36.5%
Qualifying respondents (i.e., residential, commercial or mixed use developers)	693

**Table 3-2: Response to Survey Questionnaire by Region**

<i>Region</i>	<i>States Represented</i>	<i>Number of Valid Responses</i>
Northeast	CT, MA, NJ, NY, VT	63
Mid-Atlantic	DC, MD, PA, VA	59
Southeast/Caribbean	AL, FL, GA, KY, MS, NC, PR, SC, TN	134

Midwest	IL, IN, MI, MN, OH, WI	83
South Central	AR, LA, NM, OK, TX	56
Great Plains, Rocky Mountains	CO, IO, KS, MO, MT, NE, UT, WY	55
Pacific and Northwest	AZ, CA, HI, ID, NV, OR, WA	182
Multi-Region Developers	All	50
Total	682	
No region reported	11	
Grand Total	693	

### THE MARKET FOR ALTERNATIVE DEVELOPMENT

Overall, developers perceive considerable market interest in alternative development. Over three-quarters of the nationwide sample estimated that at least ten percent of households are interested in such alternatives, and over one third of the sample saw a potential market of at least 25 percent (Table 3-3). The highest levels of interest were perceived by developers in the Northeast and Mid-Atlantic regions; considerably less interest was reported by developers in the country's central areas: Midwest, Plains, Mountains and South Central Regions. Nationwide and other multi-region developers reported high levels of interest, comparable to those reported along the East Coast. It is notable, however that even among the regions where comparatively low interest was perceived, around seventy percent of developers perceived interest in at least ten percent of households. In general, the market for such development is perceived as more than "niche" in character.

**Table 3-3: Developer Perception of Market Interest in Alternative Development**

Region	What share of the households in your markets are interested in alternative development?					n
	<i>None</i>	<i>1% to &lt;10%</i>	<i>10% to &lt;25%</i>	<i>25% to &lt;50%</i>	<i>50% or more</i>	
Northeast		20.7%	43.1%	15.5%	20.7%	58
Mid-Atlantic	1.7%	17.2%	31.0%	29.3%	20.7%	58
Southeast/ Caribbean	.8%	26.5%	43.9%	14.4%	14.4%	132
Midwest	1.2%	21.0%	38.3%	30.9%	8.6%	81
South Central	3.6%	25.0%	50.0%	16.1%	5.4%	56
Great Plains, Rocky Mountains		30.8%	32.7%	25.0%	11.5%	52
Pacific and Northwest	1.7%	17.3%	41.3%	24.0%	15.6%	179
Multi-Region						

Developers		22.0%	34.0%	22.0%	22.0%	50
Total Sample	1.2%	21.9%	40.2%	21.9%	14.7%	666

Assessments of the size of the potential market needs to be interpreted in light of perceptions about the adequacy of current supply of alternatives development forms, and respondents were asked to assess the adequacy of current supply in their regions. While notable differences existed between regions, the consensus overall was that of inadequate supply of alternatives currently (Table 3-4); under 15 percent of respondents believed that supplies were ample currently, and in the appropriate locations. The share of developers viewing supplies as adequate and appropriately located varied from a low of two percent in the Northeast to a high of around 20 percent. About one-fifth of developers nationwide judged current supplies to be adequate overall, but that such supply has not necessarily materialized in the right locations. This may be indicative of the greater ease of providing alternatives in undeveloped territory beyond the metropolitan fringe than in locales that already enjoy high levels of accessibility.

**Table 3-4: Perceptions of Adequacy of Current Supply of Alternative Development**

Region	Is there adequate supply of alternative development in existing housing and new construction?			n
	Enough and in right locations	Enough but not in right locations	Not enough	
Northeast	1.7%	12.1%	86.2%	58
Mid-Atlantic	19.3%	12.3%	68.4%	57
Southeast/Caribbean	18.9%	25.8%	55.3%	132
Midwest	15.2%	22.8%	62.0%	79
South Central	18.2%	30.9%	50.9%	55
Great Plains, Rocky Mountains	13.5%	15.4%	71.2%	52
Pacific and Northwest	13.6%	14.8%	71.6%	176
Multi-Region Developers	12.8%	10.6%	76.6%	47
Total Sample	14.6%	18.6%	66.8%	656

In conjunction, Table 3-3 and Table 3-4 establish both the presence of a significant market and the inadequacy of current supply, in the perception of the respondents. The perceived reasons for the apparent undersupply are reported in Table 3-4. Respondents were asked to indicate all significant obstacles to the expansion to the supply of alternative developments. With the exception of developers in the South Central district, few respondents saw lack of market interest to be an obstacle to the further development of the options. In contrast, an overwhelming majority of respondents viewed local regulations, including zoning ordinances, subdivision regulations, parking standards or street width requirements to be a significant obstacle. The second most broadly recognized obstacle was opposition on the part of neighborhood residents. It should be pointed out that a close relationship exists between "neighborhood opposition" and "regulation" as an obstacle to the development of alternatives. Neighbors opposed to development are unable legally to halt such development through direct action; rather their mobilization is channeled through the municipal land use authority, such as the city or the county. The authority in turn can choose to use the regulatory power delegated to it from the state to exclude, modify or permit the development in question. These two categories are thus very nearly identical in meaning for the purposes of this study.



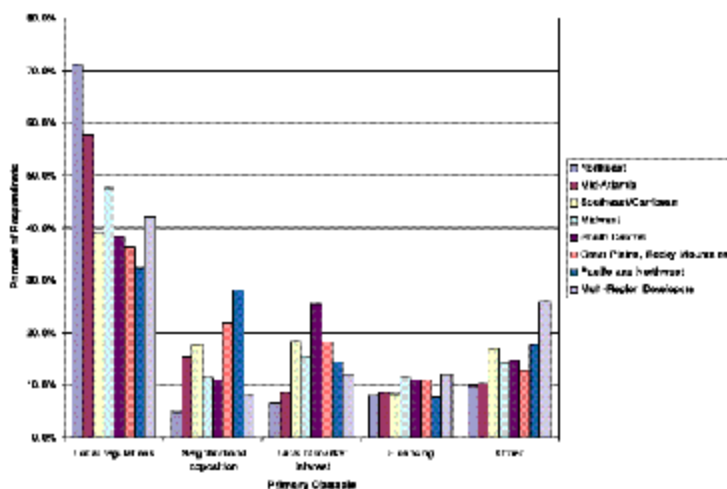
The other significant difficulty reported is securing financing. Developers often portray lenders as conservative and unwilling to finance other than conventional development. The perceived reasons for the apparent undersupply are reported in Table 3-5.

**Table 3-5: Obstacles to Expansion of the Supply of Alternative Developments**

Region	Which are significant barriers to the expansion of alternative developments?						n
						<i>Land Availability/ Assembly*</i>	
Northeast	87.3%	65.1%	34.9%	14.3%	4.8%	14.3%	63
Mid-Atlantic	86.4%	65.5%	32.2%	22.0%	0.0%	5.1%	59
Southeast/Caribbean	71.8%	57.3%	37.7%	30.5%	8.2%	6.0%	134
Midwest	75.6%	59.3%	27.2%	22.2%	1.2%	9.6%	83
South Central	69.1%	46.3%	40.0%	41.8%	5.4%	5.4%	56
Great Plains, Rocky Mountains	81.5%	53.7%	40.7%	27.8%	3.6%	1.8%	55
Pacific and Northwest	77.8%	65.7%	32.8%	26.1%	4.9%	7.7%	182
Multi-Region Developers	86.0%	59.2%	44.9%	24.0%	10.0%	2.0%	50
Total Sample	78.2%	60.2%	35.3%	26.3%	5.0%	6.9%	682

\*Write-in answers that were indicated by at least 5 percent of respondents reported. Respondents chose other answers from a list.

In order to focus this issue further, respondents were asked to indicate the single most important obstacle to the further expansion of alternative development forms (Figure 3-1). Governmental regulations hostile to such development were by far the most prevalent obstacle identified, particularly in the Northeast and Mid-Atlantic regions. "Neighborhood opposition," which is nearly equivalent, was the second most cited obstacle. In all, over 60 percent of respondents nationwide identified one of these two factors as primary obstacles to the growth in alternative developments. In contrast, only 15 percent identified lack of market interest as the primary obstacle to growth; only in the South Central region did more than 20 percent of respondents perceive this to be the primary obstacle.



**Figure 3-1: Primary Obstacle Perceived to Expansion of Alternative Development**

These results are corroborated by the findings of Table 3-6, which portrays respondents' perceptions of current market demand for alternative development. Over 60 percent of respondents expressed agreement with the statement, "In my region there is currently enough market interest to support significant expansion of these alternative developments." This ranged from a high of nearly 70 percent in the Midwest to a low of just over 40 percent in the South Central Region. While developers in this region perceived less interest than their counterparts elsewhere, it is useful to note that even in this area, the statement elicited more agreement than disagreement overall.

**Table 3-6: Developer Perception of Market Interest in Alternative Developments**

Region	In my region, there is currently enough market interest to support significant expansion of these alternative developments.					n
Northeast	6.5%	16.1%	16.1%	37.1%	24.2%	62
Mid-Atlantic	5.1%	18.6%	11.9%	49.2%	15.3%	59
Southeast/Caribbean	6.0%	17.3%	18.0%	41.4%	17.3%	133
Midwest	6.0%	14.5%	10.8%	51.8%	16.9%	83
South Central	8.9%	25.0%	25.0%	33.9%	7.1%	56
Great Plains, Rocky Mountains	1.9%	11.3%	20.8%	49.1%	17.0%	53
Pacific and Northwest	5.6%	13.9%	15.6%	37.2%	27.8%	180

Multi-Region Developers	2.0%	20.0%	14.0%	44.0%	20.0%	50
All Respondents	5.5%	16.4%	16.3%	42.0%	19.8%	676

### Firms' Experience with Alternative Development

Respondents were asked about their firms' own experiences with proposing alternative development. Over one third of the firms have made no such proposals (Table 3-7). Of those who have proposed such developments nearly half have had the experience of the proposal being rejected. A larger number have had proposals for alternative development significantly altered by the planning process; over two thirds of firms who have presented such proposals have had at least some share of the proposals significantly altered. "Alteration" for the purposes of the survey was defined as reduction in the density, mixed use character, housing variety or pedestrian or transit orientation of the development.

**Table 3-7: Firms' Experience with Proposing Alternative Developments**

	What share of your firm's proposals for alternative development have been rejected by local governments?	What share of your firm's proposals has been significantly altered by the planning and approval process?
No proposals made	35.3%	35.9%
None	35.9%	19.9%
1% to <10%	9.8%	8.3%
10% to <25%	6.8%	8.7%
25% to <50%	5.4%	9.9%
50% or more	6.8%	17.3%
n	663	654

Of the respondents that reported that at least some of their alternative proposals had been significantly modified in the course of the planning process, over 80 percent indicated reductions in density as a modification that had occurred. This was considerably greater than any of the other modifications, including imposed change in the mixed-use character, change in the variety of housing types, or change in the share of mixed use or attached housing. Under 20 percent of those with experience in having proposals modified reported reduction in the pedestrian or transit orientation of the development.

Table 3-8 may assist in interpreting the entire study regarding the definition of "alternative." Higher than usual densities may be the defining characteristic of the alternative proposals that these respondents have made. Even among those who have not made any such proposals, higher than usual densities may be the

defining characteristic of "alternative" development. Clearly it is the attribute that has generated the most friction with the planning process. New Urbanists will be quick to point out that their design proposals based not merely on density, but rather incorporate design elements of public space, mixed land uses, pedestrian-friendly design, and others. It may be that many of the proposals referred to in Table 3-8 would not, in fact count as "alternative" by many of these design theorists. Yet for of generating compactness of metropolitan form, and for increasing housing supply in accessible areas, density may in fact be the key. Thus the proposal for a plain apartment building or condominium complex that will never win any design awards may serve to enhance metropolitan accessibility, if it increases housing supplies in areas of the region that are close to major work and non-work destinations.

**Table 3-8: Modifications to Proposed Alternative Developments  
by the Planning and Approval Process**

Modification as an outcome of the planning process	
Density reduced	81.7%
Mixed use character reduced	47.2%
Change in variety of housing types	29.4%
Change in share of mixed use or attached	33.2%
Change in pedestrian or transit orientation	19.1%
N	235

### **Developers' Strategic Behavior**

One potential outcome of the interactions between developers and the planning process is developers' adoption of strategies based on the actions that they expect from planning authorities. For example, developers may refrain from proposing alternative development if they expect that the proposals would be rejected. Clearly preparing proposals for development is costly, and developers would only want to bear these costs if there is a reasonable probability of the investment bearing fruit. Similarly, developers may anticipate planning intervention and may proactively lower proposed development densities to attempt to expedite project approval. Conversely, developers may propose higher than desired densities in order to have something to give away in the bargaining that is often part of the planning process.

Table 3-9 considers these various possibilities. In all three cases, more respondents believe that the strategic behavior takes place than disagree, though the distribution is fairly even. The single most commonly reported strategy is the third; nearly 50 percent of respondents agree that their firm proposes higher than desired densities in order to have bargaining chips to give away. This finding is relevant to the current study in two ways. First, it provides a note of caution. Not every instance in which the planning process lowers proposed development densities is in fact constraining what the land development market would have tended to do. By the same token, the prevalence of the other two strategies suggest that there is some degree of self-censorship going on the part of the developers; the universe of proposed alternative developments does not represent all potential developments. Clearly any interpretation of empirical studies of development proposals would be hampered by these phenomena. Moreover, the prevalence of the strategy of proposing higher than desired densities provides evidence that in the developer's mind at least, the expected outcome of many planning processes is a reduction in development densities. This contradicts the view that promotion of density is the product of planning intervention into the development market, and requires provable benefits in

VMT reductions to be supportable.

**Table 3-9: Developers' Strategic Behavior in the Face of Land Use Regulation**

Strategic Behavior						n
Refrain from proposing:						
"My firm sometimes avoids proposing such alternatives in certain areas where they might be commercially successful because it expects that the proposals will not be approved in the planning process."	7.1%	27.4%	24.5%	26.0%	10.8%	664
Propose lower than desired densities:						
"My firm sometimes proposed lower densities in certain areas than the market demands because it assumes that higher density proposals will be rejected."	6.2%	28.1%	22.2%	33.0%	6.5%	666
Propose higher than desired densities:						
"My firm sometimes proposed building higher densities in certain areas than the market demands, with the expectation that densities will be lowered in the course of the planning process."	5.1%	21.9%	19.8%	38.7%	11.1%	669

### Impact of the Planning Function on Development

The view that alternative development--as opposed to conventional, automobile-oriented suburban development--amounts to a directed reshaping of people's transportation behavior implies that the land development market seeks to develop in low density, automobile-oriented fashion. Under this view, planning interventions seek to "force" the land development market into more compact, mixed use, or walkable forms. To examine this notion, survey respondents were asked to indicate the impact that relaxation of planning and transportation regulations on the density and the mixed-use character of their products. In particular, respondents were asked to indicate whether relaxation of density, floor area ratio, setback or lot size regulations would lead them to build more or less densely, and in a more or less mixed use fashion. Respondents were also able to indicate "no change" as an outcome of relaxation of regulations.

The preceding discussion pertained to all perceived significant obstacles to alternative development. In

addition, respondents were asked to indicate the single most important obstacle to the further expansion of alternative development forms (Figure 3-1). For development in central cities, inner suburbs and outer suburbs, majorities of developers indicated that relaxation of regulations such as zoning, floor area ratio or transportation standards would lead them to build more densely; the figures for rural areas were considerably less. The greatest interest in development in a denser or more mixed-use fashion than regulations allowed was found in the inner suburbs. It may be that in cities, denser development is generally allowed by regulation, and in rural areas there is little pressure for dense development to begin with. Thus it is in the suburbs, particularly the close-in suburbs, rather than those on the metropolitan fringe, where there is the greatest reported gap between the density and mixed-use characteristics of development on the one hand and that which is permitted by regulation on the other. This suggests a process for low-density development beyond the metropolitan fringe, with little pressure for more intense development. As the region expands, the "fringe" of an earlier era can become the relatively close-in suburbs of a later period. At that time, pressure for high-density development mounts; yet local sentiment among residents against such development tends to lock an earlier lower density pattern, and limit market-driven increases in development densities locally.

It is noteworthy that this pattern--a peak in interest in building in a denser or more mixed use fashion than regulations allow--is repeated in virtually every region of the survey. In addition, results of this analysis are consistent with other findings regarding areas of greatest interest in alternative development; developers in the Northeast and Mid-Atlantic expressed very high interest in developing more densely than regulations allow; this figure exceeded 90 percent for development of inner suburban areas in the Northeast. Developers in the South Central region exhibited considerably less interest in providing greater density or mixed use than permitted by regulation; nonetheless, this figure exceeded 50 percent of developers in reference to inner suburban areas.

## **SUCCESSFUL DEVELOPMENTS: CASE STUDIES**

The case studies in this and the following chapter broadly investigate the following questions: (a) What are current obstacles to the generation of viable and sustainable transportation and land use alternatives (i.e. alternative residential development), and (b) What role do developers and planners play an enabling role in sustainable development, via incentives, regulatory flexibility and increased residential choice, for example? More specifically, do developers want to build more compactly in highly accessible areas than current regulations allow? Are they precluded from useful innovation? How much do they modify their proposals in anticipation of government action? Can we identify the potential of the profit motive to promote land use and transportation sustainability? What is the role of planning tools in fostering or impeding that potential? The focus will be on the role of developers as they interface with planning regulations and policy processes in specific contexts.

Case studies consist of four suburban alternative residential developments nationwide, selected on the basis of their rich employment base, coupled with largely suburban-style land use regulation. Data sources include personal interviews, site visits, documentation with plans and photographs, archival research for regulations and processes and triangulation of the studies via multiple sources, including official documents, marketing materials and newspaper articles. The researches identifies accessibility-based developments and determines to what extent they were limited by the planning function (e.g. regulation) or were able to innovate for accessibility, including overcoming regulatory or political obstacles.

This chapter presents two successful developments as case studies: Rio Vista West in the suburbs of San Diego in southern California, and West Village in the suburb of Dearborn in southeast Michigan (in the Detroit metropolitan region). Each case study consists of the following sections: an analysis of the

market for alternative development in the area, from whom and how the alternative development was initiated, the innovative character or elements of the development, the nature of the developer-planner interaction in each context, and lastly, the reasons why the researchers consider the project to be successful.

## RIO VISTA WEST

Rio Vista West, a transit-oriented and mixed-use development along the Mission Valley extension of the Blue Line trolley (i.e. light rail), was first proposed in 1992. A big-box retail center, centered on a Kmart store, is a major component of the project. The project, when completed, will contain about 1,070 housing units, including apartments and condominiums, neighborhood retail and office--all within walking distance from the light rail station. The project covers 94.5 acres of land.



**Figure 4-1: Mixed-Use Development--entrance to Rio Vista West with the retail component, especially the Big Kmart store, at the intersection of Qualcomm Way and Rio San Diego Drive.**

## Market for Alternative Development

The planning department conducted some research and found in San Diego that only 17 percent of families are traditional families with children and two adults (Wright and Frost 2000). However, much of what has been built in the last 15 or so years has been mostly single-family homes, because of high profits, and an aversion to the risk of construction-defect lawsuits which are common in multi-family housing. While not proposing to modify existing single-family homes, the city planners suggest corridors of mixed-use areas and a clear need for multi family housing (e.g. apartments). The tourism economy generates many low-paying jobs, which requires more affordable and higher-density housing. From a regional planning perspective, the planning department in San Diego is extremely aware of limited land availability for low-density, use-segregated, and automobile-oriented development (also known as "sprawl").

Similarly, the developer realized that the demand for alternative types of development in San Diego arises from a range of lifestyles, such as those who are students, young professionals, and empty nesters who "have mowed the lawn and now they're looking for something else" (Schreibman 2000). All these groups of the population prefer an urban lifestyle and choose to live in the city of San Diego rather than in conventional suburbs.

Consequently, strong interest from singles, young couples starting out, and older couples scaling down prompted developers to build more housing in Mission Valley in the 1990s. Erin Taylor and Patrick Mazzei, owners of a three-bedroom Mission Valley townhouse, said that the central location, the trolley, a good price, a backyard, and a view of the San Diego River convinced them of their neighborhood choice at Union Square, not far from Rio Vista West (Bydolf 1998). Although both drive to work during the week, they said they take the trolley on weekends and love the ease of stepping across the street to the shopping center. Neighborhood residents like Taylor and Mazzei can walk to the market, find toilet paper and soap at Kmart or Longs, buy books and school supplies, photocopy resumes, go the movies, have dinner at restaurants like Prego and Kooky Diner, or catch a ball game at Trophy's Sports Bar and Restaurant. Department stores in Mission Valley Center or Fashion Valley, and the Riverwalk golf course are a trolley stop away.



**Figure 4-2: Justification for Alternative Development --while there is simply a market demand for alternative development, transit (such as the San Diego trolley, or light rail, system) is utilized to justify and generate such development. The Rio Vista station (number 40) is in the upper left hand corner on the Blue Line, connecting it to Qualcomm Stadium, downtown, and even further south to Tijuana.**

### Initiating Alternative Development

A sand and gravel construction mining company initially owned the property. Unlike other developers who go out to look for sites, the mining company's property subsidiary--CalMat Properties--would take the real estate that the parent company had either completed the extraction on or was perhaps in the



midst of reclamation, and come up with a plan as to what was the highest and best use either for eventual build and hold, or for disposition from a sale perspective.

At the same time, a number of public sector efforts affected the area, beginning with the First San Diego River Improvement Project, which was established to maintain the San Diego River (which runs parallel to the Blue Line track) as a focal point and major flood control facility, especially in view of major land use developments starting in 1982. A rezoning of Mission Valley in 1990 created the Mission Valley Planned District Ordinance, which encourages mixed uses at transit stations and prescribes transit-supportive guidelines, including higher-density requirements. In addition, the City of San Diego adopted Transit-Oriented Development (TOD) guidelines in 1992, which have been incorporated in to official policies and regulations, and were implemented at Rio Vista West in cooperation with the Metropolitan Transit Development Board.

Several developers entered into a development agreement with the City of San Diego, including CalMat Properties, to make floodway improvements in exchange for entitlements to the property. At the early stages, the ideas behind Rio Vista West was mostly offices and hotels, for which however, there was not much of a market in the 1980s. The current mixed-use plan was developed in the 1990s in response to market demand and public sector initiatives outlined above.



**Figure 4-3: Transit-Oriented Development--the Rio Vista station on the blue line trolley toward Mission San Diego, including a stop at Qualcomm Stadium.**

### **Innovative Character of Alternative Development**

As compared to conventional suburban development, Rio Vista West possesses a number of innovative characteristics, primarily its orientation toward the trolley or light-rail station. The mixed-use core around the trolley station is one of the most attractive pieces of the project. The San Diego trolley opened in 1981, and was at the time one of the first light-rail systems built in the United States in over two decades. The Mission Valley extension of the Blue Line, where Rio Vista West is located, was completed in the late 1990s. According to the San Diego Association of Governments (SANDAG), the ridership for the Rio Vista station in the year 2000 was about 450 boardings and departures per day. These figures reflect the very early stages of this line, and the fact that the mixed-use complex immediately adjacent to the station was still under construction. Following San Diego's TOD guidelines, Rio Vista West, attempts to integrate transportation and land use patterns which aim to reduce the reliance on the automobile by encouraging transit use, reducing the vehicle trip-lengths, and creating

environments that are conducive to walking and bicycling.

In order to create such an environment, the streets are designed to be narrower so that it is more conducive to pedestrian activity. The design guidelines for the residential buildings encourage things like balconies and patios facing the street, so that there is more interaction with the street. The mixture of uses is intended so that one can walk to the stores as opposed to having to get in the car for everything. There are three housing types (CalMat Properties 1999, 1): riverfront residential (18-33 units per acre); courtyard residential (26-34 units per acre); and urban residential (30-70 units per acre). These represent a broad spectrum of housing opportunities for a range of incomes and tenure patterns (e.g. rental versus ownership).



**Figure 4-4: Innovative Urban Design Character--the site plan shows a number of urban design characteristics not commonly found in suburban developments, such as a gridded street system, several public open spaces, and the large parking lot for the big box retail in the upper right hand corner treated with an abundance of landscaping to reduce the visual presence of cars and a trellis-covered pedestrian path from the large Kmart store to the rest of the center.**

### Nature of Developer-Planner Interaction

When the developer, CalMat Properties, and then Vice-President for Land Management Don Cerone proposed the project, he was informed by the city's planners that it was to be a TOD. He had never heard of the concept, and so in 1991, he sought out one of the leading urban designers of TODs, Peter Calthorpe, based on the advice of planners from the City of San Diego (Weisberg 1994). Cerone was so impressed with Calthorpe that he hired him to help with the master plan for Rio Vista West.

The developer also took the initiative of contacting the local member of the city council, Valerie Stallings, sharing concepts of the plan and incorporating her feedback into it. This political support early on was crucial during discussions at the city council. The developer also benefited from little resistance from existing neighborhood residents, because for the most part the area had been commercial development with a lot of offices. There were not a lot of residents that really participated in the process. The process was primarily between the developer's team (including high-profile consultants such as Peter Calthorpe and influential lawyers) and the city of San Diego engineering and planning departments (Schreibman 2000).

While the developer characterizes the planning department as simply a "clearing house" (Schreibman 2000), it is clear from interviews, reports, and newspaper articles, that in fact, the planners were quite active on a number of fronts, especially the TOD guidelines. True, the planners did conduct a lot of technical work and coordination efforts. For example, the project had to go through the process of getting a community plan amendment, a general plan amendment, a specific plan amendment, adoption of design guidelines, plan development permit, a tentative map, and a rezoning. So the project needed several discretionary actions that the planning department combined into one, and took to the planning commission and city council (Wright and Frost 2000).

However, the planners were more active than simple coordination. Early on, the economy was in the middle of a recession, and the city was attempting to understand appropriate land uses and projects for the project area. And they were quite emphatic about the TOD guidelines being followed and consequently, for residential densities to be higher than what the developer had proposed. One of the reasons residential densities have been provided as a range for the overall project (e.g. 18-70 units per acre) rather than a fixed number is that planners insisted on a provision for increasing density as market demand increased along with an upswing in the local economy.

Another source of conflict between the developers and planners revolved around the discussion about the retail center that was part of the TOD guidelines. The developer really wanted to stay away from the light rail station because of access to major arteries such as Friars Road and Qualcomm Way. Ultimately, project developers decided that small-scale neighborhood-type retail would not survive in this area. A big box retail center took its place as a supposedly more viable alternative. Thus, the retail component became more conventional and automobile-oriented. The 325,000 square feet of larger-scale retail space includes a Kmart, Sports Authority, Ross, Office Depot, SAS Shoes, Petland, Golden Bagel Cafe (with an outdoor seating area), Oscar's, and fast food outlets such as Wendy's. However, even the retail buildings have a strong pedestrian and transit-orientation, with clearly defined entrances, arcades, less-than-dominant parking, pedestrians' path, and landscaped areas.

Overall, the planners played a key role, especially in terms of implementation, which is the one of the most difficult things to track due to different parts in the process that were submitted at different times. While CalMat was the master developer of the overall plan, each component of the plan--retail, different types of residential--had separate and smaller developers. The planning department constantly monitored the individual detailed proposals that came in, because they were modified by the other developers and tenants at different points in time (Wright and Frost 2000).



**Figure 4-5: Mixed-Use and Transit-Oriented Development combined--  
a view of the Promenade, a complex with retail below and apartments above, under construction  
in December 2000.**

### Elements of Success

The master developer, CalMat Properties Company, was quite adept politically and demonstrated their adeptness in a number of ways. First, they contacted the local councilwoman, Valerie Stallings early in the formulation of the proposal and secured her support. Second, they engaged lawyers who were extremely well-connected in the city. Fourth, they were able to get Peter Calthorpe--the urban designer who helped develop San Diego's TOD guidelines--to convince the city that the project met the spirit, though not necessarily the letter, of the guidelines, and thus, it should be accepted. The developer considers the project to be a success because it met the market demand fairly quickly, and is quite happy with the way it turned out (Schreibman 2001).

One of the key elements of the project's success was the proactive role played by the planning department in San Diego. Furthermore, in a city as large and complex as San Diego, the city council had little time (unlike for example, Mountain View, in the following chapter) to delve into the minutiae of developments such as Rio Vista West--thus giving the planning department greater room to negotiate conditions directly with the developer. The planners were pleased to get different land uses as close together as in Rio Vista West, especially as an alternative to the conventional way of planning segregated land uses in which each neighborhood or area was either a commercial shopping center, all residential, or all industrial. Furthermore, the planners described the mixed-use housing component next to the light-rail station, called The Promenade, as "really wonderful" because of the vertical mixed-use with commercial below and residential above (Wright and Frost 2000). Finally, the planners were pleasantly surprised by the degree of sophistication and flexibility shown by the master developer, CalMat Properties, especially since it is essentially a sand and gravel mining company.

At the regional scale, Mission Valley has become a desirable place to live due to its location and the ability to reach destinations in a few minutes by different modes of transportation--walking, driving, taking the bus, or taking the light rail (Lieberman 2000). Projects like Rio Vista West provide such choices for accessibility, especially for those residents who choose a more urban and a less automobile-oriented lifestyle--and thus meet this sector of the market's demand. Even those who are unwilling to give up their cars find the transit access to be an additional amenity to be used from time to time to go to a game at the stadium or visit downtown without worrying about parking.

In the aftermath of the Rio Vista West project, the draw of the TOD policies has not been strong enough to attract similar development. Zoning initiatives may help provide sensitive design and mixed-uses, such as at Rio Vista West, but by themselves, zoning provisions cannot adequately create such projects. Stronger economic development and land use development strategies--especially in conjunction with market demand--are necessary in order to create more TODs.



**Figure 4-6: Higher Density Multi-Family Housing --entrance to the Missions, an apartment complex with 1, 2, and 3 bedroom units in Rio Vista West.**

## **WEST VILLAGE**

The project consists of 76 housing units, including 33 2-bedroom ranch style units on one level, 33 3-bedroom townhouse units on two levels above the ranch units, and 10 2/3 bedroom carriage house units, on 4.1 acres of land. In addition to the housing, the project contains neighborhood scale retail and a plaza. The project is located off Michigan Avenue, in the heart of Dearborn, a suburb of Detroit.





**Figure 4-7: Suburban Context for Alternative Development--  
the area surrounding West Village is large conventional single-family detached housing,  
segregated land uses, low-density, and automobile-oriented neighborhoods.**

### **Market for Alternative Development**

According to Romeo Betea, Director of the Economic and Community Development Department of Dearborn, the average age of the local population is 35, which is below that of the state of Michigan (40 years), and the per capita income is \$26,000, which is also considered below the state average (Betea 2000b). Thus, from the demographic data, Dearborn has a large number of young family residents who desire a vibrant downtown area. Furthermore, there was a demand for alternative types of residential development from the employees of a number of area institutions, including the Dearborn campus of the University of Michigan, the Henry Ford Community College, Oakland Hospital, and Ford Motor Company. Finally, the younger generation of Dearborn residents wanted housing that was nearby and relatively affordable, but separate from their parents' houses.

So, while there was no formal market analysis done, there was an instinctive feeling by understanding the housing situation in Dearborn and looking at similar projects that Crosswinds Development had built in Royal Oak, another suburb of Detroit. One of the partners in the project's development company, New Towne Development, was a commercial real estate broker who owned retail real estate in the area and grew up in the area as well. He knew that there was demand for retail and of the need for housing in Dearborn (Lubin 2000). Based on this situation, the West Village project was aimed at singles, young professionals, and empty nesters as well.

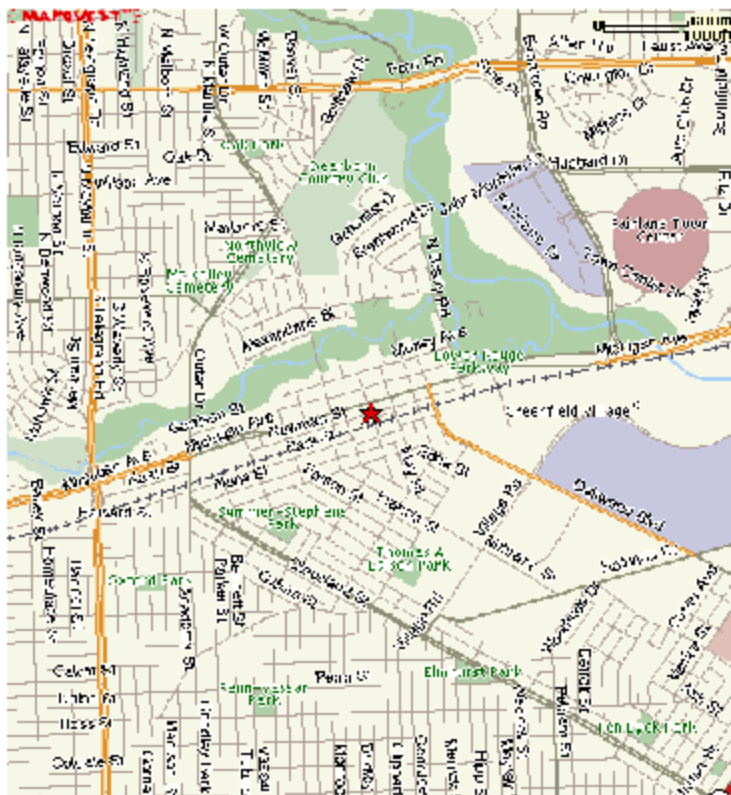


**Figure 4-8: Appealing Amenities in the Market for Alternative Development--the neighborhood-scale walkable retail components of West Village facing Michigan Avenue, including stores, cafes, and services.**

### **Initiating Alternative Development**

In 1986 the Mayor, Michael Guido, had a vision for the 4-acre site called "Superblock," which at that time had weak retail and lots of vacancy. The city purchased, cleared up the site and then made a request for proposals (RFP), according to the mayor's vision, for retail and residential. The city council created the outline for the RFP, and the Economic and Community Development Department (ECDD) put together a draft RFP. The process went back and forth with feedback from the city council until the RFP was finished and announced to the public (Betea 2000b). The Mayor and the Director of the ECDD shared the vision for the area and spearheaded the effort to bring it to fruition. The city put out a formal RFP, and received three viable offers from developers. One of the developers was strictly residential, while another was considered not to have adequate experience. The selected project--that of New Towne Development--consisted of mixed land uses, with residential, retail, and restaurant components (Lubin 2000).

The West Village project, indicated by a star in the center of the map, is located off a major artery, Michigan Avenue, and close to prominent Dearborn landmarks such as Greenfield Village museum and the Fairlane Town Center shopping center.



**Figure 4-9: Locating Alternative Development**

### **Innovative Character of Alternative Development**

The idea of stacked units--single-level "ranch style" housing units below two-level "townhouse style" units--came from Crosswinds Communities, who in turn used plans developed by an architect in Philadelphia (Betea 2000b). The West Village architect, David Lubin, designed the exterior to be in keeping with what he described as "the Dearborn Georgian/Henry Ford Museum look" and did the same with the retail, such that it blended together aesthetically (Lubin 2000).

Residents are a short walk away from services such as travel agents and insurance brokers, as well as civil amenities such as the public library. The retail includes restaurants such as Mongolian Barbeque, cafes such as Einstein Brothers and Starbucks, stores such as the Men's Wearhouse, and a bakery called Breadsmith. The streetscape is pedestrian-scale (rather than automobile-scale, as is the case with most suburban development) with elements such as awnings on stores, outdoor benches, planters, a gazebo, and outdoor gathering spaces.





**Figure 4-10: Innovative Character of Housing--the 3-story housing units are stacked with a one-level unit on the 1st floor, and a two-level unit starting on the 2nd floor. One can also see a local store on the left side of the image.**

### **Nature of Developer-Planner Interaction**

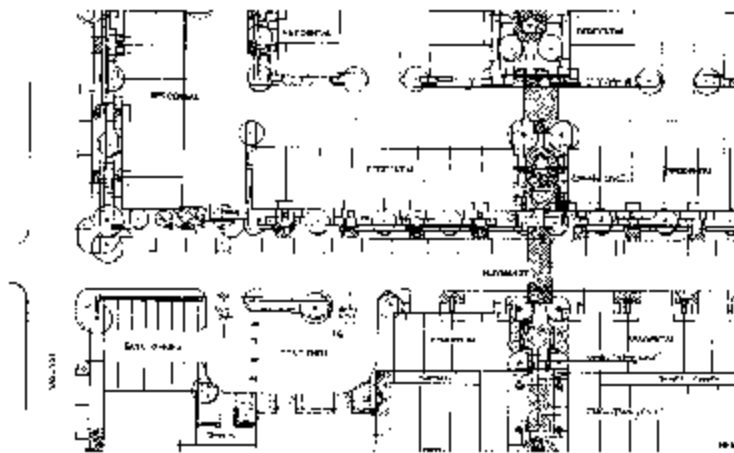
One of the major forces in the implementation of the West Village project early on was the Mayor, who said: "City administration officials, city council and other planners rode a bus . . . and learned firsthand what the best development projects are in this area . . . [I]t sure helped us learn what is on the cutting edge of development" (Mayor Michael Guido, cited in King 1997, 3C). At the administrative level, it was ECDD who reached out, pre-qualified and found the different developers and put out the RFP, based on what the Mayor thought should be there, on what the city planners thought might be there, and on what the City Council felt should be on it (Thomas 2000). In fact, there is a history of the ECDD sending out RFPs, selecting developers, and presenting a short-list of those they feel are most qualified for various projects to the Mayor and the City Council. The City then signed a "preferred developer agreement," since the project was on city property.

The City of Dearborn also has a City Plan Commission and a Director of the Planning Department, both of whom are appointed by the Mayor with approval by the City Council. However, in this case neither the Commission or the Department or its Director had much of an influence on the project (Betea 2000b, Thomas 2001). The Plan Commission's and Planning Department's role appear to have been primarily technical; for example, approving the zoning and providing necessary variances from existing ordinances. The zoning was Business-C, which has provisions to permit apartments and condominiums. The Planning Department decided to pursue the Business-C zoning rather than a zoning change because it was similar to the PUD (Planned Unit Development Approach), in that it would permit, through a special land use, the condominiums. This would require only one hearing before the City Plan Commission to review it (City Plan Commission 1996, 2).

Once the developer, New Towne Development, was selected, the process consisted of developing site plans, which necessitated variances, such as those for setbacks, heights, densities, and parking. For example, the total number of off-street parking spaces required for the West Village site was 267. The site plan for the project included 83, or 184 spaces short of the minimum amount. Among the major obstacles the developer faced were having to sell the concept to the various departments of the city, especially the Building Department because they were not familiar with the density, type of construction, sprinkling systems, fire suppression, and fire barriers between units. One road was moved and rebuilt during the construction process. "So there was some selling or educating to the planners, the Public Works Department in terms of curves and parallel parking but [with] Romeo [Betea]'s help and

the Mayor's office, we worked through those . . . without a lot of trouble" (Lubin 2000).

There appears to have been little resistance to the project. There were a lot of anonymous letters to the Mayor expressing negative attitudes towards the project. The city council members' friends who live in the project had complaints about noises and wanted to build a wall between Starbucks (Betea 2000b). There may have been a couple people at some of the meeting who may have said . . . "you don't have enough parking for the retail" (Lubin 2000). Perhaps one of the primary reasons that there were hardly any residents who adamantly opposed it was because it was built in a commercial area that was zoned to be business.



**Figure 4-11: Site Plan of West Village--shows narrower streets, fewer parking spaces, and connected open spaces, for example in the center of the plan.**

### Elements of Success

Both the developers (e.g. Lubin 2000) and city officials (e.g. Betea 2000b) believe that Mayor Guido's vision for the area was one of the most important factors in the success of the project. Furthermore the Economic and Community Development Department rather than the Planning Department, City Plan Commission, or even the City Council carried out this vision. According to one of the developers (Lubin 2000), without the administration's support, the project would not have happened. However, the administration's vision was not enough to carry out a project--it had to be financed and built by a developer actually willing to respond to market demand and take on the risk of the project succeeding or failing.

There was obviously an unmet demand for alternative development in Dearborn. Dearborn had been dominated by the single-family detached housing on separate plots of land in a low-density, segregated land use, and automobile-oriented manner. As the West Village project was developed, the list of those interested grew to around 2,000 households in buying the 76 units. Furthermore, the units that began to sell for around \$95,000 are now selling for around \$150,000 to \$200,000 (Lubin).

A couple who bought a 2-story, 1,581 square-foot townhouse in West Village for \$132,900 illustrate the latent--and until West Village, unmet--market demand for alternative development. The Tamms knew they loved cities and wanted to move out of their former house, but were not able to find the urban experience they were looking for in the area. Now, they "love the idea of being within walking distance to the library and about a dozen restaurants, shops and other good things" (Jerry Tamm cited in Rose

1997, 4J). Similarly, Cecilia Swanger, a single businesswoman, works long hours at nearby Ford Motor Company, and would rather not spend her free time cutting the lawn or tending to the yard, while remaining in the Dearborn area. So, she purchased a 2-bedroom, 1,100 square-foot ranch-style condominium in West Village for \$130,000 (Paulson 1997, 1A-2A).

Finally, in terms of the project's longer term impact, West Village developers requested and obtained an unusually large number of variances--51--from Dearborn building ordinances, such as requiring buildings to be set back 10 feet from the street rather than being right at the edge. Then, the Plan Commission and City Council wrote a new set of rules for such stacked condominiums. As a result, a second townhouse development coming to the east side of Dearborn needed only two such variances from the city (Rose 1997).



**Figure 4-12: Connected Public Open Spaces--  
outdoor seating area for a café, which also connects as  
a pedestrian path to the housing in the background.**

## **UNSUCCESSFUL DEVELOPMENTS: CASE STUDIES**

This chapter presents two unsuccessful development case studies: Whisman Station in the city of Mountain View in northern California (in the San Francisco metropolitan region), and Pembroke Park in the township of West Bloomfield in southeast Michigan (in the Detroit metropolitan region). Each case study consists of an analysis of the market for alternative development in the area, who and how the alternative development was initiated, the innovative character or elements of the development, the planning function in the area, the nature of the developer-planner interaction in each context, and the reasons why the researchers consider the project to be unsuccessful.

### **WHISMAN STATION**

Whisman Station consists of 517 housing units by two developers: the Castle Group, and Kaufman and Broad, on 40 acres of formerly industrial land located next to light-rail transit on the outskirts of Mountain View. The project was first proposed in 1995, construction began in 1999, and is expected to be completed in 2001.



Figure 5-1: Entrance to Whisman Station development and single-family home on small lot off Ferguson Drive in Mountain View.

### Market for Alternative Development

The market for alternative development in the San Francisco Bay Area (including the city of Mountain View) is driven by a number of factors: a jobs-housing imbalance driven by Silicon Valley and its computer-related industries, its attraction as a place to live due to its pleasant weather and an abundance of amenities, a steady stream of well-educated professionals graduating from local universities such as Stanford University and the University of California at Berkeley, and an increasing demand for shorter commutes (Kober 2001, Weaver 2001). Furthermore, even those professionals who are earning well are unable to afford a conventional single-family detached home on a separate plot of land, and thus, rent an apartment. Such professionals (e.g. Noe 2001) prefer multi-family housing or townhouses because it is more affordable and requires considerably less maintenance than conventional suburban housing.

In fact, one of the skeptics of the Whisman Station project, Robert Weaver, a president of the Whisman-Middlefield Neighborhood Association and member of the Environmental Planning Commission, suggested in an interview that the demand in the area was so high that "even if it was built up at twice the density I think people would have bought it" (Weaver 2001). Similarly, an independent consultant hired by the city to gauge market demand for housing on the Whisman Station site recommended that the density ranges proposed by the developers (i.e. an average of 21 units per acre) appeared to be appropriate for that location as would the inclusion of rental housing (Melena and Percy 1995, 7-8).

However, the expression of such demand for alternative development was tempered by two major factors: public hearings, and existing housing. First, most of the citizens who appeared at the public hearings and planning commission meetings were long-time residents of existing neighborhoods rather than those who desired to live in places such as Whisman Station and represented the market demand. Thus, the loudest voices were those who resisted change rather than those who demanded it. The status quo was represented as being that of a "small-town feel" (even though it is very much part of Silicon Valley!) consisting of low-density single-family homes. Second, the vast majority of existing housing--about two-thirds--in Mountain View was already multi-family and rental, amongst the highest percentages in the area. So, city council members and residents felt that other cities in the region needed to contribute their share of multi-family and rental housing--which tends to be denser, and that Mountain View should concentrate on projects which promote single-family and ownership housing--which tends to be less dense (Kleitman 2001).





**Figure 5-2: Characteristics of Alternative Development-- pedestrian-oriented streetscape of Magnolia Lane in Whisman Station, with a row of townhouses and front porches facing the sidewalk on a narrow street, curbside parking, trees, and a strip of grass.**

### **Initiating Alternative Development**

Every city in California has an obligation to identify, by law, housing sites as part of the housing element of their master plan. Mountain View was searching for housing sites due to a jobs-housing imbalance, when the GTE industrial site became vacant (Melena 2001). GTE had attempted, around 1993, to sell the land for industrial and/or commercial uses. However, there was inadequate demand in the market for the property, and so GTE considered changing its use to housing.

Later, a real estate broker who knew that they specialized in high-density housing approached the developer, Castle Group. The other developer, Kaufman & Broad, had already expressed interest in the 18 acres of GTE land on the other side of the railroad tracks, which bisected the 40-acre property. The Castle Group agreed to take on the 22 acres on their side of the tracks. When the developers approached the city to initiate the project, the planning staff expressed a desire for higher density development due to the prospect of a light rail station on the site (Kober 2001). Furthermore, the accessibility of the site was enhanced by its proximity to highways.

### **Innovative Character of Alternative Development**

The Whisman Station site is a former GTE industrial site that was underused but it abuts residential so it was appropriate for rezoning to residential. And with 40 acres it was one of the largest developable sites that have come up in many years in an area that is already built out. There is a mix of townhouses and flats and small lot single-family homes laid out around a series of usable and comfortable open spaces. Furthermore, the design guidelines and building codes are different from most of Mountain View, such as narrower 18-foot wide streets that make vehicular traffic slow down, are easier to cross for pedestrians, and create more humane street spaces. The final component which makes the project unusual for its suburban setting is the light rail line which runs right in the middle of the development, including a station which is walking distance from all the housing units. This transit-orientation of the development was utilized to justify the higher densities, even though light rail ridership levels are quite low and the abundant number of cars in the project testifies to the fact that this is still an automobile-oriented lifestyle at the regional level. Thus, Whisman Station is an example of doing the right thing

(e.g. providing greater choice in terms of higher densities, walkable neighborhoods, and a mix of housing types) for the wrong reason (e.g. under-utilized transit).



**Figure 5-3: Innovative Character--Whisman Station transit stop on the light-rail from downtown Mountain View to Baypointe. The station is flanked by residential development on either side, with commercial and industrial in the background.**

### **Nature of Developer-Planner Interaction**

The landowners--GTE--were looking for ways to maximize the valuation of their property and thus desired higher densities. Other proponents of the projects included the developers--who had a profit motive, the Valley Transit Authority--who wanted to make the light rail system work, environmental groups--who saw it as a way of preserving open areas elsewhere, and the local employers--who wanted housing for their employees. The original proposals were generated by the developers, the Castle Group and Kaufman and Broad, and presented to the planning staff in city government. The primary driving force of the project was the developer: "The reason this project happened is because I met with every city council member, every planning commission member, every person in the public" (Kober 2001).

Mountain View's Environmental Planning Commission develops policies and directs the staff through the policy development processes. The Planning Commission works in concert with the staff to create a process to gather the information, to develop policies, and to assess proposals against the policies and plans. The zoning of the former GTE site for the Whisman Station project was carried out through the formulation of a precise plan, which Mountain View makes great use of, unlike many other municipalities (Kleitman 2001). The first contact in the planning and plan-approval process is the planning staff in the Community Development Department--who suggest recommendations, the second is the Environmental Planning Commission which supervises the Community Development Department and develops policies, and the third and final contact is the City Council, which is the ultimate legal authority on land use issues in Mountain View and approves or disapproves projects such as Whisman Station.

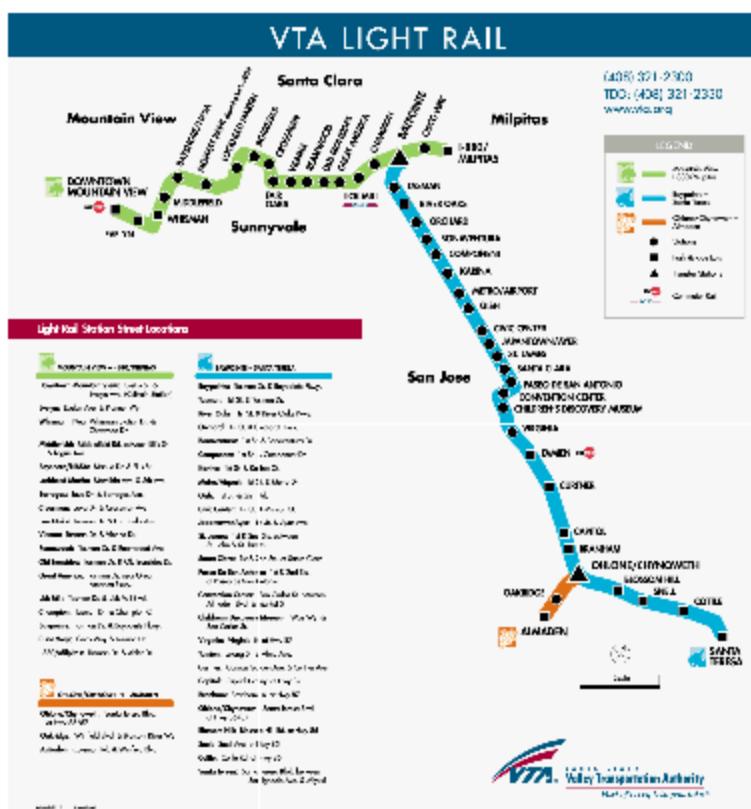
There was guidance from the city staff to attain possible density goals, and the anticipation was that the City Council would generally be supportive of what the developers were proposing (Kober 2001). The Draft Whisman Precise Plan proposed to allow a minimum of 15 units per acre and a maximum overall density of between 25 and 30 units per acre (Melena and Percy 1995, 7). There is a policy in the city's

general plan that says that there should be high density near transit, but it wasn't until the Planning Commission and the City Council realized really what that meant that they realized they weren't quite so devoted to that policy as they thought (Melena 2001). The initial commitment to a light-rail transit line was made in 1995, when the City decided to contribute \$15 million over five years to the building of the line (Jeffris 1995a, 1-3).

The planners considered themselves essentially as technocrats--facilitators and coordinators and authors of documents. They tried to present all the issues, including the jobs-housing imbalance issue--which was probably the biggest argument in favor of changing the zoning on the GTE site. The planners do not try to advocate and get out ahead of where they think the city is going (Melena 2001). According to one of the developers (Kober 2001), the City Council here does not take a leadership or proactive role either. Who, then, utilized the planning function to resist and modify the project?

The locus of the critical planning function--allowing densities, changing the zoning, approving the project--was the City Council. However, the City Council represented neighborhood sentiment, including questions about housing types (rental versus ownership, and single family versus multi-family) and NIMBY-ism (Not In My Backyard). The project became highly contentious, and involved several public hearings. The original proposal was both high density and included some rental housing.

The project was approved in December 1995 by a vote of 4-2 in the City Council with a considerable amount of compromise (Tran 1995, 1B-6B). The ultimate project that was approved and is for the most part now built is 100 percent for sale and is less than half the density (Kober 2001), with the Castle Group building 312 housing units on one side of the tracks and Kaufman and Broad building 191 on the other, with the light rail station in the middle.



**Figure 5-4: Transportation and Land Use--map of Santa Clara County's Valley Transportation Authority light rail system, with the Whisman stop in Mountain View in the upper left hand**

**corner. The line connects Mountain View to Sunnyvale, Santa Clara, Milpitas, and San Jose.**

### **Lack of Success**

By a number of measures, the Whisman Station housing project might be considered a success: the developer made a profit as did several homeowners who sold their units soon after they bought them (Kober 2001), the project fulfilled a certain demand for housing and the light rail is located right in the heart of the complex (Melena 2001), and in terms of the design, whose layout of open spaces, mix of housing types, and walkability appeals to many residents. However, the fact that the project was the "biggest housing development Mountain View has seen in at least 20 years" (Jeffris 1995b, 1) attracted considerable attention, controversy, and of course, resistance--most often expressed through the planning function.

We do not consider the project a success for a number of important reasons. The primary is the severe compromise on the level of density, which was reduced by half. The developers--both professionals with considerable experience--proposed a high density because they perceived that there was a demand for that number of units on this site. Now, the 500 families who might have been housed through the original density have not only had their residential choices further reduced, they do not even realize that they have reduced choices because their units were never built! Furthermore, the component of rental housing has been eliminated, such that individuals and families who cannot yet afford to purchase a house or prefer the flexibility and convenience of rental housing have no option to do so, especially along a transit line. So, the demand for alternative development continues to be unmet thanks to projects like Whisman Station.



**Figure 5-5: Unsuccessful Alternative Development--less dense single-family detached homes on small lots of land, next to a park on Beverly Street.**

### **PEMBROOKE PARK**

Pembroke Park is a housing project consisting of 61 detached condominiums ranging from 2,100 to 2,700 square feet in surface area per housing unit. At a density of 3.2 units per acres, the entire complex occupies 19.61 acres. The project is located at a major intersection, at the corner of Orchard Lake Road and Walnut Lake Road in the township of West Bloomfield, north of the city of Detroit. The project was developed and built by the Ivanhoe-Huntley Company on a site previously occupied by single-family



detached housing on 12 separate parcels of land. The project was approved, via a development agreement, on March 6, 2000.



**Figure 5-6: Entrance to Development--the entrance to Pembroke Park from Orchard Lake Road in West Bloomfield.**

### **Market for Alternative Development**

The developer-builder, Ivanhoe Company, has been one of the leading single-family residential developers and builders in the Southeast Michigan area. The company had been seeking to become more diverse in view of market changes and the demand for alternate housing types. The company's feel for the market demand was based on their knowledge and experience of the West Bloomfield area and upon the knowledge of Gary Shapiro, the president of the development company, who had experience as a developer for over 20 years, especially since their headquarters are located in the township. Thus, the company was familiar with the fact that it is 85 percent residential, that there is a strong economic base, not only in West Bloomfield but Oakland County and that the kind of product we're looking at doesn't exist here. The company's familiarity with local demographics and housing conditions were complemented by repeated inquiries from consumers, such as, "Do you have a detached condominium, first-floor master, ranch-style unit anywhere in any of your developments?" (Christiansen 2000)

Pembroke Park, conceived initially as a medium density (i.e. 6-7 units per acre) development with attached condominiums, was intended for empty-nesters, active seniors, retirees with grown children, as well as young professionals with double incomes and no children. The developer targeted those whose lifestyles include social activities, hobbies, and community involvement, but without the efforts and costs normally associated with maintaining a single-family home. Furthermore, the location of the site (at a major intersection in a growing suburban neighborhood) meant that the project was to be necessarily high profile, and was thus to be significant in terms of a diversity of housing types (Christiansen 2000).



**Figure 5-7: Site Plan for Pembroke Park--characteristics of this alternative type of residential development includes smaller lot sizes and higher densities than conventional suburban developments.**

### **Initiating Alternative Development**

The Township of West Bloomfield had reviewed the Master Plan, and identified the site of the future Pembroke Park as a location to be studied for development that would consolidate existing individual properties, minimize the number of curb cuts, to ensure a better flow of traffic, and minimize fragmented development. Following the rejection of an assisted living facility on the site that was deemed to be a commercial rather than a residential development, the Ivanhoe-Huntley Company optioned all of the vacant and developed properties. They followed the Commission's suggestions for consolidation of properties, a comprehensive plan for the site, and a minimum of number of curb cuts, however, at much higher densities.

The template--i.e. planning regulations--established by the Township included a master plan which called for single-family housing and a zoning ordinance which called for R-15, that is 15,000 square foot, 100 foot wide, largest lot zoning in West Bloomfield. However, the developer was aware that there the demand, especially for that site with its major thoroughfares and high traffic volumes, would be for condominium development with an internal drive. Similarly, given the value of the land, the developer was not amenable to low-density single-family homes. They would have been able to build at most 30 homes, given the zoning, setback, and infrastructure requirements.

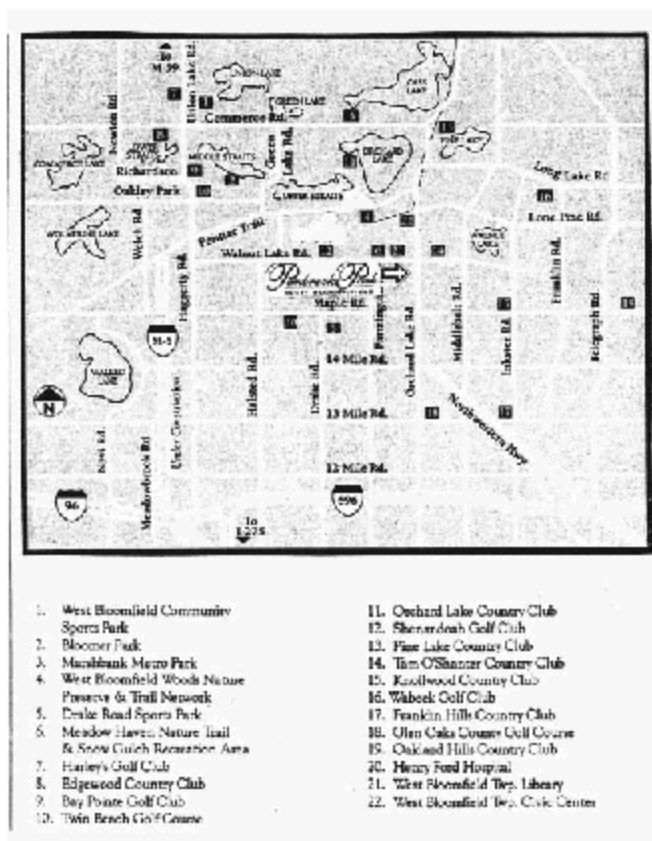
Thus, the developer proposed rezoning to the only district that would allow the condominium development in West Bloomfield, that is the Residential Multiple, RM-6. The RM-6 zoning signifies 6 dwelling units per acre, with about 20 acres on the site, the developer thus initially proposed 122 housing units--which was about the maximum allowed under this zoning (Christiansen 2000).



Figure 5-8: Initiating Alternative Development in a Challenging Context--the higher density development seen in the context of much lower density suburbs along Walnut Lake Road.

### **Innovative Character of Alternative Development**

The initial proposal of 122 attached condominiums provided for fairly compact development on about 20 acres of land (thus consuming less land per unit than conventional suburban development), lower costs (due to shared-wall construction and more housing units per acre of land), and fulfilling market demand for those seeking a less energy- and time-consuming (e.g. less maintenance) lifestyle. With the final project of 61 detached condominiums, the costs have risen and much less of the market demand has been met; nonetheless, the project is still much more dense than its surroundings, and is a more cohesive urban design than the fragmented single-family housing or even piecemeal commercial development that may have otherwise occurred on the site.



**Figure 5-9: Location of Pembroke Park--the project, center of map, is surrounded by suburban development and amenities, such as golf clubs, country clubs, and recreational areas.**

### Nature of Developer-Planner Interaction

In West Bloomfield, the development and planning process normally begins with a developer with a property who approaches the township informally, explaining the concepts of the projects at a preliminary stage. The Planning Commission provides feedback, for example, in terms of road layouts, densities, concerns about the flow of traffic or compatibility with the existing neighborhood. The developer then returns, and when this iterative process reaches a stage at which the Planning Commission believes is appropriate, they recommend approval to the Board of Trustees of the Township. The developer petitions the Board for approval, which consists of making a presentation and having a public hearing. The Board might approve the project or ask the petitioner to go back to the Planning Commission to make modifications. However, if the Planning Commission disapproves of the project, the petitioner--that is, the developer--may still proceed to the Board and appeal, because it is the Board that is the final legal entity in the Township. This is the process by which the Pembroke Park project evolved.

The planning staff--without being advocates for the project--indicated to the Planning Commission that what was being proposed by the developer in terms of the consolidation of the property was something that had been a position established by the Planning Commission. The staff indicated that there was a high degree of certainty in terms of the development that was being proposed. There was, however, a lot of discussion about the intensity of use because they were looking at doing something more than a conventional R-15, about 1.5 unit per acre development (Bird 2000). The developer, Ivanhoe-Huntley Company, proposed to rezone to RM-6 and do a 122-unit attached condominium. Through working with

the Planning Commission and responding to comments about traffic and noise, the developer cut back to a 110 housing unit proposal, and then to under a 100 units. After much discussion and work session meetings with the neighbors and the Planning Commission, the developer agreed to develop a single-family project under the RM-6 multiple family designation that would be restricted via a Development Agreement.

The main arena for contention and modification, however, was the Board of Trustees of the Township, which is similar to a city council. At the Board meetings, two concerns which arose at the initial stages of the project included the possibility of having to change the zoning for the project site from R-15 to RM-6 (which would allow higher densities and other land uses, rather than strictly low-density residential development), and the increased traffic generated by dozens of new homes in place of the handful which existed before, especially at such a busy intersection (i.e. Orchard Lake Road and Walnut Lake Road). The zoning issue was addressed by providing a variance rather than a rezoning, and the traffic was addressed by eliminating all the individual curb cuts that the previous homes had and consolidating them into two driveways away from the intersection (Adelberg 2001).

There was also about 100 vocal people who were against it from subdivisions as much as 2 or 3 miles away, and they were not happy with the Board's approval of the substantially modified project. In fact, the current Township Supervisor (who is similar to a city manager) ran because he was a resident in that area and was so unhappy with that approval (Adelberg 2001). Many of the residents voiced familiar objections to the project: that multiple family housing would increase traffic volumes, generate a lot of noise, reduce property values, and alter the single-family residential quality of the neighborhood (West 1999). Those few who supported the project and actually voiced their opinions highlighted benefits such as additional revenues to those selling the land and to the township,

In light of the opposition to the project and the project's lack of compliance with existing low-density, single-family detached zoning, the vote to approve the project in its final (and significantly reduced density) form was close: "I knew it was going to be 3-3 and I was going to make the deciding vote because I know exactly where everybody was . . . Three yes, and three no, and I was making the deciding vote. The amazing part about it is after I voted for it and then I got some more input . . . I actually talked to the realtor who put the project together, who indicated that if we had not voted that night, you know, for it, his coalition was gonna fall apart. And we would never have been able to do it again" (Adelberg 2001).



**Figure 5-10: Public Amenities--this public park at the intersection of Orchard Lake Road and Walnut Lake Road is part of the Pembroke Park project. However, the intersection is dominated by automobiles and is frequented by very few pedestrians.**

### Lack of Success

Some participants in the evolution of the project consider it to be a success, because Pembroke Park is a single planned project rather than the piecemeal housing which existed before or the piecemeal (and possibly more dense and more varied use) developments which may have otherwise been built on the site (Adelberg 2001). However, the project is considered unsuccessful because by substantially reducing its density by 50 percent (from 122 to 61 units) on the same amount of land, the cost per unit rose tremendously: "If you are going to reduce that density then you need to really change the product dramatically in order to reach a higher price point to compensate for value of land" (Bird 2000). Furthermore, 61 households who might have otherwise been housed in an alternative development of their choosing, have once again had their choices curtailed: "[I]t's more understandable that there would be general support for a something like [higher density development], but when it gets down to a specific location and the implications of that, then often it's hard to translate that to a specific design and to a specific approval" (Bird 2000).

One of the influential factors which led to the failure of the project is the feeling in the Township that it is primarily a residential community and it still supposedly has a rural feel to it (even though it is very much part of the Detroit metropolitan region). This "feeling" has been formalized via the Master Plan, which clearly indicates a desirability of single-family residential development at low- to low-medium densities (and thus excluding, or at least discouraging other types of development, even if the market demand for them exists): "A lot of communities [such as West Bloomfield] don't have the tools set up to react to, respond, review and approve the kind of development that is now being proposed. As the market changes, as the demand for certain product types change, residential development demand changes. Unfortunately, many of the communities that have established planning and zoning have very traditional tools" (Christiansen 2000).

As in the Whisman Station case study from Mountain View, California, a factor which may have influenced the developer's decision to obtain reasonably quick approval at the cost of much lower densities, might have been to reduce the time of the development process, in order to reduce costs and take advantage of short term market opportunities (Bird 2000). According to the developer (Christiansen



2000): "It could take you know, four or five, six, 10 years to build the thing out and by that time you know drawn across that long of a time period, it wouldn't have been a good investment for us. Whereas if we come in now at 61 with the price point doubled and the demand is for that kind of unit, it's probably better where we're at right now." The reduction in density occurred over a relatively short period of two months.



**Figure 5-11: Unsuccessful Alternative Development--the 2,500 single-family detached houses being built on the site in August 2001 are much fewer in number and much higher in price from the original Pembroke Park proposal.**

## CONCLUSIONS

The purpose of the study has been to examine transportation and land use patterns and demand in light of a number of urgent imperatives, including mitigation of traffic congestion and air pollution, and more effective use of scarce land resources. More specifically, the study focused on the phenomenon of alternative development as a response to these imperatives; alternative development being that which is an alternative to conventional suburban residential development--low-density, single land use, automobile-oriented land use patterns. The study examined the demand for, and obstacles to, alternative development at the national scale as well as at the local scale.

## FINDINGS FROM LITERATURE REVIEW

The literature review of relevant issues accentuated the fact that there are five major groups of actors in the urban development process: (1) entrepreneurs (e.g. developers), (2) consultants, (3) public officials, (4) city staff (e.g. planners), and (5) community members. A wide range of relationships amongst two members of these groups, developers and planners, is evident from previous research, ranging from the antagonistic to the collaborative. In the current debates on urban sprawl, developers make for convenient villains in a scenario which is in fact more complex, and involves planners or rather, the planning function (in terms of regulations which permit only sprawl-type development), and the community (in terms of consumers who demand such development or neighborhood associations who will not allow higher-density, mixed-used, or more affordable types of residential developments.

## FINDINGS FROM SURVEY

The national survey of 693 developers clearly indicated considerable market interest in alternative development, with over three-fourths of the sample indicating at least a 10 percent share of the local housing market in their area being for alternative developments. The potential market rose up to 25 percent in some areas. While this may appear to be at first glance to be a small number, it is highly significant for a national housing market which stands currently at about 1.5 million new housing units and nearly six million existing housing units. Furthermore, an overwhelming majority of developers viewed the planning function in the form of local regulations--zoning ordinances, subdivision restrictions, parking standards, street widths, and so forth--to be the most significant obstacle to alternative development.

Interest in building in a denser or more mixed-use fashion than land use regulations currently allow is repeated by developers in virtually every region of the survey. Probably as a consequence of scarcity of land, developers in the Northeast and Mid-Atlantic regions expressed extremely high interest in developing more densely than regulations allow. In fact, this figure exceeded 90 percent for the inner suburbs of the Northeast. Developers in the South Central region exhibited considerably less interest in providing greater density or mixed land uses than permitted by regulations. Nevertheless, over 50 percent of developers in South Central expressed interest in pursuing alternative development types of projects in the inner suburbs.

Respondents to the survey were asked about their firms' own experiences with proposing alternative development. Over a third of the firms had made no such proposals, but of those who did propose them, nearly half had the experience of the proposed project being rejected. An even larger number--over two thirds--of firms who had presented alternative development proposals had at least some aspect of the projects significantly altered. Alterations included a reduction in proposed density levels, a lessening of the mix of land uses, fewer housing types, or a cutback in the pedestrian- or transit-oriented amenities of the development. Developers' strategic behavior, notably that of proposing higher-than-intended densities, is consistent with their perception of a planning function that seeks to lower densities during the course of the planning and approval process.

Developers' perceptions of the markets for alternative development and obstacles to serving those markets are consistent with these findings. Significant majorities of developers perceive unmet market demand for alternative development, and perceive "local regulations" and "neighborhood opposition" as the most significant obstacles to meeting that demand. In no region did more than 30% of developers report a lack of market interest in alternative development.

### Findings from Case Studies

In order to obtain a more fine-grained and nuanced view of these phenomena, four case studies--two successful developments and two unsuccessful developments--were studied, including archival research of newspaper articles, meeting minutes, official reports, personal interviews with leading actors, an examination of site plans and other drawings, and visual documentation of each case study through site visits. The criteria for selecting the case studies in suburban contexts included any combination of the following: higher densities than surrounding fabric, mixed-land uses, mixed housing types, compact layout, pedestrian- or transit-orientation, purpose for building project was to be response to market demand and obtaining profit (rather than public subsidy), and located in accessible areas by transit or easy automobile access. The successful case studies were those that were built or approved without substantial modification, and the unsuccessful case studies were those that were either not built (i.e.



rejected) or built but with substantial modification (e.g. a great reduction in densities or mix of housing types). In California, one successful case study--Rio Vista West in San Diego--and one unsuccessful case study--Whisman Station in Mountain View--was selected. In Michigan, one successful case study--West Village in Dearborn--and one unsuccessful case study--Pembroke Park in West Bloomfield--was selected. The characteristics of each case study are summarized in the table on the following page.

**Table 6-1: Study Characteristics**



The insights from the case studies may be summarized as follows:

In smaller cities such as Dearborn, Mountain View, and West Bloomfield, the planning department and staff play a minor role in alternative development. In these cities, it is the elected officials (e.g. the Mayor of Dearborn, the City Council of Mountain View, and the Board of Trustees of West Bloomfield) who help shape the future of alternative developments. In larger cities such as San Diego, the City Council is far too occupied with numerous project and complex issues to debate the details of individual projects.

There is a distinction to be made between planners as individuals and professionals, and the planning function that a local government wields. In almost all the case studies, the planners played a neutral role, preferring to provide technical advice about compliance, for example with existing zoning,

master plans, or granting possible variances. Public officials and community members were much more aggressive in applying the planning function of zoning, plans, and ordinances to either support a project or to oppose it--stating, for example, that a particular proposal was not in compliance with existing zoning without acknowledging that in fact granting variances to the zoning or even changing the zoning is a common practice.

Many developers admit that their original proposals are denser than they expect to build as a bargaining strategy. While there is no clear indication as to what would be the exact and optimum number of units to be built on a piece of land, this strategy does highlight the fact that developers do expect planners and the planning function to lower the density, even if there is a market demand and profit motive for higher, and more efficient land use, densities. Thus, planning and the planning function is perceived to be a restricting mechanism rather than an enabling one in the implementation of alternative developments such as New Urbanism, transit villages, or pedestrian-oriented mixed-use developments.

At the same time, though, planners or the planning function cannot coerce a certain type of development to occur if the developer is convinced that there is no market demand or profit to be made. For example, in Dearborn, the Mayor and the Director of Economic and Community Development initiated the West Village project on city-owned property by sending out a request for proposals. Three developers responded because they felt they would benefit from the project; if no developer had responded, the City would have been helpless to go forward with it. Similarly, in San Diego, the planners were highly persuasive in the convincing the developer to actually increase the density of housing in the Rio Vista West project. The developer actually only did so because he was convinced that there was a market demand for such higher densities: "And the city . . . was pushing us as the land planner [and developer] to push for higher density . . . What has changed is just that the residential market in Mission Valley is just terrific. So the final phase where we called the mixed-use core where we had anticipated offices, retail and residential has now shifted into almost all residential" (Schreibman 2000).

In none of the case studies did the developer conduct market analysis to understand exactly what kind of demand existed for which kind of housing type (e.g. townhouse, condominium, apartment), even in the larger projects of over a 1,000 units that were proposed for San Diego and Mountain View. Such decisions were made instead on a familiarity with local demographics (e.g. increasing numbers of empty-nesters), housing projects in other areas which had been effective, and an instinctive feel for the local and regional markets. This also suggests, however, rather than a clear and unmitigated market preference for single-family detached housing in automobile-oriented neighborhoods (as some authors would have us believe), there is instead an inherent conservatism bred by existing development rather than innovative (and perhaps more sustainable) types of development.

In the case of the Rio Vista West and Whisman Station projects in California, the right thing was done for the wrong reasons. That is, higher- density and mixed-use developments were promoted with the claim that this fosters transit ridership in suburban areas. However, research has shown that transit ridership is extremely low in suburban areas in the U.S.--which is the wrong reason to promote such types of development. In the final analysis, though, the right thing has been accomplished. Higher-density, mixed-use, and mixed-housing-type developments have been built for those who prefer such lifestyles and who choose to live in them. If these developments did not exist, these residents would end up living in conventional suburban developments simply because they had no other choice in their preferred areas (e.g. because of shorter commutes, good school districts, nearby family).

## GENERAL INSIGHTS

The existing literature, current research, and most policy frame the question in terms of the planning function (e.g. planning regulations and agencies) trying to impose a command-and-control type of land

use framework which induces alternative (and more sustainable) types of residential development, but goes against the grain of market demand for conventional single-family development in the suburbs. Our research finds the contrary: That there is in fact a large enough market demand for alternative development which is not being met by a conservative building industry and financial system, because of neighborhood resistance to change, and most significant to this study, the planning function.

Communities and their representatives--elected officials--often project their values and utilize the planning function to resist projects. Community groups and neighborhood associations inadvertently promulgate low-density, single-use, automobile-oriented patterns of urban development (popularly known as sprawl, which is actually a misnomer because it suggests unfettered growth rather than growth which is consciously planned and built by human intention) by demanding minimal interventions such as single-family detached homes on separate plots of land. Such patterns of development tend to be more expensive and increases the unmet demand for denser, mixed-used, walkable patterns of development--often considered to be more sustainable. Furthermore, existing neighborhood residents and local planning regulations, understandably, have an extremely local focus and thus fail to pay adequate attention to regional issues of accessibility (e.g. transit connectivity), affordable housing (e.g. in terms of the jobs-housing imbalance), and the regional--rather than simply the local--market for alternative types of residential development.

Given the template of the planning function which appears to promote ineffective patterns of urban development, a number of strategies are possible to promote more innovative and alternative types of development. In the words of Kevin Christiansen, a developer in West Bloomfield, Michigan:

[T]he unfortunate part is communities haven't been able to react positively in the first instance to a lot of these new approaches to developments, higher density, traditional neighborhood development, more contemporary types of single-family clustering, and open space preservation, and average lot size stuff and those kind of things, because their ordinances are not in place . . . When we're proposing these traditional neighborhood developments, unfortunately if the ordinances aren't set up, either there has to be some pretty significant variances granted or the project has to be put on hold for the community to catch up in its regulatory approach and write ordinance provisions and amend their zoning ordinance to allow for this kind of development to happen or as in the case here [at Pembroke Park in West Bloomfield, Michigan], we go to the process of Development Agreements . . . Another way of doing it is through a planned development approach, either planned unit development, planned residential development. Some communities have planned development ordinances where you lay a framework over the underlying zoning for a particular project that has multiple uses or whatever or maybe it is just one use, of planned residential development but specifically the project might have different phases and different factions of densities and types of housing and what not (Christiansen 2000).

Under one widely held view, alternative development represents a concerted attempt to influence travel behavior. Interestingly, this view is shared by both advocates of such development and those who are skeptical of the transportation claims of these proponents. According to this view, the transportation rationale of these developments rests on their claimed capacity to reduce vehicle miles traveled or congestion; absent conclusive scientific proof in this regard, their transportation rationale would be undermined, and the planning interventions that are presumed to be required to bring these alternative development forms about would be unjustified.

A search for justification of such planning interventions implies that the generation of such alternatives rests on planning intervention into land development markets in the first place. Findings reported in this study appear to contradict this view. On the whole, the random sample of developers studied perceive considerable market interest in alternative development; believe that there is inadequate supply of such

alternatives; view local government regulation as the primary obstacle to the further development of these alternatives; and indicate interest in developing more densely and mixed use than regulations allow, notably in inner suburban areas. Thus it appears that in the perceptions of developers at least, it is hardly more planning intervention that would bring about greater alternative development forms, but relaxation of restrictive land use and transportation policies that are excluding these forms to begin with.

Whether alternative development is relevant to transportation policy depends centrally on the question asked. Such development may, over the long period, contribute to moderation in the growth of vehicle miles traveled; this study was not designed to shed any light on that question. But findings here suggest another transportation benefit entirely. To the extent that market interest in alternative development is strong, and that supplies of alternatives are inadequate currently, it suggests that some share of households desires to selecting land use and transportation environments that are different from the range currently offered. To the extent that current land use and transportation regimes have restricted the supply of these options--particularly in inner suburban areas of intense employment development--they have reduced households' choice of their land use and transportation environments. Expansion of such constrained choice should be a transportation policy concern no less than reduction in VMT.

Finally, our study has shown--through analysis of existing research, the national survey of developers, and the four case studies--that the dichotomy between planning and markets is a false one. There is no such thing as a "free market" in land use, and there never has been. There is also no such thing as "neutral planning", and there never has been. In fact, planning and markets are intricately linked. Planning provides the stable framework and institutional stability, for land markets to function. In terms of alternative developments, the planning function (e.g. regulations and procedures) is not neutral; rather it either obstructs (to varying degrees) or facilitates (to varying degrees) alternative development. The planning function is wielded in purposeful ways by those in power--whether they are elected officials, corporate interests, neighborhood associations, or other groups--including to facilitate certain types of development, and obstruct others, as we have seen in this study.

## **APPENDIX A: SURVEY OF EXPERIENCE WITH ALTERNATIVE DEVELOPMENT**

This survey is concerned with alternatives to conventional, low-density, automobile-oriented, suburban development. Some characteristics of this alternative development are:

Higher than usual densities;

A mix of land uses;

A variety of housing types close together;

Pedestrian or transit-oriented design;

Availability of a range of transportation modes; and

Easy accessibility to major destinations.

These alternatives can include New Urbanist designs, transit villages, clustered developments, ecological designs, attached or multifamily housing, and others.

The survey is confidential, and no names of individuals or firms will be used in the study. It takes about 10 minutes to complete. If you would rather not answer a question, please feel free to skip over it. Thank you very much for your cooperation.

Please tell us about the kinds of development you are involved with (check all that apply):

- ☐ Residential development
- ☐ Commercial development
- ☐ Industrial development
- ☐ Development that mixes at least two of the uses above

In your opinion, what percent of households in the market(s) in which you operate are interested in alternative types of development, as defined above?

- ☐ None
- ☐ 1 percent to <10 percent
- ☐ 10 percent to <25 percent
- ☐ 25 percent to <50 percent
- ☐ 50 percent or more

In your region(s) are enough of these alternatives available in existing housing and new construction (both rental and purchase) to satisfy the demand for them, or not? Please check one:

- ☐ There is enough in existing housing and new construction to satisfy current demand for alternative development at the desired locations.
- ☐ There is enough in existing housing and new construction to satisfy current demand for alternative development, but not necessarily at the right locations.
- ☐ There are too few of these alternatives available in existing housing and new construction to satisfy current demand.

4a. What, if anything, do you think are significant barriers to the further development of these alternatives? Please check all that apply:

- ☐ A. There's not sufficient market interest in these alternatives to develop much more of them.
- ☐ B. Local regulations (e.g., zoning ordinances, subdivision regulations, parking standards, street width requirements) make it difficult to develop such alternatives.
- ☐ C. It's difficult to secure financing for the development and construction of such alternatives.
- ☐ D. Neighbors' opposition makes it difficult to develop such alternatives.
- ☐ E. Other: \_\_\_\_\_

4b. Which of the barriers above is the most significant single obstacle to further development of these alternatives? Please circle one:

A B C D E

4c. Which of the barriers above is the second most significant obstacle to further development of these alternatives? Please circle one:

A B C D E

5. What share of your firm's products is in the alternatives described above?

\_\_\_None

\_\_\_1 percent to <10 percent

\_\_\_10 percent to <25 percent

\_\_\_25 percent to <50 percent

\_\_\_50 percent or more

6. If your firm has proposed any such alternative developments, what share of these proposals has been rejected by local governments?

\_\_\_Our firm has not made any such proposals

\_\_\_None

\_\_\_1 percent to <10 percent

\_\_\_10 percent to <25 percent

\_\_\_25 percent to <50 percent

\_\_\_50 percent or more

7. If your firm has proposed any such alternative developments, what share of such proposals has been significantly altered by the planning and approval process? "Altered" refers to reduction in the density, mixed use character, housing variety or pedestrian or transit orientation of the development.

\_\_\_Our firm has not made any such proposals (skip to question 9)

\_\_\_None (skip to question 9)

\_\_\_1 percent to <10 percent

\_\_\_10 percent to <25 percent

\_\_\_25 percent to <50 percent

\_\_\_50 percent or more

8. If your firm has proposed any such alternative developments, which aspects of such proposals have been significantly altered by the planning and approval process? (Please check all that apply)

☐ Reduction in density

☐ Change in the mixed use character

☐ Change in the variety of housing types

☐ Change in the share of attached or multifamily housing

☐ Pedestrian or transit orientation

☐ Other: \_\_\_\_\_

9. Please indicate your agreement or disagreement with the following statements: (Please check one box for each question)

In my region, there is currently enough market interest to support significant expansion of these alternative developments.				
Strongly disagree	Disagree	Neutral	Agree	Strongly Agree

I expect market interest in these alternative developments to grow significantly in the future in my region.				
Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
My firm sometimes avoids proposing such alternatives in certain areas where they might be commercially successful because it expects that the proposals will not be approved in the planning process.				
Strongly disagree	Disagree	Neutral	Agree	Strongly Agree

My firm sometimes proposes building higher densities in certain areas than the market demands, with the expectation that densities will be lowered in the course of the planning process.

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
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My firm sometimes proposes building lower densities in certain areas than the market demands because it assumes that higher density proposals will be rejected.

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
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If regulations on density, floor area ratio, setbacks or lot sizes were eased, some of my products would be developed more densely than they are now.

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
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If regulations on separation of land uses were eased, some of my products would exhibit more mixing of land uses than they do now.

Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
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10. What difference would relaxation of density, floor area ratio, setback or lot size regulations make to your firm's developments in: (Please check one box in each row)

	We'd develop less densely	No Change	We'd develop more densely	We don't develop in that market
--	---------------------------	-----------	---------------------------	---------------------------------



Central City				
Inner Suburbs				
Outer Suburbs				
Rural				

11. What difference would relaxation of regulation regarding separation of land uses make to your firm's developments in: (Please check one box in each row)

	We'd develop less mixed use	No Change	We'd develop more Mixed Use	We don't develop in that market
Central City				
Inner Suburb				
Outer Suburbs				
Rural				

12. In what geographic region(s) does your firm operate (e.g., South Florida, Metro Chicago)?

13. About how many housing units--if any--does your firm build per year?

\_\_\_\_\_

Please add any additional comments on markets and regulation regarding alternative developments:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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**Thank you very much for your cooperation! Please close this questionnaire with tape and mail it to the address on the front. You will be entered into the drawing automatically.**

### **ABBREVIATIONS AND ACRONYMS**

ABAG	Association of Bay Area Governments, Northern California
ECDD	Economic and Community Development Department, Dearborn
HUD	U.S. Department of Housing and Urban Development
IISTPS	International Institute for Surface Transportation Policy Studies (i.e. Mineta Transportation Institute)
NAHB	National Association of Home Builders
NIMBY	Not In My Back Yard syndrome
PUD	Planned Unit Development
RFP	Request For Proposals
SANDAG	San Diego Association of Governments
TEA-21	Transportation Equity Act for the 21st Century, 1998
TND	Traditional Neighborhood Development
TOD	Transit Oriented Development
ULI	Urban Land Institute
VMT	Vehicle Miles Traveled
VTA	Valley Transportation Authority, Santa Clara County CA

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Dr. Inam's research interests include housing (e.g. affordable housing design), urban design (e.g. urban design as economic development), and international development (e.g. comparative urbanism). He has worked as an architect, urban designer, and planner in New Delhi, Mumbai, Paris, Montreal, Washington DC, St. Louis, and Los Angeles. He is a professor in the Urban and Regional Planning Program at the University of Michigan. His degrees include a master's in architecture from the Ecole des Beaux-Arts, a master's in urban design from Washington University, and a Ph.D. in planning from the University of Southern California.

### **Team Member: Dr. Jonathan Levine**

Dr. Levine's research interests include transportation and land use planning (e.g. public policy), effective transit systems (e.g. passenger preferences and trip patterns), and public economics (e.g. infrastructure funding). He has led a number of funded research projects for organizations such as the Ann Arbor Transit Authority, the Michigan Department of Transportation, the Suburban Mobility Authority for Regional Transportation, and the Mineta Transportation Institute. He has a B.S., M.C.P., M.Sc., and a Ph.D. from the University of California at Berkeley.

### **Team Member: Dr. Richard Werbel**

Dr. Werbel's research interests include transportation demand and management, surveys and strategic planning, and forecasting and market estimation. He has substantial consulting experience, published several papers, and conducted a number of research projects involving survey research. He is a professor in the Department of Marketing and Quantitative Studies at San Jose State University, and serves as Vice-Chair of the Mineta Transportation Institute's Research Associates Policy Oversight Committee. His degrees include a B.S.B.A. and M.B.A. from Northwestern University, and a Ph.D. from the University of Michigan.

## **PRE-PUBLICATION PEER REVIEW**

San José State University, of the California State University system, and the MTI Board of Trustees have agreed upon a peer review process required for all research published by MTI. The purpose of the review process is to ensure that the results presented are based upon a professionally acceptable research protocol.

Research projects begin with the approval of a scope of work by the sponsoring entities, with in-process reviews by the MTI Research Director and the project sponsor. Periodic progress reports are provided to the MTI Research Director and the Research Associates Policy Oversight Committee (RAPOC). Review

of the draft research product is conducted by the Research Committee of the Board of Trustees, and may include invited critiques from other professionals in the subject field. The review is based on the professional propriety of the research methodology.