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Report to Congressional Requesters

September 2000

COMMUNITY DEVELOPMENT

Local Growth Issues—Federal Opportunities and Challenges

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Abbreviations

CDBG	Community Development Block Grant Program
DOT	Department of Transportation
EDA	Economic Development Administration
EPA	Environmental Protection Agency
EZ/EC	Empowerment Zone/Enterprise Community Program
FPP	Farmland Protection Program
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
GAO	General Accounting Office
HUD	Department of Housing and Urban Development
ISTEA	Intemodal Surface Transportation Efficiency Act of 1991
IRS	Internal Revenue Service
MPO	Metropolitan Planning Organization
OMB	Office of Management and Budget
TEA-21	Transportation Equity Act of the 21st Century
USDA	U.S. Department of Agriculture
USGS	U.S. Geological Survey

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Resources, Community, and
Economic Development Division

B-284989

September 6, 2000

The Honorable James M. Jeffords
The Honorable Carl Levin
United States Senate

The Honorable Bud Shuster
Chairman, Committee on Transportation
and Infrastructure
The Honorable Diana L. DeGette
House of Representatives

Faced with a projected 50-percent increase in the U.S. population in the next 50 years, communities across the nation must address the challenges of planning for and managing growth. State and local governments are balancing the need for sustainable economic growth with the need to maintain a quality of life, deliver key services, and confront fiscal constraints. Meanwhile, Americans are increasingly frustrated with traffic congestion, declining older neighborhoods, and the loss of open space. Each community has its own growth-related challenges and unique circumstances that affect its response to the pressures of growth. These pressures are forcing decisionmakers at all levels of government to improve development decisions and find better ways of delivering services and assisting communities.

Concerned about how federal programs and policies affect the ability of state and local governments to plan for and manage growth, you asked us to identify (1) growth-related challenges facing local communities, (2) tools and techniques that state and local governments are using to help plan for and manage growth in their communities, and (3) federal programs and policies that state and local governments believe serve as barriers or aids in their efforts to plan more effectively for and manage growth. To accomplish these objectives, we visited five metropolitan areas and surveyed nearly 2,000 city and county governments—all U.S. cities with populations of more than 25,000 and all counties located within U.S. metropolitan areas. The rate of response to our survey was 81 percent. See appendixes I and II for the survey questions and the responses of cities and counties, respectively. Our survey results are available at www.gao.gov/special.pubs/lgi/.

This is our second report examining the influence of federal policies on patterns of growth. The first report, based primarily on an evaluation of published studies and other publicly available information, was issued in April 1999 and examined the link between federal programs and policies and "urban sprawl."[1] This evaluation of state and local concerns and practices is based primarily on data we collected from state, regional, local, and federal officials.

Results in Brief

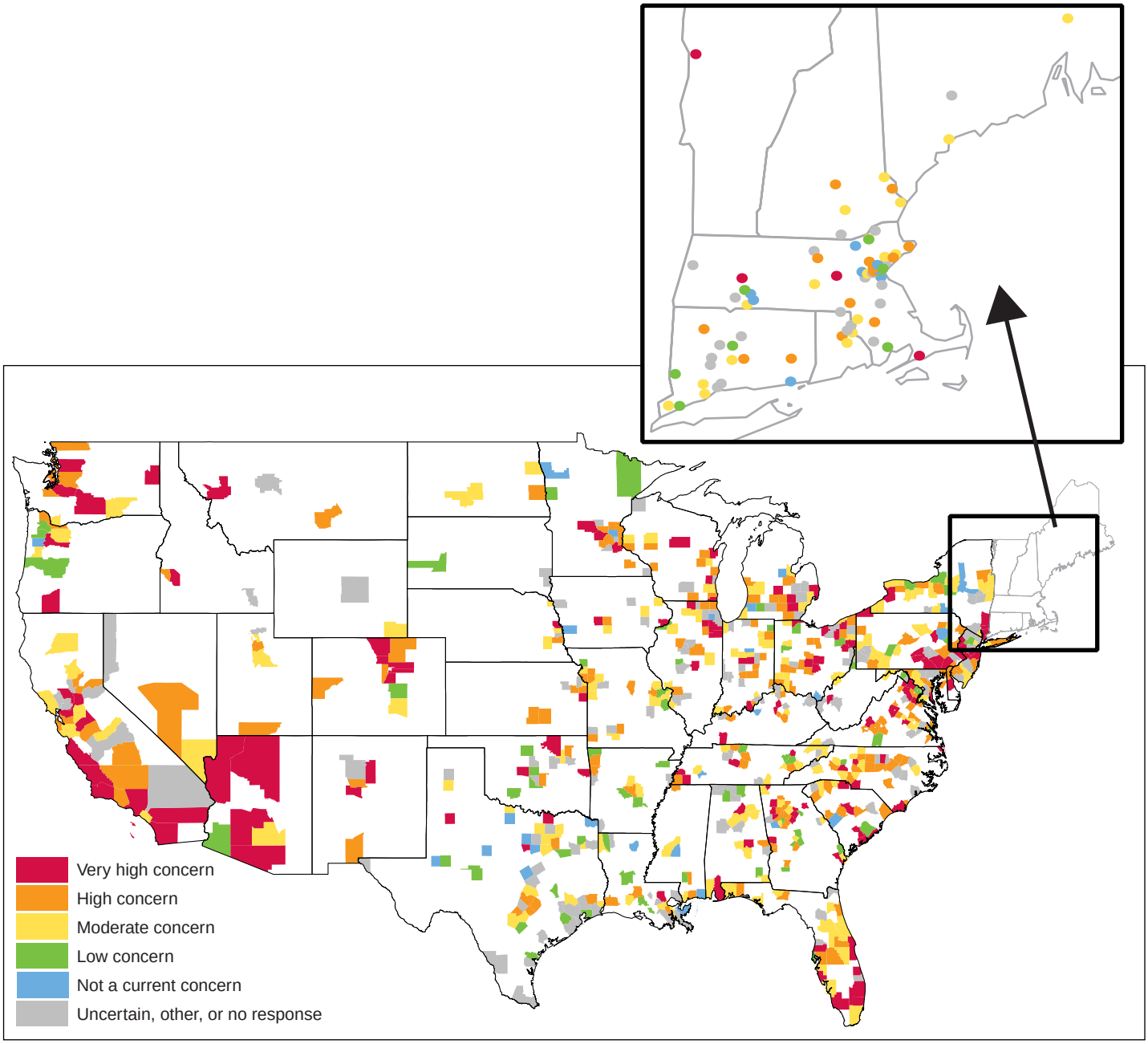
Across the nation, local communities are pursuing a variety of growth-related strategies in response to a range of challenges and concerns. For example, Columbus, Ohio, is encouraging growth and economic development and is concerned about providing sufficient water and wastewater infrastructure to support this growth. In Atlanta, Georgia, where rapid population growth has led to serious traffic congestion and air quality problems, state and local decisionmakers are considering higher density development around established business and population centers and are planning for greater use of public transportation. Yet despite their concerns about growth-related challenges, local communities are placing a high value on economic development when planning for the future. Overall, infrastructure needs, traffic congestion, and the adequacy of their local tax base for supporting schools and services were the growth-related concerns most frequently cited by the cities and counties responding to our survey. When asked about their priorities in planning for the future, the greatest number of counties cited increasing their local tax base, attracting businesses, and enhancing transportation systems—mirroring their areas of highest concern. Cities cited similar planning priorities, but for them, revitalizing their downtown areas was more often a high or very high priority than enhancing transportation systems.

[1] *Community Development: Extent of Federal Influence on "Urban Sprawl" Is Unclear* (GAO/RCED-99-87, Apr. 30,1999).

Communities are also concerned about "sprawl"—development characterized by, among other things, low densities, rapid land consumption, and dependence on the automobile. Fifty-three percent of the counties and 35 percent of the cities responding to our survey said that "sprawl" was a high or very high concern, compared with 35 percent of the cities and 16 percent of the counties that said it was not a current concern or a low concern. Figure 1 shows the level of concern about "sprawl" reported by the communities we surveyed.[2]

[2]The figure shows the views of all the metropolitan counties that responded to our survey. We did not survey counties in New England because they either have no county government or perform very limited functions (see app. III). We used data from the New England cities we surveyed to show the level of concern in that area. The map inset shows the responses of all cities in New England with populations over 25,000.

Figure 1: Communities' Views on the Extent to Which "Sprawl" Is a Concern



In response to growth-related challenges and concerns, state and local governments are changing how they plan for and manage growth. According to the communities that responded to our survey, their involvement in planning for and managing growth is already high; nevertheless, 27 percent of the cities and 34 percent of the counties expected to increase their involvement over the next 5 years as a result of their concerns. States are updating planning laws, creating incentives for growth in designated areas, and setting aside funds to acquire and conserve open space. Increasingly, local governments are turning to innovative techniques—such as offering financial incentives to encourage development in designated areas, enacting zoning ordinances to reward developers for setting aside green space, or working with adjacent communities—to address growth-related challenges.

Compared with state and local governments, the federal government has a relatively small influence on local efforts to plan for and manage growth. However, the federal government plays an important role in, among other things, investing in the nation's physical infrastructure, revitalizing its communities, and preserving its natural resources. Hence, it has opportunities to help America's communities plan for the future, but challenges such as the following come with these opportunities:

- Infrastructure decisions are key to how communities grow, and the federal government can support state and local efforts to plan for and manage growth by helping communities make sound infrastructure investment decisions. In the view of local government officials, the federal government has opportunities to enhance the effectiveness of its substantial investment in communities' infrastructure by encouraging (1) greater consistency between local land-use planning (establishing local land-use and development objectives) and transportation planning (the process for selecting and implementing highway and transit projects); and (2) greater consideration of the growth implications of federally funded infrastructure projects. In the Atlanta metropolitan area, for example, regional officials told us they did not do a good job of linking transportation projects to land-use plans in the past, but they recently have sought to do so in an effort to address long-standing air quality problems. In the Burlington metropolitan area, local officials expressed concern that federal and state officials did not consider growth implications when planning a highway project currently under development. Achieving greater consistency between local land-use planning and transportation planning and giving greater consideration to the growth implications of infrastructure projects would present

challenges. For example, it would entail additional efforts on the part of state and local governments, since many states do not require, and some localities do not have, land-use plans.

- Many communities plan for and manage growth by, among other things, revitalizing distressed areas, encouraging commercial and residential development in their downtown areas, and pursuing projects that develop vacant or unused land in areas with existing infrastructure—often referred to as "infill development." Based on the views of local government officials, the federal government has opportunities to help local governments meet their community reinvestment goals by (1) reviewing the level of flexibility built into federal programs and (2) providing additional education and technical assistance for navigating the multitude of federal programs. For example, 57 percent of the cities responding to our survey believed that federal programs do not give them enough flexibility to pursue their infill development goals. While flexibility—or a lack thereof—can take many forms, one city manager told us that federal funding rules limit his city's ability to use federal programs to provide affordable housing. In 1999, we reported that burdensome administrative processes discourage local communities from using federal programs to assess and clean up brownfields—abandoned, idled, or underused industrial and commercial sites.[3] The challenges in reviewing the level of flexibility built into federal programs include determining the appropriate balance between giving communities the decision-making authority they desire and ensuring that the programs will still meet the national purposes they were designed to accomplish.

- For many communities, preserving open space (parkland and environmentally sensitive lands) and farmland is integral to planning for and managing growth. Although the federal government manages land for national parks and forests, it plays a very limited role in the preservation activities most commonly undertaken by local governments. For example, the federal government has not established a general policy on the preservation of farmland. The only program designed to preserve farmland—the U.S. Department of Agriculture's (USDA) Farmland Protection Program—is small and has not met its goals for preserving prime farmland. Opportunities exist for the federal

[3] *Environmental Protection: Agencies Have Made Progress in Implementing the Federal Brownfield Partnership Initiative* (GAO/RCED-99-86, Apr. 9, 1999).

government to examine whether a more comprehensive federal farmland protection policy is warranted. Such an examination would need to consider the appropriate role of the federal government and the appropriate use of federal funding in these areas of state and local concern.

- Local communities support changes to the federal role that would improve coordination, according to our survey results. In our past work, we have offered several possible approaches for better managing crosscutting programs—such as improved coordination, integration, and consolidation—to ensure that crosscutting goals and program efforts are mutually reinforcing. Our assessment of the federal government's 1999 Governmentwide Performance Plan, required by the Government Performance and Results Act of 1993, encouraged federal agencies to strengthen their coordination of crosscutting programs.[4] Since local communities interact with a multitude of federal agencies that affect localities' infrastructure development, community revitalization, and preservation activities, opportunities exist for entering into formal interagency agreements and designating key federal agencies to address cross-cutting issues. This would strengthen coordination to address the growing demand that the federal government become more effective and less costly.

Background

The nation faces a growing demand for residential, commercial, and industrial development in the years ahead. According to the Bureau of the Census, the population of the United States will increase by almost 50 percent over the next 50 years. In California alone, the increase in population in a little over 30 years is expected to equal the current population of New York State. As indicated in table 1, the populations of 10 states are projected to grow by at least 45 percent between 1995 and 2025.

[4] *The Results Act: Assessment of the Governmentwide Performance Plan for Fiscal Year 1999* (GAO/AIMD/GGD-98-159, Sept. 8, 1998).

Table 1: Ten Fastest-Growing States, 1995-2025

State	Projected change in population
California	56%
New Mexico	55%
Hawaii	53%
Arizona	52%
Nevada	51%
Idaho	50%
Utah	48%
Alaska	47%
Florida	46%
Texas	45%

Source: U.S. Bureau of the Census.

Population increases mean greater demand for residential, commercial, and industrial development. For instance, the National Association of Home Builders predicts that home builders will have to supply between 1.3 million and 1.5 million new homes per year throughout this decade.[5] At the same time, population increases can mean greater land consumption and traffic congestion—and their related costs. Historically, both land consumption and traffic have increased faster than population. For example, between 1970 and 1990, the U.S. population grew by 31 percent while the amount of developed land in metropolitan areas grew by 74 percent and the number of vehicle miles traveled by Americans increased by 93 percent. During the same period, in the Atlanta metropolitan area, the amount of developed land increased by 164 percent and the population grew by 84 percent. By 1998, drivers in three large metropolitan areas[6]—Houston, Nashville, and Atlanta—were traveling over 35 miles a day—the highest number of daily vehicle miles traveled per capita in the country. Appendix IV contains additional information on the implications of increased growth and development.

[5]*Smart Growth: Building Better Places to Live, Work, and Play*, National Association of Home Builders (Washington, D.C.: 1999).

[6]Urbanized areas with more than 500,000 persons.

Traditionally, local governments play the major role in planning for and managing growth. The authority to regulate land uses resides with the states, but all 50 states have delegated basic land-use planning and zoning authority to local governments within their jurisdictions, making local governments primarily responsible for planning for and managing growth. These governments identify land available for development and determine how such land should be used. Local governments typically rely on land-use planning and zoning (designating what type of development—commercial, residential, or industrial—is permitted on specific parcels of land) to plan for and manage growth. In addition to local governments, at least 45 states have regional governance structures—councils of governments, planning commissions, and development districts—that are involved in economic development, transportation, environmental, and housing activities, among others. The federal government plays an active role in local growth issues in communities where it has facilities or land holdings; however, it can also influence growth and development nationwide through its spending programs, regulations, taxes, and administrative actions.

Communities' Challenges

Traffic congestion

Aging infrastructure

Inadequate tax base

Communities Are Concerned About Growth-Related Challenges

Though concerned about a variety of growth-related challenges, the communities responding to our survey most often cited the need for infrastructure—such as highway and water-sewer systems—as a high or very high concern. Of the counties responding to our survey, 75 percent told us that the need for new infrastructure was a high or very high concern—a far greater proportion than the 53 percent that identified traffic congestion and an inadequate local tax base for supporting schools and services—the second most frequently cited concerns. This high level of concern reflects both the magnitude of the infrastructure needs and the variety of challenges communities face. For example, two county administrators in the Washington, D.C., metropolitan area told us they are concerned about the need for new infrastructure—one wants highway and water-sewer funds to support growth, and the other wants funding to support a transit system. The need for new infrastructure was also the growth-related challenge most frequently identified by communities concerned about "sprawl"—cited by 72 percent.[7] Cities with populations over 200,000 and rural counties also reported the need for new infrastructure more often than smaller cities and nonrural counties.[8] Among cities, 61 percent viewed the need for new infrastructure as a high or very high concern, a proportion roughly equal to the percentage concerned about aging infrastructure and traffic congestion. About half of the cities and counties were concerned about an inadequate tax base; however, a higher proportion of rural counties—62 percent—were concerned about this issue. Fewer communities identified other challenges, such as overcrowded schools, a shortage of affordable housing, and air and water pollution, as high or very high concerns.

Larger cities and nonrural counties were more likely to be concerned about "sprawl" than smaller cities and rural counties. Whereas slightly over a third of the cities responding to our survey said that "sprawl" was a high or very high concern, 52 percent of the cities with populations over 200,000 said that "sprawl" was a high or very high concern. A significant percentage of rural counties (44 percent) were concerned about "sprawl." However, a greater percentage of nonrural counties (56 percent) said that "sprawl" was a high or very high concern. Communities concerned about "sprawl" have

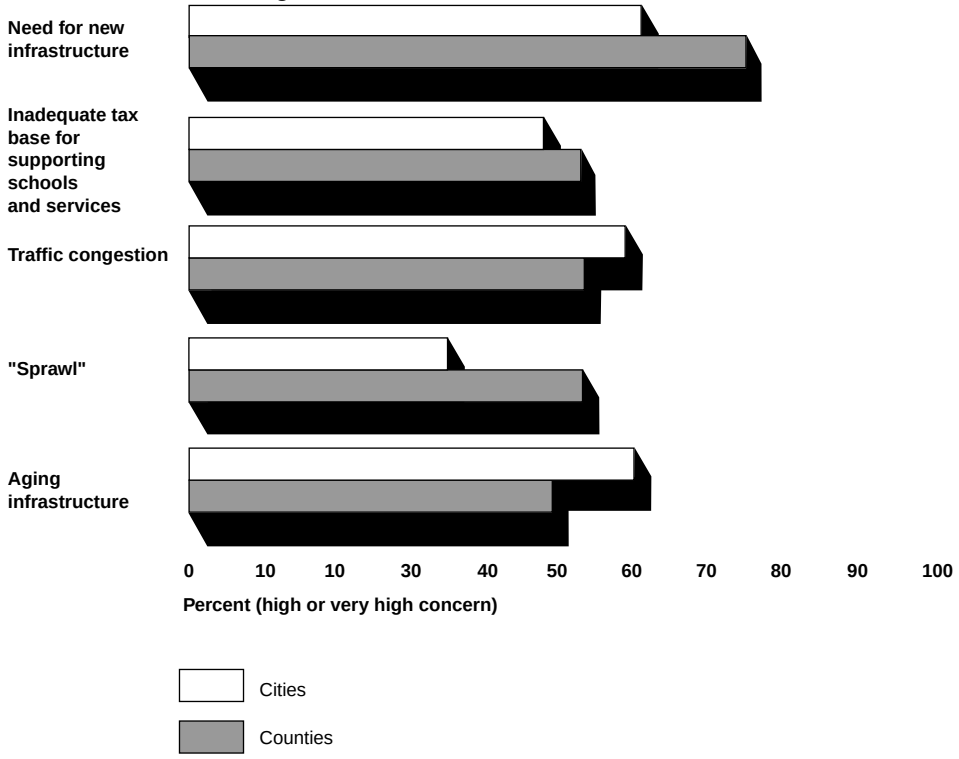
[7]These were the communities that responded that "sprawl" was a high or very concern to them.

[8]Rural counties are those counties within metropolitan areas that identified themselves as rural counties in our survey.

grown rapidly in the past and expect to grow more in the future. Sixty-six percent of these communities reported that growth and development over the last 10 years had occurred at a somewhat or very fast pace, compared with 46 percent of other communities. In addition, 41 percent of these communities expected their populations to increase greatly over the next 10 years, compared with 23 percent of other communities.

Among both counties and cities, high levels of concern about the need for new infrastructure were more prevalent than high levels of concern about "sprawl." However, counties identified "sprawl" as a high concern about as often as they identified other areas as such, whereas cities identified "sprawl" as a high concern much less often. Figure 2 shows the extent to which cities and counties cited "sprawl" as a high concern compared with their other top concerns.

Figure 2: Communities' Concerns About "Sprawl" Compared With Their Top Four Growth-Related Challenges



Appendix V describes the growth-related challenges reported by our survey respondents in more detail.

State and Local Governments Are Becoming More Involved in Responding to Growth-Related Challenges

Many states have made significant changes to their planning statutes since 1985, though states generally vary in the level of planning guidance they provide to local governments. Although every state has granted basic planning and zoning authority to its local governments, only 15 states mandate planning at the local level; most make planning optional or conditional. Even when states mandate land-use plans, they may not enforce requirements for updating the plans or ensure that growth and development are consistent with the plans. For example, the governor of California reported in his 2000-2001 budget summary that many general land-use plans are no longer current and that the lack of compliance with planning requirements would allow unplanned growth and development to undermine communities' quality of life. Some states are taking other measures to aid local governments in planning for and managing growth. For example, Maryland and Vermont have programs that target state funds to selected growth areas, while New Jersey recently issued $1 billion in bonds to fund the purchase of farmland and open space.

Although not all cities and counties have the same zoning authority, more than 90 percent of the cities and 70 percent of the counties responding to our survey reported using land-use plans and zoning authority to plan for and manage growth. Both cities and counties also most frequently identified these two traditional tools as the most useful in planning for and managing growth. However, some localities also reported using other more innovative tools. For example, some have used their zoning authority to allow mixed-use development, offered financial incentives to encourage development in designated areas, or worked through regional organizations to coordinate plans for infrastructure development with neighboring localities. Appendix VI includes more examples of the tools that state and local governments are using to plan for and manage growth.

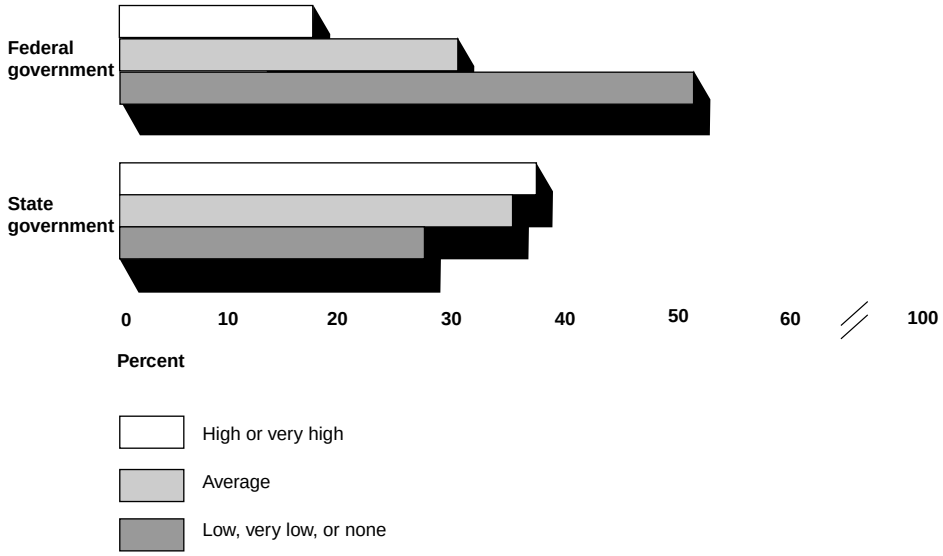
Federal Programs Both Help and Hinder Efforts to Plan For and Manage Growth

According to the cities and counties responding to our survey, federal programs and policies both help and hinder their efforts to plan for and manage growth. While local government officials believe the federal government exercises less influence on growth decisions than the states, federal programs and policies can affect local growth decisions through programs for (1) the construction and maintenance of physical

infrastructure (e.g., highways, transit systems, and water and wastewater systems), (2) "infill development" and the revitalization of downtown and distressed areas, and (3) the preservation of open space and farmland. Many other federal programs and activities can influence local growth, but, as discussed in our scope and methodology section, we did not examine all issues related to local growth.

On average, about half of the cities and counties responding to our survey characterized the federal influence on growth and development as low, very low, or nonexistent, compared with 17 percent that said it was high or very high. Many of these latter communities are located in areas where the federal government owns substantial facilities or land. As figure 3 indicates, communities reported that their state government had more influence than the federal government on growth and development.

Figure 3: Communities' Views on the Influence of the Federal and State Governments on Local Growth and Development



Note: This figure excludes communities that selected "uncertain" or "other" in response to the questions (between 1 and 2 percent for each question).

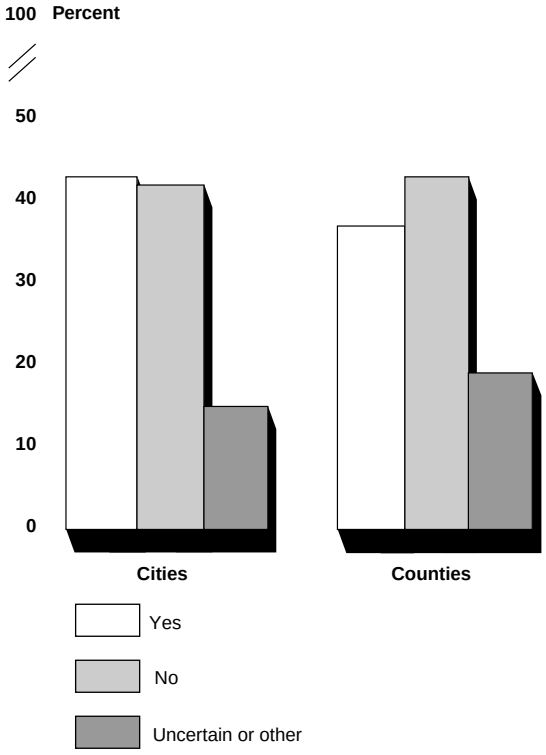
Infrastructure

Cities and counties use federal funding for transportation infrastructure to provide for mobility as well as economic growth and development. The federal government provides funding for highway and transit projects through grants, loans, and loan guarantees for capital development and improvements. The cities and counties we surveyed identified federal funding for building and expanding highways and bridges, more often than federal funding for any other purpose, as very helpful in their efforts to plan for and manage growth. Conversely, funding shortages for highway programs most often hindered the cities and counties we surveyed in planning for and managing growth. The communities concerned about "sprawl" agreed. Central cities, however, most often identified funding shortages for affordable housing and revitalizing distressed areas as hindering them in planning for and managing growth.

City and county officials believe that flexibility in the use of federal funds for transportation is important in planning for and managing growth because it allows communities to adapt funded activities to fit the state or local context. Flexibility is one of the goals of the federal transportation program authorizations enacted in 1991 and 1998. Communities were split in their responses on whether federal transportation programs afford them enough funding flexibility to pursue the types of projects they need, and communities did not express strong views about this issue. Consequently, a lack of flexibility did not emerge as a major barrier nationally. For example, the community development director of a city in Oregon said that the city is supporting a bus system and building bikeways and pedestrian trails with federal funds. Conversely, the planning director of a city in Texas told us he has been unable to secure enough funding for bicycle and pedestrian projects. Other officials told us that federal transportation programs did

not provide enough funding flexibility because they were concerned about the level of funding. Overall, cities were somewhat more likely than counties to report that they have the flexibility to pursue transit and alternative transportation projects (see fig. 4).

Figure 4: Communities' Views on Whether Federal Transportation Programs Provide Enough Funding Flexibility to Pursue Transit and Alternative Transportation Projects



Note: The figure excludes communities that are not pursuing transportation alternatives.

State and local officials told us that federal programs would be more responsive to local needs if federal agencies ensured that transportation planning was consistent with local land-use plans and gave greater consideration to the growth implications of federally funded infrastructure projects. Fifty-three percent of the cities and 49 percent of the counties responding to our survey said they strongly support a federal requirement that road and highway projects be linked with local land-use plans, while fewer than 5 percent of the communities said they were opposed. Sixty-two percent of the communities concerned about "sprawl" strongly supported

such a requirement. Some communities are already coordinating their transportation and land-use planning. In Charlotte, North Carolina, for example, local government officials chose to address air quality problems by examining the area's growth patterns and creating a new long-range plan that linked transit and land-use needs. In the Burlington, Vermont, metropolitan area, local officials expressed concern that federal and state officials did not consider growth implications when planning a highway project currently under development in Chittenden County, Vermont. The environmental impact statement for the project mentions that the project will have growth implications and advises the affected communities to address them, but does not provide any further details. According to Federal Highway Administration (FHWA) officials, the environmental impact statement notes some of the land-use issues that will need to be addressed, and officials characterized these issues as the responsibility of state and local governments. Appendix VII provides additional information on how federal infrastructure programs both help and hinder efforts to plan for and manage growth.

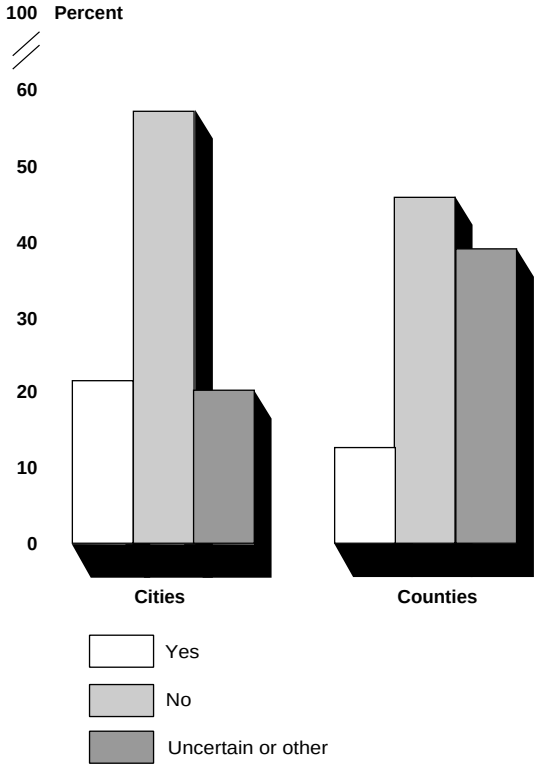
Community Reinvestment

Cities and counties use federal funding to pursue community reinvestment activities such as "infill" development, affordable housing development, and brownfields redevelopment. While many federal programs are available to assist local governments in revitalizing their communities, the local and state officials we interviewed most frequently cited about seven programs as helpful to their revitalization efforts (see app. VIII). Additionally, apart from federal funding for infrastructure, federal funding for revitalizing distressed areas, providing affordable housing, and

assessing and cleaning up brownfield sites was identified most often by the cities and counties responding to our survey as very helpful in planning for and managing growth. Conversely, insufficient funding for revitalizing distressed areas and providing affordable housing was most often selected by the central cities responding to our survey as a hindrance in planning for and managing growth.

Despite the importance they attached to federal funding for community revitalization, the communities that responded to our survey reported a mismatch between their infill development needs and the federal government's approaches to community development. Fifty-seven percent of the cities and 47 percent of the counties responding to our survey reported that federal programs have not given them enough funding flexibility to pursue infill development over the last 5 years (see fig. 5). Counties were more uncertain about whether federal programs gave them enough funding flexibility to pursue infill development. Of the counties pursuing infill development, 39 percent said they were uncertain about the level of federal funding flexibility.

Figure 5: Communities' Views on Whether Federal Programs Provide Enough Funding Flexibility to Pursue Infill Development



Note: This figure excludes the communities that reported they are not pursuing infill development.

The large number of federal programs that fund economic development activities and the large number of federal agencies that administer the programs can reduce communities' flexibility in pursuing reinvestment projects. As we reported in December 1995, a lack of coordination among the agencies imposes a burden on local organizations that attempt to piece together funding from different programs to serve their communities.[9] The neighborhood organizations we studied found it burdensome to manage multiple programs with individual funding streams, application requirements, and reporting expectations. Local officials we interviewed also said that infill development programs such as the Community Development Block Grant (CDBG) program would be more flexible if

[9]*Community Development: Comprehensive Approaches and Local Flexibility Issues* (GAO/T-RCED-96-53, Dec. 5, 1995).

communities could spend more of the funds on projects that do not directly benefit low- and moderate-income persons. Department of Housing and Urban Development (HUD) officials noted that many infill development programs are among the most flexible in the federal government; increasing their flexibility further would only undermine the programs' national goals, which are to target assistance to the areas of greatest need.

Sixty-seven percent of the central cities responding to our survey—and 49 percent of the cities overall—said they were redeveloping brownfield sites. In 1996, we reported that potential liability under federal law for the cleanup of environmental contamination is a barrier to brownfield redevelopment because it can discourage the participation of lenders, developers, and owners.[10] We have also reported that potential federal liability can help redevelopment by encouraging voluntary, rather than mandated, cleanup actions.[11] No clear picture emerged from our survey about the extent to which concerns about liability have helped or hindered communities' efforts to redevelop brownfield sites. Among the cities redeveloping brownfields, 31 percent said that potential federal liability had no impact on their efforts, 23 percent said that it hindered their efforts, and 26 percent said that it helped their efforts.

Many communities plan for and manage growth by encouraging commercial and residential development in their downtown areas. State, regional, and local officials discussed two ways the federal government can support their efforts—through tax incentives and relocation decisions. The local officials we interviewed said they used tax incentives to encourage affordable housing development, brownfields redevelopment, and development in downtown and distressed areas. Appendix VIII discusses federal tax incentives in more detail. State, regional, and local officials also told us that federal and postal facilities located in downtown areas contribute to the economic viability of downtown areas. The Rural Development Act of 1972, as amended, directs federal agencies to give first priority in the location of new offices and other facilities to rural areas. However, when agencies' missions and program requirements call for location in urban areas, the agencies must comply with Executive Orders 12072 and 13006. These orders require federal agencies making urban

[10] *Superfund: Barriers to Brownfield Redevelopment* (GAO/RCED-96-125, June 17, 1996).

[11] *Superfund: State Voluntary Programs Provide Incentives to Encourage Cleanups* (GAO/RCED-97-66, Apr. 9, 1997).

location decisions to give first consideration to central business areas and historic properties.

Communities were as often satisfied as dissatisfied with decisions about the location of federal and postal facilities. Nevertheless, about a third of the cities (34 percent) and counties (33 percent) and a majority of the rural counties (16 of 28 respondents) that responded to our survey and had experienced a postal relocation in the last 5 years said their ability to plan for and manage growth was negatively affected by that relocation decision. The U.S. Postal Service must meet stringent standards when it closes a post office; by law, it must hold public hearings and study the impact on the community and postal employees. However, according to the Postal Service, these provisions apply to permanent post office closures and do not apply when the Postal Service relocates a facility. In October 1998, the Postal Service promulgated new regulations to improve its coordination with communities on postal relocation issues. See appendix VIII for more information on this topic.

Preservation Activities

Although the federal government manages national parks and forests, the federal programs that help localities fund the preservation of farmland and open space are relatively small, and responsibility for them is dispersed among several federal agencies. The Department of the Interior, whose bureaus manage vast tracts of federal lands, offers several programs designed to help communities manage local growth issues in areas impacted by the presence of federal land. These programs include allowing localities to use public land to meet public needs and selling public land to communities to accommodate growth that is consistent with their land-use plans.

Many communities, especially noncentral cities and communities concerned about sprawl, assigned a high or very high priority to preserving parks and other open space, yet fewer communities reported using federal funding for acquiring and conserving open space, purchasing conservation easements for natural resources, or preserving farmland. The Farmland Protection Program—the one federal program we identified that funds the preservation of prime farmland—is small and has not met its goals. The 1996 Farm Bill authorized $35 million for the program for 6 years, but these funds were fully expended by the end of 1998. Moreover, while the goal for the program was to preserve at least 170,000 acres of prime farmland, only 74,800 acres on 350 farms had been protected through conservation easements by the end of 1998. Legislation has been proposed to increase federal funding for conservation activities. For example, in May 2000, the House approved the Conservation and Reinvestment Act of 2000, which provides about $3 billion for open space acquisition and conservation activities. In June 2000, the President signed Public Law 106-224, which provided $10 million in new funding to the Farmland Protection Program.

The Farmland Protection Policy Act requires federal agencies to consider the potential adverse effects of federal programs on the preservation of farmland and to take alternative actions that could lessen the extent to which federal programs contribute to the unnecessary and irreversible conversion of farmland to nonagricultural uses. Officials we interviewed during our site visits said the act was ineffective because it does not require agencies to select alternatives that lessen the impact of federal activities on farmland. As we reported in April 1999, USDA officials told us that the act is not enforceable because it offers no guidance for choosing a less damaging alternative and no incentives for doing so. Although USDA has acknowledged the need for more effective implementation, officials at the Department's Natural Resources Conservation Service, which oversees the act's implementation, told us they lack the resources to strengthen their oversight.

Most communities responding to our survey were either uncertain about the impact of a recent reduction in federal estate taxes on families that want to keep their farms or reported that the reduction had no impact. In 1997, the Congress created an exclusion that lowered federal estate taxes for owners of qualified family-owned businesses, including family farms. According to USDA's Economic Research Service, this exclusion should reduce the need for farmers to sell farm assets to pay federal estate taxes. When counties had an opinion on the effect of the reduction, more thought that it had encouraged, rather than discouraged, families that wanted to

keep the farms they inherited. Over one-quarter of the rural counties responding to our survey reported that the reduction had encouraged families to keep the farms they inherited. According to the administrator of a rural county in Illinois, local farmers are taking advantage of the revised estate tax policies and are keeping their farms. Appendix IX contains more information on federal preservation activities that influence local efforts to plan for and manage growth.

Local Communities Support Changes to the Federal Role

According to our survey results, local communities support changes to the federal role that would improve coordination, even though they are generally satisfied with the coordination between their community and the federal government. Forty-two percent of the responding cities and 36 percent of the responding counties rated coordination between federal agencies and their governments as good or excellent. As expected, when communities reported that coordination was good, they said it helped them plan for and manage growth, whereas when they reported that coordination was poor, they said it hindered them. Our assessment of the federal government's 1999 Governmentwide Performance Plan, required by the Government Performance and Results Act of 1993, encouraged the Office of Management and Budget (OMB) to consider strengthening coordination of crosscutting programs as one way to address the growing demand that the federal government become more effective and less costly.[12] In our past work, we have offered several possible approaches for better managing crosscutting programs—such as improved coordination, integration, and consolidation—to ensure that crosscutting goals are consistent and program efforts are mutually reinforcing. Actions such as entering into interagency agreements and designating key federal agencies as primarily responsible for managing crosscutting growth-related issues could also facilitate localities' interactions with the federal government when it has a role to play in their infrastructure development, community investment, or preservation activities.

The cities and counties that responded to our survey supported several changes in the federal role that would improve coordination and help from the federal government. Over a third of the cities and counties strongly supported an increase in federal incentives for communities to pursue regional solutions to managing growth. Some experts have suggested that

[12] *The Results Act: Assessment of the Governmentwide Performance Plan for Fiscal Year 1999* (GAO/AIMD/GGD-98-159, Sept. 8, 1998).

the federal government could encourage more regional solutions to problems by applying the regional metropolitan transportation planning approach to other federal program areas. For example, 33 percent of the responding cities and 47 percent of the responding counties strongly supported federal funding for regional water quality planning. In addition, over 40 percent of the responding cities and counties strongly supported increases in federal incentives for local governments to pursue "smart growth." One federal program that provides "smart growth" incentives—the Transportation and Community and System Preservation Pilot program—is so popular that the demand for funding has exceeded the program's appropriations. In fiscal year 2000, the Department of Transportation funded 84 projects. A total of 292 applications were received. The program funds projects that integrate transportation initiatives with the goals of community development, environmental protection, access to jobs and markets, and efficient land development patterns.

Twenty-nine percent of the cities and 37 percent of the counties responding to our survey also strongly supported more technical assistance from the federal government to help communities forecast growth patterns and the impact of development alternatives. One type of technical assistance that may be particularly helpful to local communities is geographic mapping. For instance, the mapping capabilities of the U.S. Geological Survey (USGS) can assist communities in identifying historic, current, and projected land-use patterns—information they could then use to forecast growth patterns, assess the impact of development alternatives, and identify land suited for preservation. USGS, along with other federal, state, and local officials, has created the Community/Federal Information Partnership to promote the widespread availability and use of federal geographic data for use in local planning. The Fish and Wildlife Service also maintains a National Wetlands Inventory that provides digital wetlands data viewable over the Internet. Appendix X provides more information on federal policy options supported by local communities.

Observations

Growth is inevitable, given the projected increases in the nation's population and the importance of economic development to America's communities. And with growth will come challenges—traffic congestion, an increasing demand for services, and the consumption of land and natural resources to support development. The question for communities across the nation is not whether, but how, they will face growth and its challenges.

Across the nation, city councils, county boards of supervisors, and state legislatures will make the decisions that most affect growth. State and local governments will also have the primary responsibility for meeting the upcoming growth-related challenges. Already, they have increased their involvement in planning and are using new tools and techniques to manage growth. Compared with state and local governments, the federal government plays a limited role in local growth issues. Nevertheless, the federal government influences local growth by investing in the nation's physical infrastructure, revitalizing its communities, and preserving its natural resources. As a result, it has opportunities to help America's communities plan for the future and meet their growth-related challenges. At the same time, the federal government faces the challenge of devising a flexible approach to local growth issues that responds to the unique needs of individual communities while meeting federal goals. Furthermore, given the different perspectives within each community on how to resolve its growth-related challenges and how to shape its future, reaching agreement on the most helpful levels and types of federal assistance may be difficult.

Investing in Infrastructure

The federal government can assist states and localities in planning for and managing growth by helping them make sound infrastructure investment decisions. For communities of all types—central cities, small towns, growing suburban counties worried about "sprawl," and rural communities—the need to build and repair infrastructure tops the list of growth-related challenges. The investment made in infrastructure today will shape the patterns of growth for decades to come. In the view of local communities, the federal government has the opportunity to enhance its investment in their infrastructure by encouraging greater consistency between local land-use planning and transportation planning and greater consideration of the growth implications of federally funded infrastructure projects. Greater attention to these factors could help minimize the potential for conflict between local and federal priorities, as well as the possibility of unintended consequences. Such attention could also help ensure that scarce federal resources are targeted to localities' greatest needs and that federal infrastructure investments in one community do not exacerbate "sprawl" in another.

However, encouraging greater consistency between local land-use planning and transportation planning and greater consideration of the growth implications of federally funded infrastructure projects could also pose challenges. Such consideration would have to be flexible enough to recognize that infrastructure projects invariably represent a compromise

among competing community interests. In reaching a compromise, state, regional, or federal interests sometimes take precedence over local concerns. In addition, greater consideration of these factors could entail further efforts on the part of state and local governments. For example, many states do not require, and some localities do not have, land-use plans.

Revitalizing Communities

The federal government also has an important role in helping communities plan for and manage growth through the assistance it provides for community reinvestment. Many communities—especially cities—place a high priority on revitalizing their neighborhoods and developing their downtown areas. Based on the views of local communities, opportunities may exist for the federal government to provide more training and technical assistance to help localities make better use of federal economic development programs to support their infill and downtown development priorities. In addition, opportunities may exist for the federal government to reexamine the goals, structure, and content of federal community reinvestment programs to correct mismatches and find ways of enhancing the flexibility of these programs, thereby better suiting them to the development needs and priorities of diverse communities. The challenge in such a reexamination is to determine how much flexibility federal programs can give to communities while still meeting the national purposes they were designed to accomplish.

Opportunities may also exist for greater coordination between federal agencies and local communities when the federal government is a neighbor in a community. When the federal government coordinates well with communities, as it often does, it generally helps the communities plan for and manage growth. The Postal Service is a neighbor in virtually all of America's communities, and many communities, including most rural ones responding to our survey, believe they were hurt by postal relocations over the last 5 years. It is too early to tell whether the Postal Service's recent actions have improved coordination with communities. But if, over time, coordination does not improve, then additional action, such as the coordination procedures that govern the permanent closure of postal facilities, may be worth considering.

Preserving Open Space

For many communities, both urban and rural, preserving open spaces, parklands, environmentally sensitive lands, and farmland is integral to planning for and managing growth. The federal government could play a greater role in such preservation activities by, for example, expanding the

education and technical assistance it provides to local communities through such resources as USGS' mapping capabilities. Communities have responded favorably to such assistance in the past, but any expansion would involve a consideration of costs and of the appropriate role of the federal government in local land-use planning.

Based on the views of local officials, opportunities exist for the federal government to examine the need for greater federal leadership in the preservation and acquisition of farmland and open space. For example, the federal government could establish a general farmland protection policy to address the high priority that rural communites place on the preservation of farmland. Such a policy could potentially include refining the nation's farmland preservation goals and developing a strategy for identifying and giving priority to preserving the highest at-risk farmland. Similarly, the federal government could provide more assistance to communities to aid in the acquisition of parkland and open space, which would address the high priority that cities and other communities place on the preservation of parkland. Legislation to provide more funding for the acquisition of open space has already been debated in the 106th Congress. Any examination of these issues would face challenges and need to consider existing budgetary priorities, as well as the appropriate use of federal funding and the appropriate role of the federal government in areas of state and local concern.

Improving Coordination

Opportunities exist for federal agencies to improve their coordination with communities on local growth issues, thereby facilitating communities' interactions with the multitude of federal offices, programs, and regulations that may affect localities' infrastructure development, community revitalization, and preservation activities. Our past work has encouraged federal agencies to strengthen their coordination of crosscutting programs. Entering into formal interagency agreements and designating key federal agencies as primarily responsible for crosscutting growth related issues are two such opportunities. These actions could establish procedures and identify points of contact for local communities, potentially streamlining their dealings with the federal government. Designating key federal agencies could also establish responsibility for ongoing activities such as continuing to assess the needs and concerns of local communities, as we did in this report with our survey. Improving coordination poses challenges, given the wide array of federal programs and agencies that potentially affect local growth issues.

Agency Comments and Our Evaluation

We provided a draft of this report to seven federal agencies—the departments of Agriculture, Housing and Urban Development (HUD), the Interior, and Transportation; the Environmental Protection Agency (EPA); the General Services Administration (GSA); and the U.S. Postal Service—that administer or oversee the programs and policies discussed in this report. All of the agencies generally agreed with the facts presented in the report. EPA, GSA, HUD, the Interior, and USDA provided letters commenting on the draft that appear in appendixes XI, XII, XIII, XIV, and XV of the report, along with our responses. Transportation and the Postal Service provided clarifying language and technical comments that we incorporated into the report as appropriate.

A number of agencies suggested that we add to the report more detailed discussions on certain issues. For example, EPA said that the report needed a more in-depth discussion of the close interrelationship between infrastructure, traffic congestion, and "sprawl," as well as the relationship between land use, transportation, and air quality . Similarly, HUD suggested that we add more discussion about how infrastructure investment will guide development in the United States in the decades ahead, as well as additional discussion about balancing the need for new infrastructure with the need to maintain aging infrastructure. We agree that there are relationships among these issues that present some broader policy implications, but a further discussion of these relationships or implications was beyond the scope of our review. EPA, GSA, HUD, and the Interior suggested that we add more discussion on the assistance their agencies provide to local governments. In response to these comments, we added additional examples to the report.

EPA said that more discussion of the implications of surveying local government officials is needed because EPA is concerned that local officials' views are limited to their areas of expertise. We acknowledge that local officials have less information about some federal issues than others. For example, as the survey results suggest, local officials are uncertain about the effects of some federal tax policies. Our approach was to identify the key players most responsible for planning for and managing growth in their communities and to survey that population to identify the growth-related concerns and issues they face. We also obtained the views of regional and state officials during site visits to balance the views of local government officials. We made no changes to the report because we believe that we gave proper treatment to the implications of surveying local governments officials.

EPA expressed the opinion that our report repeatedly asserts that the federal influence on development decisions, patterns, and growth management is small. On the contrary, our report acknowledges that the federal government influences local growth decisions through federal spending, taxation, and selected regulatory and administrative activities. However, we concluded from our work, including our survey, that the federal government's influence on local growth issues is small when compared with the influence of state and local governments. We believe that we gave adequate balance to the nature of the federal influence; therefore, we made no changes to the report.

HUD characterized the report as well balanced, reasoned, and factually based. In contrast to EPA's position, HUD commended us for recognizing the relatively limited role of the federal government in local growth issues. HUD asked us to expand our discussion of balancing federal funding flexibility for community revitalization with the national goals of community revitalization programs. We revised the report to include HUD's views.

According to the Interior, the draft report reflected sound work that would contribute to the issue at hand but overlooked some resources that the Interior makes available to communities. We acknowledge that the federal government, through its land management agencies, plays a major role in areas where the federal government owns large amounts of land, particularly in the western states. We added information on the types of assistance federal land management agencies provide when federal land management issues affect local growth.

Scope and Methodology

To determine how federal programs and policies affect the ability of state and local governments to plan for and manage growth, we surveyed the governments of nearly 2,000 U.S. cities and counties—all cities with populations of more than 25,000 and all counties within metropolitan areas as defined by OMB. Our response rate was 81 percent. We identified several subpopulations among the respondents. For example, among cities, we used OMB's definition to identify and report the responses of "central cities"—those cities within larger metropolitan areas that meet certain population and employment characteristics established by the U.S. Bureau of the Census. The noncentral cities that we included are other cities within metropolitan areas, as well as some municipalities outside metropolitan areas. Among counties in metropolitan areas, around 27 percent of those responding defined themselves as rural; we therefore identified responses

for both rural and nonrural counties, including urban and suburban counties in the latter category.

The results of our survey are available at www.gao.gov/special.pubs/lgi/. The site lists the topics covered by our survey and provides the responses given to each question by the cities and counties we surveyed. This site also provides responses for each of the subpopulations we identified (rural and nonrural counties; central and noncentral cities) as well as city and county responses for each state.

We also visited and interviewed officials in five metropolitan areas—Albuquerque, New Mexico; Atlanta, Georgia; Burlington, Vermont; Columbus, Ohio; and Fresno, California. We selected these metropolitan areas to include a cross-section of areas in terms of size, location, number of political jurisdictions, variety of state and local growth-related tools and techniques used (including the level of "smart growth" activity), and potential federal issues. During each site visit, we interviewed state, regional, local, and community or business officials. We asked them about the growth challenges facing their communities, the tools and techniques they use to plan for and manage growth, the federal programs that help and hinder their efforts to plan for and manage growth, and the options they see for change in federal programs.

Our review focused on federal programs and policies that can affect local growth decisions through infrastructure investment, community reinvestment, and the preservation of open space and farmland. Although many other federal programs and activities can influence local growth, we did not examine all possible issues related to local growth. For instance, some argue that the federal government can, by enhancing the quality of inner-city schools, attract and retain families that have historically been more likely to move to suburban locations. We did not examine this issue. Similarly, a June 1999 report from the Clinton-Gore Administration cites 14 crime and drug prevention programs or initiatives as tools for helping to build "livable communities."[13] We did not examine federal crime and drug prevention programs. Some also argue that growth and development endangers public safety when it occurs in formerly sparsely populated areas near pipelines carrying gasoline and other hazardous materials that were not expected to be near populated areas when they were built. We did not examine this issue. Finally, many tax policies can affect growth and

[13] *Building Livable Communities*, A Report from the Clinton-Gore Administration, June 1999.

development, such as the often-cited provision that allows homeowners to deduct their mortgage interest. Our scope included a limited number of tax provisions closely related to the community reinvestment activities of local governments. Our methodology is discussed in more detail in appendix III.

We performed our work from July 1999 through June 2000 in accordance with generally accepted government auditing standards.

As arranged with your offices, unless you announce its contents earlier, we plan no further distribution of this report until 5 days after the date of this letter. At that time, we will make copies available to others upon request. If you have any questions about this report, please contact me at (202) 512-7631. Key contacts and contributors are listed in appendix XVI.

Stanley J. Czerwinski
Associate Director, Housing and
Community Development Issues

Survey Results for Cities

This appendix includes our survey questions and the responses of cities. See appendixes V and X for our analyses of the topics covered by questions 4, 12, and 36. We did not use the responses to question 33 because the data were not sufficiently reliable. Instead, we used the Office of Management and Budget's (OMB) definition of central cities to identify and report the responses of central cities.

United States General Accounting Office

GAO Survey of Local Growth Issues

Introduction

The U.S. General Accounting Office (GAO) is an agency of the legislative branch that reviews federal programs for the U.S. Congress. We are currently surveying cities and counties in the United States to assess the impact of federal programs on the ability of communities to plan for and manage growth.

Your answers are vital to the accuracy of our review. Without your response, we will not be able to accurately report to the Congress how communities are planning their futures and how the federal government influences their efforts.

It should take about 20 minutes to complete this questionnaire. Please return your completed questionnaire within 10 days of receipt. Your prompt participation will help us avoid costly follow-up mailings. If you have any questions about our survey, please call Kathy Carey of our Washington, D.C., office toll free at 1-877-332-8460 or e-mail her at careyk.rced@gao.gov.

If the return envelope is missing, please mail this questionnaire to:

Kathy Carey
U.S. General Accounting Office
441 G Street NW, Room 2T23
Washington, DC 20548

Thank you for contributing to our study.

Place label here

Please identify the person who completed the survey in case we need to follow up.

Name: _____

Title: _____

Phone: _____

E–mail: _____

By **"community,"** we mean the area under the jurisdiction of your government.

Please base your answers to this survey on the experiences of this community only, as noted on the label on the left side of this page.

1. In your opinion, which of the following best describes the pace of your community's growth and development over the last 10 years? *(Check one.)*

   1. [7] Very slow
   2. [20] Somewhat slow
   3. [26] About right
   4. [24] Somewhat fast
   5. [22] Very fast
   6. [<1] Uncertain
   7. [1] Other *(Please describe.)*

2. Which of the following best describes the change you expect in your community's population over the next 10 years? *(Check one.)*

   1. [1] Decrease greatly
   2. [4] Decrease somewhat
   3. [16] Stay about the same
   4. [56] Increase somewhat
   5. [23] Increase greatly
   6. [<1] Uncertain
   7. [<1] Other *(Please describe.)*

Our community's challenges

3. To what extent do the following challenges currently concern your community? *(Check one for each row.)*

	Not a current concern (1)	Low concern (2)	Moderate concern (3)	High concern (4)	Very high concern (5)	Uncertain (6)
A. Traffic congestion	2	10	29	28	31	0
B. Difficulty attracting new businesses to our community	5	18	36	25	15	<1
C. Overcrowded schools	7	20	36	23	13	1
D. Greater distances between housing and job opportunities	12	31	31	17	7	1
E. Shortage of affordable housing	10	23	33	21	14	0
F. Loss of farmland	51	24	15	6	3	1
G. Loss of wildlife habitat and other environmentally sensitive lands	22	29	31	12	5	1
H. Loss of parkland and other "open spaces"	22	31	27	14	6	<1
I. Loss of historic sites	20	32	31	11	3	1
J. Unsightly commercial development	5	20	37	27	11	0
K. Aging infrastructure (e.g., roads, water lines, sewer lines)	1	11	27	33	27	<1
L. Need for new infrastructure (e.g., roads, water lines, sewer lines)	2	10	28	35	26	<1
M. Air pollution	9	32	36	17	6	0
N. Water pollution	9	34	35	16	5	<1
O. Scarcity of water resources	25	32	24	10	7	<1

	Not a current concern (1)	Low concern (2)	Moderate concern (3)	High concern (4)	Very high concern (5)	Uncertain (6)
P. Decline of our downtown center(s)	12	14	26	32	16	<1
Q. Difficulty redeveloping our abandoned industrial sites	23	23	24	18	10	<1
R. Inadequate tax base for supporting our schools and services	7	16	29	24	23	<1
S. Lack of job opportunities for our residents	12	29	27	20	11	<1
T. Other *(Please describe.)*	<1	<1	1	7	9	<1
U. Other *(Please describe.)*	<1	1	4	4	9	<1
V. Other *(Please describe.)*	<1	<1	2	2	4	<1

4. Of the challenges listed in Question 3 above, which three (if any) are of highest concern to your community? *(Write the letters of the items in the boxes below. Order is not important. Use "X" if you think no items are applicable.)*

5. How much has your government changed its strategies for planning and managing growth over the last 5 years as a result of the concerns described above in Question 3? *(Check one.)*

   1. [6] Little/no change
   2. [19] Some change
   3. [38] Moderate change
   4. [28] Great change
   5. [8] Very great change
   6. [<1] Uncertain
   7. [<1] Other *(Please describe.)*

6. Which of the following best describes your government's *current* approach to planning for and managing growth? *(Check one.)*

   1. [1] Little/no involvement
   2. [5] Some involvement
   3. [22] Moderate involvement
   4. [47] High involvement
   5. [25] Very high involvement
   6. [<1] Uncertain
   7. [<1] Other *(Please describe.)*

7. Which of the following best describes the involvement you expect your government to have in planning for and managing growth *over the next 5 years*? *(Check one.)*

   1. [1] Little/no involvement
   2. [3] Some involvement
   3. [13] Moderate involvement
   4. [45] High involvement
   5. [37] Very high involvement
   6. [<1] Uncertain
   7. [<1] Other *(Please describe.)*

8. To what extent is "sprawl" a concern today in your community? *(Check one.)*

   Various definitions of "sprawl" have included the following:

   - low-density development;
   - development requiring dependence on the automobile;
   - segregated land uses (e.g., commercial, industrial, or residential);
   - large distances and poor access between housing, jobs, and schools;
   - consumption of land occurring at a faster rate than population growth; and
   - consumption of agricultural and/or environmentally sensitive lands.

   1. [12] Not a current concern
   2. [23] Low concern
   3. [29] Moderate concern
   4. [22] High concern
   5. [12] Very high concern
   6. [<1] Uncertain
   7. [1] Other *(Please describe.)*

9. How much influence does your state government (or state governments that impact you) have on growth and development in your community? *(Check one.)*

   1. [11] Very high
   2. [26] High
   3. [33] Average
   4. [19] Low
   5. [9] Very low/None
   6. [1] Uncertain
   7. [1] Other *(Please describe.)*

10. How much influence does the federal government have on growth and development in your community? *(Check one.)*

   1. [3] Very high
   2. [13] High
   3. [30] Average
   4. [30] Low
   5. [21] Very low/None
   6. [1] Uncertain
   7. [1] Other *(Please describe.)*

11. What priority, if any, does your community place on the following when planning for its future? *(Check one for each row.)*

	Not a current priority (1)	Low priority (2)	Moderate priority (3)	High priority (4)	Very high priority (5)	Uncertain (6)
A. Attract businesses to our community	<1	3	13	42	41	0
B. Attract new development to areas that already have the necessary infrastructure	3	6	25	41	24	<1
C. Revitalize our downtown center(s)	5	5	15	37	38	0
D. Increase job opportunities for our residents	2	9	26	35	27	<1
E. Increase our tax base so we can support better schools and roads	1	4	20	38	37	<1
F. Enhance our transportation system	1	5	23	38	31	0
G. Improve the environment—clean air, water, and soil	3	11	43	31	12	0
H. Protect property rights	4	17	48	23	6	2
I. Preserve parks and other open spaces	1	7	32	39	20	<1
J. Maintain a portion of our land for agricultural use	47	28	16	5	3	1
K. Other *(Please describe.)*	0	0	<1	2	5	<1
L. Other *(Please describe.)*	0	0	<1	1	2	<1

12. Of the items listed in Question 11 above, which two (if any) are the highest priorities for your community? (*Write the letters of the items in the boxes below. Order is not important. Use "X" if you think no items are applicable.*)

Tools for Planning and Managing Growth

13. Which of the following categories of tools does your community use? *(Check one for each row.)*

	Yes (1)	No (2)	Uncertain (3)
A. Using a land-use planning document to concentrate development in designated areas	92	6	1
B. Using zoning authority to implement the land-use plan	97	2	1
C. Using zoning authority to allow mixed-use (e.g., commercial/residential) developments	91	7	1
D. Offering local funding (grants and loans) to help offset the costs of infill (e.g., in town) development	48	49	2
E. Offering local tax incentives to encourage infill development	46	51	2
F. Working with adjacent communities on projects addressing growth-related issues	71	25	3
G. Requiring developers to contribute to project-related infrastructure costs through impact fees	59	37	2
H. Targeting state funding for infrastructure to areas designated for development	65	29	6
I. Using state funds to acquire/conserve farm, forest, or environmentally sensitive lands	32	62	5
J. Offering tax incentives to encourage farmers to keep their farmland	6	87	5
K. Other *(Please describe.)*	6	<1	<1
L. Other *(Please describe.)*	2	0	0

14. Of the tools listed in Question 13 above, which two (if any) are the most useful to your community in planning for and managing growth? (*Write the letters of the items in the boxes below. Order is not important. Use "X" if you think no items are applicable.*)

A = 55%

B = 59%

The Federal Role

15. Please indicate in Column (A) whether your community uses any of the federal funding available for the purposes listed below. Include federal funding you receive indirectly through the state as well as any federal funding you receive directly. If you do use the federal funding listed below, please indicate in Column (B) the extent to which that type of funding helps your community plan for and manage growth.

Please base your answers on the experiences of this community only.

	(A) Does your community use this federal funding? *(Check one for each row.)*			(B) ***If "used" for Column A:*** How helpful is this funding in planning for and managing growth in this community? *(Check one for each row.)*				
Type of federal funding	Used (1)	Not used (2)	Uncertain (3)	***Not used for planning/ managing growth*** (1)	Not helpful (2)	Somewhat helpful (3)	Very helpful (4)	Uncertain (5)
A. Maintaining highways and bridges	74	20	5	16	5	27	48	1
B. Building/expanding highways and bridges	76	17	4	8	4	27	57	1
C. Public transportation	66	27	4	9	5	28	52	2
D. Transportation alternatives (e.g., bicycle/pedestrian facilities)	68	24	5	9	6	39	41	1
E. Acquiring/conserving open spaces	33	57	7	7	3	41	44	1
F. Water-sewer infrastructure	47	40	10	5	3	28	56	2
G. Conservation easements for natural resources	10	74	12	3	5	45	37	2
H. Historic preservation	39	53	5	9	7	47	29	2
I. Farmland preservation	2	89	6	20	0	40	20	10
J. School construction/ rehabilitation	20	45	31	8	4	32	44	4
K. Affordable housing	78	16	3	7	3	37	45	1

	(A) Does your community use this federal funding? *(Check one for each row.)*			(B) ***If "used" for Column A:*** How helpful is this funding in planning for and managing growth in this community? *(Check one for each row.)*				
Type of federal funding	Used (1)	Not used (2)	Uncertain (3)	***Not used for planning/ managing growth*** (1)	Not helpful (2)	Somewhat helpful (3)	Very helpful (4)	Uncertain (5)
L. Assessing brownfields (abandoned industrial sites) for toxic hazards	29	63	6	5	1	37	52	2
M. Cleaning up brownfields	22	69	7	3	2	30	59	2
N. Revitalizing distressed areas	54	40	4	4	2	34	56	<1
O. Other *(Please describe.)*	4	<1	<1	18	3	3	68	0
P. Other *(Please describe.)*	1	<1	<1	17	0	17	67	0

16. Of the federal funds listed in question 15 above, which two (if any) were funded at levels lower than needed and therefore most hindered your ability to plan for and manage growth? *(Write the letters of the items in the boxes below. Order is not important. Use "X" if you think no items are applicable.)*

B = 24%

A = 22%

Please base your answers on the experiences of this community only.

17. Please rate the extent to which the following federal tax policies have helped your community plan for and manage growth **over the last 5 years**. *(Check one for each row.)*

	Impact on your community *over the last 5 years*				
	No impact (1)	Somewhat helpful (2)	Very helpful (3)	Extremely helpful (4)	Not applicable/ Uncertain (5)
A. Landowners receive tax benefits if they donate land or development rights for conservation purposes, which affects the preservation of open spaces	47	18	6	3	24
B. Developers can get federal tax credits for low-income and affordable housing projects, which affects the amount of affordable housing	17	35	26	13	8
C. Businesses can get federal tax benefits for locating in selected central cities and other designated areas, which affects infill development	50	15	8	3	24
D. Developers can get federal tax credits for developing brownfields, which affects infill development	50	13	6	3	26
E. Developers can get federal tax credits for rehabilitating historic buildings for income-producing purposes, which affects infill development	36	29	13	5	16

18. Do federal transportation programs provide enough funding **flexibility** for your community to pursue the transit and alternative transportation projects it needs to plan for and manage growth? *(Check one.)*

    1. [14] ***Not applicable: Not pursuing such alternatives***
    2. [4] Definitely yes
    3. [32] Generally yes
    4. [12] Uncertain
    5. [28] Generally no
    6. [8] Definitely no
    7. [<1] Other *(Please describe.)*

19. Do federal design standards for roads and bridges provide enough flexibility for your community to pursue the alternatives it needs to plan for and manage growth? *(Check one.)*

    1. [12] ***Not applicable: Have not had projects which needed to comply with federal design standards***
    2. [2] Definitely yes
    3. [36] Generally yes
    4. [21] Uncertain
    5. [21] Generally no
    6. [7] Definitely no
    7. [<1] Other *(Please describe.)*

20. Have federal programs provided enough funding flexibility to help your community pursue infill (e.g., in town) development over the last 5 years? *(Check one.)*

    1. [17] ***Not applicable: Not pursuing infill development***
    2. [1] Definitely yes
    3. [16] Generally yes
    4. [17] Uncertain
    5. [31] Generally no
    6. [15] Definitely no
    7. [1] Other *(Please describe.)*

21. In 1997, the Congress lowered federal estate taxes. Since 1997, how have federal estate taxes encouraged or discouraged families in your community that want to keep farms they inherited? *(Check one.)*

    1. [59] ***Not applicable: No farmland in this community → Skip to Question 24.***
    2. [1] Greatly encouraged
    3. [2] Somewhat encouraged
    4. [11] No impact
    5. [<1] Somewhat discouraged
    6. [1] Greatly discouraged
    7. [25] Uncertain
    8. [<1] Other *(Please describe.)*

Please base your answers on the experiences of this community only.

22. Federal agencies are required to consider the impact of their programs on the preservation of farmland. Over the last 5 years, how do you rate federal agencies' compliance with these requirements? *(Check one.)*

    1. [0] ***Not applicable: No farmland in this community → Skip to Question 24.***
    2. [39] ***Not applicable: No such federal decisions in this community → Skip to Question 24.***
    3. [1] Excellent
    4. [5] Good
    5. [4] Fair
    6. [5] Poor
    7. [2] Very poor
    8. [41] Uncertain
    9. [1] Other *(Please describe.)*

23. How did the level of compliance you reported in Question 22 (above) affect your community's ability to plan for and manage growth over the last 5 years? *(Check one.)*

    1. [0] ***Not applicable: No farmland in this community***
    2. [0] ***Not applicable: No such federal decisions in this community***
    3. [<1] Greatly helped
    4. [4] Somewhat helped
    5. [18] No impact
    6. [5] Somewhat hindered
    7. [3] Greatly hindered
    8. [59] Uncertain
    9. [1] Other *(Please describe.)*

24. Over the last 5 years, has the U.S. Postal Service *considered* relocating or *planned* to relocate facilities outside your community's central business district? *(Check one.)*

    1. [34] Yes → ***Continue with next question.***
    2. [57] No → ***Skip to Question 27.***
    3. [7] Uncertain → ***Skip to Question 27.***

25. Over the last 5 years, did the U.S. Postal Service *actually* relocate facilities outside your community's central business district(s)? *(Check one.)*

    1. [52] Yes → ***Continue with next question.***
    2. [46] No → ***Skip to Question 27.***
    3. [1] Uncertain → ***Skip to Question 27.***

26. In your opinion, what effect did this relocation of postal facilities have on your community's ability to plan for and manage growth? *(Check one.)*

    1. [0] ***Not applicable: No postal relocations in last 5 years***
    2. [12] Very positive
    3. [10] Somewhat positive
    4. [24] Both positive and negative
    5. [24] Somewhat negative
    6. [10] Very negative
    7. [14] Uncertain
    8. [5] Other *(Please describe.)*

27. Federal agencies (other than the U.S. Postal Service) are required to first consider locations in central business areas when making ***urban*** relocation decisions. How do you rate federal agencies' compliance with these requirements over the last 5 years? *(Check one.)*

    1. [9] ***Not applicable: We are not an urban area → Skip to Question 29.***
    2. [47] ***Not applicable: No relevant federal agency relocations over last 5 years → Skip to Question 29.***
    3. [4] Excellent
    4. [10] Good
    5. [9] Fair
    6. [7] Poor
    7. [4] Very poor
    8. [7] Uncertain
    9. [<1] Other *(Please describe.)*

28. How did the level of compliance you reported in Question 27 (above) affect your community's ability to plan for and manage growth over the last 5 years? (Check one.)

    1. [0] ***Not applicable: No relevant federal agency relocations over last 5 years***
    2. [5] Greatly helped
    3. [22] Somewhat helped
    4. [27] No impact
    5. [18] Somewhat hindered
    6. [6] Greatly hindered
    7. [18] Uncertain
    8. [1] Other *(Please describe.)*

29. Considering the last 5 years, how do you rate coordination between federal agencies and your community's government on federal activities? *(Check one.)*

    1. [17] ***Not applicable: No relevant federal activities over last 5 years → Skip to Question 31***
    2. [5] Excellent
    3. [30] Good
    4. [30] Fair
    5. [9] Poor
    6. [4] Very poor
    7. [4] Uncertain
    8. [<1] Other *(Please describe.)*

30. To what extent did this coordination between federal agencies and your community's government (as reported in Question 29 above) help or hinder your community's ability to plan for and manage growth over the last 5 years? *(Check one.)*

    1. [0] ***Not applicable: No relevant federal activities over last 5 years***
    2. [10] Greatly helped
    3. [33] Somewhat helped
    4. [24] No impact
    5. [19] Somewhat hindered
    6. [4] Greatly hindered
    7. [7] Uncertain
    8. [1] Other *(Please describe.)*

31. How did the possibility of federal Superfund liability affect your community's efforts to redevelop brownfields (abandoned industrial sites) over the last 5 years? *(Check one.)*

    1. [50] ***Not applicable: Not redeveloping brownfields***
    2. [3] Greatly helped
    3. [10] Somewhat helped
    4. [15] No impact
    5. [7] Somewhat hindered
    6. [4] Greatly hindered
    7. [10] Uncertain
    8. [<1] Other *(Please describe.)*

32. Over the last 5 years, how did the amount of federal infrastructure spending (water, sewer, and transportation) for new development in your region affect your community's efforts to plan for and manage growth? *(Check one.)*

    1. [16] ***Not applicable: No such federal expenditures in our area***
    2. [14] Greatly helped
    3. [36] Somewhat helped
    4. [15] No impact
    5. [6] Somewhat hindered
    6. [3] Greatly hindered
    7. [7] Uncertain
    8. [1] Other *(Please describe.)*

Tell Us More About Your Community

33. If this community is a city government, rather than a county government, which of the following best describes its location in the metropolitan area? *(Check one.)*

    1. [ ] ***Not applicable: We are a county government***
    2. [ ] Central city
    3. [ ] Inner suburb (e.g., adjacent to central city)
    4. [ ] Outer suburb
    5. [ ] City outside metropolitan area
    6. [ ] City in rural area
    7. [ ] Uncertain
    8. [ ] Other *(Please describe.)*

34. If this community is a county government, rather than a city government, which of the following best describes its location in the metropolitan area? *(Check one.)*

    1. [ ] ***Not applicable: We are a city government***
    2. [ ] Urban county
    3. [ ] Suburban county adjacent to central city
    4. [ ] Suburban county not adjacent to central city
    5. [ ] Rural county
    6. [ ] Uncertain
    7. [ ] Other *(Please describe.)*

Options For Changes in Federal Programs

35. Below is a list of changes to federal activities that could affect planning for and managing growth in your community and in neighboring communities in your region. Please indicate to what extent you support or oppose each change. *(Check one for each row.)*

	Strongly support (1)	Generally support (2)	Neutral (3)	Generally oppose (4)	Strongly oppose (5)	Uncertain (6)
A. Target federal funding for infrastructure to areas designated for growth	39	37	11	8	3	1
B. Provide federal funding for regional water quality planning	33	49	15	1	<1	1
C. Ensure that environmental assessments consider how federally-funded projects (e.g., highways) impact growth in the affected communities	30	49	15	3	1	1
D. Require that federal funding for roads and highways be linked with local land use plans	53	37	6	3	1	1
E. Give federal tax incentives to developers who build in areas designated for growth	31	34	20	10	4	2
F. Give federal taxpayers an additional tax benefit for purchasing homes in areas designated for growth	24	31	26	12	4	2
G. Give federal incentives to promote mixed-income housing	25	41	23	7	2	2
H. Expand federal tax benefits for historic properties so that they cover the rehabilitation of residential properties as well as commercial (income producing) properties (now covered)	32	44	18	4	1	2
I. Provide more technical assistance (e.g., mapping) to help communities forecast growth patterns and the impact of development alternatives	29	43	21	5	1	1
J. Limit Superfund liability for developers of brownfields	22	31	32	4	1	10
K. Give developers more federal tax incentives to rebuild on brownfields	31	36	24	2	<1	6

	Strongly support (1)	Generally support (2)	Neutral (3)	Generally oppose (4)	Strongly oppose (5)	Uncertain (6)
L. Increase federal incentives for local governments to pursue "smart growth"	42	42	9	4	2	2
M. Require metropolitan planning organizations (MPO) to represent local governments in proportion to their populations	24	33	21	12	4	5
N. Provide more incentives for communities to pursue regional solutions to managing growth	34	48	12	3	1	1

36. Of the changes listed in Question 35 above, which three (if any) do you support most strongly? (*Write the letters of the items in the boxes below. Order is not important. Use "X" if you think no items are applicable.*)

37. Please add any comments you wish on the issues raised in this survey.

Thank you for participating in our survey.

Survey Results for Counties

This appendix includes our survey questions and the responses of counties in metropolitan areas. See appendixes V and X for our analyses of the topics covered by questions 4, 12, and 36. The only data we used from the responses to question 34 were those needed to calculate the percentage of counties that identified themselves as rural; the other data were not sufficiently reliable to report.

United States General Accounting Office

GAO Survey of Local Growth Issues

Introduction

The U.S. General Accounting Office (GAO) is an agency of the legislative branch that reviews federal programs for the U.S. Congress. We are currently surveying cities and counties in the United States to assess the impact of federal programs on the ability of communities to plan for and manage growth.

Your answers are vital to the accuracy of our review. Without your response, we will not be able to accurately report to the Congress how communities are planning their futures and how the federal government influences their efforts.

It should take about 20 minutes to complete this questionnaire. Please return your completed questionnaire within 10 days of receipt. Your prompt participation will help us avoid costly follow-up mailings. If you have any questions about our survey, please call Kathy Carey of our Washington, D.C., office toll free at 1-877-332-8460 or e-mail her at careyk.rced@gao.gov.

If the return envelope is missing, please mail this questionnaire to:

Kathy Carey
U.S. General Accounting Office
441 G Street NW, Room 2T23
Washington, DC 20548

Thank you for contributing to our study.

Place label here

Please identify the person who completed the survey in case we need to follow up.

Name: _____

Title: _____

Phone: _____

E–mail: _____

By **"community,"** we mean the area under the jurisdiction of your government.

Please base your answers to this survey on the experiences of this community only, as noted on the label on the left side of this page.

1. In your opinion, which of the following best describes the pace of your community's growth and development over the last 10 years? *(Check one.)*

   1. [4] Very slow
   2. [11] Somewhat slow
   3. [19] About right
   4. [31] Somewhat fast
   5. [34] Very fast
   6. [1] Uncertain
   7. [1] Other *(Please describe.)*

2. Which of the following best describes the change you expect in your community's population over the next 10 years? *(Check one.)*

   1. [0] Decrease greatly
   2. [2] Decrease somewhat
   3. [9] Stay about the same
   4. [46] Increase somewhat
   5. [42] Increase greatly
   6. [1] Uncertain
   7. [0] Other *(Please describe.)*

Our community's challenges

3. To what extent do the following challenges currently concern your community? *(Check one for each row.)*

	Not a current concern (1)	Low concern (2)	Moderate concern (3)	High concern (4)	Very high concern (5)	Uncertain (6)
A. Traffic congestion	5	10	32	26	27	0
B. Difficulty attracting new businesses to our community	5	17	33	28	16	<1
C. Overcrowded schools	5	16	39	23	16	<1
D. Greater distances between housing and job opportunities	9	30	35	18	7	1
E. Shortage of affordable housing	6	24	37	20	12	<1
F. Loss of farmland	7	18	31	27	15	1
G. Loss of wildlife habitat and other environmentally sensitive lands	6	23	36	25	10	<1
H. Loss of parkland and other "open spaces"	11	27	32	21	8	<1
I. Loss of historic sites	14	38	31	13	3	<1
J. Unsightly commercial development	6	25	42	20	6	<1
K. Aging infrastructure (e.g., roads, water lines, sewer lines)	3	12	35	32	16	1
L. Need for new infrastructure (e.g., roads, water lines, sewer lines)	1	4	19	41	34	<1
M. Air pollution	9	32	34	17	8	1
N. Water pollution	7	21	36	27	9	<1
O. Scarcity of water resources	18	29	23	18	12	<1

	Not a current concern (1)	Low concern (2)	Moderate concern (3)	High concern (4)	Very high concern (5)	Uncertain (6)
P. Decline of our downtown center(s)	10	20	34	27	8	1
Q. Difficulty redeveloping our abandoned industrial sites	19	29	28	17	6	1
R. Inadequate tax base for supporting our schools and services	5	14	27	31	21	0
S. Lack of job opportunities for our residents	12	25	29	22	12	0
T. Other *(Please describe.)*	0	0	2	6	8	0
U. Other *(Please describe.)*	0	0	<1	4	4	0
V. Other *(Please describe.)*	0	0	<1	1	2	0

4. Of the challenges listed in Question 3 above, which three (if any) are of highest concern to your community? *(Write the letters of the items in the boxes below. Order is not important. Use "X" if you think no items are applicable.)*

5. How much has your government changed its strategies for planning and managing growth over the last 5 years as a result of the concerns described above in Question 3? *(Check one.)*

   1. [6] Little/no change
   2. [16] Some change
   3. [40] Moderate change
   4. [27] Great change
   5. [10] Very great change
   6. [<1] Uncertain
   7. [<1] Other *(Please describe.)*

6. Which of the following best describes your government's *current* approach to planning for and managing growth? *(Check one.)*

   1. [3] Little/no involvement
   2. [9] Some involvement
   3. [29] Moderate involvement
   4. [38] High involvement
   5. [21] Very high involvement
   6. [1] Uncertain
   7. [1] Other *(Please describe.)*

7. Which of the following best describes the involvement you expect your government to have in planning for and managing growth *over the next 5 years*? *(Check one.)*

   1. [1] Little/no involvement
   2. [6] Some involvement
   3. [18] Moderate involvement
   4. [42] High involvement
   5. [32] Very high involvement
   6. [1] Uncertain
   7. [<1] Other *(Please describe.)*

8. To what extent is "sprawl" a concern today in your community? *(Check one.)*

   Various definitions of "sprawl" have included the following:

   - low-density development;
   - development requiring dependence on the automobile;
   - segregated land uses (e.g., commercial, industrial, or residential);
   - large distances and poor access between housing, jobs, and schools;
   - consumption of land occurring at a faster rate than population growth; and
   - consumption of agricultural and/or environmentally sensitive lands.

   1. [5] Not a current concern
   2. [11] Low concern
   3. [31] Moderate concern
   4. [31] High concern
   5. [22] Very high concern
   6. [<1] Uncertain
   7. [<1] Other *(Please describe.)*

9. How much influence does your state government (or state governments that impact you) have on growth and development in your community? *(Check one.)*

   1. [12] Very high
   2. [24] High
   3. [37] Average
   4. [19] Low
   5. [7] Very low/None
   6. [1] Uncertain
   7. [<1] Other *(Please describe.)*

10. How much influence does the federal government have on growth and development in your community? *(Check one.)*

   1. [4] Very high
   2. [13] High
   3. [30] Average
   4. [33] Low
   5. [17] Very low/None
   6. [2] Uncertain
   7. [1] Other *(Please describe.)*

11. What priority, if any, does your community place on the following when planning for its future? *(Check one for each row.)*

	Not a current priority (1)	Low priority (2)	Moderate priority (3)	High priority (4)	Very high priority (5)	Uncertain (6)
A. Attract businesses to our community	1	5	22	43	29	0
B. Attract new development to areas that already have the necessary infrastructure	1	7	26	45	20	1
C. Revitalize our downtown center(s)	8	16	35	27	12	1
D. Increase job opportunities for our residents	2	8	25	41	22	<1
E. Increase our tax base so we can support better schools and roads	2	6	25	38	28	1
F. Enhance our transportation system	2	8	22	39	28	1
G. Improve the environment—clean air, water, and soil	2	11	36	35	16	<1
H. Protect property rights	2	9	41	34	13	1
I. Preserve parks and other open spaces	2	11	40	32	15	<1
J. Maintain a portion of our land for agricultural use	6	16	29	29	18	1
K. Other *(Please describe.)*	0	0	<1	3	4	0
L. Other *(Please describe.)*	0	0	0	1	1	0

12. Of the items listed in Question 11 above, which two (if any) are the highest priorities for your community? *(Write the letters of the items in the boxes below. Order is not important. Use "X" if you think no items are applicable.)*

Tools for Planning and Managing Growth

13. Which of the following categories of tools does your community use? *(Check one for each row.)*

	Yes (1)	No (2)	Uncertain (3)
A. Using a land-use planning document to concentrate development in designated areas	76	20	4
B. Using zoning authority to implement the land-use plan	73	23	3
C. Using zoning authority to allow mixed-use (e.g., commercial/residential) developments	64	31	4
D. Offering local funding (grants and loans) to help offset the costs of infill (e.g., in town) development	18	75	7
E. Offering local tax incentives to encourage infill development	30	64	6
F. Working with adjacent communities on projects addressing growth-related issues	80	16	3
G. Requiring developers to contribute to project-related infrastructure costs through impact fees	39	54	6
H. Targeting state funding for infrastructure to areas designated for development	67	26	6
I. Using state funds to acquire/conserve farm, forest, or environmentally sensitive lands	41	53	5
J. Offering tax incentives to encourage farmers to keep their farmland	35	59	6
K. Other *(Please describe.)*	6	<1	<1
L. Other *(Please describe.)*	3	<1	<1

14. Of the tools listed in Question 13 above, which two (if any) are the most useful to your community in planning for and managing growth? *(Write the letters of the items in the boxes below. Order is not important. Use "X" if you think no items are applicable.)*

A = 48%

B = 47%

The Federal Role

15. Please indicate in Column (A) whether your community uses any of the federal funding available for the purposes listed below. Include federal funding you receive indirectly through the state as well as any federal funding you receive directly. If you do use the federal funding listed below, please indicate in Column (B) the extent to which that type of funding helps your community plan for and manage growth.

Please base your answers on the experiences of this community only.

	(A) Does your community use this federal funding? *(Check one for each row.)*			(B) ***If "used" for Column A:*** How helpful is this funding in planning for and managing growth in this community? *(Check one for each row.)*				
Type of federal funding	Used (1)	Not used (2)	Uncertain (3)	***Not used for planning/ managing growth*** (1)	Not helpful (2)	Somewhat helpful (3)	Very helpful (4)	Uncertain (5)
A. Maintaining highways and bridges	82	11	6	13	3	26	52	2
B. Building/expanding highways and bridges	85	9	5	9	2	26	57	2
C. Public transportation	61	29	8	9	5	36	43	2
D. Transportation alternatives (e.g., bicycle/pedestrian facilities)	52	37	8	11	8	41	34	2
E. Acquiring/conserving open spaces	28	57	12	5	4	41	38	3
F. Water-sewer infrastructure	57	30	10	7	3	28	54	2
G. Conservation easements for natural resources	19	59	19	9	4	45	33	4
H. Historic preservation	39	42	17	11	4	40	36	3
I. Farmland preservation	16	64	17	2	2	43	42	1
J. School construction/ rehabilitation	31	36	29	11	2	31	41	6
K. Affordable housing	68	20	9	8	4	42	35	4

	(A) Does your community use this federal funding? *(Check one for each row.)*			(B) ***If "used" for Column A:*** How helpful is this funding in planning for and managing growth in this community? *(Check one for each row.)*				
Type of federal funding	Used (1)	Not used (2)	Uncertain (3)	***Not used for planning/ managing growth*** (1)	Not helpful (2)	Somewhat helpful (3)	Very helpful (4)	Uncertain (5)
L. Assessing brownfields (abandoned industrial sites) for toxic hazards	21	61	15	9	2	39	45	3
M. Cleaning up brownfields	17	63	17	6	2	34	48	5
N. Revitalizing distressed areas	32	52	13	6	2	44	39	3
O. Other *(Please describe.)*	2	<1	1					
P. Other *(Please describe.)*	<1	<1	1					

16. Of the federal funds listed in question 15 above, which two (if any) were funded at levels lower than needed and therefore most hindered your ability to plan for and manage growth? (*Write the letters of the items in the boxes below. Order is not important. Use "X" if you think no items are applicable.*)

B = 29%

A = 25 %

Please base your answers on the experiences of this community only.

17. Please rate the extent to which the following federal tax policies have helped your community plan for and manage growth **over the last 5 years**. *(Check one for each row.)*

	Impact on your community ***over the last 5 years***				
	No Impact (1)	Somewhat helpful (2)	Very helpful (3)	Extremely helpful (4)	Not applicable/ Uncertain (5)
A. Landowners receive tax benefits if they donate land or development rights for conservation purposes, which affects the preservation of open spaces	27	27	9	5	30
B. Developers can get federal tax credits for low-income and affordable housing projects, which affects the amount of affordable housing	18	36	16	6	24
C. Businesses can get federal tax benefits for locating in selected central cities and other designated areas, which affects infill development	37	15	7	2	38
D. Developers can get federal tax credits for developing brownfields, which affects infill development	42	11	5	2	39
E. Developers can get federal tax credits for rehabilitating historic buildings for income-producing purposes, which affects infill development	30	29	7	3	30

18. Do federal transportation programs provide enough funding **flexibility** for your community to pursue the transit and alternative transportation projects it needs to plan for and manage growth? *(Check one.)*

    1. [21] ***Not applicable: Not pursuing such alternatives***
    2. [4] Definitely yes
    3. [24] Generally yes
    4. [15] Uncertain
    5. [24] Generally no
    6. [10] Definitely no
    7. [1] Other *(Please describe.)*

19. Do federal design standards for roads and bridges provide enough flexibility for your community to pursue the alternatives it needs to plan for and manage growth? *(Check one.)*

    1. [12] ***Not applicable: Have not had projects which needed to comply with federal design standards***
    2. [4] Definitely yes
    3. [34] Generally yes
    4. [26] Uncertain
    5. [16] Generally no
    6. [7] Definitely no
    7. [1] Other *(Please describe.)*

20. Have federal programs provided enough funding flexibility to help your community pursue infill (e.g., in town) development over the last 5 years? *(Check one.)*

    1. [33] ***Not applicable: Not pursuing infill development***
    2. [1] Definitely yes
    3. [8] Generally yes
    4. [26] Uncertain
    5. [22] Generally no
    6. [9] Definitely no
    7. [1] Other *(Please describe.)*

21. In 1997, the Congress lowered federal estate taxes. Since 1997, how have federal estate taxes encouraged or discouraged families in your community that want to keep farms they inherited? *(Check one.)*

    1. [8] ***Not applicable: No farmland in this community → Skip to Question 24.***
    2. [3] Greatly encouraged
    3. [18] Somewhat encouraged
    4. [17] No impact
    5. [2] Somewhat discouraged
    6. [2] Greatly discouraged
    7. [49] Uncertain
    8. [<1] Other *(Please describe.)*

Please base your answers on the experiences of this community only.

22. Federal agencies are required to consider the impact of their programs on the preservation of farmland. Over the last 5 years, how do you rate federal agencies' compliance with these requirements? *(Check one.)*

    1. [0] ***Not applicable: No farmland in this community → Skip to Question 24.***
    2. [21] ***Not applicable: No such federal decisions in this community → Skip to Question 24.***
    3. [1] Excellent
    4. [10] Good
    5. [14] Fair
    6. [8] Poor
    7. [5] Very poor
    8. [38] Uncertain
    9. [<1] Other *(Please describe.)*

23. How did the level of compliance you reported in Question 22 (above) affect your community's ability to plan for and manage growth over the last 5 years? *(Check one.)*

    1. [0] ***Not applicable: No farmland in this community***
    2. [0] ***Not applicable: No such federal decisions in this community***
    3. [1] Greatly helped
    4. [13] Somewhat helped
    5. [23] No impact
    6. [8] Somewhat hindered
    7. [4] Greatly hindered
    8. [45] Uncertain
    9. [6] Other *(Please describe.)*

24. Over the last 5 years, has the U.S. Postal Service *considered* relocating or *planned* to relocate facilities outside your community's central business district? *(Check one.)*

    1. [32] Yes → ***Continue with next question.***
    2. [51] No → ***Skip to Question 27.***
    3. [15] Uncertain → ***Skip to Question 27.***

25. Over the last 5 years, did the U.S. Postal Service *actually* relocate facilities outside your community's central business district(s)? *(Check one.)*

    1. [76] Yes → ***Continue with next question.***
    2. [22] No → ***Skip to Question 27.***
    3. [2] Uncertain → ***Skip to Question 27.***

26. In your opinion, what effect did this relocation of postal facilities have on your community's ability to plan for and manage growth? *(Check one.)*

    1. [0] ***Not applicable: No postal relocations in last 5 years***
    2. [14] Very positive
    3. [15] Somewhat positive
    4. [21] Both positive and negative
    5. [20] Somewhat negative
    6. [13] Very negative
    7. [11] Uncertain
    8. [5] Other *(Please describe.)*

27. Federal agencies (other than the U.S. Postal Service) are required to first consider locations in central business areas when making ***urban*** relocation decisions. How do you rate federal agencies' compliance with these requirements over the last 5 years? *(Check one.)*

    1. [19] ***Not applicable: We are not an urban area → Skip to Question 29.***
    2. [35] ***Not applicable: No relevant federal agency relocations over last 5 years → Skip to Question 29.***
    3. [2] Excellent
    4. [12] Good
    5. [8] Fair
    6. [5] Poor
    7. [3] Very poor
    8. [16] Uncertain
    9. [<1] Other *(Please describe.)*

28. How did the level of compliance you reported in Question 27 (above) affect your community's ability to plan for and manage growth over the last 5 years? (Check one.)

    1. [0] ***Not applicable: No relevant federal agency relocations over last 5 years***
    2. [4] Greatly helped
    3. [16] Somewhat helped
    4. [29] No impact
    5. [10] Somewhat hindered
    6. [4] Greatly hindered
    7. [31] Uncertain
    8. [1] Other *(Please describe.)*

29. Considering the last 5 years, how do you rate coordination between federal agencies and your community's government on federal activities? *(Check one.)*

    1. [15] ***Not applicable: No relevant federal activities over last 5 years → Skip to Question 31***
    2. [3] Excellent
    3. [27] Good
    4. [30] Fair
    5. [10] Poor
    6. [4] Very poor
    7. [8] Uncertain
    8. [<1] Other *(Please describe.)*

30. To what extent did this coordination between federal agencies and your community's government (as reported in Question 29 above) help or hinder your community's ability to plan for and manage growth over the last 5 years? *(Check one.)*

    1. [0] ***Not applicable: No relevant federal activities over last 5 years***
    2. [9] Greatly helped
    3. [29] Somewhat helped
    4. [24] No impact
    5. [18] Somewhat hindered
    6. [4] Greatly hindered
    7. [13] Uncertain
    8. [<1] Other *(Please describe.)*

31. How did the possibility of federal Superfund liability affect your community's efforts to redevelop brownfields (abandoned industrial sites) over the last 5 years? *(Check one.)*

1. [51] ***Not applicable: Not redeveloping brownfields***
2. [3] Greatly helped
3. [10] Somewhat helped
4. [13] No impact
5. [6] Somewhat hindered
6. [4] Greatly hindered
7. [14] Uncertain
8. [<1] Other *(Please describe.)*

32. Over the last 5 years, how did the amount of federal infrastructure spending (water, sewer, and transportation) for new development in your region affect your community's efforts to plan for and manage growth? *(Check one.)*

1. [12] ***Not applicable: No such federal expenditures in our area***
2. [16] Greatly helped
3. [38] Somewhat helped
4. [13] No impact
5. [5] Somewhat hindered
6. [3] Greatly hindered
7. [11] Uncertain
8. [1] Other *(Please describe.)*

Tell Us More About Your Community

33. If this community is a city government, rather than a county government, which of the following best describes its location in the metropolitan area? *(Check one.)*

    1. [ ] ***Not applicable: We are a county government***
    2. [ ] Central city
    3. [ ] Inner suburb (e.g., adjacent to central city)
    4. [ ] Outer suburb
    5. [ ] City outside metropolitan area
    6. [ ] City in rural area
    7. [ ] Uncertain
    8. [ ] Other *(Please describe.)*

34. If this community is a county government, rather than a city government, which of the following best describes its location in the metropolitan area? *(Check one.)*

    1. [ ] ***Not applicable: We are a city government***
    2. [ ] Urban county
    3. [ ] Suburban county adjacent to central city
    4. [ ] Suburban county not adjacent to central city
    5. [27] Rural county
    6. [ ] Uncertain
    7. [73] Other *(Please describe.)*

Options For Changes in Federal Programs

35. Below is a list of changes to federal activities that could affect planning for and managing growth in your community and in neighboring communities in your region. Please indicate to what extent you support or oppose each change. *(Check one for each row.)*

	Strongly support (1)	Generally support (2)	Neutral (3)	Generally oppose (4)	Strongly oppose (5)	Uncertain (6)
A. Target federal funding for infrastructure to areas designated for growth	47	37	8	4	2	2
B. Provide federal funding for regional water quality planning	47	41	9	1	1	1
C. Ensure that environmental assessments consider how federally-funded projects (e.g., highways) impact growth in the affected communities	29	49	14	4	1	1
D. Require that federal funding for roads and highways be linked with local land use plans	49	36	8	3	1	1
E. Give federal tax incentives to developers who build in areas designated for growth	25	39	24	8	1	2
F. Give federal taxpayers an additional tax benefit for purchasing homes in areas designated for growth	20	33	31	12	2	2
G. Give federal incentives to promote mixed-income housing	16	34	33	10	3	3
H. Expand federal tax benefits for historic properties so that they cover the rehabilitation of residential properties as well as commercial (income producing) properties (now covered)	22	42	26	5	2	1
I. Provide more technical assistance (e.g., mapping) to help communities forecast growth patterns and the impact of development alternatives	37	42	16	3	1	1
J. Limit Superfund liability for developers of brownfields	16	29	36	7	1	10
K. Give developers more federal tax incentives to rebuild on brownfields	22	32	32	3	2	7

	Strongly support (1)	Generally support (2)	Neutral (3)	Generally oppose (4)	Strongly oppose (5)	Uncertain (6)
L. Increase federal incentives for local governments to pursue "smart growth"	45	39	9	3	2	2
M. Require metropolitan planning organizations (MPO) to represent local governments in proportion to their populations	17	33	24	13	6	5
N. Provide more incentives for communities to pursue regional solutions to managing growth	39	45	10	3	2	1

36. Of the changes listed in Question 35 above, which three (if any) do you support most strongly? (*Write the letters of the items in the boxes below. Order is not important. Use "X" if you think no items are applicable.*)

37. Please add any comments you wish on the issues raised in this survey.

Thank you for participating in our survey.

Objectives, Scope, and Methodology

Concerned about how federal programs and policies influence local efforts to plan for and manage growth, Senators James Jeffords and Carl Levin, Representative Diana DeGette, and Chairman Bud Shuster, House Committee on Transportation and Infrastructure, asked us to identify (1) growth-related challenges facing local communities, (2) the tools and techniques that state and local governments are using to help plan for and manage growth in their communities, and (3) federal programs and policies that state and local governments believe serve as barriers or aids in their efforts to plan more effectively for and manage growth. To meet these objectives, we surveyed 1,926 local communities, visited five metropolitan areas, and reviewed publicly available information on growth issues.

Mail Survey

We conducted a nationwide survey of 1,926 local communities—768 counties located in metropolitan areas and 1,158 cities with populations over 25,000. Our survey was designed to obtain information on (1) growth-related challenges facing local communities, (2) tools and techniques that state and local governments are using to help plan for and manage growth in their communities, and (3) federal programs and policies that state and local governments believe serve as barriers or aids in their efforts to plan for and manage growth. We used our previous work, interviews with state and local officials, and input from organizations that are interested in local growth issues to determine which topics to include in the survey. The organizations that we obtained input from included the American Planning Association, Brookings Institution, Heritage Foundation, National Association of Home Builders, Natural Resources Defense Council, Urban Land Institute, and White House Task Force on Livable Communities. We also obtained input from the National Association of Counties and U.S. Conference of Mayors, which represent local governments.

We pretested the questionnaire with city and county officials in the Detroit, San Diego, Chattanooga, and Washington, D.C., metropolitan areas. Each pretest consisted of a visit by GAO staff. During these visits, we simulated the actual survey experience by asking city or county officials to fill out the questionnaire. We interviewed local officials after they had completed the questionnaire to ensure that (1) the questions were readable and clear, (2) the terms used were precise, (3) the questionnaire did not place an undue burden on the agency officials completing it, and (4) the questionnaire was independent and unbiased.

To identify the counties located in metropolitan areas, we obtained the list of metropolitan areas, as of June 1999, published by the Office of Management and Budget (OMB).[1] From this list, we determined that 848 counties are located in metropolitan areas. We eliminated 80 of these counties from our mailing list because they were (1) part of combined city/county governments that operated primarily as cities, (2) county areas with no county governments, or (3) counties that performed very limited functions. Many of the counties we eliminated were in New England, since the counties in several New England states—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont—either have no county government or perform very limited functions.

To identify the cities with populations over 25,000, we used the Census of Governments, published by the U.S. Bureau of the Census in 1997. From this document, we determined that the total number of cities in the United States is 19,372. Of these, we determined that 1,158 had populations of 25,000 or more.

When possible, we mailed the questionnaire to the top appointed official in the city or county, generally the city manager or county administrator. When we could not determine who served in that capacity, we mailed the questionnaire to the mayor or head of the county commission and asked to have the top appointed official in the jurisdiction complete the survey. To maximize the rate of response to our survey, we mailed a prenotification letter to all of the survey recipients about 1 week before we mailed the surveys. We also sent a reminder letter to nonrespondents about 3 weeks after mailing the initial survey and a replacement survey to those who had not responded after about 6 weeks.

About 81 percent of the local communities on our mailing list—949 cities and 609 counties—responded to the survey. To analyze the survey responses, we divided the cities and counties into several different groups. For example, we used OMB's list of metropolitan areas to identify and report the responses of "central cities"—those cities within larger metropolitan areas that meet certain population and employment characteristics established by the Bureau of the Census. We also identified

[1]The Office of Management and Budget defines metropolitan areas following the official standards published in the *Federal Register* (55 FR 12154-12160) on March 30, 1990. Metropolitan areas comprise metropolitan statistical areas, consolidated metropolitan statistical areas, and primary metropolitan statistical areas.

the responses of noncentral cities—other cities within metropolitan areas, as well as some municipalities outside metropolitan areas. Of the counties in metropolitan areas responding to our survey, 27 percent defined themselves as rural counties; we, therefore, identified responses for both rural and nonrural counties—the latter category including urban and suburban counties.

The results of our survey are available at www.gao.gov/special.pubs/lgi/. The site lists the topics covered by our survey and provides the responses given to each question by the cities and counties we surveyed. This site also provides responses for each of the subpopulations we identified (rural and nonrural counties; central and noncentral cities) as well as the responses of cities and counties in each state.

Site Visits

To obtain specific examples of how federal programs influence local efforts to plan for and manage growth, we visited five metropolitan areas—Albuquerque, New Mexico; Atlanta, Georgia; Burlington, Vermont; Columbus, Ohio; and Fresno, California. We selected these metropolitan areas to include a cross-section of areas in terms of the size of the metropolitan area; number of political jurisdictions; level of smart growth activity; level of press attention; variety of tools and techniques used; and potential federal issues.

During each of these site visits, we interviewed state, regional, local, and community or business officials. We asked them about the growth challenges facing their communities, the tools and techniques they use to plan for and manage growth, the federal programs that help and hinder their efforts to plan for and manage growth, and options for changes in federal programs. We obtained and reviewed documents describing the tools used to plan for and manage growth and the federal role in local growth issues.

Publicly Available Information

We reviewed data from the Bureau of the Census on the implications of metropolitan growth to obtain information on the challenges facing local governments. To obtain information on the tools that local governments are using to plan for and manage growth, we reviewed literature published by states, local governments, federal agencies, and interest groups such as issues of the Smart Growth News published by the Urban Land Institute. We focused on describing a variety of tools and techniques rather than

providing an all-inclusive list of what local governments are doing to plan for and manage growth.

We conducted our work from July 1999 through June 2000 in accordance with generally accepted government auditing standards.

Background

According to the U.S. Bureau of the Census, the population of the United States will increase by almost 50 percent over the next 50 years. This growth in population will increase the demand for development and pose certain challenges, including further land consumption and more traffic. Ultimately, where growth and development occurs is a result of consumer preferences, market forces, and public policies. Local governments play the lead role in planning for and managing growth. While the federal role is comparatively small, the federal government influences local growth decisions through spending programs, tax policies, regulatory activity, and administrative actions.

Population Projections Show That Growth Is Inevitable

Given current population projections for the United States, growth is inevitable. The Bureau of the Census has predicted a population increase of nearly 50 percent by 2050—from 273 million in 1999 to 404 million by 2050. In California alone, the population increase in a little over 30 years is expected to match the current population of New York State. See table 1 in the letter for projected population increases in 10 states.

Population Growth Brings Development and Challenges

Population increases mean greater demand for residential, commercial, and industrial development. For instance, the National Association of Home Builders predicts that home builders will have to supply between 1.3 million and 1.5 million new homes per year throughout this decade.[1] At the same time, population increases can mean greater land consumption and traffic congestion—and their related costs. Historically, both land consumption and traffic have increased faster than population.

Land Consumption

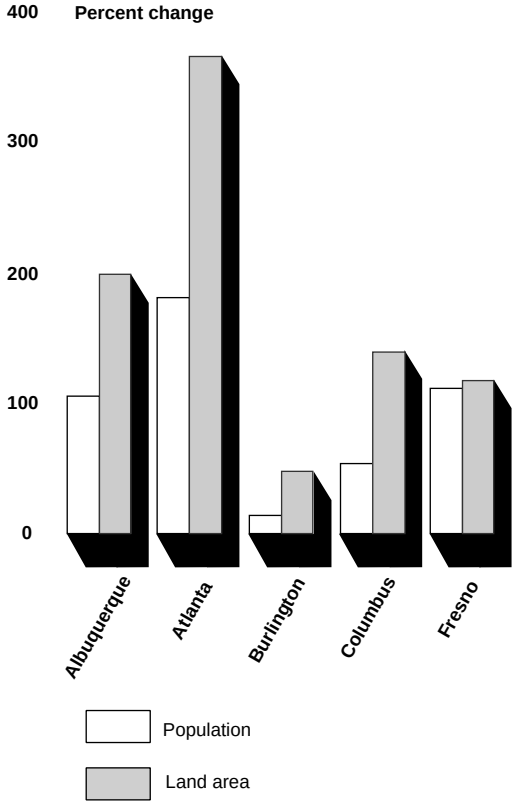
In the United States as a whole, land consumption exceeded population growth between 1970 and 1990. Specifically, the amount of developed land in metropolitan areas grew by 74 percent, while the population grew by 31 percent. Moreover, in one 15-year period, about 30 million acres of nonfederal land were developed, according to the U.S. Department of Agriculture (USDA).[2] The same patterns of growth occurred in each of the

[1] *Smart Growth: Building Better Places to Live, Work, and Play*, National Association of Home Builders (Washington, D.C.: 1999).

[2] According to preliminary data from the 1997 National Resources Inventory.

five metropolitan areas we visited, as shown in figure 6. In the Atlanta, Georgia, urbanized area (the largest metropolitan area we visited), the amount of developed land increased by 366 percent between 1960 and 1990, while the population grew by 181 percent during the same period. Similarly, in the Burlington, Vermont, urbanized area (the smallest metropolitan area we visited), the rate of land consumption was more than three times the rate of population growth between 1980 and 1990.

Figure 6: Change in Population and Developed Land Area in Five Urbanized Areas, 1960-90



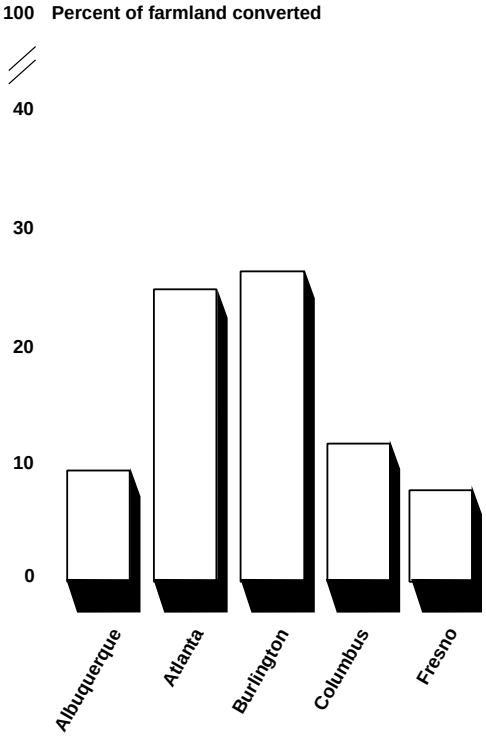
Note: The change in population and land area for the Burlington urbanized area occurred between 1980 and 1990. Burlington did not become an urbanized area until 1980.

Source: GAO's analysis of data from the Bureau of the Census.

According to USDA, most of the land developed for residential or commercial purposes between 1982 and 1997 had previously been

forestland or cropland. Although USDA does not consider urbanization a threat to food production nationally, it has stated that urbanization and development lead to the fragmentation of agricultural land and the loss of prime farmland. The American Farmland Trust reported in March 1997 that about 4.3 million acres of prime or unique farmland were converted to urban uses between 1982 and 1992. As shown in figure 7, a quarter of all the farmland in two of the metropolitan areas we visited—Atlanta and Burlington—was converted between 1982 and 1997.

Figure 7: Farmland Converted in Five Metropolitan Areas, 1982-97



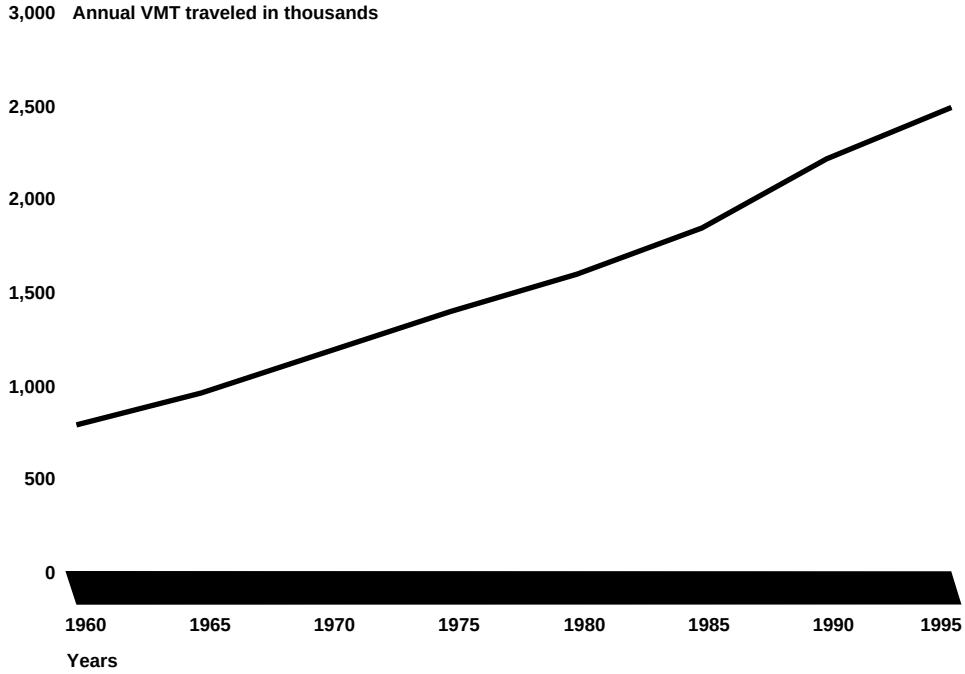
Source: GAO's analysis of data from the National Agricultural Statistics Service.

Projected U.S. population increases mean that more land will be used for development. For example, according to the American Farmland Trust, projected population increases in California's Central Valley—where the population is expected to triple by 2040—will put pressure on agricultural land. Low-density development is projected to consume more than 1 million acres of Central Valley farmland by 2040.

Traffic Congestion

While the population of the United States grew by 45 percent between 1960 and 1995, the amount of driving Americans did increased by 237 percent during the same period. By 1998, drivers in the large metropolitan areas[3] with the most daily vehicle miles traveled per capita—Houston, Nashville, and Atlanta—were traveling over 35 miles a day. Figure 8 illustrates the growth in U.S. vehicle miles traveled.

Figure 8: Annual Vehicle Miles Traveled, 1960-95



Source: Highway Statistics Summary to 1995, Federal Highway Administration (1997).

[3]Urbanized areas with more than 500,000 persons.

Moreover, a study by the Texas Transportation Institute of changes in urban mobility between 1982 and 1997 showed that congestion levels and travel times increased substantially over time. In 1982, 65 percent of the peak-period travel in the 68 urban areas studied was uncongested. By 1997, only 36 percent of such travel in the same urban areas was uncongested. By 1997, traffic congestion was such that drivers in 51 of the 68 urban areas studied spent at least half a work week (20 hours) every year stuck in traffic. In the Los Angeles metropolitan area, drivers spent the equivalent of 82 hours a year stuck in traffic.[4] Traffic will increase and traffic congestion may worsen as the nation's population increases. The Department of Transportation projects that the average annual growth in vehicle miles traveled will be 2.35 percent in rural areas and 2.04 percent in urban areas between 1998 and 2017.

Growth and Development Reflect Consumer Preferences, Market Forces, and Public Policies

Since 1970, the percentage of Americans living in metropolitan areas has increased, and most of that growth has occurred in the suburbs. Between 1970 and 1990, the number of Americans living in metropolitan areas grew by 42 percent. As metropolitan areas have grown, the suburbs have grown faster than the central cities. The population of metropolitan areas outside central cities grew by 52 percent between 1970 and 1990, while the population within central cities grew by only 22 percent. Between 1990 and 1998 alone, the population of metropolitan areas outside central cities grew by 12.5 percent, while the population inside central cities grew by just 3.9 percent. In addition, suburban migration has resulted in the establishment of major employment centers outside traditional urban downtown business districts—the sometimes called "edge cities."[5] Since 1980, the largest amount of commuter traffic in metropolitan areas has been from suburb to suburb. In 1990, nearly 39 million commuters traveled from suburb to suburb, more than twice the number commuting from the suburbs to the central city.

[4]David Schrank and Tim Lomax, *The 1999 Annual Mobility Report*, Texas Transportation Institute, Texas A&M University (College Station, Tx: 1999).

[5]Jel Garreau. *Edge City: Life on the New Frontier*, Doubleday (New York: 1991).

Survey results have indicated that Americans prefer to live in suburbs or outside metropolitan areas. Seventy percent of those responding to a 1997 Fannie Mae survey said they would prefer to live in a suburb near a large city, a small town not near a city, or a rural area.[6] Only 9 percent of the respondents said they would prefer to live in a large city. Furthermore, when asked where they would consider buying a home, 70 percent said they would consider buying a home in a suburb near a large city; only 39 percent said they would consider buying a home in the major city closest to their current residence. According to the Bureau of the Census, the rate of homeownership in central cities was 50 percent in 1997, compared with a rate of 73 percent for suburbs within metropolitan areas and 74 percent for localities outside of metropolitan areas.

Consumer demand and other market forces influence where new homes, stores, and office buildings are built. Recent new home building statistics indicate that most of the market for housing is on the fringe of metropolitan areas rather than in central cities and inner suburbs. Harvard University's Joint Center for Housing Studies reported that most of the home building activity that took place between 1990 and 1997 occurred in medium- and lower-density counties on the fringe of metropolitan areas or right outside metropolitan areas.[7] Developers choose locations on the outskirts of metropolitan areas for several reasons, most related to the fact that building on the outskirts of a metropolitan area is usually cheaper and easier than building in cities. As noted by the Vermont Forum on Sprawl,

- land costs tend to be lower,
- property title problems are less of a concern,
- permitting is less complex and time-consuming,
- land-use and building zoning may be less restrictive,
- site preparation is simpler,
- construction is simpler,
- suburban buildings can be bigger, and
- parking space is ample.

[6] *National Housing Survey*, Fannie Mae, (Washington, D.C.: Fannie Mae, 1997).

[7] *The State of the Nation's Housing: 1999*, Joint Center for Housing Studies, Graduate School of Design, John F. Kennedy School of Government, Harvard University (Cambridge, Mass.: 1999).

Finally, public policies interact with consumer preferences and market forces to influence how communities grow and develop. State and local governments are primarily responsible for land-use decisions. They plan for and manage growth through a variety of tools and techniques ranging from legislation to land-use ordinances and funding and tax incentives (discussed in the following section and in app. VI). The federal government influences local growth through various programs and policies; however, as we reported in April 1999, little quantitative evidence exists to support the extent to which this is so, and the level of federal influence on growth and "urban sprawl" is difficult to determine.[8]

While growth and development are essential to the economic viability of communities, some local governments are questioning the costs, discussed earlier, of development activity occurring farther from metropolitan cores instead of in central cities and the established communities surrounding them. As a result, local governments are increasingly pursuing "smart growth." "Smart growth" seeks to encourage more compact growth in metropolitan areas and to make urban living more appealing to their residents by making connections between development, quality of life, resources, and needs. While smart growth manifests itself in different ways in different communities, in general, smart growth efforts include (1) transit- and pedestrian-oriented development, (2) development that fills in vacant or underused land in existing cities—often called "infill development," and (3) preserving agricultural and environmentally sensitive lands. The Smart Growth Network, a coalition of public sector, private sector, and non-profit organizations, which encourages environmentally and fiscally responsible development decisions, has developed the following principles of "smart growth":

- mixing land uses;
- taking advantage of compact building design;
- creating housing opportunities and choices for a range of household types, family sizes, and incomes;
- creating walkable neighborhoods;
- fostering distinctive, attractive communities with a strong sense of place;
- preserving open space, farmland, natural beauty, historic buildings and critical environmental areas;

[8]*Community Development: Extent of Federal Influence on "Urban Sprawl" Is Unclear* (GAO/RCED-99-87, Apr. 30, 1999).

- reinvesting in and strengthening existing communities and achieving more balanced regional development;
- providing a variety of transportation choices;
- making development decisions predictable, fair, and cost-effective; and
- encouraging citizens' and stakeholders' participation in development decisions.

A January 1999 study of growth-related ballot measures put to the vote on Election Day 1998 identified 240 state and local measures related to conservation, parklands, and smarter growth.[9] The measures proposed funding for land acquisition and the restoration of habitat for endangered species, funding for trails and greenways linking cities and rural areas, and funding for the renovation of facilities in older cities. The voters approved 72 percent of these measures, which will provide more than $7.5 billion in additional state and local conservation spending.

State, Regional, Local, and Federal Roles in Planning For and Managing Growth

Traditionally, state and local governments have played the major role in planning for and managing growth. The states have inherent powers to regulate land use, although they generally delegate certain authorities, including zoning, to local governments. Each state has passed some form of planning legislation. These planning laws tend to include, at a minimum, requirements that local governments, when preparing plans, include policies on land use, transportation, community facilities, and agriculture/open space. Although all states have some form of planning legislation, they vary in the degree to which they influence local efforts to plan for and manage growth. For instance, only 15 states require local governments to prepare land-use plans.

At least 45 states have regional governance structures, in the form of councils of governments, planning commissions, and development districts. These regional organizations are public entities, established by two or more independent local governments to plan, coordinate, and/or deliver services on behalf of their states or local government members. Regional organizations are involved in economic development, transportation, environmental, and housing activities, among others. For example, the Intermodal Surface Transportation Efficiency Act of 1991

[9]Phyllis Myers, *Livability at the Ballot Box: State and Local Referenda on Parks, Conservation, and Smarter Growth, Election Day 1998*, Brookings Institute on Urban and Metropolitan Policy (Washington, D.C.: Jan. 1999).

(ISTEA) and the Transportation Equity Act for the 21st Century (TEA-21) authorized metropolitan planning organizations—for metropolitan areas with populations over 50,000—to do planning and set priorities for spending federal transportation funding.

The primary responsibility for planning for and managing growth lies with local governments. As the entities principally responsible for land-use planning, local governments project land-use needs, identify available land for development, determine how land identified for development should be used, decide what infrastructure is needed to facilitate development, and establish the criteria used to evaluate development proposals. Local governments also, in some cases, manage growth—that is, guide the location and timing of development.

Compared with state and local governments, the federal government plays a limited role in planning for and managing local growth. In communities where the federal government has facilities or owns land, its influence may be substantial. In most communities, though, the federal government affects local growth decisions indirectly, through its spending programs, tax policies, regulatory activity, and administrative actions, as the following examples show:

- The federal government provides funding for transportation, water, and sewer systems and funding for revitalizing distressed areas. These spending programs can increase economic activity and facilitate development.
- Federal tax laws can influence where businesses decide to locate, what size homes people buy, and whether persons inheriting family farms can afford to keep them.
- Federal regulations establish air and water quality standards and require assessments of the environmental impact of planned major federally funded projects.
- Federal administrative actions affect where federal agencies and postal facilities are located. For example, the federal government requires its agencies to give first consideration to central business areas when making urban location decisions.

Communities' Challenges

Diverse communities face a variety of growth-related challenges, including the need for economic development, loss of farmland, air pollution, and a scarcity of water resources. For instance, officials in the Fresno and Columbus metropolitan areas are concerned about preserving prime agricultural land while officials in the Atlanta region are concerned about air quality problems. According to our survey results, the need for new infrastructure, aging infrastructure, traffic congestion, and an inadequate tax base for supporting schools and services are the top growth-related challenges facing both cities and counties across the United States. While many of the communities that responded to our survey were concerned about "sprawl," a greater percentage of larger cities and nonrural counties were concerned about "sprawl" than other communities.

Local Communities Face Diverse Growth-Related Challenges

Diverse communities face a variety of growth-related challenges. While many communities are concerned about economic development, attracting businesses and jobs is a greater challenge for central cities and rural communities. Finding ways to cover the cost of new infrastructure is a challenge for suburban cities. Many large urban areas are dealing with traffic congestion and air quality problems, while rural areas are trying to maintain prime agricultural land. Communities in fast-growing states such as California face different challenges from those in states such as West Virginia, whose population is expected to increase by less than 1 percent between 1995 and 2025. Information we obtained during visits to five metropolitan areas—Albuquerque, New Mexico; Atlanta, Georgia; Burlington, Vermont; Columbus, Ohio; and Fresno, California—illustrates the variety of growth-related challenges that local communities face. For instance, the challenges facing a large urban area such as Atlanta are very different from those encountered in a predominantly rural area such as Burlington. Table 2 outlines some of the growth-related challenges facing the metropolitan areas we visited.

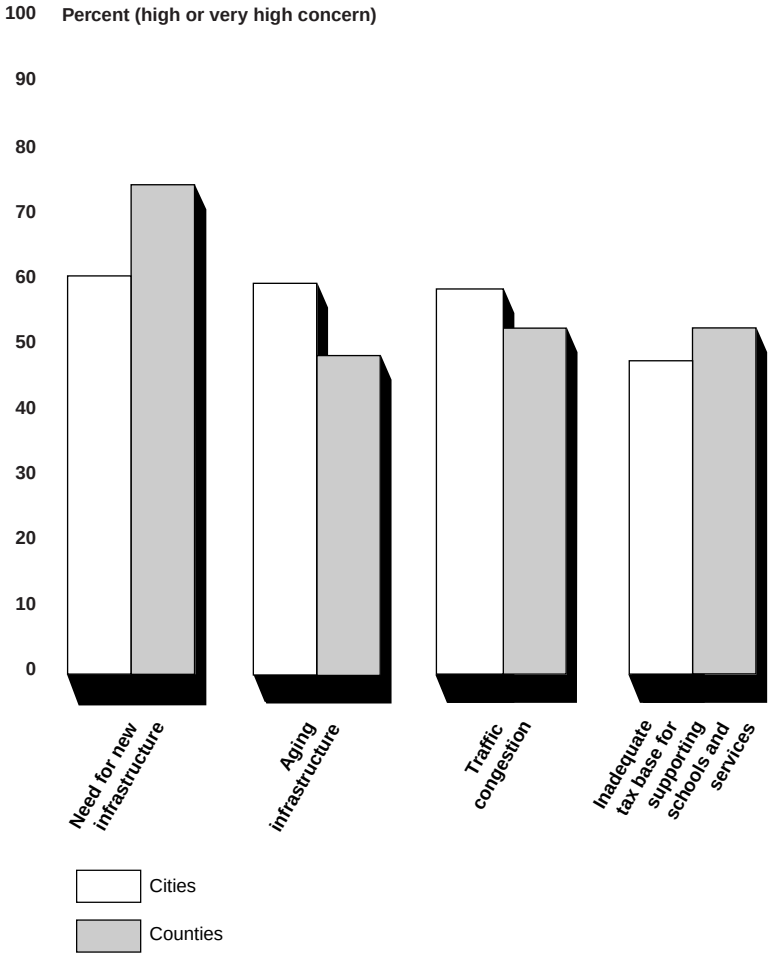
Table 2: Growth-Related Challenges Facing the Five Metropolitan Areas We Visited

Metropolitan area	Growth-related challenges
Albuquerque, New Mexico	Providing enough water to support growth Conducting land-use planning in an area surrounded on three sides by federal and tribal land
Atlanta, Georgia	Addressing an average daily commute that is among the highest in the nation Improving air quality in an area where ozone pollution exceeds the Clean Air Act Standard
Burlington, Vermont	Maintaining the area's rural character Maintaining traditional downtown centers and villages
Columbus, Ohio	Preserving farmland Providing the water-sewer infrastructure needed to support growth
Fresno, California	Preserving prime agricultural land in the metropolitan area—which includes the highest-producing agricultural county in the nation Maintaining an adequate water supply

The Top Growth-Related Challenges Reported by Local Communities Are Infrastructure Needs and Traffic Congestion

The cities and counties responding to our survey most often cited the need for new infrastructure, aging infrastructure, traffic congestion, and an inadequate tax base for supporting schools and services as high or very high concerns. Other challenges, such as overcrowded schools, a shortage of affordable housing, and air and water pollution, were identified as high or very high concerns by fewer communities. Although cities and counties as a whole identified the same top four growth-related challenges (see fig. 9), there were some differences between the challenges of larger and smaller cities, central and noncentral cities, and rural and nonrural counties.

Figure 9: Top Four Growth-Related Challenges Reported by Cities and Counties



The challenge that was a high or very high concern to the greatest percentage of responding cities and counties was the need for new infrastructure. Sixty-one percent of the cities reported that it was a high or very high concern. An even greater percentage of the cities with populations of 200,000 or more (75 percent) reported that the need for new infrastructure was a high or very high concern. While the need for new infrastructure was a high or very high concern for 75 percent of the counties, it was slightly more of an issue for the counties that identified themselves as rural (79 percent).

As shown in figure 9, many cities and counties also reported that aging infrastructure was a high or very high concern in their communities. Once again, the percentage of cities with populations over 200,000 that reported it was a high or very high concern (73 percent) was greater than the percentage of cities with populations of less than 200,000 (59 percent). Two-thirds of the central cities also reported that aging infrastructure was a high or very high concern, compared with 55 percent of the noncentral cities. The percentage of rural counties that reported aging infrastructure was a high or very high concern (55 percent) was higher than the percentage of nonrural counties (46 percent).

Although about half of the responding cities and counties reported that an inadequate tax base for supporting schools and services was a high or very high concern, a greater percentage of the larger cities, central cities, and rural counties were concerned about an inadequate tax base. Fifty-eight percent of the cities with populations over 200,000 reported that an inadequate tax base was a high or very high concern, compared with 47 percent of the cities with populations below 200,000. In addition, 54 percent of the central cities reported it as a high or very high concern, compared with 43 percent of the noncentral cities. Sixty-two percent of the rural counties and 49 percent of the nonrural counties reported that an inadequate tax base was a high or very high concern.

Over half of the cities (59 percent) and counties (53 percent) responding to our survey reported that traffic congestion was a high or very high concern. While about the same percentage of cities with populations above and below 200,000 reported it as a concern, 65 percent of the noncentral cities—compared with 52 percent of the central cities—reported it as a high or very high concern. It was also a far greater concern for nonrural counties (61 percent) than for rural counties (32 percent).

Communities Are Also Concerned About "Sprawl"

Growth has led many communities to be concerned about "sprawl." While the definition of "sprawl" is in the eye of the beholder, in surveying local communities, we indicated that various definitions exist, including the following: (1) low-density development; (2) development requiring dependence on the automobile; (3) segregated land uses (e.g., commercial, industrial, or residential); (4) large distances and poor access between housing, jobs, and schools; (5) consumption of land occurring at a faster rate than population growth; and (6) consumption of agricultural and/or environmentally sensitive lands.

When asked about the extent to which "sprawl" is a concern in their communities,

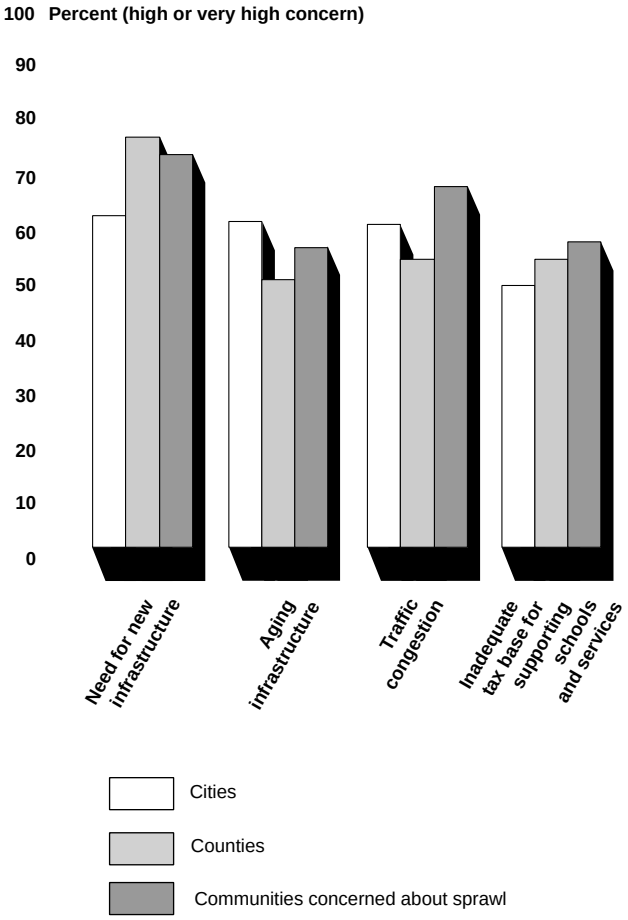
- 53 percent of the counties and 35 percent of the cities responding to our survey said that "sprawl" was a high or very high concern,
- 31 percent of the counties and 29 percent of the cities said that "sprawl" was a moderate concern, and
- 16 percent of the counties and 35 percent of the cities said that "sprawl" was not a current concern or a low concern.

Larger cities and nonrural counties were more likely to be concerned about "sprawl" than smaller cities or rural counties. While a third of the cities overall said that "sprawl" was a high or very high concern in their communities, 52 percent of the cities with populations over 200,000 said that "sprawl" was a high or very high concern. A significant percentage of the counties that characterized themselves as rural (44 percent) were concerned about "sprawl." However, a greater percentage of counties that characterized themselves as other than rural (56 percent) said that "sprawl" was a high or very high concern.

Communities expressing high or very high levels of concern about "sprawl"—hereafter referred to as communities concerned about "sprawl"—have grown rapidly in the past and expect to grow more in the future. About 66 percent of these communities reported that growth and development over the last 10 years had occurred at a somewhat or very fast pace, compared with about 46 percent of other communities. About 34 percent of the communities concerned about "sprawl" characterized the pace of growth and development over the last 10 years as very fast. In addition, 41 percent of these communities expected their populations to increase greatly over the next 10 years, compared with 23 percent of other communities.

Knowing that communities concerned about "sprawl" have grown rapidly in the past and expect to grow more in the future, we compared their top growth-related challenges with those of cities and counties as a whole (see fig. 10). While the top four challenges were the same for the three groups, the percentage of communities concerned about "sprawl" that identified traffic congestion and an inadequate tax base for supporting schools and services as a high or very high concern was greater than the percentages of cities and counties as a whole.

Figure 10: Communities' Top Four Growth-Related Challenges

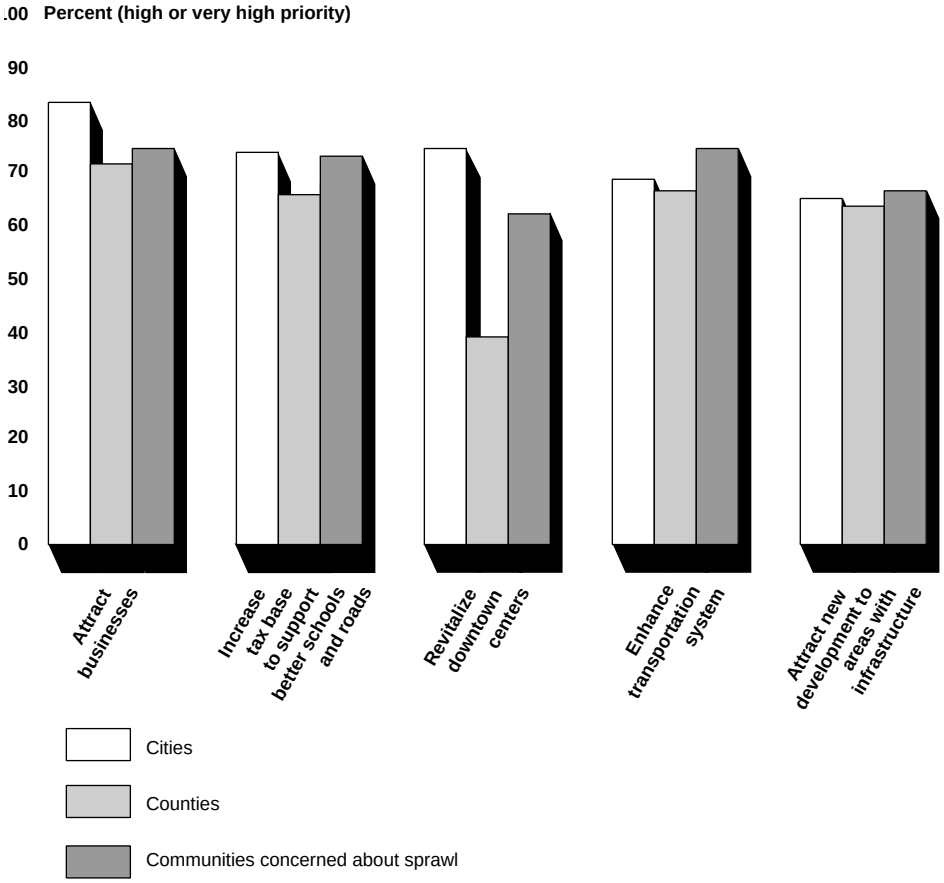


Local Planning Priorities Reflect the Challenges Facing Communities

According to our survey results, the priorities that local communities give to certain goals when planning for the future reflect the challenges they are facing. Different communities have different planning priorities; nevertheless, according to our survey results, the priorities most frequently cited by communities were related to economic development. As shown in figure 11, the top priorities—based on the goals that the largest number of communities reported as a high or very high priority—were attracting businesses to their communities, increasing their tax base to support better schools and roads, revitalizing their downtown centers, enhancing their transportation systems, and attracting new development to areas that

already have the necessary infrastructure. Other goals, such as improving the environment and protecting property rights, were identified by fewer communities as a high or very high priority, even though at least three-quarters of the responding communities reported that 8 of the 10 items we asked about were at least a moderate priority.

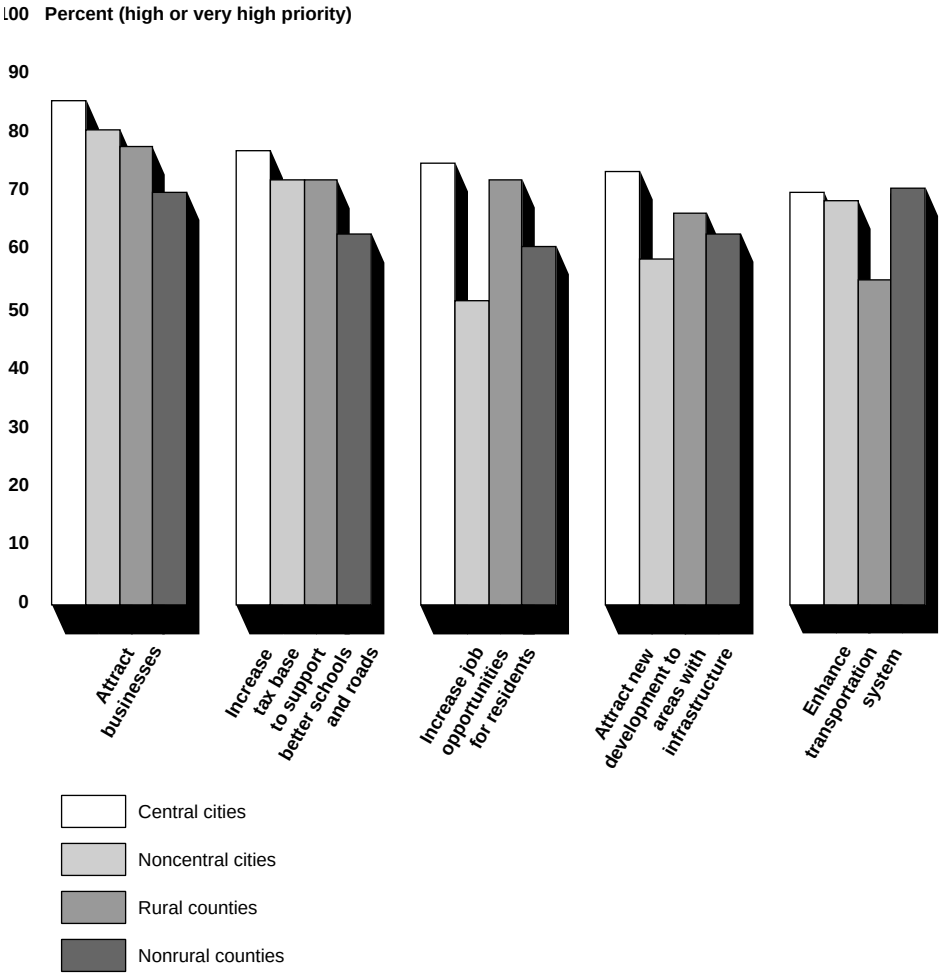
Figure 11: Communities' Top Priorities



These top priorities mirror the top challenges reported by the responding communities (the need for new infrastructure, aging infrastructure, traffic congestion, and an inadequate tax base for supporting schools and services), though the survey responses showed that planning priorities differed among different types of communities. Attracting businesses was a high to very high priority for the greatest number of cities (83 percent) and

counties (72 percent), and, as shown in figure 12, it was also a high or very high priority for 86 percent of the central cities. Revitalizing their downtown centers was also a high or very high priority for 83 percent of the central cities, over half of which (54 percent) also reported that the decline of their downtown centers was a high or very high concern. Another top priority for central cities (75 percent) and rural counties (72 percent) was increasing job opportunities for residents, though this did not emerge as a top priority among cities and counties as a whole. A lack of job opportunities was also among the challenges reported by the greatest number of rural counties. Unlike other respondents, nonrural counties most frequently cited enhancing their transportation systems as a high or very high planning priority, consistent with their identification of traffic congestion and the need for new infrastructure as among their top challenges.

Figure 12: Central Cities and Rural Counties' Top Priorities



State and Local Governments' Approaches to Planning For and Managing Growth

In response to growth-related challenges, state and local governments are changing how they plan for and manage growth. Many states have updated their planning laws and enacted legislation to help localities address their growth-related issues. In addition, the vast majority of local governments we surveyed expect to be highly involved in planning for and managing future growth issues. The local governments responding to our survey reported using such traditional tools as land-use plans and zoning authority, as well as other innovative techniques, to manage growth. For example, local governments have used their zoning authority to allow mixed-use development, offered financial incentives to encourage development in designated areas, and worked through regional organizations to coordinate plans for infrastructure development with neighboring localities.

Few States Mandate Local Planning

While the authority to regulate land use resides with the states, all 50 states have delegated basic land-use planning and zoning authority to local governments within their jurisdiction. According to the American Planning Association, the authorities delegated to localities by state lawmakers influence the extent to which local governments are able to respond to the pressures of new growth. Only 15 states mandate local land-use planning while another 25 states make such planning "conditionally mandatory" (e.g., if a local government chooses to form a planning commission, then it must create a land-use plan). Ten states make such planning optional. Even though most states do not require local land-use planning, almost all require or recommend certain elements for local governments to consider when creating plans. These elements vary in number and kind from state to state. For example, nearly all states require local governments to consider transportation needs in their plans, yet only half require them to consider housing needs, and fewer than a third require them to consider historic preservation, economic development, or the protection of critical and sensitive areas. According to the American Planning Association, three states mandate and three states conditionally mandate local governments to include urban growth limits—an official boundary or line that separates an urban area from surrounding open space—in their land-use plans.[1] For example, Tennessee requires its municipalities to create growth plans with urban growth boundaries for cities in order to be eligible for certain state and federal funding. Perhaps in part because most states establish at least

[1]Oregon, Tennessee, and Washington mandate that local governments include urban growth limits as an element of their land-use plans, while Arizona, Maine, and Maryland conditionally mandate urban growth limits as a plan element.

some recommended elements for local land-use plans, a third of the cities and counties responding to our survey reported that their state government has a high to very high influence on their growth and development.

Even when states mandate land-use plans, they may not enforce, and local governments may not follow, requirements for updating the plans or making them consistent with statewide goals. A recent California study found that many localities' general plans are no longer current, as required by state law. For example, 301 cities and 37 counties—or 65 percent of the localities within the state—have not updated the housing element of their general plan in the last 5 years, and 227 cities and 38 counties (51 percent) have not updated at least one element of their general plan. In his 2000-2001 budget statement, the state's governor concluded that this lack of compliance would allow unplanned growth and development to undermine the quality of life in these communities.

States Are Taking Action to Help Local Governments Plan For and Manage Growth

States have taken such actions as passing laws, making regulatory changes, and offering financial incentives to help local governments plan for and manage growth. Since 1985, many states have passed or are considering legislation to update their planning and zoning enabling acts. Table 3 lists some of the states that have recently passed significant planning statute reforms. For example, the 1989 Georgia Planning Act requires local governments to adopt comprehensive plans to be eligible for certain types of state funding. Vermont's 1988 Growth Management Act requires regional planning commissions to coordinate their planning activities with those of other regions, counties, and municipalities. Maryland's 1997 Priority Funding Areas[2] legislation, part of its Smart Growth Program, limits most state infrastructure, economic development, housing, and other program funding to areas that local governments designate for growth.

[2]According to the Maryland Office of Planning, these include every municipality, areas inside the Washington and Baltimore beltways, areas already designated as enterprise zones, neighborhood revitalization areas, heritage areas, and existing industrial land.

Table 3: Significant State Planning Statute Reforms

Year	State	Description/Summary
1985	Florida	Requires all local governments to develop and implement a comprehensive plan on which future land-use decisions would be based.
1985	New Jersey	Created the State Planning Commission and Office of State Planning, which in 1992 adopted a plan to guide public and private development toward compact, mixed-use projects that make the most efficient use of existing and planned infrastructure.
1988	Maine	Established 10 goals for addressing growth and (initially) required all local governments to prepare comprehensive plans.
1988	Vermont	Established a system for coordinating land-use planning at the municipal, regional, and state levels.
1989	Georgia	Adopted minimum standards and procedures for local comprehensive planning to help ensure a comprehensive, integrated, and coordinated planning process at the local, regional, and state levels.
1990-1	Washington	Requires city and county governments to adopt 20-year comprehensive plans that address land uses, housing, capital facilities, transportation, and utilities, to help meet such state goals as reducing urban sprawl and retaining open space and habitat areas.
1991	Kansas	Established procedural changes for many planning and zoning actions and authorized the use of various new tools and techniques. There is still no state role in growth management, and local plans are voluntary.
1992	Maryland	Requires cities and counties to adopt comprehensive plans with certain elements that help fulfill such objectives as concentrating development and protecting natural resources.
1997	Maryland	Directs new development to municipalities, enterprise zones, and other locally designated priority funding areas by limiting state support for projects to these areas.
1998	Tennessee	Requires local governments to establish growth boundaries and includes penalties for those that do not comply. Municipalities and counties with no metropolitan form of government are required to develop 20-year joint growth plans.
1999	Wisconsin	Establishes consistent and uniform comprehensive planning requirements to, among other things, protect farmland and open space and preserve certain communities. Provides funding to local governments for comprehensive and transportation planning.

Source: American Planning Association, Growing Smart Legislative Guidebook: Phases I and II, interim ed.; Florida Department of Community Affairs, Division of Community Planning (1998).

In addition to updating planning acts, states have enacted other types of legislation that help local governments plan for and manage growth.

- California's Land Conservation Act of 1965 authorizes local governments to enter into contracts with private landowners to restrict the use of specific parcels to agricultural purposes or open space. In return, landowners are assessed property taxes at the comparatively low rate for farmland and open space rather than at a higher rate reflecting their property's potential development value.

States can also influence local governments' ability to plan for and manage growth through the funding they provide for certain purposes. In fact, 41 percent of the counties and 32 percent of the cities we surveyed are using state funds to acquire and/or conserve farmland, forestland, or environmentally sensitive lands.

- New Jersey's 1999 Garden State Preservation Trust Act sets aside $98 million annually from the state's sales tax over 10 years to repay $1 billion in bonds issued to fund the purchase of farmland and open space. The state's goal is to preserve 1 million acres.

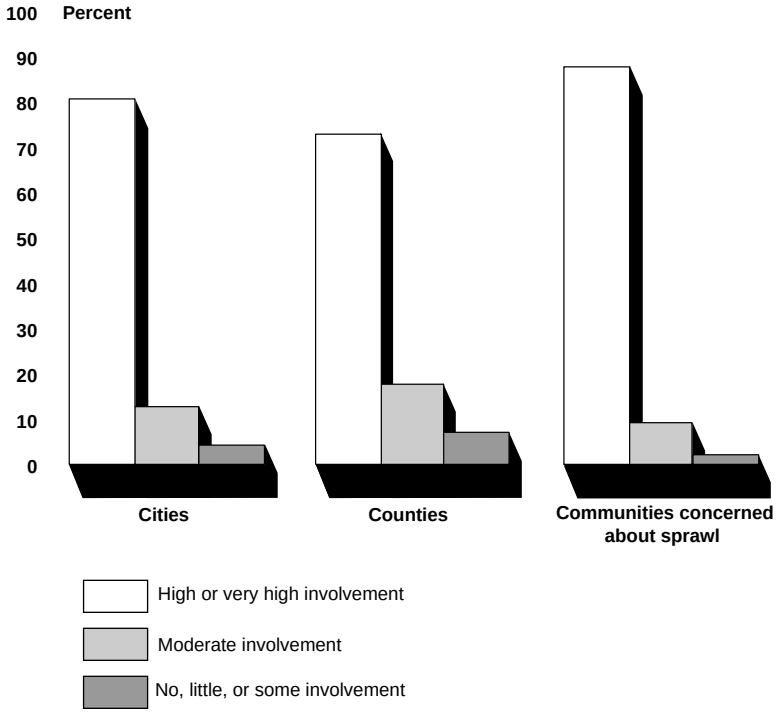
States also offer indirect financial incentives to encourage certain types of growth management activities. Of the localities responding to our survey, 65 percent of the cities and 67 percent of the counties reported that they used funds targeted by the state for infrastructure in areas designated for development.

- Maryland helps local governments preserve undeveloped land by granting property tax credits to landowners if they place their land in a conservation easement donated to the Maryland Environmental Trust. The state has also lowered the eligibility requirements for its job creation tax credits to encourage more companies to locate in designated priority funding areas, such as urban centers and aging suburbs.

Local Communities Are Getting More Involved in Planning For and Managing Growth

To respond to the challenges created by growth, the majority of local governments that responded to our survey are highly involved in planning for and managing growth. About 72 percent of the cities classified their current involvement in planning for and managing growth as high or very high, as did 59 percent of counties. Seventy-five percent of the communities concerned about sprawl also ranked their current involvement as high or very high. Furthermore, 27 percent of the cities, 34 percent of the counties, and 32 percent of the communities concerned about "sprawl" expected to increase their involvement even more over the next 5 years. As shown in figure 13, almost three-quarters or more of the communities that responded to our survey expect their involvement in planning for and managing growth over the next 5 years to be high or very high.

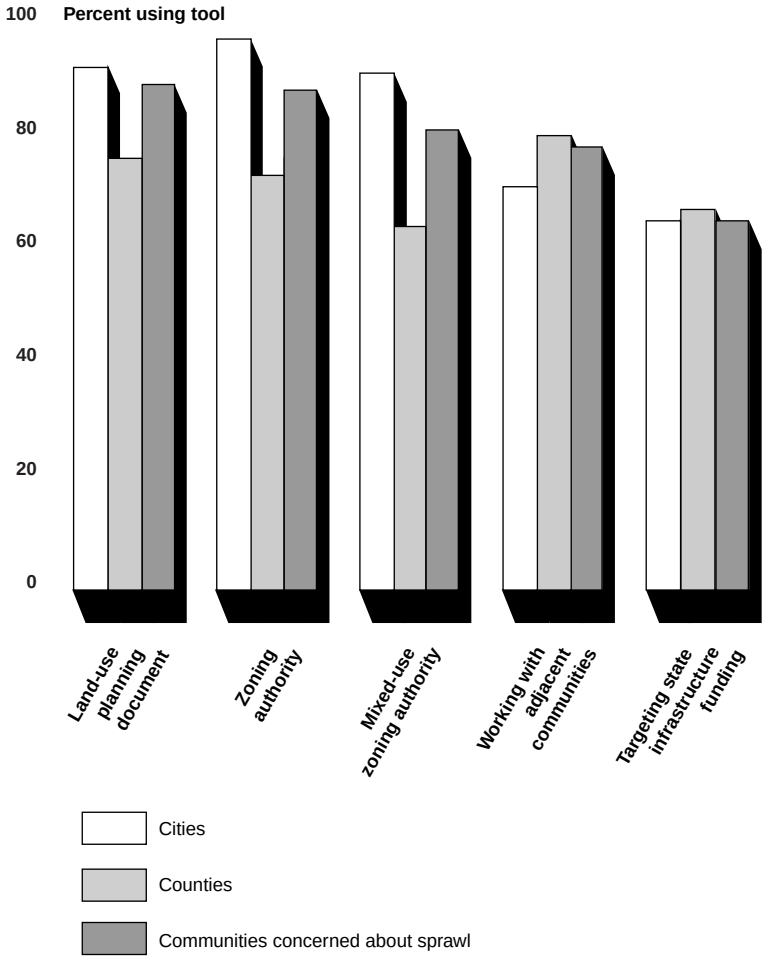
Figure 13: Communities' Expected Future Involvement in Planning For and Managing Growth



Land-Use Planning and Zoning Are the Most Useful Tools, but Local Governments Are Also Trying Innovative Approaches

According to the cities and counties that responded to our survey, two traditional tools—land-use plans, which establish local land use and development objectives, and zoning authority, which localities use to implement their land-use plans—are used by more communities and were selected by more communities as the most useful tools in planning for and managing growth. However, some localities also reported using other, more innovative tools. Figure 14 shows the five growth management tools used most frequently by cities, counties, and communities concerned about "sprawl".

Figure 14: Five Most Frequently Used Local Growth Management Tools



Even though relatively few states mandate local land-use planning, almost 90 percent or more of the cities and communities concerned about sprawl that responded to our survey reported using land-use plans and their zoning authority to concentrate development in designated areas. For example, Fresno, California, uses its land-use plan to project areas of growth in the community and then to project its needs for transportation, employment, and housing. Ninety-two percent of the cities and 76 percent of the counties we surveyed use land-use plans to concentrate development, even though only 38 percent of these cities and 23 percent of these counties are actually required by their states to develop land-use plans. Ninety-seven percent of

the cities and 73 percent of the counties surveyed report using their zoning authority to implement the land-use plans. Zoning is a tool that communities can use to regulate the use of land and the location and intensity of development. For example, in Duluth, Minnesota, city officials have created a series of zoning proposals in response to a recent study on local housing problems to regulate the location and density of housing and the income mix of residents.

Local Governments Are Using Innovative Tools and Techniques

In addition to land-use plans and zoning, local governments are using legal authority, such as ordinances, financial incentives, regional approaches, and research to plan for and manage growth.

Legal Authority

Local governments are issuing ordinances to control growth. Some ordinances establish fees for developers and promote denser development by encouraging mixed-use development. For example, about 59 percent of the cities and 39 percent of the counties that responded to our survey charge impact fees to developers to help offset the costs of the infrastructure (water and sewer lines, roads, schools, and other services) needed to support development. In the Atlanta metropolitan area alone, 10 local governments charge such impact fees. Peachtree City, for instance, charges impact fees to help pay for the costs of transportation and parks, as well as such services as police, fire, and libraries.

Local governments are also using their regulatory power to promote specific growth management goals, such as denser growth in urban areas. About 91 percent of the cities and 64 percent of the counties that responded to our survey reported using their zoning authority to allow mixed-use developments like the Waterview complex in Arlington, Virginia. Arlington County rezoned the land for this high-density project that combines office, retail, and hotel space. In an effort to increase its population density and support its commercial center, the city of Redondo Beach, California, established a mixed-use ordinance to permit projects like a new residential-retail community.

Financial Incentives

Local governments offer grants, loans, and tax incentives to encourage certain types of development. In addition, they may target state funding to designated growth areas. Almost half of the cities responding to our survey

reported offering developers grants, loans, and tax incentives to help encourage infill development (i.e., the redevelopment of previously used sites). For example, in Washington, D.C., the city council authorized the use of tax-increment financing for a planned mixed-use infill development project. To help pay for the combined entertainment, retail, and housing project, the city will sell bonds backed by the taxes it expects to collect from the project.

In an effort to keep middle-class residents from seeking less expensive housing in the suburbs, Austin, Texas, is considering using about 40 percent of the tax revenue from city property as collateral for low-interest home improvement loans. Austin's mayor argues that the measure will encourage middle-class residents to remain in the city, which will save the city's tax base, prevent rush-hour traffic increases, and maintain the city's diversity. Pittsburgh, Pennsylvania, has a two-tiered tax system that encourages the redevelopment of vacant downtown land, including its brownfield sites (abandoned, idled, or underused industrial or commercial sites).

Regional Approaches

Local governments are also working with other jurisdictions to devise regional solutions for growth-related issues. This regional approach was the growth management tool used most frequently by counties (80 percent). In addition, 78 percent of the communities concerned about sprawl and 71 percent of the cities reported working with adjacent communities to plan for and manage growth. In the Albuquerque metropolitan area, an organization called the Extraterritorial Land Use Authority is responsible for making land-use decisions in the 5-mile belt surrounding the city limits. Comprising city and Bernalillo County officials, the authority gives the county a role in approving annexations and controlling development at the edge of Albuquerque. In the Seattle, Washington, metropolitan area, nine local governments have formed a regional coalition to work on increasing the area's supply of affordable housing. The coalition coordinates the distribution of local public resources through a housing trust fund that, according to the U.S. Department of Housing and Urban Development, is the first of its kind in the nation. The Georgia Regional Transportation Authority is charged with combating air pollution, traffic congestion, and "poorly-planned development" in the 13-county Atlanta metropolitan area. In its role as the Governor's Development Council, the authority is responsible for formulating a statewide land-use plan.

Research

In three of the five metropolitan areas we visited, local governments, business leaders, and nonprofit organizations are conducting research on growth and its consequences in an effort to raise public awareness. For example, the Vermont Forum on Sprawl, a project sponsored by a private foundation operating in Vermont, has published a series of research and information papers on local growth issues. The publications explore such topics as local attitudes on sprawl, the causes and costs of sprawl in Vermont, and the impact of state investments and policies on sprawl. The Georgia Department of Transportation, the Atlanta Regional Commission, and the Atlanta Chamber of Commerce, among others, are jointly sponsoring a research project that is examining how land-use policies affect travel patterns, air quality, and physical activity. In Fresno, California, members of the agricultural, development, conservation, and business communities have been collaborating on a course of action to accommodate the area's growing population while protecting its agricultural resources.

The Influence of Federal Infrastructure Programs on Local Growth

To provide for mobility as well as economic growth and development, state and local governments identify their needs for, plan for, and build roads, bridges, and transit systems. The need for such systems is great. According to the U.S. Department of Transportation (DOT), the federal government and state and local governments will need to spend around $56.6 billion per year through 2020 to maintain the current condition and performance of the nation's highways and bridges.[1]

The federal government provides funding for highway and transit projects through grants, loans, and loan guarantees for capital development and improvements. Using fuel and related motor vehicle tax collections, DOT's Federal Highway Administration (FHWA) distributes most highway funding annually to the states, according to a statutory formula. In fiscal year 2000, DOT provided about $28.9 billion for these purposes. DOT's Federal Transit Administration (FTA) provides formula and capital assistance grants to the states and communities for new transit systems and improvements to existing systems. In fiscal year 2000, DOT provided about $5.8 billion for these purposes. The federal government generally contributes 80 percent of the funding for highway and transit projects.

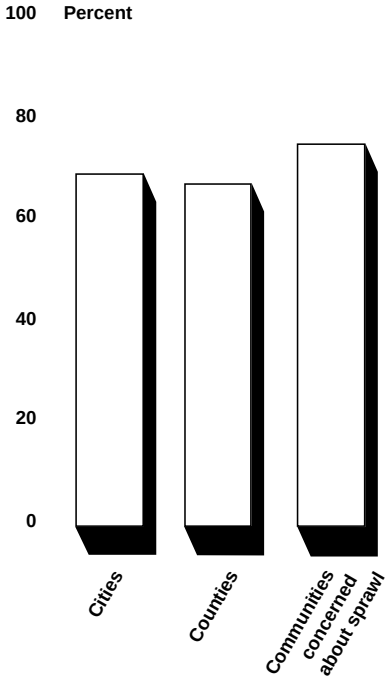
Since the early 1970s metropolitan planning organizations (MPO) have been significant players in urban transportation planning. The Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) and the Transportation Equity Act for the 21st Century (TEA-21) significantly enhanced the role of MPOs in identifying transportation needs and priorities for transportation projects. Although MPOs vary in size and responsibility, an MPO's policy-making body often consists of elected officials from the city and county governments, as well as officials from the metropolitan area's public transportation agencies. The MPO's mission is to develop consensus on a long-term transportation plan for an urban area and to develop a shorter-term transportation improvement program to implement the plan.

[1]DOT projected the estimates in 1997 dollars.

Communities Rated Federal Transportation Spending Programs as Helpful Most Often and Underfunded Most Often

As discussed in appendix V, the majority of communities responding to our survey identified the need for new infrastructure, including roads, as their top concern. Enhancing their transportation system was also cited most often by nonrural counties and communities concerned about "sprawl" as a high or very high priority when planning for their future. In fact, over two-thirds of the responding cities and counties said that enhancing their transportation system was a high or very high priority (see fig. 15).

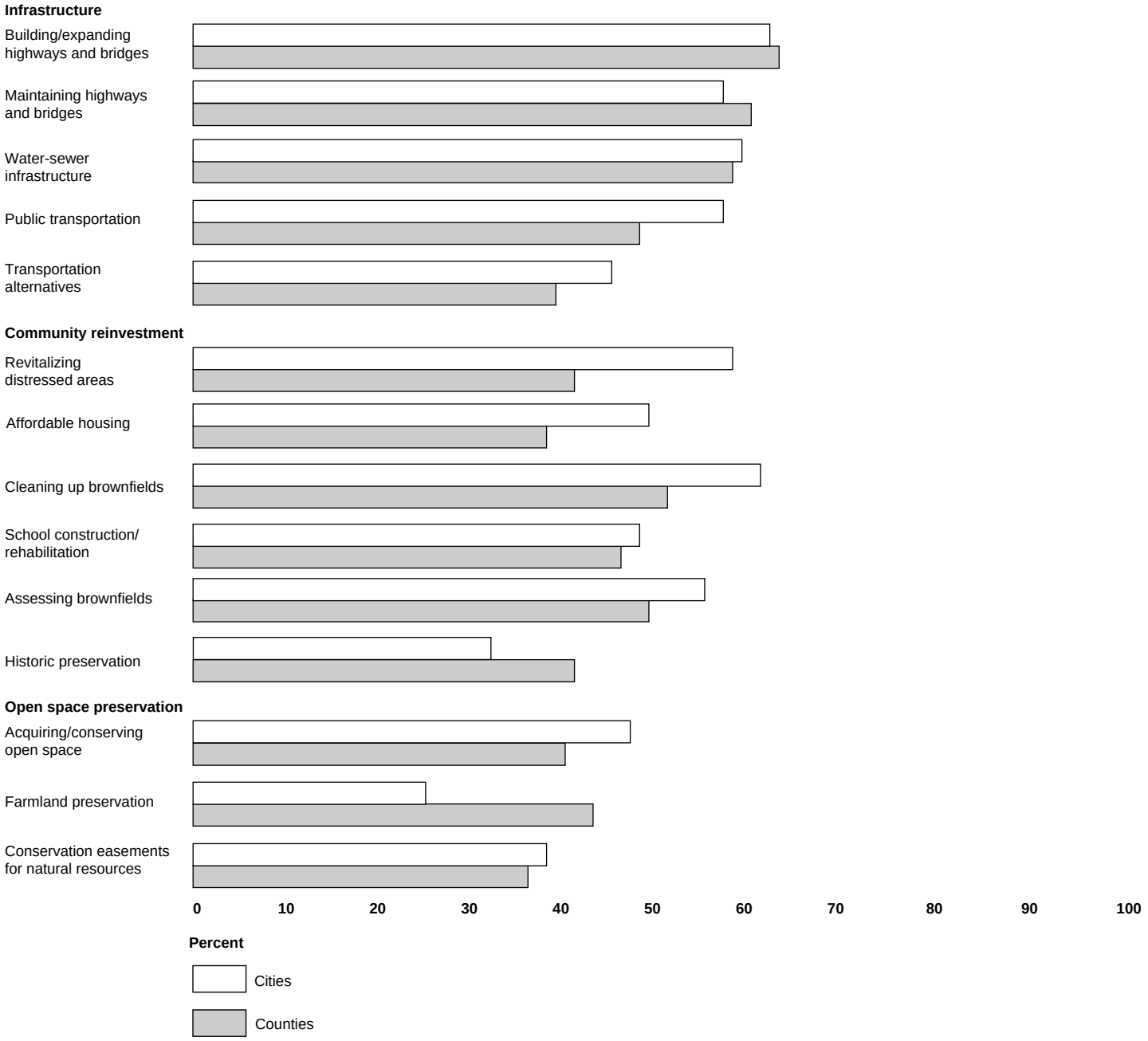
Figure 15: Communities Assigning a High or Very High Priority to Enhancing Their Transportation System



As figure 16 shows, funding for highways, bridges, and water-sewer infrastructure ranked above most funding categories in helpfulness. Among cities, funding for three other categories—public transportation, revitalizing distressed areas, and cleaning up brownfields—was also rated as very helpful by a majority of respondents. More cities also found funding for transportation alternatives helpful in planning for and managing growth than did counties. For example, Minneapolis, Minnesota, used

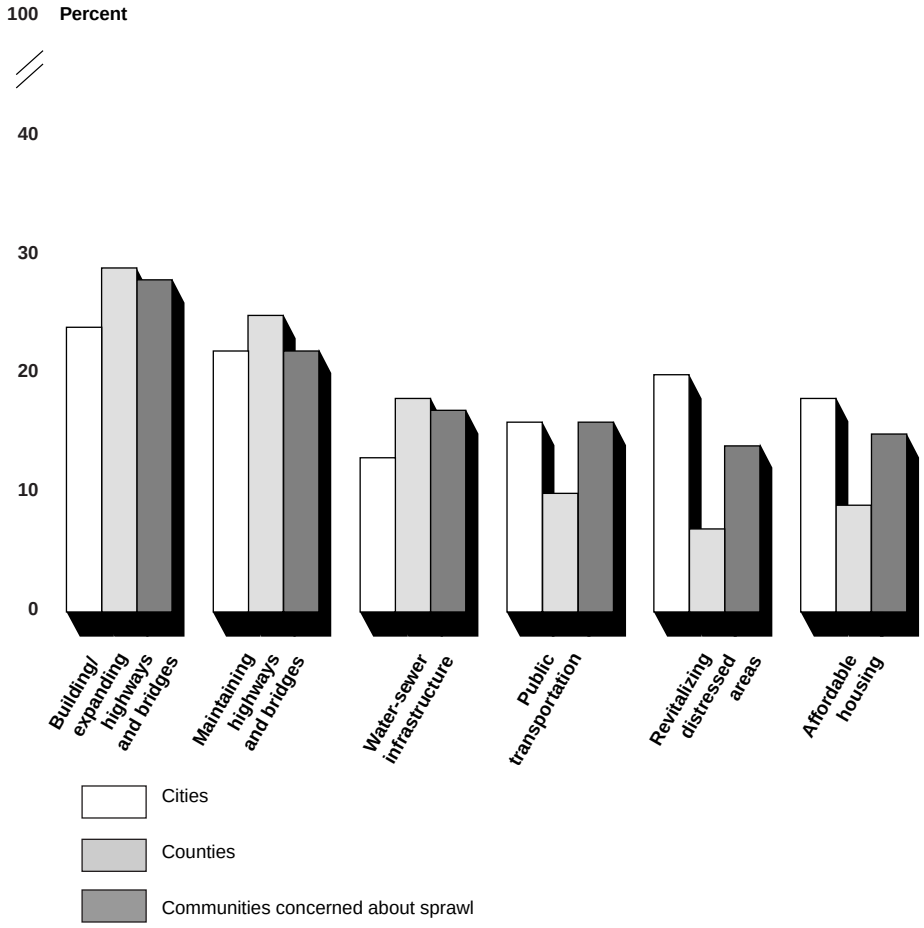
transportation funds to rehabilitate a closed bridge into a short-line trolley, bicycle, and pedestrian corridor. A survey conducted after the project was completed found that 12,000 people per week were using the bridge—nearly half to commute to and from the downtown central business district.

Figure 16: Communities Ranking Federal Funding as Very Helpful in Planning For and Managing Growth



We asked the communities to select 2 of 14 federal funding categories that were funded at levels lower than needed and whose underfunding hindered their ability to plan for and manage growth. As shown in figure 17, two transportation categories—funding for building or expanding and funding for maintaining highways and bridges—were chosen more frequently than other categories, not only by cities and counties but also by communities concerned about "sprawl."

Figure 17: Federal Activities Cited Most Frequently as Underfunded



Note: Twenty-three percent of the cities and 33 percent of the counties either skipped this question or reported that none of the federal program areas were underfunded.

Among counties, almost one in three respondents reported that shortfalls in funds for building highways and bridges most hindered their ability to plan for and manage growth. For example, the administrator of a rural county in West Virginia said that the lack of adequate funding for infrastructure meant that the county was reacting to rather than managing growth. Cities and communities concerned about "sprawl" identified funding for public transportation as one of the two most underfunded categories more often than counties. For example, the community development director of a city in Idaho told us that the city's transit system is operating at capacity and needs new buses, but the formula funding from the federal government is sufficient to buy only one bus every 3 years. City and county officials in four of the five metropolitan areas we visited rated a shortage of funding for transit operations and insufficient capital funds among the top barriers to their efforts to plan for and manage growth because these shortfalls limited their ability to provide alternative modes of transportation. According to the mayor of Burlington, Vermont, while five communities participate in the region's bus system, the system cannot expand to other communities because, in the absence of federal assistance, those communities do not have the resources needed to cover their portion of the operating costs.

Providing Funding and Design Flexibility to Meet Local Transportation Infrastructure Needs

Community officials believe that flexibility in the use of federal funds for transportation is important in planning for and managing growth because it allows communities to adapt funded activities to fit the state or local context. Flexibility is one of the goals of TEA-21 and its predecessor, ISTEA. Under these acts, state and local governments are able to use much of their federal transportation funding for highway, transit, or alternative transportation projects, such as pedestrian and bicycle projects. For example, of the nearly $29 billion that TEA-21 authorized for the states for highway programs in fiscal year 2000, $5.6 billion is for the Surface Transportation Program. The funding in this program can be used for a wide range of highway, bridge, transit, alternative transportation, or other projects. An additional $7 billion, ostensibly for highway and bridge projects, can be transferred to transit or alternative transportation projects. In addition, the acts increased local control by allowing MPOs in metropolitan areas with populations of more than 50,000 to select transportation projects that best meet locally determined goals.[2] Furthermore, both acts delegated substantial oversight of federally funded highway and bridge projects to the states, including the ability to prescribe design and construction standards.

State and local officials were divided on whether federal transportation programs provide enough flexibility to address local growth needs. In California, state transportation officials told us that while the federal programs provide tremendous flexibility, the rules still compel communities to ask “what can I build?” with transportation funding rather than “what do I want to build?” Officials interviewed at four MPOs said regional flexibility in distributing transportation funds works well because transportation projects influence growth patterns in metropolitan areas and regional planning allows the balanced approach necessary to address local needs.

[2]Metropolitan areas with populations of over 50,000 are represented by MPOs. Each of these MPOs prepares a transportation improvement program, including a list of priority projects, subject to the approval of the state’s governor. Metropolitan transportation improvement programs are then incorporated without modification into the state transportation improvement program. In metropolitan areas of over 200,000, transportation projects (except projects on the National Highway System and projects funded by the Bridge, Interstate Maintenance, and Federal Lands Highway programs) are selected by the MPO in consultation with the state and transit operator from the approved metropolitan transportation improvement program.

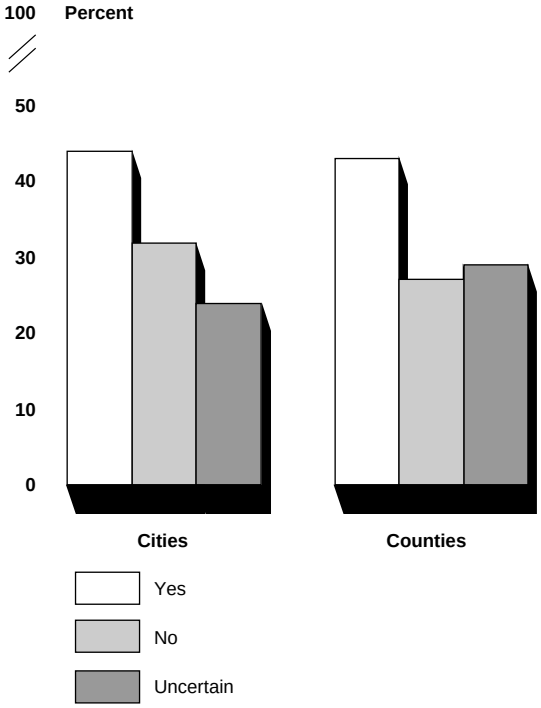
The cities and counties responding to our survey were also split on whether federal transportation programs provide enough funding flexibility to pursue the transit and alternative transportation projects needed to plan for and manage growth. The cities were evenly divided while the counties were slightly more likely to report that these programs did not provide the funding flexibility to pursue the transit and alternative transportation projects needed to plan for and manage growth (see fig. 4).

The community development director of a city in Oregon reported that his city has the flexibility to pursue the transit and alternative transportation projects needed to plan for and manage growth. The city has a bus system and is building bikeways and pedestrian trails, including converting an old railroad bridge into a pedestrian and bike trail. The planning director of a small city in Texas reported that it has been unable to secure enough funding for bicycle and pedestrian projects. This official believes the funding for federal transportation programs would be more flexible if it were provided through block grants to local governments. Other officials, in responding to our survey, indicated that the programs did not provide enough funding flexibility because they were concerned about the level of funding. Flexibility can cut both ways. In Fresno, California, local transportation officials told us they have more than enough funding for bike paths but not enough funds to repair crumbling infrastructure.

Lack of flexibility does not appear, on balance, to be a major national barrier to communities' efforts to plan for and manage growth. In addition to being fairly evenly divided, the communities responding to our survey did not express particularly strong views about this issue one way or the other. Communities were more likely to respond that programs "generally" did or did not provide enough flexibility than they were to report that the programs "definitely" did or did not. For example, only 13 percent of the counties believed they definitely did not have enough flexibility, compared with 30 percent who thought they generally did not. Similarly, only 6 percent replied they definitely had enough flexibility, compared with 31 percent who thought they generally did—a group six times larger.

More communities agreed than disagreed that federal design standards for roads and bridges provide enough flexibility to pursue alternatives local governments need to plan for and manage growth. Figure 18 shows the percentage of cities and counties that reported on flexibility in federal design standards.

Figure 18: Communities' Views on Whether Federal Design Standards for Roads and Bridges Provide Enough Flexibility



Note: The figure excludes communities that have not had projects requiring compliance with federal design standards.

An official representing South Burlington, Vermont, told us the application of federal design standards to the reconstruction of an exit ramp from Interstate 89 to their downtown would result in a structure that is too large and therefore inappropriate for their community. FHWA officials, however, stated that the community's proposal would limit access to the highway, that the larger design is needed to meet Interstate construction standards for highway access, and that the agency is working with the community to come up with an acceptable design.

Linking Transportation Projects and Local Land-Use Plans and Considering Effects on Growth

Officials told us that flexibility also means being responsive to local needs and concerns. For example, local officials we interviewed in four locations wanted to ensure that transportation planning is consistent with local land-use plans and that environmental assessments consider how federally funded projects (i.e., highways) affect local growth. While ISTEA included

a planning factor covering consistency between local land-use and transportation plans, TEA-21 did not. However, the metropolitan planning regulations still provide for consideration of local land-use plans when developing long range transportation plans.

In responding to our survey, 53 percent of the cities and 49 percent of the counties said they would strongly support a federal requirement that federal funding for road and highway projects be linked with local land-use plans, while less than 5 percent opposed such a requirement. Sixty-two percent of the communities concerned about sprawl also strongly supported such a link. The remainder of the responding communities either generally supported, were neutral, or were uncertain about their support. These were the most positive and one-sided responses we received to any of the options for changes to federal policies that we asked about in our survey. The community development director of a northeastern city strongly supported such a requirement because, in its absence, the state had used federal funds to expand a state highway to within 8 feet of a local historic landmark.

When asked whether federal environmental assessments should ensure consideration of the impact on local growth of federally funded infrastructure projects, such as highways, 30 percent of the cities and 29 percent of the counties said they would strongly support such a requirement, while less than 5 percent from both groups were opposed. Currently, under regulations implementing the National Environmental Policy Act, federal agencies are required to consider the environmental impacts of proposed projects that “significantly” affect the quality of the human environment. In their analyses, federal agencies routinely address the direct, and to a lesser extent the indirect and cumulative, effects of proposed actions. According to a Council on Environmental Quality official, indirect and cumulative effects include the likely impact of a project on growth and development. However, in practice, few agencies consider the effect of a proposed project on growth, according to EPA officials. For example, the environmental impact statement for a highway project currently under development in Chittenden County, Vermont, mentions that the project will have growth implications. Without detailing these implications, the statement advises the affected communities to address them. According to FHWA officials, the environmental impact statement notes some of the land-use issues that will need to be addressed and officials characterized these issues as the responsibility of state and local governments.

Balancing Growing Transportation Infrastructure Needs and Compliance With Air Quality Standards

As populations grow and the pressure to expand transportation systems increases, the conflict between people's demands for mobility and the government's responsibility to protect air quality is likely to increase unless technology can keep pace and continue to reduce mobile source emissions. The Clean Air Act Amendments of 1990 recognized this challenge and required that transportation plans conform with state implementation plans for attaining the air quality standards promulgated under the Clean Air Act. Under the Clean Air Act, a metropolitan area that does not have a conforming long-range transportation plan and transportation improvement program may advance only certain types of projects—those with a minimal impact on air quality. In Atlanta, which has been out of conformity for several years, local government and business leaders told us they supported this linking of air quality standards to transportation projects because it compelled local leaders in the metropolitan area to join together to address long-standing growth issues. However, leaders also believe that EPA and FHWA have been unduly restrictive in determining what types of transportation projects can be funded. While Atlanta officials want to extend rail service to outlying areas, EPA and FHWA officials told us that conformity statutes and regulations stipulate that only certain projects, such as those that do not add capacity, can be funded during a conformity lapse. An extension of rail service can be funded during a lapse only if it qualifies as a transportation control measure;[3] Atlanta officials chose not to submit the projects as transportation control measures because they believed the process for designating a transportation control measure was too lengthy. Finding the appropriate balance between complying with the conformity provisions of the Clean Air Act and satisfying local transportation needs will likely be an emerging issue for several large metropolitan areas.

Importance of Federal Spending for Water and Sewer Infrastructure Is Expected to Increase

According to city and county officials in four metropolitan areas–Albuquerque, Atlanta, Columbus, and Fresno–water supply and quality and wastewater issues will determine the direction of future growth in their communities. EPA, in its April 2000 assessment of communities' needs for new and modernized water and wastewater infrastructure, estimated that, while public spending on water and wastewater infrastructure (operating and capital expenditures) was $1 trillion between 1956 and 1992, another

[3]Transportation control measures are projects that reduce emissions of air pollutants from transportation sources by reducing vehicle use or changing traffic flow or congestion.

$1 trillion will be needed between 1993 and 2009. Between 2010 and 2020, another $1 trillion will be needed.

Seven major federal programs provided about $4.3 billion in grants and loans for the construction or reconstruction of water and wastewater systems during fiscal year 2000. EPA estimates that all levels of government will spend $18.4 billion on water and wastewater capital spending in fiscal year 2000. These programs include the following:

- EPA provides capitalization grants to state revolving funds for the replacement or major rehabilitation of existing water or wastewater systems. The state makes loans only if, among other factors, the capacity of a proposed project is equal to the capacity of the existing project, plus a reasonable amount for future growth.
- EPA provides capitalization grants to state revolving funds for drinking water systems, as well as upgrade and replacement infrastructure for those systems.
- Through its Public Works and Development Facilities program, the Department of Commerce's Economic Development Administration provides grants to communities to finance a variety of infrastructure projects, including water and sewer projects in economically distressed areas.
- USDA's Rural Utilities Service makes loans and grants available through its Water and Waste Disposal program for water and waste disposal projects in rural areas and towns with populations of less than 10,000.
- The Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) entitlement and state programs fund a variety of community development projects, including water and wastewater systems.

As discussed in appendix V, the communities responding to our survey identified aging infrastructure and the need for new infrastructure, including water and wastewater infrastructure, among their highest concerns. Aging infrastructure, compared with other concerns, was rated as a high or very high concern more often by central cities, and as a greater concern for cities, overall, than counties. As shown in figure 16, 59 percent of the responding cities and 58 percent of responding counties characterized the federal assistance they had used for water-sewer infrastructure as "very helpful". For counties, this ranking was second in helpfulness only to federal transportation infrastructure spending. In Columbus, Ohio, officials told us EPA's construction grants funding was useful because it supported the city's annexation policy and prevented Columbus from being boxed in like other older cities. Since Columbus provides water services for 26 suburbs, the metropolitan area has benefited from the efficiencies of providing regional water service and directing growth to designated areas. Nearly one in five counties (18 percent) identified water-sewer infrastructure funding as one of the two most underfunded federal program activities. For example, the community development director in a small economically distressed northeastern city estimated that his city needed an additional $1 million to complete improvements to its combined sewer system. EPA has estimated that communities with combined sewer systems will incur up to $45 billion in costs to comply with its combined sewer overflow control policy.[4]

[4]The policy requires communities with combined sewer systems that overflow during wet weather to accurately characterize their discharges, demonstrate the implementation of minimum technology-based controls identified in the policy, and develop long-term overflow control plans.

The Influence of Federal Community Reinvestment Programs on Local Growth

In many communities, planning for and managing growth means the economic development and revitalization of downtown centers. Unemployment and poverty rates are higher in such areas, many of which are found in inner cities and rural communities. According to a recent survey by the National Association of Counties and the U.S. Conference of Mayors, four out of five urban and suburban leaders said that considerable economic potential in inner-city and other neighborhoods has yet to be tapped. For example, nationwide, 450,000 brownfields await cleanup and conversion to productive uses. A lack of affordable housing is also a serious problem in rural and urban areas. According to HUD, 5.4 million renter households, a record high, were paying over half their income for housing or living in severely inadequate housing in 1997. HUD also reported that the number of affordable rental units decreased by 372,000 units, or 5 percent, between 1991 and 1997.

To address the problems of the nation's economically distressed urban and rural communities, the federal government promotes revitalization and affordable housing through a number of programs. The following federal programs were among those most frequently mentioned by the local and state officials we interviewed.

- HUD's CDBG program provides grants to state and local governments for community development activities that (1) benefit low- and moderate-income persons, (2) prevent or eliminate slums or blight, or (3) meet other urgent community development needs.
- HUD's Economic Development Loan Fund, more commonly known as the section 108 loan program, is a component of the CDBG program that provides loans to communities to leverage their CDBG grants with other private and public funds to finance larger community development efforts.
- HUD's Economic Development Initiative (EDI) provides grants to communities, in conjunction with the section 108 loan program, to help fund economic development projects or pay some of the costs associated with borrowing under the loan program.
- HUD's Brownfields Economic Development Initiative (BEDI) provides grants to local governments acquiring section 108 loan guarantees to finance the redevelopment of brownfields.
- The Empowerment Zone/Enterprise Community (EZ/EC) program provides grants and tax benefits to selected urban and rural communities to assist with revitalization efforts.

- EPA's Brownfields Assessment Demonstration Pilots provides grants to state and local governments to support 2-year explorations and demonstrations of brownfield solutions.
- The Internal Revenue Service (IRS) and state tax credit allocation agencies administer the Low-Income Housing Tax Credit (LIHTC) program, which provides tax credits to the private sector to develop rental housing for low-income households.

Both state and local governments administer federal community development programs. State agencies administer the Low-Income Housing Tax Credit and CDBG grants awarded to smaller communities and rural areas and can receive Brownfields Assessment Demonstration Pilot grants. Local governments administer the CDBG grants awarded directly to entitlement communities (local governments with 50,000 or more residents), other local governments designated as central cities of metropolitan areas, and urban counties with populations of at least 200,000 (excluding the populations of entitled cities). Local governments are also the direct recipients of section 108 loans, EDI and BEDI grants, EZ/EC grants, and Brownfields Assessment Demonstration Pilot grants.

City and county leaders reported that the economic condition of their community was a concern. As discussed in appendix V, about half of the cities and counties responding to our survey reported that an inadequate tax base for supporting schools and services was a high or very high concern. Almost two-thirds, or 62 percent, of the rural counties reported that it was a high or very high concern. A majority of the rural counties (56 percent) also reported that difficulty attracting new businesses was a high or very high concern. A greater percentage of central cities were concerned about the decline of their downtown centers than other types of local communities, and 83 percent of the central cities reported that revitalizing their downtown centers was a high or very high priority.

Communities Said Federal Funding and Tax Incentives for Revitalization, Affordable Housing, and Brownfields Redevelopment Were Helpful but Often Insufficient

A majority of the cities responding to our survey rated the federal funding they used for revitalizing distressed areas and assessing and cleaning up brownfields as very helpful in planning for and managing growth (see fig. 16). The central cities responding to our survey most often selected revitalizing distressed areas and affordable housing as the top two program areas whose underfunding hindered their efforts to plan for and manage growth. About half of the counties that responded rated federal funding for assessing and cleaning up brownfields as very helpful when planning for and managing growth. More central cities than other cities reported that tax benefits for community development were helpful. The majority of counties responding to the survey were either uncertain about the impact of most of the tax benefits we asked about or reported that they had no impact.

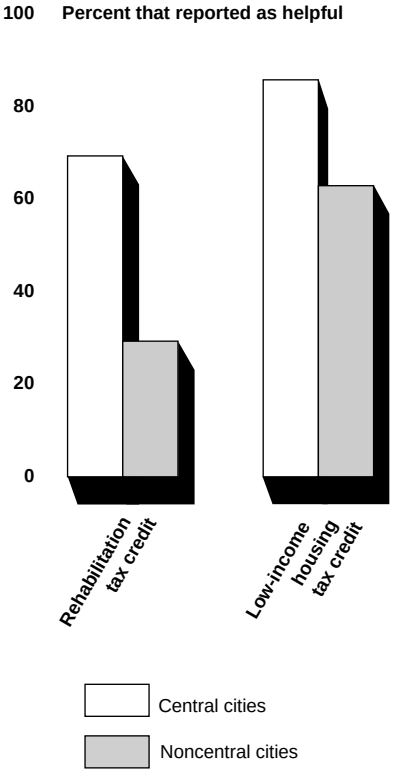
Communities, Especially Cities, Characterized Federal Spending and Tax Incentives for Revitalization as Helpful

By using federal funding for the revitalization of distressed areas to reinvest in downtowns and in-town neighborhoods, local governments can offer businesses and residents an attractive and reliable alternative to development in the suburbs. Almost all of the cities and counties responding to our survey saw federal funding for revitalizing distressed areas as helpful in planning for and managing growth, and over two-thirds of central cities rated two tax credits that affect infill development as helpful. Almost three-quarters (73 percent) of the central cities and over one-third of the nonrural counties (34 percent) reported they use federal funding for revitalizing distressed areas. Fifty-eight percent of all cities rated the federal funding they used for revitalizing distressed areas as very helpful in planning for and managing growth. Atlanta, for example, used EZ funds and a section 108 loan—the loan component of the CDBG program—to finance a mixed-use development in a historic downtown neighborhood. Fresno officials described the CDBG program as the city's most important federal aid in planning for and managing growth. The city has used its CDBG grant funds to rehabilitate streets and curbs in inner-city neighborhoods and a section 108 loan to finance a recreational facility in an inner-city neighborhood. Forty-one percent of the counties responding to our survey also viewed the federal funding they used for revitalizing distressed areas as very helpful in planning for and managing growth.

Compared with other cities, central cities were generally more certain and more positive about the impact of the rehabilitation tax credit—that is, tax credits for rehabilitating buildings for income-producing purposes—on their efforts to plan for and manage growth. Over two-thirds (69 percent) of

the responding central cities reported that the rehabilitation tax credit was helpful. Figure 19 shows the extent to which central cities and other cities found selected federal tax policies helpful in planning for and managing growth. Counties were less certain about the impact of tax benefits used for redevelopment activities. For instance, 30 percent of the counties responding to our survey were uncertain about the impact of rehabilitation tax benefits.

Figure 19: Extent to Which Cities Found Tax Benefits for Community Development Helpful



Officials told us that the rehabilitation tax credit would be even more helpful if it also applied to non-income producing properties. For instance, an Albuquerque official said many homes in a historic inner-city neighborhood were in need of repair. He believes that extending tax benefits to the rehabilitation of historic residential properties, many of which are located in urban areas, would provide an incentive for repairing

inner city homes and make more affordable housing available in urban areas. Forty-four percent of central cities, 32 percent of all cities, and 22 percent of counties responding to our survey strongly supported the extension of federal tax benefits to the rehabilitation of historic residential properties.

Some federal programs also use tax benefits to attract businesses to distressed areas. For example, the EZ/EC program allows businesses located in designated areas to receive tax credits on the wages paid to employees who live and work in the zones. Seventy-three percent of the EZ/EC communities responding to our survey reported that federal tax benefits for businesses locating in selected central cities and other designated areas helped them plan for and manage growth.[1]

Communities Said Federal Affordable Housing Programs Were Very Helpful but Underfunded

Federal funding for affordable housing can help local communities develop in-town housing that is affordable, thus providing an alternative to development on the edges of metropolitan areas where land may be cheaper. Thirty-four percent of the cities and 32 percent of the counties responding to our survey reported that a shortage of affordable housing in their communities was a high or very high concern. Furthermore, the largest cities were more often concerned about affordable housing than smaller cities. Eighty-five percent of the responding cities with populations of over 500,000 regarded the shortage of affordable housing as a high or very high concern.[2] Moreover, according to city and county officials we interviewed in three locations, the lack of affordable housing was a concern in their communities.

Over 90 percent of the central cities reported using federal funds for affordable housing, and over half of these cities found the funding very helpful in planning for and managing growth. In addition, as shown in figure 19, 86 percent of the central cities—compared with 63 percent of other cities—reported that low-income housing tax credits were helpful to them in planning for and managing growth. However, over one in five central cities identified funding for affordable housing as among the two

[1]Of the cities and counties responding to our survey, 70 were designated as EZ/EC communities. We did not include cities and counties that are part of multijurisdictional EZs or ECs in our analysis.

[2]Of the 20 cities with populations over 500,000 that responded to our survey, 17 reported that a shortage of affordable housing was a high or very high concern.

most underfunded federal program areas. Affordable housing was also a significant issue for nonrural counties. Seventy percent of the nonrural counties reported using federal funds for affordable housing, and 38 percent of these counties found the funding very helpful. Sixty-one percent of the nonrural counties—slightly more than the percentage for all counties—reported that low-income housing tax credits helped them to plan for and manage growth.

According to officials we interviewed during our site visits, the shortage of funding for affordable housing in urban areas has forced people to move to the fringes of metropolitan areas, where housing is typically less expensive. The Atlanta Regional Commission reported that in 1990 there were almost 9,300 substandard housing units in the region and noted that housing costs are increasing in the region because of, among other things, rapid growth, development codes, and fees.

Communities, Especially Those Concerned About Sprawl, Found Federal Funding for Brownfields Redevelopment Helpful, and Concerns About Liability Did Not Hinder Most

By using federal funding for assessing and cleaning up brownfield sites, local governments can encourage the reuse of brownfields sites and provide developers with alternatives to undeveloped sites on the edges of metropolitan areas. Almost half of the cities and counties responding to our survey indicated they were redeveloping brownfields. For central cities, the figure was 67 percent, with 38 percent expressing a high or very high concern about the difficulty of redeveloping abandoned industrial sites. According to HUD, cleaning up brownfields not only improves a community's environment and health but also creates jobs and can be a focal point for revitalization. Slightly more communities are using federal funds to assess the contamination at brownfields than to clean them up. For example, 43 percent of the central cities and 22 percent of the nonrural counties responding to our survey are using federal funds to assess brownfields for toxic hazards, while 33 percent and 18 percent of those cities and counties, respectively, are using federal funds to clean up brownfields. Virtually all the responding communities reported that the federal funding they used for assessing and cleaning up brownfields was helpful in planning for and managing growth.

Communities concerned about sprawl rated funding for cleaning up brownfields as very helpful more often than other types of federal funding. According to a U.S. Conference of Mayors report on brownfields, the cities they surveyed most frequently identified a lack of cleanup funds as an impediment to brownfields redevelopment. The communities concerned about sprawl that responded to our survey also rated funding for assessing

brownfields as among the most helpful. HUD's BEDI is a source of federal funding for cleaning up brownfields. In fiscal years 1998 and 1999, the Congress appropriated $25 million for the program. According to HUD, this $50 million in grants leveraged $249 million in section 108 loan guarantees and $1.4 billion in public and private investment. In fiscal year 1998, the city of Los Angeles received $1.7 million through this program and $10.4 million in section 108 loan guarantees to redevelop the 208-acre Goodyear Tract, located in the Los Angeles EZ, converting it from an abandoned industrial site to a modern business park and retail center. Four of the five cities we visited—Albuquerque, Atlanta, Burlington, and Columbus—have each received grants from EPA to assess the extent of contamination at selected brownfield sites and to test cleanup and redevelopment models. For example, Columbus received $200,000 to target eight former industrial sites located near an airport.

We have reported that concerns about Superfund liability have both helped and hindered brownfield redevelopment. Because the law retroactively assigns "strict, joint, and several liability" to potentially responsible parties for all cleanup costs and damage to natural resources, the owners of brownfield properties may be held fully liable for any contamination, even though they did not contribute to or mismanage the contamination. Cleanup costs can be prohibitive, and available land in urban areas often requires some cleanup.

In an April 1997 report, we noted that, in some cases, states have found that Superfund liability provisions have provided leverage to persuade responsible parties to clean up the more highly contaminated sites in their inventories.[3] However, in June 1996, we reported that the potential of being held liable under Superfund for the contamination on brownfield properties is a significant barrier to redevelopment, according to lenders, property purchasers such as developers, and property owners.[4]

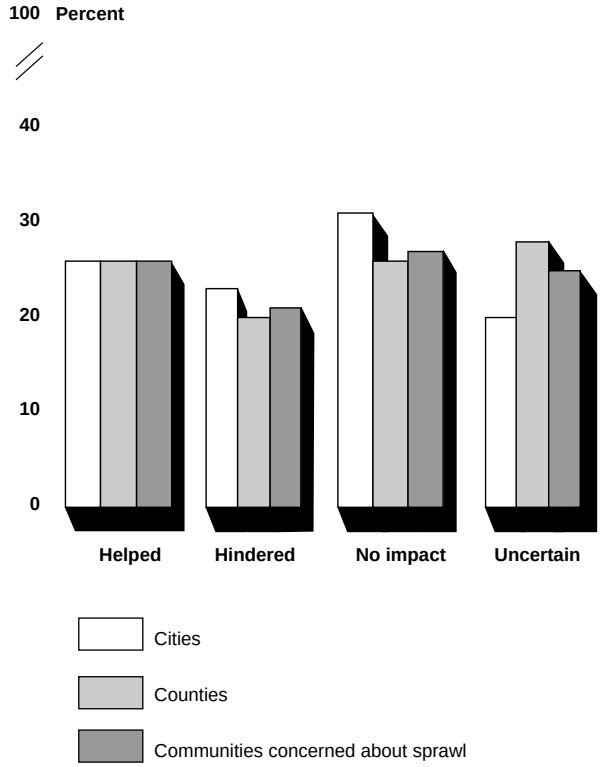
No clear picture emerged from our survey of the extent to which cities and counties believe that concerns about incurring liability for prior contamination under the federal Superfund law have hindered the redevelopment of brownfields. As figure 20 shows, about half of the

[3] *Superfund: State Voluntary Programs Provide Incentives to Encourage Cleanup* (GAO/RCED-97-66, Apr. 9, 1997).

[4] *Superfund: Barriers to Brownfield Redevelopment* (GAO/RCED-96-125, June 17, 1996).

responding communities that said they were redeveloping brownfields were either uncertain about whether the possibility of federal Superfund liability had hindered their efforts to redevelop brownfields over the last 5 years or reported that such concerns had no impact. The remaining communities were about split on whether such concerns had helped or hindered their ability to redevelop brownfields over the last 5 years, with slightly more reporting that it helped.

Figure 20: Impact of Concerns About Superfund Liability on Brownfield Redevelopment



Note: This figure excludes those communities that reported that they were not redeveloping brownfields.

According to EPA officials, the agency has worked to address the concerns raised by lenders, developers, and property owners by clarifying the liability of parties associated with contaminated property. For example, EPA supported legislation that amended the Superfund law to exempt lenders and fiduciaries meeting certain conditions from liability.

Communities Said Federal Programs Do Not Provide Enough Funding Flexibility for Them to Pursue Infill Development

Infill development offers businesses and prospective home buyers an alternative to locations in suburban areas. Some of the state officials we interviewed and many of the communities that responded to our survey identified a mismatch between their infill development needs and the federal government's approaches to community development. For example, Georgia officials noted that, while the criteria for the CDBG program are good, they are so narrowly focused that they do not allow for consideration of all the costs associated with a project, including growth-related costs. Also, Vermont officials stated that the CDBG program was an urban program that was not tailored to rural states trying to come up with regional solutions to community development needs. As we reported in June 1998, the degree of flexibility in grant programs is affected by how the funds are distributed to subrecipients, the choice of activities, and the allocation of grant funds across activities.[5]

Fifty-seven percent of the cities and 47 percent of the counties responding to our survey reported that federal programs did not give them enough funding flexibility to pursue infill development (see fig. 5). Counties were more uncertain about whether federal programs gave them enough funding flexibility to pursue infill development. Of those counties pursuing infill development, about 39 percent said they were uncertain about the level of federal funding flexibility.

Over half of the responding cities reported that they did not have the flexibility they needed to pursue infill development. For example, the manager of a city in Wisconsin told us that the income requirements for HUD's affordable housing programs are unrealistically low. To meet these requirements, the city can build affordable housing only for low-income renters, instead of building affordable housing for households with more moderate incomes—housing that would help the city meet its goal of increasing homeownership. Two city officials told us that their cities' infill development efforts would be helped if they could use a larger proportion of their CDBG money to support infill development, 70 percent of which must be spent on projects that benefit low- to moderate-income persons. According to HUD officials, up to 30 percent of a community's CDBG funds can be spent on projects that improve slums and blight or meet urgent community development needs. The remaining 70 percent of CDBG funds and federal funding for affordable housing programs are targeted to help

[5] *Grant Programs: Design Features Shape Flexibility, Accountability, and Performance Information* (GAO/GGD-98-137, June 22, 1998).

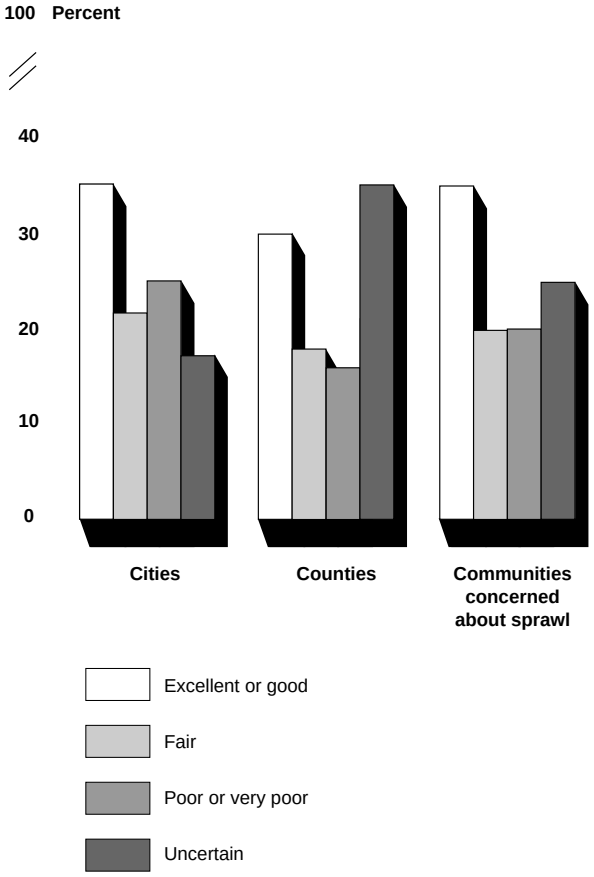
low- and moderate-income persons in order to ensure that scarce federal resources benefit those most in need.

Communities Supported Federal Facility Relocation Policies and Found Compliance Helpful

The federal government can also play a role in improving the viability of downtown areas by locating facilities in downtown locations. The Rural Development Act of 1972, as amended, directs federal agencies to give first priority to locating new offices and other facilities in rural areas. However, when the agency's mission and program requirements require an urban location, the agency must comply with Executive Orders 12072 and 13006. Executive Order 12072, promulgated in August 1978 by President Carter, directs federal agencies to give first consideration to a centralized community business area and adjacent areas of similar character when filling space needs in urban areas. Executive Order 13006, promulgated by President Clinton in May 1996, reaffirms the commitment set forth in Executive Order 12072 to strengthen the nation's cities by encouraging the location of federal facilities in central cities. Specifically, it requires federal agencies to give first consideration to historic properties within historic districts, especially those located in central business areas. The executive orders have no associated reporting requirements.

City officials we interviewed in all locations believe that locating federal facilities downtown contributes to the economic well-being of downtown areas. The communities where federal facilities were relocated held differing views on whether the federal agencies had complied with federal urban relocation policies. Figure 21 shows how these communities rated federal agencies' compliance with urban relocation policies over the last 5 years.

Figure 21: Compliance With Federal Urban Relocation Policies Over the Last 5 Years

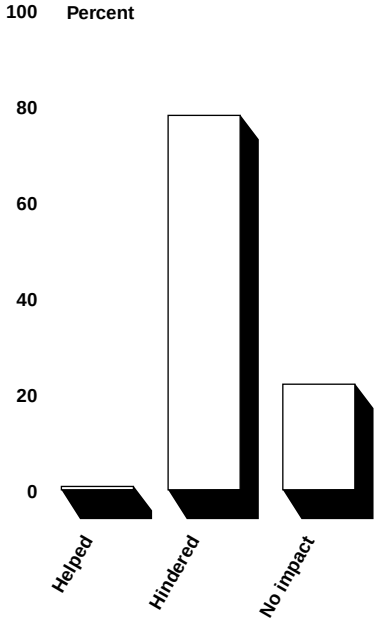


Note: This figure excludes local communities that reported there had been no relevant federal agency relocations over the last 5 years.

According to our survey results, the majority of all communities that rated compliance as good or excellent also reported that it helped them plan for and manage growth. Conversely, the majority of communities that rated compliance as poor reported that it hindered them, to an even greater degree. Figure 22 shows how communities that rated federal agencies' compliance with urban relocation policies as poor characterized the impact of such compliance. Twenty-nine percent of the responding communities (cities and counties combined) reported that federal agencies' compliance with the executive orders was poor or very poor, and 78 percent of those said that the lack of compliance hindered their ability to plan for and manage growth. In addition, 44 percent of the responding communities

(cities and counties combined) rated compliance as good or excellent, and 64 percent reported that the compliance helped them plan for and manage growth.

Figure 22: Impact of Federal Agencies' Compliance With Urban Relocation Policy for Communities Reporting Poor or Very Poor Compliance



The General Services Administration (GSA), which administers the two executive orders, is not required to, and does not centrally collect data that could be used to show whether federal facilities are being located in suburban areas. However, it did provide data for our April 1999 report showing that almost half of leased federal facilities were located in central business districts.[6] The mayor of Baltimore, in December 1998, praised GSA for adding over 500 new federal jobs to the city and complying with Executive Order 12072. In contrast, officials in Burlington, Vermont, criticized a decision by the Immigration and Naturalization Service to build a new 48,000-square-foot facility on undeveloped land in the suburbs, maintaining that it contributed to sprawl and hurt their efforts to plan for

[6]See footnote 1 in the report letter.

and manage growth. According to the mayor of Burlington, the solicitation for the project not only did not give priority to the downtown but was even written to favor a suburban location. According to GSA officials, the agency worked with the city of Burlington and the Immigration and Naturalization Service to find the best fit. To respond to cases like this that do not satisfy everyone involved and address other opportunities to be a good neighbor, GSA has formed the Center for Urban Development. The center's mission is to leverage GSA's real estate actions (i.e., building new buildings, repairing and altering existing buildings, leasing space in privately owned buildings, and disposing of surplus real estate) in ways that bolster communities' efforts to promote "smart growth," downtown revitalization, and cultural and economic vibrancy.

Local Communities' Views Differ on the Impact of Post Office Relocations

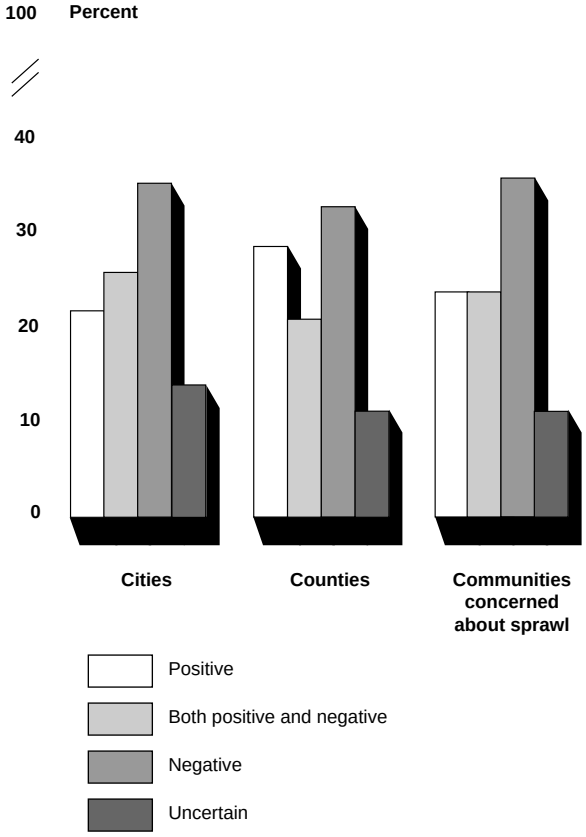
Since communities believe that having federal and postal facilities located in downtown areas contributes to the economic viability of those areas, many communities have expressed concerns that the U.S. Postal Service's decisions to move some post offices out of downtown centers have hindered attempts to revitalize these centers. According to the Postal Service, it voluntarily complies with federal relocation policies that apply to urban areas. Under law, the Postal Service must meet stringent standards when it closes a post office—including holding public hearings and studying the impact on the community and postal employees.[7] According to a Postal Service official, closing a post office takes about 4 years. However, according to the Postal Service, these provisions apply to permanent post office closures and do not apply when the Postal Service relocates a facility.

Local officials we interviewed were concerned about the impact of moving postal facilities outside downtown areas. According to our survey results, the communities where postal facilities were relocated in the last 5 years held differing views on the impact of the relocations. Rural counties were the most negative: 16 out of 28 respondents (57 percent) reported that a postal relocation had a negative impact on their ability to plan for and manage growth. Nonrural counties were more divided in their assessments: 32 percent said the relocations were positive and 28 percent said the

[7]According to the Postal Service, a post office closure occurs when the Service permanently discontinues the operations of an independent post office, eliminates its concomitant postmaster position, and provides the affected customers with alternative postal services, such as rural route services.

relocations had a negative impact. The cities and communities concerned about sprawl tended to be more negative than positive about the impact of postal relocations. Figure 23 shows how communities rated the impact of recent postal relocations.

Figure 23: Effect of Postal Relocations That Occurred Over the Last 5 Years



The main post office in a Connecticut city was located in the city's central business district. Four years ago, the Postal Service built a new facility on the outskirts of town, but it continues to use the older facility for retail purposes. While town officials were concerned that the central business district would lose commercial traffic, there have been no negative consequences from the move to date. According to the administrator of a rural county in West Virginia, the Postal Service's decision to move a retail facility from one of the central business districts in the county to a location

a few miles outside of town was both positive and negative. On the one hand, the downtown traffic problems created by the lack of parking around the old facility were solved. On the other hand, the businesses located downtown complain that a smaller retail facility located within a furniture and appliance store has limited service hours. In a rural Ohio county, the post office moved 1 mile away from the downtown to a location near an interstate highway. The county administrator said postal officials did not coordinate the move with them. The state department of transportation has to put in a new access road because of increased traffic at the new location, and the county has begun several activities to revitalize the downtown area the post office left.

According to the U.S. Postal Service's Federal Preservation Officer, the Postal Service's policy is to coordinate new construction, expansions, and relocations with local officials. In October 1998, the Postal Service enacted new regulations for increasing coordination with localities when expanding, relocating, and constructing post offices. These regulations include requirements for postal officials to notify the public and meet with public officials. Postal officials also told us they explore every option for maintaing retail operations in downtown locations; in some cases they have retained retail operations in downtown locations and moved distribution operations to different locations. In responding to the West Virginia example, the Federal Preservation Officer said the relocation happened prior to the implementation of revised regulations covering coordination with local officials. With regard to the Ohio example, the Federal Preservation Officer said the Postal Service's policy is to coordinate planned relocations with the cognizant local officials—municipal officials when the move affects an incorporated area and county officials when the move affects an unincorporated area. Because the move occurred within an incorporated area, postal officials did not believe the county had jurisdiction and therefore did not coordinate the relocation with county officials.

The Influence of Federal Programs and Policies on Preserving Open Space and Farmland

As we reported in appendix IV, about 30 million acres of nonfederal, previously undeveloped land were developed between 1982 and 1997. While much of this land had previously been forestland or cropland, in 1997 it accounted for over one-quarter of all developed land in the United States. According to a June 1999 report of the President's Livable Communities Initiative, many communities believe development patterns are decreasing open space and farmland, which can threaten recreational opportunities, local economies, and the environment. Loss of farmland was a high or very high concern for about 45 percent of the rural counties responding to our survey, and 59 percent also reported that maintaining a portion of their land for agricultural use was a high or very high priority when planning for the future. Not surprisingly, preserving parks and other open spaces was also a high or very high priority for half of the nonrural counties and 62 percent of the communities concerned about "sprawl."

USDA's Economic Research Service does not consider land development and farmland conversion to be a threat to food production nationally. The Service's research shows that the proportion of cropland converted to urban uses is relatively small. Furthermore, according to the Service, productivity gains will likely more than offset future losses of cropland to urbanization. However, the Service has also said that farmland conversion is a concern when issues such as protecting unique farmland, maintaining the strength of local communities and agricultural economies, preserving wetlands, and preventing "urban sprawl" are involved.

According to a June 1999 report of the President's Livable Communities Initiative, 16 federal programs, administered through seven different agencies, are designed to preserve farmland and open space. About half of these programs, including the three discussed below, provide funding to local communities for activities such as acquiring easements for farmland and forests, managing forests and natural resources in urban areas, and conserving rivers and developing recreational trails.

- The Farmland Protection Program provides matching funds to state and local governments to purchase conservation easements or other interests on land that limit the conversion of prime and unique farmland to nonagricultural uses.[1]

[1]A conservation easement is a deed restriction that landowners voluntarily place on their property to protect resources such as production agricultural land and wildlife habitat.

- The Land and Water Conservation Fund accumulates most of its revenues from offshore oil and gas receipts, which are then used for purposes such as acquiring lands that protect critical habitat and historic sites and providing for recreation and open space. Four federal agencies—the National Park Service, Bureau of Land Management, Fish and Wildlife Service, and Forest Service—receive a portion of these funds. There is also a matching grants program that assists states (and localities) in acquiring and developing recreation sites and facilities.

- The Urban and Community Forestry Program promotes the conservation and management of forests and other natural resources in cities. The program provides educational, technical, and financial support through federal, state, and local partnerships.

Federal Funding for Preservation Is Limited

Federal programs that fund the preservation of farmland and open space are relatively small, and responsibility for them is dispersed among several federal agencies. Officials we spoke with during our site visits described federal programs for preserving farmland and open space as limited in their usefulness because of funding constraints. While some states have used the federal funding to leverage other public and private funds, the federal funding is insufficient to satisfy the demand. In 1996, the Congress authorized $35 million for the Farmland Protection Program for 6 years, but demand for the funds was so high that they were all obligated by the third year. Only $250,000 was appropriated for the program through the fiscal year 2000 budget, though an additional $10 million in new funding was provided the same year through a separate act. The President's fiscal year 2001 budget requests $50 million in funding for the program. Vermont has combined Farmland Protection Program funds with state and private funds to purchase conservation easements on farmland throughout the state; however, according to one official, the state could double or triple its rate of activity if it had more funds.

Officials we interviewed also said that the Land and Water Conservation Fund was underfunded. Although the fund collects about $900 million each year, annual appropriations have generally ranged between $200 million and $300 million over the past 20 years. Since the program took effect in 1965, about two-thirds of the funds appropriated have been allocated to federal agencies. Grants to the states have averaged approximately $94 million per year since 1965, peaking at $369 million in 1979. In fiscal year 2000, $40 million was appropriated for the state grants program. Ohio's Department of Agriculture has used federal Land and Water Conservation

funds to establish a popular program that uses buffer strips of land to prevent development. However, an official told us that the state could use more funds from this program. State officials in California told us that federal funding has not had a great impact on the preservation of land in California—the nation's top producing agricultural state. In the absence of federal funding, the official said, the state has dramatically stepped up its farmland preservation activities.

Few of the communities responding to our survey reported using federal funds for the preservation of farmland and open space. Only 39 percent of the counties reported using federal funding for acquiring or conserving open space, conservation easements for natural resources, or farmland preservation. Interestingly, the proportion of cities (33 percent) that reported using federal funds to acquire and conserve open space was higher than the proportion of rural counties (22 percent). For example, a city in Michigan used transportation enhancement funds to acquire open space for a bikeway. In some cases, cities are using federal funding not expressly designated for open space preservation to acquire and preserve open space. A city in Colorado used CDBG funds to develop two parks in older, low-income neighborhoods.

Proposals to increase federal financing for preservation activities have been introduced into the Congress. In 1999, the Clinton Administration proposed the “Better America Bonds” program, which proposed to provide $700 million in tax credits in order to generate $9.5 billion in bond authority over 5 years, to be used for preserving green space, enhancing water quality, and cleaning up brownfields. In addition, in May, the House approved the Conservation and Reinvestment Act of 2000, which provides about $3 billion for open space acquisition and conservation activities.

Communities See Farmland Protection Legislation as Ineffective Because Guidance Is Lacking

The Farmland Protection Policy Act requires federal agencies to consider the potential adverse effects of federal programs on the preservation of farmland and to take alternative actions that could lessen the extent to which federal programs contribute to the conversion of farmland to nonagricultural uses. Officials we interviewed during our site visits said that the act was ineffective. The Ohio Department of Agriculture considers the act to be ineffective because the federal government is caught between minimizing the negative impact of its programs on farmland preservation and promoting growth and development to strengthen the economy. This dichotomy makes it very difficult to find a solution for preserving farmland. Furthermore, officials recommended that criteria for choosing alternative

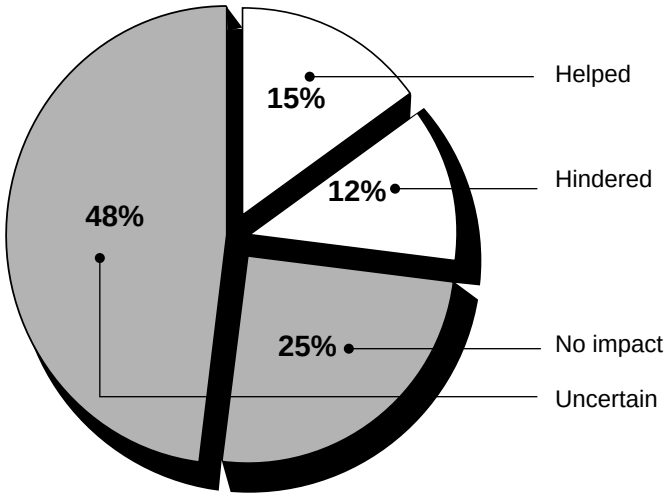
actions be consistent with state goals and values. Similarly, a California official considers the act to be a “toothless tool” because, while agencies are required to consider the potential impact of their projects on farmland, there are no consequences if they go ahead with a project.

In our April 1999 report, we reported that USDA officials told us that the Farmland Protection Policy Act is not enforceable because it offers no guidance for choosing a less damaging alternative and no incentives for doing so. While USDA has acknowledged the need for more effective implementation, officials at the Department's Natural Resources Conservation Service, which oversees the act's implementation, told us they lack the resources to strengthen their oversight.

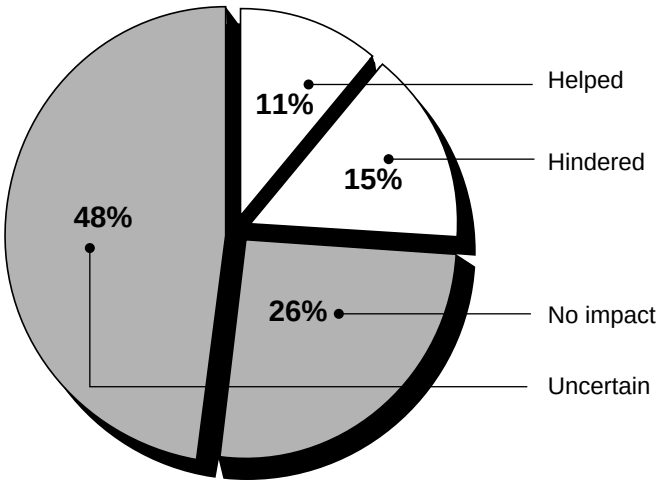
The cities and counties responding to our survey were generally uncertain about how well federal agencies were complying with the act and how the agencies' compliance affected the communities' own ability to plan for and manage growth. Figure 24 shows the responses of the counties and communities concerned about “sprawl” that have farmland and have had experience with a federal decision affecting farmland within their jurisdiction. Of these groups of respondents, an average of about three-quarters either were uncertain how federal agencies' compliance with the act affected their own ability to plan for and manage growth or said that the act had no impact, suggesting that local knowledge about the act is minimal.

Figure 24: Impact of Federal Agencies' Compliance With the Farmland Protection Policy Act on Counties and Communities Concerned About Sprawl

Counties



Communities concerned about sprawl



A Recent Federal Estate Tax Change and Tax Credits for Land Donations Have Helped to Preserve Farmland and Open Space

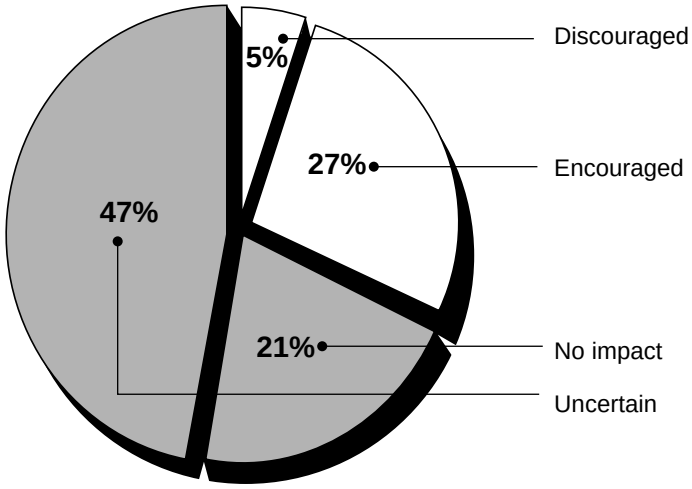
The Taxpayer Relief Act of 1997 reduced the estate tax burden on farms and qualified family businesses, which supporters believe encourages the continued operation of family farms. In a recent report on federal tax laws that affect farmers and rural communities, USDA's Economic Research Service noted that the new exclusion "should reduce, if not eliminate, the need to sell farm assets to pay Federal estate taxes." The same study noted that relatively few landowners would benefit from a comparable exclusion for land subject to conservation easements.[2]

Over one-quarter (27 percent) of the rural counties responding to our survey reported that this recent federal estate tax change had encouraged families that wanted to keep the farms they inherited. Figure 25 shows how rural and nonrural counties with farmland rated the impact of this change.

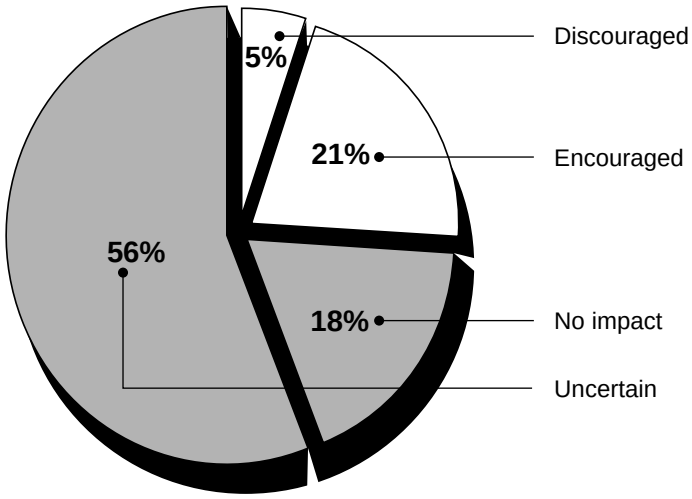
[2]James Monke and Ron Durst, *The Taxpayer Relief Act of 1997: Provisions for Farmers and Rural Communities*, USDA, Economic Research Service, Agriculture Economic Report No. 764 (July 1998), p. 18.

Figure 25: Impact of Federal Estate Tax Change on Families Inheriting Farms

Rural counties



Nonrural counties



Rural counties were more certain of the impact of the recent federal estate tax exclusion than nonrural counties. Of those that rated the impact, rural counties were slightly more positive—27 percent of the rural counties said it encouraged families that wanted to keep their farms, compared with 21 percent of the nonrural counties. For example, the administrator of a rural

county in Illinois said that the recent tax change has helped local families keep their farms, which also helps the county withstand increasing development pressure. Only 5 percent of both groups said it discouraged families, and the remainder reported it had no impact or they were uncertain of any impact. Conversely, the rural counties were less positive than the nonrural counties about the impact of the tax benefits that landowners receive if they donate land or development rights for conservation purposes. While over half of the nonrural counties (55 percent) and rural counties (64 percent) were uncertain of the impact or reported no impact, a significant percentage of each (44 percent and 33 percent, respectively) reported the tax benefits had helped their communities plan for and manage growth. For example, an official in a rural county in Michigan told us farmers and landowners are taking advantage of the tax benefits they receive if they donate land or development rights for conservation purposes. The official said this will help the county maintain outlying areas of farmland and green space and concentrate new development around the county's major hubs.

Federal Policy Options

We asked the communities that responded to our survey the extent to which they supported 14 options for changes to federal programs that could affect planning for and managing growth in their communities. Figures 26 and 27 show that, overall, support for these options was proportionally stronger among the communities concerned about "sprawl" than among cities or counties as a whole.

Figure 26: Federal Policy Options Most Often Strongly Supported by Local Communities

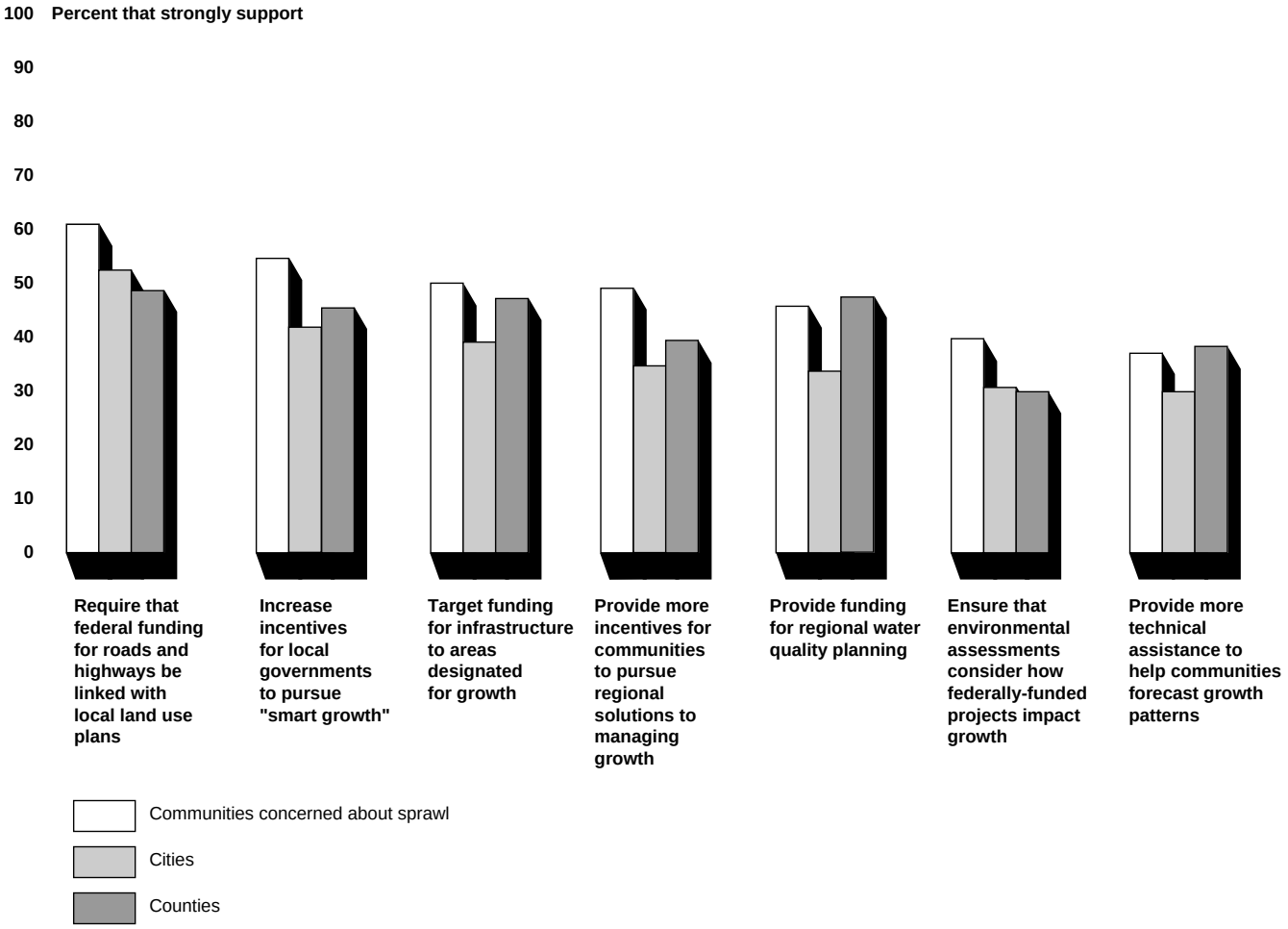
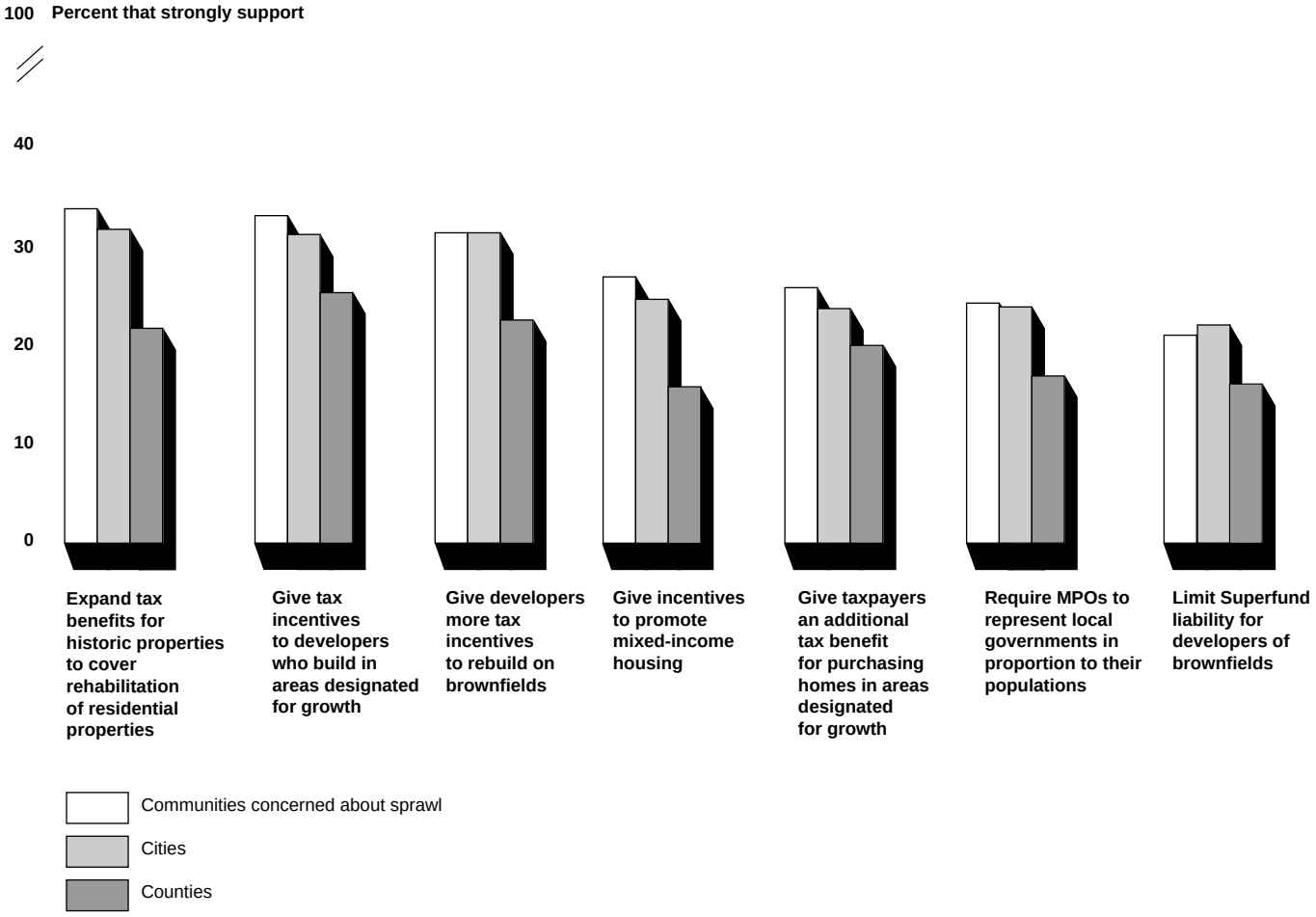


Figure 27: Other Federal Policy Options Strongly Supported by Local Communities



Comments From the U.S. Department of Agriculture

Note: GAO's comments supplementing those in the report text appear at the end of this appendix.

USDA United States Department of Agriculture
Natural Resources Conservation Service
P.O. Box 2890
Washington, D.C. 20013

JUL 2 4 2000

Mr. Stanley J. Czerwinski
Associate Director
Housing and Community Development Issues
United States General Accounting Office
Washington, D.C. 20548

Attention: Steve Cohen
Housing and Community Development Issues
United States General Accounting Office
441 G. St., NW, Room 2T23
Washington, D.C. 50548

Dear Mr. Czerwinski:

The following are our comments on the draft report entitled Community Development: Local Growth Issues -- Federal Opportunities and Challenges (GAO/RCED-00-178).

See comment 1.

1. Page 18, Preservation Activities paragraph, 6th sentence, "The goal for the program…). Revise to read, "…by the end of 1998, only 74,800 acres on 350 farms with a projected value for development rights of $167.3 million will have been protected through conservation easements."

See comment 2.

2. Same location as #1, suggest adding a new sentence as follows (perhaps as a separate paragraph after the first one under "Preservation Activities": The Agricultural Risk Protection Act of 2000 was enacted in June 2000 and under Section 211a, Subtitle B, Title II provides $10 million in new funding for the Farmland Protection Program. The act also modified the eligibility for participating in the program to include tribal governments and non-government organizations that meet specified IRS provisions. Given the increased visibility and concerns about sprawl, interest in participating in the FPP for the $10 million is likely to be very high.

Thank you for the opportunity to comment. If you have any questions, please contact Steve Probst at (202) 720-8208.

ROBERT R. ENSOR
Acting Director
Operations Management and Oversight Division

cc:
June Hill, OIG, Jamie L. Whitten Building, Room 450E, Washington, D.C.

The Natural Resources Conservation Service (NRCS), formerly the Soil Conservation Service, is an agency of the Department of Agriculture

An Equal Opportunity Employer

The following are GAO's comments on the U.S. Department of Agriculture's Natural Resources Conservation Service's (NRCS) letter dated July 24, 2000.

GAO's Comments

1. We corrected the number of farmland acres preserved by the Farmland Protection Program through the end of 1998.

2. We changed the report to include the additional $10 million provided to the Farmland Protection Program through the Agricultural Risk Protection Act of 2000.

Comments From the Environmental Protection Agency

Note: GAO's comments supplementing those in the report text appear at the end of this appendix.

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUL 26 2000

OFFICE OF
THE ADMINISTRATOR

Stanley J. Czerwinski
Associate Director
Housing and Community Development Issues
Resources, Community, and Economic Development Division
U.S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Czerwinski:

We appreciate the opportunity to comment on GAO's draft report "Community Development: Local Growth Issues -- Federal Opportunities and Challenges." We are providing the attached general comments. Specific technical comments and recommendations have also been provided separately to your staff.

We hope these comments are helpful to you in finalizing the report. If we can be of further assistance please do not hesitate to contact me at (202) 564-4332, or Geoffrey Anderson on my staff at (202) 260-2769.

Sincerely,

Richard T. Farrell
Associate Administrator
Office of Policy, Economics and Innovation

Enclosure

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COMMENTS ON GAO REPORT "COMMUNITY DEVELOPMENT: LOCAL GROWTH ISSUES -- FEDERAL OPPORTUNITIES AND CHALLENGES"

General Recommendations

See comment 1.

1. We would like to see the final report clearly discuss the implications of the study design used in this work. Interviewing local officials is well suited to elicit local opinion but that opinion is necessarily limited to their areas of expertise. For instance, the home mortgage interest deduction is often cited by academicians as a major influence on potential home buyers-- in terms of the size of houses bought, and their location. However, there is nothing at the local level to make this influence explicit, and its effect may go unnoticed or may be attributed to other factors. This dynamic can be seen at work in local officials' response to the questions regarding the impact of changes made to the Federal Estate Tax change. Even in rural counties, 47% of local officials were uncertain of the impact of the change. This limitation should be made clear to any reader. For instance, it would be prudent to conceptualize the findings of the survey with language that points out the type of federal policies (e.g., FCC ergs, tax code impacts) likely to go unrecognized at the local level.

See comment 2.

2. The report repeatedly asserts that the federal influence on development decisions, patterns, and growth management is small. This statement is inconsistent with other findings including those of the GAO. Last year's GAO report "Extent of Federal Influence on Urban Sprawl Is Unclear" concluded that the Federal influence is unclear. In a 1999 survey conducted by Fannie Mae Foundation, urban experts ranked the top 10 influences on the American Metropolis over the past fifty years. The top two influences cited were the 1956 Interstate Highway Act and the Federal Housing Administration's mortgage financing program. The fourth ranked influence was the 1949 Housing Act that promulgated urban renewal in many of our nation's cities. According to the report, "the single most important message…is the overwhelming impact of the federal government on the American metropolis, especially through policies that intentionally or unintentionally promoted suburbanization and sprawl." (Fishman, Robert. 1999. "The American Metropolis at Century's End: Past and Future Influences." Fannie Mae.) It seems unfounded to state in this report that the federal influence is small.

One possible way of dealing with this issue is to note that local officials appear to believe that the federal influence on growth issues is small. However, a closer look at the data requires even this statement to be qualified and caveated. For instance, the report notes that roughly 60% of local officials rated funding for water and sewer infrastructure as "very helpful" in managing growth. And no wonder since the GAO indicates that seven federal programs will provide $4.3 billion in grants, loans, and loan guarantees for construction and re-construction of water and wastewater systems during FY 2000. This is more than one quarter of the money that will be spent on water/sewer infrastructure in FY 2000. Similarly, according to the GAO, the US DOT estimates that the federal, state and local governments will need to spend around $56.6 billion dollars per year through 2020 for transportation improvements. TEA-21 authorizes $28.8 billion of this sum for FY 2000, just over half of the needed spending. It is therefore not surprising that roughly 61% (the top vote getter) of local officials call this funding "very helpful" in planning for and managing growth.
Now pair these statistics with the GAO's finding that local officials say their top three growth related challenges are 1) need for new infrastructure; 2) aging infrastructure; and 3) traffic

congestion. A coherent picture begins to emerge. The federal government provides roughly one half of the projected transportation spending and roughly one quarter of the water/sewer funding to deal with local governments' top three growth related challenges. The only finding that is not easily reconciled is the finding that local officials indicate that federal influence on growth is insignificant. However, if local officials are thinking principally about their traditional tools for growth management--regulatory tools--these findings make sense, because these are the tools of state and local governments. GAO's findings support this interpretation. When asked, local officials' top three growth management tools were land use planning, zoning authority, and mixed use zoning authority. In this context, asking what is the federal influence on growth and development in your community may be akin to asking "what is the federal influence on land use planning, zoning authority, and mixed use zoning authority?" It is not surprising that few local officials identify the federal government as having significant influence. However, as the spending data, survey responses, and academic studies indicate, a great deal more analysis and interpretation is needed to provide readers of this report with an accurate account of the federal/state/local growth influences.

See comment 3.

3. Readers of the report would benefit from a more in-depth discussion of infrastructure issues. In their responses to the GAO's questions, local officials cited traffic congestion, improved transportation systems, sprawl, and maintenance of existing infrastructure among their top concerns. Many see these issues as closely inter-related. For instance, recent research on "induced demand" has shown that to some degree new transportation infrastructure induces people to take more and/or longer trips--essentially creating more travel and more traffic congestion. In addition, the connections between land use, transportation, and air quality should also be identified. Including a discussion of these phenomena in the report would help to illuminate the complexity of these issues, as would a discussion and examples of transportation demand management techniques. We have provided some specific suggestions below and would be happy to discuss others if that would be helpful.

See comment 4.

4. Finally, in the previous version of the report, there were several mentions of specific EPA programs and projects that local officials found particularly helpful. For instance, the brownfields program, the Atlantic Steel project, and the Smart Growth Network were all identified by officials as helpful in dealing with growth and related environmental issues. In our previous comments we also identified the EPA and U.S. Dept. of Commerce's Economic Development Administration (EDA's) "Clean Air/Brownfields Partnership Pilot", an initiative to make it easier for urban developers to offset emissions from new development by reducing emissions elsewhere in the city. We would recommend including these examples once again as emblematic of the direction federal policy is taking and the local response to these efforts.

The following are GAO's comments on the Environmental Protection Agency's (EPA) letter dated July 26, 2000.

GAO's Comments

1. We disagree with EPA that more discussion on the implications of surveying local government officials is needed. We recognize that the level of knowledge local government officials have of federal programs and policies may be greater in some areas than others. However, our approach was to identify the key players most responsible for planning for and managing growth in their communities and to survey that population to identify their growth related concerns and the issues they face. We also obtained the views of regional and state officials during site visits to balance the views of local government officials.

2. We disagree with EPA that our report repeatedly asserts that the federal influence on development decisions, patterns, and growth management is small. Our report acknowledges that the federal government influences growth decisions through spending, taxation, and selected regulatory and administrative activities. However, we concluded that when compared with the influence state and local governments have in local growth issues, the federal influence is small.

   We also disagree that our observation on federal influences is inconsistent with the findings of our April 1999 report. That report addressed a different question. In 1999 we reported that, according to published literature and research, the influence of federal programs and policies in promoting "urban sprawl" over the past 50 years was unclear. This report examines how federal programs and policies influence state and local decisionmakers as they plan for the future of their communities.

3. We agree that there are close interrelationships among these issues and broader policy implications. However, a further discussion of the relationship between infrastructure, traffic congestion, and "sprawl", as well as the relationship between land use, transportation, and air quality, was beyond the scope of our review.

4. We modified the report to provide additional examples.

Comments From the General Services Administration

Note: GAO's comments supplementing those in the report text appear at the end of this appendix.

GSA

GSA Public Buildings Service

AUG 7 2000

Mr. Stanley J. Czerwinski
Associate Director
Housing and Community Development Issues
Resources, Community, and Economic
Development Division
General Accounting Office
Washington, DC 20458

Dear Mr. Czerwinski:

Thank you for letting us review your draft report entitled "Community Development: Local Growth Issues—Federal Opportunities and Challenges." I'm writing to provide clarification on a couple of items in your report.

See comment 1.

I think it's worth mentioning on page 23 of the report (in the "Opportunities may also exist..." paragraph) the work our Center for Urban Development is doing. The Center is mentioned later in the report, but I suggest adding the following to the note on the Postal Service's new efforts:

> "GSA has formed the Center for Urban Development to leverage GSA's real estate actions in ways that bolster communities' smart growth, downtown revitalization, and cultural and economic vibrancy efforts."

You might also want to include a note on page 40 or 41 (in the "Compared with state and local governments..." paragraph) on the Center, which was established to be a partner with communities and to spur local development efforts.

See comment 2.

On page 86 (in the "According to our survey results..." paragraph), it's not clear where the 29 percent and 44 percent figures came from. The graph above this paragraph in the report does not support these percentages (e.g., it is not clear how "29 percent of the responding communities reported that federal agencies' compliance with the executive orders was poor or very poor" is supported by the graph, which shows that 25 percent of "Cities", 16 percent of "Counties", and 20 percent of "Sprawl-Concerned Communities" rated compliance as "poor" or "very poor").

See comment 3.

Finally, on page 87 (in the "The General Services Administration..." paragraph), the first sentence should reflect GSA as more than simply "the agency responsible for administering the federal location policy." In fact, all Federal agencies are responsible for carrying out the laws and executive orders that apply to locating Federal facilities.

U.S. General Services Administration
1800 F Street, NW
Washington, DC 20405-0002
www.gsa.gov

-2-

GSA, which improves the effectiveness of the Federal Government by providing quality work environments for its employees, is committed to leading by example and advocating for locating facilities in central business areas and historic districts and is doing this through careful planning with communities and our customer agencies.

Again, thank you for the opportunity to comment. If you have any questions, please contact Mr. Edward Giefer, Center for Urban Development, at (202) 219-2355.

Sincerely,

Robert A. Peck
Commissioner

Federal Recycling Program Printed on Recycled Paper

The following are GAO's comments on the General Services Administration's (GSA) letter dated August 7, 2000.

GAO's Comments

1. Information regarding the activities of GSA's Center for Urban Development is contained in appendix VIII.

2. We changed the report to make it clearer that the figure that follows the referenced paragraph, rather than the one that precedes it, supports the percentages in question. We also changed the text to make it clearer that the responding communities we refer to in the paragraph are a combination of cities and counties that rated federal agencies' compliance with urban relocation policy.

3. While we recognize that all federal agencies are responsible for carrying out the laws and executive orders that apply to locating federal facilities, GSA is the agency responsible for administering the executive orders. Therefore, we changed the report to clarify GSA's responsibility.

Comments From the U.S. Department of Housing and Urban Development

Note: GAO's comments supplementing those in the report text appear at the end of this appendix.

U.S. Department of Housing and Urban Development
Washington, D.C. 20410-7000

OFFICE OF ASSISTANT SECRETARY
FOR COMMUNITY PLANNING AND DEVELOPMENT

July 26, 2000

Mr. Steve Cohen
Assistant Director, Housing and
Community Development Issues
Rm. 2T23
441 G Street, N.W.
Washington, DC 20548

Dear Mr. Cohen:

We have reviewed the draft GAO report on "Community Development: Local Growth Issues—Federal Opportunities and Challenges." Overall, the report is very good. It is well-balanced, reasoned and factually based. The authors do a good job of reporting and interpreting the findings of the survey without inappropriately speculating about the implications of the results.

The report is noteworthy for its recognition of the relatively limited role that the Federal government currently has in local growth issues. A fact that is frequently ignored or obscured in popular discussions of the issue.

The findings generally support many of HUD's positions on community revitalization and local growth. Of particular note is the finding that existing community revitalization programs are both very helpful and chronically underfunded. Hence, HUD's continuing efforts to increase funding for affordable housing, brownfields redevelopment, and community development, in general. HUD requests for more funding for CDBG, CDBG technical assistance, and new funding for Regional Connections are directly supported by the findings of the report.

There are three points made in the report that deserve closer review by GAO staff when preparing the final report. These are:

1) the relationship between new infrastructure development and smart growth;
2) the issue of the flexibility of federal funds for community revitalization; and
3) the issue of coordination between land-use and transportation planning.

See comment 1.

New Infrastructure and Smart Growth

The report emphasizes that new infrastructure is the greatest growth challenge faced by respondents. It properly discusses considering the growth implications of federal transportation investments and better coordination between land use and transportation planning, but it does not go far enough in examining the critical link between new infrastructure development and smart growth or sprawl.

Indeed, this may be one of the most significant challenges to pursuing smart growth. Infrastructure investment is vital for enabling growth, but historically it has also been one of the biggest contributors to sprawl. A more in-depth discussion of how important decisions regarding new infrastructure will be to guiding the physical development of our country over the next decades seems justified. In particular, it is justified because the high concern about the need for new infrastructure was more prevalent than the high concern about sprawl. The former is likely to take precedence over the latter.

Better coordination between land use and transportation planning and broader consideration of the growth impacts of infrastructure investments are important, but these are really local decisions/issues. Increased Federal requirements for such activities seems to counter the desire for greater flexibility, as expressed in the survey. This is not to say that the Federal government should not further investigate these options, but some broader discussion on the complications of doing so would improve the report.

More discussion of the challenge of balancing the new infrastructure needs with the need to maintain or improve aging infrastructure also seems warranted.

See comment 2.

Flexibility in Community Revitalization Programs

The report would benefit from a more in-depth and honest discussion of the issue of program flexibility as it relates to community revitalization. A first step would be de-emphasizing the alleged 340 programs for community revitalization and explicitly recognizing that CDBG and other HUD programs (which could be counted on two hands) account for the bulk of community revitalization programs. The report does this in the detailed section, but not in the executive summary/letter, which is usually the most often read piece of such reports.

The point is not merely academic. It is important, because CDBG and other programs authorized under CDBG are some of the most flexible programs of the Federal government. Reporting that communities think such programs need to be more flexible to meet their infill needs may be consistent with the survey, but it provides for overly simplistic analysis. The survey's investigation of flexibility was relegated to one question, which did not probe regarding the types of flexibility needed. The case study results indicated that the most common type of flexibility desired was alteration of the income targeting requirement. This is an absolutely critical issue. Explicit discussion of this in the summary portion of the report would make the tradeoff clear.

3

The report properly mentions that increasing flexibility must be weighed against programs' national goals, but a more explicit discussion of what those goals are would improve the analysis for decision-makers. It would also more accurately portray the existing levels of flexibility under the most prominent Federal community reinvestment programs, and enable decision-makers to better target solutions to the problems expressed by communities.

See comment 3.

Coordination of Land Use and Transportation Planning

The issue here is one of oversimplification. It is understood that the report was not meant to provide an exhaustive analysis of each issue discussed, but a more in-depth analysis of the complications associated with Federal support of this issue seems warranted (see third paragraph under "New Infrastructure and Smart Growth" above).

It is also worth noting that DOT and HUD are already pursuing options in this regard. Our actions will begin with a training seminar and follow-up activities to enable better coordination between HOPE VI projects and local transportation planning. We are also engaging in continuing discussions of how HUD's Consolidated Planning and DOT's MPO planning can be better coordinated. Part of this effort may include better integration of transportation data into HUD's Community 2020 mapping software.

If you have any questions on the above please give me a call on 202-708-2186, ext. 3844.

Sincerely,

William H. Eargle, Jr.

William H. Eargle, Jr.
Comptroller

The following are GAO's comments on the U.S. Department of Housing and Urban Development's (HUD) letter dated July 26, 2000.

GAO's Comments

1. We agree that there are close interrelationships among these issues and also broader policy implications. However, a further discussion about how infrastructure investment will guide development in the United States in the decades ahead, as well as additional discussion about balancing the need for new infrastructure with the need to maintain aging infrastructure, was beyond the scope of our review.

2. In response to HUD's comments, we changed the report to distinguish the community reinvestment programs most frequently cited as helpful by local officials. We also added HUD's response to local governments' appeal for increased flexibility of community reinvestment programs.

3. We agree that the relationship between land use and transportation decisions is an inherently local issue. Our report does not suggest that federal opportunities to encourage greater consistency between these decisions necessarily means that increased federal requirements are needed. We agree that there are additional challenges associated with this and each of the federal opportunities we cite, but we did not attempt to enumerate them all.

Comments from the Department of the Interior

Note: GAO's comments supplementing those in the report text appear at the end of this appendix.

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

JUL 25 2000

Mr. Stanley J. Czerwinski
Associate Director, Housing and
Community Development Issues
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Czerwinski:

We have reviewed the draft General Accounting Office (GAO) report entitled, **Community Development: Local Growth Issues -- Federal Opportunities and Challenges** (GAO/RCED-00-178) as transmitted with your July 10, 2000, letter. We greatly appreciate the opportunity to review and comment on the draft. The draft reflects a high degree of sound work that will, we believe, contribute to an important current issue of concern to all of us. The GAO should be commended for this work and we look forward to its completion. Some areas have been identified where we believe the report could be improved or enhanced. In the enclosed, we offer the overall and specific comments for your consideration in completing the subject report.

If you have any questions or need additional information, please contact Jim Colby, Strategic Planner, on 202/452-5100, or Pam Cleary, BLM Audit Liaison Officer, on 202/452-5196.

Again, thank you for affording us the opportunity to offer these suggestions.

Sincerely,

Piet deWitt

for Sylvia V. Baca
Assistant Secretary,
Land and Minerals Management

Enclosure

COMMENT ON DRAFT REPORT ENTITLED
COMMUNITY DEVELOPMENT: LOCAL GROWTH ISSUES – FEDERAL OPPORTUNITIES AND CHALLENGES (GAO/RCED-00-178)

Prepared by the U.S. Department of the Interior
July 24, 2000

See comment 1.

Overall Comments

The Department of the Interior believes that the draft report overlooks some important resources available to communities to use in their efforts to deal with local growth issues. We suggest the following be included in the report.

1 **Open Space**. The Federal lands managed primarily by the Bureau of Land Management (BLM), National Park Service (NPS), Fish and Wildlife Service (FWS) and the Forest Service (FS), prevalent throughout the West, provide important open space resources that are available to help meet community needs. In recent years, communities have been increasingly seeking agreements with Federal land managers to ensure many Federal lands are managed as integral components of area-wide open space networks. This is especially true of lands managed by the BLM which has sufficient flexible authorities to accommodate such agreements. We think it is an oversight for the report to limit its consideration of the Federal role for open space to financial assistance to communities so that they can acquire lands.

2. **Uses of Public Lands for Public Purposes**. There are extensive instances of public lands being used by localities to meet public needs. Specific examples of "growth management" related requests for use of BLM-managed lands include: cemeteries, golf courses, parks, airports, shooting ranges, maintenance yards, open space (both passive and active), wildlife sanctuaries, "mitigation" for private land developments, schools, libraries, community centers, landfills, affordable housing, employee housing, observatories, land for community growth, sensitive species reserves, recreation access, wildlife viewing, and campgrounds for long term campers. These uses are accommodated through a variety of authorities, including the Recreation and Public Purposes Act.

3. **Land Disposals for Private Growth**. There are also instances where public lands are made available to accommodate community growth when consistent with community plans. These lands are made available through sales or exchanges. A prominent example of this is in the Las Vegas metropolitan area.

4. **Public Lands Survey System and Ownership Database**. The Public Land Survey System (PLSS) defines land ownership and is the basis for local land administration systems in use by local governments throughout much of the United States. Local and

tribal governments rely upon the PLSS to provide the foundation for all land ownership records. Thus, it is a core tool for community use in planning and managing growth. Recently, the Western Governors Association issued a policy statement recognizing this value by stating, "To address multiple land related issues, Western Governors recognize the importance of the collection, integration, maintenance, and distribution of digital geographic data representing the legal land subdivision from the PLSS, land ownership and other related data." This system, known as the Geographic Coordinate Database (GCDB), is being developed by the BLM. BLM's GCDB program has over 100 partnership agreements with counties throughout the West creating and sharing these digital land data.

Specific Comments

See comment 2.

On page 20, in the second full paragraph, line 9, after the sentence that ends with "future preservation," please add:

> The Fish and Wildlife Service's National Wetlands Inventory provides digital wetlands data for one million square miles of the conterminous United States that is viewable over the Internet through the Wetlands Interactive Mapper http://wetlands.fws.gov. It allows anyone with an Internet connection to view digital wetlands data for most States and local communities.

See comment 3.

On page 24, in the first full paragraph, line 7, the current wording is: " ... resources as USGS mapping capabilities." Please change and insert as follows:

> ... resources as USGS and FWS mapping capabilities. The FWS, like most government agencies, is making its digital data available to Geographic Information Specialists over the Internet. Because many communities do not have Geographic Information Systems, the FWS has developed a system to deliver community-level wetlands data to the public using a web-based browser. The Wetlands Interactive Mapper allows anyone with an Internet connection to view digital wetlands data to assist with local land use decisions. The Wetlands Interactive Mapper is available on the National Wetlands Inventory Center's web site at http: //wetlands.fws.gov.

See comment 4.

On page 31, suggest including USGS as an abbreviation as it is referenced in the text.

See comment 5.

On page 92, please revise the second paragraph as follows:

> The Land and Water Conservation Fund accumulates most of its revenues from offshore oil and gas receipts, which are then used to acquire lands that protect

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natural and cultural values, critical habitat and ecosystems, historic and cultural sites, and also provide for recreation and open space, subject to appropriation by Congress. Four Federal agencies, the NPS, BLM, FWS, and FS, receive a portion of these funds. There is also a matching grants program that assists States (and localities) in acquiring and developing recreation sites and facilities.

See comment 6.

On page 93, in the first full paragraph, please insert where appropriate:

Officials we interviewed also said that the Land and Water Conservation Fund was underfunded. Although the fund collects about $900 million each year, appropriations have generally ranged between $200 and $300 million over the past 20 years. In Fiscal Year (FY) 1998, $969 million was appropriated, including $699 million in Title V funding. In FY 1999, $328 million was appropriated, and in FY 2000, $467 million was appropriated, including $198 million in Title VI funding.

3

The following are GAO's comments on the Department of the Interior's (DOI) letter dated July 25, 2000.

GAO's Comments

1. Our report recognizes that the federal government can influence local growth and development in areas where it owns substantial land. In its comments, the Interior provided several examples of how the federal government can influence local growth issues, particularly in the West. Therefore, we added a reference in the letter to some of the resources that the Department makes available to local communities in areas where federal land management influences local growth issues.

2. We added a reference to the Fish and Wildlife Service's National Wetlands Inventory in the letter.

3. See comment 2.

4. We added USGS to our list of abbreviations.

5. We changed the report to better reflect how funds from the Land and Water Conservation Fund are used.

6. We discussed this comment with an official in the Interior's Office of Budget. She agreed that our discussion of funding for the state grants program, as originally presented, was accurate. She suggested several clarifications, which we incorporated.

GAO Contact and Staff Acknowledgments

GAO Contacts

Stanley J. Czerwinski, (202) 512-7631
Steve Cohen, (202) 512-4864

Acknowledgments

In addition to those named above, Carolyn Boyce, Kathy Carey, Alice Feldesman, Libby Halperin, Alexander Lawrence, Jr., Donna Lucas, Signora May, John McGrail, and Paige Smith made key contributions to this report.

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