

1

PROPOSAL FOR STRENGTHENING THE ROLE OF
NEW COMMUNITIES IN IMPLEMENTING NATIONAL URBAN GROWTH STRATEGY

The purpose of this paper is to explore methods by which new communities can play a more effective role in implementing national urban growth policy. In discussing this role it is necessary to distinguish between their role in growth policy at a national scale, which involves population decentralization and redressing urban-rural balance, and regional scale, which involves the shaping of the national growth within a given region or metropolitan area that would occur without intervention.

In order to arrive at more effective measures in controlling growth, it is necessary to explore candidly both the potential strengths and limitations of the current new communities program in shaping growth both at the national and regional scale. It should be pointed out that new communities have not been used in the United States for urban growth shaping possibilities on a major scale before the passage of the 1968 and 1970 Housing Acts. For this reason, there is little U. S. experience upon which to base conclusions. Observations are derived mostly from observation of foreign experience and analysis of the inherent potentials and limitations of new community growth and instruments of national policy.

1. National Urban Growth Patterns

a. Potential of New Communities

If operated on a large enough scale and in conjunction with other Federal efforts, new communities could, in the long run, have some impact on shaping patterns of urban growth in the United States. In the Soviet Union, Israel, Brazil, Venezuela, and India new communities have, in fact, been used as instruments for opening up the hinterland and redistributing population.

The potential of new communities for achieving these objectives is the following:

- (1) They provide a framework for simultaneous development of all the facilities and services needed to support a primary job base. The insertion of a factory without the community infrastructure is not likely to provide a long term lever for economic growth. Critics of current depressed areas and rural development schemes point out that fragmentation of assistance is an important cause of program ineffectiveness in promoting development.

- (2) New Communities also have the advantage of starting with a relatively clean slate, not being entrapped in the cycle of decay and inadequate facilities frequently associated with smaller towns of depressed areas.
- (3) Under conditions where the potential for growth is great, they provide a focus of the potential tax base in one location to support an adequate level of services necessary for attracting more jobs and for economic growth. Piecemeal and uncoordinated economic development or improvement of facilities and housing stock in depressed areas does not necessarily provide sufficient economic base for the community to create and maintain prosperity.
- (4) New communities are undertaken on a scale which is sufficiently large for supporting specialized services necessary for economic "take off". Smaller developments might not be able to attract the type of industrial plant which requires specialized services.
- (5) New communities provide a potential framework for concentrating Federal aids and investment. It may be that spreading Federal assistance throughout a whole state would have only marginal impact on economic growth; but concentrating assistance

in a few growth centers or new communities could have a substantial impact.

b. Limitations

In spite of potential advantages of new communities to influence national urban growth patterns, there are also a considerable number of limitations which may stand in the way of achieving this potential to the fullest extent. These limitations are particularly apparent as they apply to the current new communities program with its limited assistance for establishing an industrial base and the lack of a unified national urban growth policy used as a guide to the resource allocation decisions of other Federal agencies.

- (1) The major limitation with establishing new communities in rural or depressed areas to which population is to be drawn to achieve national urban growth policy goals, is that without some control over the location of industry, they are very high risk projects. In most of the countries in which new communities have been used as a tool for changing national migration patterns, government has had a major influence over the location of industry. In the case of Brazilia, the

government has located major governmental installations as the economic base for the new community. Risks would be substantially reduced if there were agreement in advance on location of a major industry or Federal installation in the new community providing the initial impetus for growth.

- (2) A second major limitation is that transportation costs to markets and suppliers may be increased by reason of the location of the new community away from existing trade centers. The "Harris Model" at the University of Maryland has a national industrial location model which includes, among other things, "shadow prices" for the location of different industries in each county in the United States. These shadow prices are the composite transportation costs which the industry must incur to obtain parts and raw materials and to market its goods. The development of VTOL aircraft and the increased importance of air freight could reduce the importance of this factor for industries with products of high value to weight ratios. It should be pointed out that this limitation does not apply to certain rural and depressed areas, such as the

Appalachian portion of Pennsylvania, which are not far from major urban centers.

- (3) A third possible limitation to the success of certain types of non-metropolitan or depressed area new communities is the uncertainty concerning the willingness of current residents of large urban areas (including minority residents) to give up their city and neighborhood and move to an unfamiliar environment with (at least initially) a lower level of specialized services and amenities than they are used to enjoying. For the more affluent metropolitan residents these amenities include specialized shopping facilities, a variety of job opportunities, specialized entertainment, the advantage of face-to-face contacts with influential persons in the professions or industries to which they belong, and a wide choice of life styles. It is true that there are also many "disamenities", such as smog and traffic congestion, but in considering the potential success of decentralization policy, it is foolish to ignore the intangible forces that have drawn these metropolitan residents to their current location. For the lower income minority residents living in the ghettos the amenities may be less

apparent; however, the "sense of community", the web of personal and family ties, and social organizations may tend to work against the success of attempts to provide incentives for movement to non-metropolitan new towns.

Of course, it must be pointed out that new communities in rural and depressed areas could provide an alternative to movement to the urban north for both minority and majority residents of these areas who are being forced to move for economic reasons. They may prefer to stay within their own region in a new community rather than migrating to New York. Considerably more study is needed on the causes of migration and possible resistance to incentives to population movement; if we do not, we could repeat the experience of Brazilia. Virtual coercion had to be used to entice both domestic civil servants and foreign diplomats to make the move from Rio de Janeiro to Brazilia.

- (4) The establishment of free standing or non-metropolitan new towns is further made difficult by the continued decline of employment in the mining and agricultural industries and migration flow to the cities. This disadvantage may be

overcome by locating new communities in portions of rural and depressed areas which are already enjoying growth, contrary to the general trend in the region. This growth would indicate that industry has already made the decision to locate in the area. Thus, new communities would be used as an instrument to accelerate growth, rather than create it where it didn't exist before. Even in these areas enjoying modest growth, there are hazards where the industries induced to move are those with only short range employment opportunities. Current prosperity may turn to disappointment, where the permanent health of these industries is not sound.

- (5) In spite of the low land acquisition costs, it has been argued that free standing or rural and depressed area new communities may be more expensive on a per capita basis than suburban communities because all of the infrastructure and support facilities must be built for the sole purpose of the new community. Projects built within or near existing cities take full advantage of the specialized facilities of these cities, to the extent that they are not operating already at full

capacity. Museums, hospitals, large shopping centers, regional sewage treatment plants, etc. have already been built and, at an incremental cost, the new community may be "plugged in".

The large public facility costs, of course, may be reduced to the extent that there is already programmed major Federal expenditures in the area, such as the construction of a dam, flood control or major recreation facilities, or to the extent that the community can draw upon the Federal interstate highway or waterway system already in place.

- (6) Finally, many rural and depressed areas lack the public and private institutions to take the initiative in planning and constructing new towns. Substantial private enterprise in these areas often is limited to power companies and raw material industries (such as lumber and mining companies) which have a history of company towns about which there has been considerable dissatisfaction. They have been reluctant to go into the new communities business which have a diversified industrial base and provide public facilities beyond that needed for their own employees. The home building and land development industry in these areas is small and lacks

equity capital and knowledge of large scale development activity. Similarly, governmental institutions are poorly formed and often lack capability or authority for new community development. An exception is the TVA and similar authorities.

c. Overcoming Limitations

Any effort aimed at making new communities an effective instrument of achieving national population redistribution must overcome the above-mentioned obstacles to development. There are several measures which could, in fact, make them more effective instruments. It is a separate question (which should be studied carefully) whether or not these measures have an adequate cost benefit ratio.

- (1) The first obvious measure to make these new communities effective is to provide for major industrial location incentives. This was proposed for previous new communities legislation, but found politically unacceptable. An acceptable measure might be to lodge the industrial location power in the hands of special regional development commissions, such as the Appalachian Commission which would apply incentives to new

towns approved in their regions as well as to existing growth centers which are not designated under the new community program. A large number of advanced nations have strong corporate tax or other incentives for decentralization of industry. It is an essential concomitant of a national urban growth policy. Part of these incentives would be to extend guarantee authority to the whole new town: housing, commerce, industry, etc.

- (2) The second measure would be to establish a national new towns development corporation or bank which has a close alliance with major industries and which would provide (a) expert technical assistance as a joint venture or on a contract basis, (b) access to industrial location decision making, (c) partial equity financing, and (d) other support needed to make non-metropolitan new communities work. This organization would be completely independent of government, but would be heavily involved with government supported new communities which needed special financial and technical assistance.
- (3) The third measure would be the establishment of special regional development organizations, similar to that established by the Appalachian Commission, which would be local in nature, but receive

special financial support from the Federal government. Where possible, these would coincide with the boundaries of existing EDA and other districts to avoid overlapping.

These development organizations should be large enough so that they would be able to hire the experts necessary to undertake industrial development, recreation development and new communities. They would have housing and industrial development construction authority as well as new town development authority.

- (4) A fourth measure would be for several Federal agencies to undertake joint support on a massive basis for a few selected non-metropolitan new communities. Commerce, DOT, DOL, Health, Education and Welfare, and HUD could work together to make these new communities a success on a pilot basis, which might lead to broader cooperation. This would set the precedent for a major inter-agency effort in national urban growth policy implementation and formulation.

2. Role in Shaping Metropolitan Growth Patterns

In a wide variety of ways, new communities can play a positive role in shaping growth in metropolitan areas, subject to the limitation of their population and acreage. Among

the types of projects which can accommodate and help shape growth are new towns-in-town to help revitalize existing centers, satellite new communities within or adjacent to existing metropolitan centers, and "paired towns" which combine both types by a single development entity and common services.

a. Their Potential

Among the ways by which new communities can serve growth policy objectives in existing urban areas are the following:

- (1) By providing sufficient land to buffer against existing neighborhoods in which the race and class structure is rigidly defined, and providing their own tax base, new communities have the potential for becoming "neutral turf" where society will permit the achievement of greater integration by both race and class. Because of the superior amenities of a new community, persons might come to an integrated new community who could object violently to forcible class or racial integration into their existing neighborhood. In one case, they have a choice; in the other case, they have little choice. The psychology is different and so is the definition of racial and class "territory".

- (2) Because of their large size, single planning control, and good financing, new communities can better afford to protect the environment than smaller developments: they can provide more open space by concentrating development on the best land for construction; they can impose stringent restrictions over industrial clients and home builders; and they can monitor their own activities with an eye to the environment.
- (3) They can provide a higher quality of services and facilities at more convenient locations than can the conventional development which is totally dependent upon outside political jurisdictions for support services.
- (4) Because of the larger budget of a large scale project, the developer of a new community can provide better planning and architectural talent than can smaller developments. The result should be better design.
- (5) New communities can provide intangible values lacking in much of the suburbs what might be called "sense of place" or "sense of community" which is so important to the quality of life. Both Reston and Columbia have this intangible spirit.
- (6) New communities can also be laboratories for larger scale testing and innovation for both social

and physical components of community development.

- (7) By clustering development properly, new communities can reduce the per capita costs of providing streets, sewer and water lines and other public facilities.
- (8) By attracting a strong industrial base, new communities can help revitalize the communities or counties in which they are located. This particularly applies to new towns-in-town, to projects in slower growing metropolitan areas or where they are depressed pockets within or adjacent to a metropolitan area.

b. Their Potential Limitations

While mentioning the great potential of new communities for achieving more rational growth patterns in metropolitan areas, it would be a mistake to ignore their limitations. Frequently, these limitations are the reverse side of the coin of their potential. That is, to achieve their full potential, problems must be recognized in advance and dealt with.

- (1) There is possibly no greater obstacle to the development of socially balanced new communities in metropolitan areas than the ability to achieve the initial and continuing support and approval by local governing bodies. Although the economic strength and industrial base of new communities should make them more politically acceptable

than the insertion of low income housing without offsetting tax generating facilities, this is not to say that it is easy to gain or keep local political acceptance. We should not be deceived by the ability of some private developers to gain initial zoning; even with full initial local approvals, there is an uneasy truce between the local governing officials and the new community which may eventually challenge the concept of what each new set of local political leaders would like to see as the future of their jurisdiction. Approval granted may eventually be withdrawn, since continued cooperation with local government is required to complete the new community. Having powers to override local zoning by strong state development bodies may be helpful, but is not a final solution, since these state bodies are themselves politically vulnerable and cannot survive in the face of continued local opposition. If new communities are to survive and prosper in the United States, some solution must be found to this problem.

- (2) A second possible limitation is one which may disappear as new communities become a reality; but currently it is a source of concern. The studies of the Metropolitan Applied Research Center in New York and others have indicated that there may be some reluctance on the part of many center city blacks to move to new communities even if they are sought. This possible reluctance may be attributable to the fact that lower income blacks have never had a real option of suburban living in an integrated setting offered to them. They are reluctant to consider alternatives which to them are unrealistic. Reston and Columbia have been successfully integrated, but primarily for middle income blacks who have had, in recent years, greater freedom to move than before. For lower income blacks, the prospect of a new town-in-town in their home "territory" seems a more likely and desirable prospect. Perhaps the answer to this question will become apparent as our new communities begin to operate their affirmative action programs for equal opportunity and install subsidized housing and as job opportunities become available in new communities.
- (3) The opposite fear expressed by some developers, researchers and real estate agents is that the

economic prospects of a new community may be damaged by mixing both race and class in a metropolitan area which is rigidly segregated. If housing policies and social preferences permit continued segregation by race and class, with new communities being one of the few exceptions to this pattern, it may be that they will suffer economically. Since we have had little experience to either prove or disprove this theory, we can only move ahead with the hope that at least in some areas of our cities we can successfully overcome racial apartheid. This may set the example for the rest of the nation. However, we must proceed with full knowledge of the basic social forces that shape the social patterns of our cities, whether we are in sympathy with these forces or not. The policies governing these new communities must be based upon the understanding that this knowledge can bring.

In the meantime, we must continue to broaden government-wide policies which attack local practices restricting freedom of movement of American citizens whether this restriction is based upon grounds of race or class.

- (4) Another limitation of new communities in controlling urban growth is that, even with a successful program, the land area within new communities in a given metropolitan area is small compared to the total area. Unless new communities are accompanied by effective measures to control the balance of development, we could have new communities surrounded by urban sprawl. New communities are a start; but to finish the job we must develop metropolitan-wide systems linked together with transit that will protect open space and channel growth into more orderly patterns of development. The truly successful European new community programs have been accompanied by a broader program of land banking, regional planning and transit, and stringent land use controls.
- (5) Since there is little but local control over industrial development, there can be no guarantee that industrial plants will chose to locate in new communities in the numbers projected by the developers. With the scatteration of job sites in metropolitan areas, the commutation patterns may be changed only to a marginal extent by new communities. This is now the fact for both Reston and Columbia, although both of them

have had successful industrial development programs. William Whyte has argued in his book, The Last Landscape, that due to changing employment patterns in metropolitan areas, the idea of the self-contained new town can never work. Even with strong job bases in new communities, there may be an equal amount of in and out commutation.

To reduce the job scatteration and make new communities fulfill their function of providing balanced development, we must make concentrated efforts to acquaint industry with the advantages of new communities and encourage their participation in the whole process of new community development.

- (6) Closely associated with the problem of job scatteration, is the scatteration of residential development on smaller land parcels throughout the metropolitan areas many of which are closer in to development than new communities which must locate at greater distances where larger parcels of land are available at reasonable prices for acquisition. With low planning and amenity costs, these smaller developments present powerful