A Course on Teaching the Concepts of Urban Land Development, Urban Sprawl, and Smart Growth from an Economic Perspective

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Biography

Rob Wassmer is a professor of Public Policy and Economics at California State University, Sacramento (Sacramento State). Before moving to Sacramento in 1995 he worked summers at the State of Michigan’s Departments of Commerce and Treasury, was a visiting lecturer in economics at Eastern Michigan University, and held the positions of assistant professor in the Department of Economics and research associate with the College of Urban, Labor, and Metropolitan Affairs at Wayne State University in Detroit. Rob served as a visiting consultant to the California Senate’s Office of Research between 2000 and 2002. For 2000-01 he received the Sacramento State’s President’s Award for Research and Creative Activity. Professor Wassmer was also the past (1997-2001) coordinator of the system-wide California State University Faculty Research Fellows Program. His research on topics relating to state/local public finance and urban economic development has appeared in academic journals including the Journal of Policy Analysis and Management, Journal of Regional Science, Urban Affairs Review, Regional Science and Urban Economics, Public Finance Review, National Tax Journal, Economic Development Quarterly, Urban Studies, and the Journal of Urban Economics. Professor Wassmer has a book (co-authored with John Anderson) Bidding for Business: The Efficacy of Local Economic Development Incentives (2000) published by the Upjohn Institute for Employment Research. He also has produced an edited collection of previously written articles on Readings in Urban Economics: Issues and Public Policy (2000) published by Blackwell. Wassmer is on the editorial board of the academic journals Economic Development Quarterly and Public Finance and Management. His homepage is at http://www.csus.edu/indiv/w/wassmerr.
I. Introduction

The Setting

The Sacramento Metropolitan Area is at the epicenter of the population growth that California has experienced and is expected to continue to experience. The population of this four county metropolitan area (El Dorado, Placer, Sacramento, and Yolo Counties) was 1.48 million in 1990. By 2000 it had risen to 1.80 million, or a 22 percent increase in a decade. The Sacramento Metropolitan Area’s population is anticipated to grow another 38 percent over the next 14 years and reach 2.5 million by 2020. Given the increased traffic congestion, air pollution, and loss of open space that has already occurred in the Sacramento Area, it is no surprise that the area’s residents, elected officials, and policymakers all want to know how to best deal with the further projected growth in a manner that will preserve, and perhaps even enhance, the quality of life currently enjoyed in California’s capital region.

California State University, Sacramento (Sacramento State) is one of two large public universities (the other being the University of California, Davis) located in the Sacramento Metropolitan Area. In 1992, Sacramento State began the only Master’s Program in Public Policy and Administration (MPPA) housed in the area. This program teaches the diverse perspectives, technologies, and skills essential to a successful career in public management and/or in one of the many fields within the public policy arena. In just over a decade the program has grown to admitting a class of 35 to 40 students each academic year. In 2004, professors in the MPPA program teamed up with real estate and finance professors in Sacramento State’s College of Business Administration to begin a Master’s Program in Urban Land Development (MULD). The MULD admitted 10 students for the inaugural class that began in fall 2005.
The MULD program at Sacramento State plans to teach both the private and public aspects of real estate development so it can be done in both a profitable and socially appropriate manner. Master’ students in the urban land development program are exposed to all major aspects of the development process including design, feasibility analysis, land use regulation, market and location analysis, urban public policy, and negotiation. Graduates from this program will be able to bridge the current gap between land use professionals with training in fields such as city planning, government, and public policy; and private entrepreneurs trained in real estate finance and business administration. Our intent is to produce a new breed of professionals who can better plan, construct, manage, and even govern the immense amount of new urban development the Sacramento region is expected to experience. A goal of the program is to turn out an enlightened entrepreneur who will be able to profitably develop in a way that discourages sprawl and promotes infill, livable, and affordable development.

The Course

In 1996, a year after I began teaching in Sacramento State’s MPPA Program, I developed and began to teach a course to MPPA students and Master’s students in economics titled *PPA/ECO 251: Urban Problems, Economics, and Public Policy*. Since then, this course has been offered once an academic year with a usual enrollment of about 15 graduate students. I initially taught this course with a strong emphasis on the applied urban economic theory that is the subject of most undergraduate textbooks written by economists on this subject. Learning that most of my students stay in the area, I have increasingly modified this traditional approach by putting greater emphasis on the institutions and real-world specifics driving urban outcomes in the Sacramento metropolitan area. Beginning in the fall of 2005,
PPA/ECO 251 became a core course for Master’s students studying urban land development. Considering this new audience, and the continued population growth and consequent concerns it has raised for the Sacramento area, I have restructured this course such that it now places greater emphasis on: (1) understanding the causes of growth in urban areas, (2) the resulting land uses and other consequences that results from growth (including urban sprawl), (3) and the popular movement to adopt smart growth tenants in an attempt to mitigate the negative urban outcomes that growth can generate. The course outline and description that follows is the product of this restructuring.

Educational Component

The goal of this course is to enhance a graduate student’s understanding of the causes and consequences of urban growth. Since I am an economist, the methodological root of the course is urban economics. This base is developed in the first part of the course through chapters from Arthur O’Sullivan’s 6th Edition (2007) text on *Urban Economics*. Students do not learn economic theory applied to urban land use for its own sake, but for the purpose of having a uniform base to better understand, analyze, and discuss the course’s key topics: urban growth, urban sprawl, and smart growth. Besides O’Sullivan’s textbook, and chapters drawn from Anthony Down’s (2004) book *Still Stuck in Traffic*, this course relies upon background information provided by scholarly, professional, and advocacy articles (of which most are available at provided web addresses).

My pedagogical approach for each of the 14 weekly three hour classes is fourfold. First, I offer students discussion questions before they do the background reading for the classroom discussion. Second, I ask students to complete the appropriate background reading before the class meets (with an eye to addressing the given discussion questions).
Third, I run the class in an active learning and student-based discussion format. Finally, I ask students to continue their learning on a subject by a weekly assignment that relates to the previous week’s topic covered in class. Discussion in class is ripe with examples and real-world professional and personal experiences drawn from the Sacramento area that is provided in large part by students. This is possible since most students are currently working in the fields of public policy and/or land development.

Roles of Faculty and Students
I view my role as the instructor of this course as a facilitator of discussion and the expert to be called upon to answer technical questions or to offer examples. As you can sense by the description so far, this course is not based upon lectures. As such, students must assume the role of diligent readers of background material and come prepared to join in classroom discussions and ask questions on what they do not understand.

Smart Growth Principles Used in Class
After spending the first half of the course covering the economics of urban growth and urban sprawl, the second half deals more specifically with smart growth principles. First I cover what these principles are, criticisms of them, and responses to these criticisms. From there the specific smart growth policies of infill/brownfield development, affordable/inclusionary housing, and dealing with traffic congestion are covered. I chose these topics because they are particularly relevant to Sacramento and California. The course finishes with policy issues surrounding the implementation of smart growth principles. These include governance, regional “visioneering,” and the use of government created carrots and sticks to implement smart growth principles.
Data Needed for Course

This course is very real-world in its approach and hence data driven. For example, I use Census based sources of data for relevant urban information, Myron Orfield’s and my own GIS based mapping of urban social disparities, the Public Policy Institute of California’s public opinion polling on land use, William Fulton’s accounting of which U.S areas are most sprawled, and the Texas Transportation Institute’s data on congestion. In addition, students are encouraged to seek other data in the weekly assignments.

II. Course Outline

*Urban Sprawl, Smart Growth, Economics, and Public Policy*

PPA/ECO 251  
Masters Program in Public Policy and Administration  
Master Program in Economics  
Masters Program in Urban Land Development

**Background: Review of Basic Microeconomics**

Read Before Class Starts

Reviews basic market concepts.

**Part 1: Economics of Urban Growth (4 Weeks)**

Week 1

*How are urban areas defined in the United States?*  
-Chapter 3 (Why Do Firm’s Cluster?), pp. 34 – 54.  
*How does firm location determine the expansion of cities?*  
-Chapter 4 (City Size), pp. 55 – 71.  
*Why do cities vary in size and scope?*
**Week 2**

-Chapter 5 (Urban Growth), pp. 72 – 98.  
  *Why do some cities grow at a healthy rate and others stagnate?*  
-Chapter 6 (Urban Land Rent), pp. 101 – 129.  
  *What determines the price of urban land and how does price impact urban land use?*

*This paper focuses on the short- and long-term benefits of growth to local communities and larger regions.*

**Week 3**

-Chapter 7 (Land Use Patterns), pp. 130 – 160.  
  *How did this dominant urban form for the first half of 20th Century develop?*

*Describes how U.S. suburbanization has been caused by “natural evolution” and “flight from blight” factors.*

**Week 4**

  *Why are today’s dominant urban forms different than in past?*

*Text and GIS map presentation on regional disparities in socio-economic indicators in the Greater Sacramento Area.*

*Offers maps and text that highlight social, economic, and fiscal trends in various United States metropolitan areas.*
Part 2: Urban Sprawl (2 weeks)

Week 5


Week 6


Influence of the various forms of urban containment and growth management policies, compared to other “natural evolution,” “flight from blight,” and “fiscalization of land use” factors that also influence the square mile size of an urban area.

**Part 3: Smart Growth (6 Weeks)**

**Week 7 Definitions**


An academic economist’s perspective on allegedly excessive metropolitan suburbanization.


Describes how smart growth is development that serves the economy, the community, and the environment. It changes the terms of the development debate away from the traditional growth/no growth question to how and where should new development be accommodated.


Examines some of the most prevalent myths on Smart Growth and offers facts instead, in the hope that public debate can be focused more sharply on true challenges and effective approaches.

**Week 8 Criticisms**


Describes the free-market think tanks and their researchers who crusade against smart growth policies.

The central proposition is that the so-called smart growth movement is right about a great many things, and can make a major contribution to improving our cities and suburbs if its ideas are moderately applied.


Evaluates various criticisms of smart growth. It defines the concept of Smart Growth, contrasts it with sprawl, and describes common smart growth strategies.

**Week 9 Infill/Brownfield Development**


Discusses myths associated with infill housing, states the facts as ULI sees them on the subjects of those myths.


Guide for local government officials, planners, and citizens concerned about how development within existing towns and cities—especially infill housing and mixed-use development—can help revitalize.

**Week 10 Affordable/Inclusionary Housing**


Informs policy makers and the public about the central policy decisions in creating an effective inclusionary housing program.


This paper examines whether America actually does face an affordable housing crisis, and why housing is expensive in high-price areas.

This research determines if restricted growth policies are reducing homeownership opportunities for minority Americans.


Tells how market-based factors drive some forms of spatial segregation in a metropolitan area and offers policy suggestions to try and counteract them.


After controlling for differences across United States urbanized areas in residents’ economic status and demographics, number and type of households, climate, household growth, non-residential land uses, and the structural characteristics of houses; the research finds that a more centralized urban urbanized area exhibits a lower median home value and percentage of homes in an upper end price category. No evidence is offered to support the contention that a successful effort to further centralize an urban area raises the price of homes in that urban area.

**Week 11 Traffic Congestion**


- Chapter 2 (Benefits of Peak-Hour Traffic Congestion), pp. 5-13.
  *Congestion as a way of allocating scarce road space.*

- Chapter 3 (How Bad is Traffic Congestion?), pp. 14-36.
  *Congestion figures given for urban areas in the United States.*

  *Impact of local growth ordinances on reducing congestion.*

- Chapter 17 (Regional Anti-congestion Policies), pp. 298-320.
  *Suggests that a regional approach is really what is called for.*

- Chapter 18 (Summary and Conclusions), pp. 321-354.
Week 12 Governance


*Measure 37 creates a claim for compensation for the enactment or enforcement of a land use regulation if the land use regulation restricts the use of the property and has the effect of reducing the fair market value of the property.*


*Why isn’t everyone practicing smart growth and what can the state do to promote it?*


- Chapter 9 (Land Use Controls and Zoning), pp. 185 – 204.

*What role does government play in United States urban land markets?*

Week 13 Governance (continued)


*Describes a wide range of policy instruments designed to manage urban growth and protect open space.*


*Can market-based policy innovations—location-efficient mortgages, space-based impact fees, and split-rate property taxes—harness the market’s power to encourage denser development close to existing infrastructure.*


*This paper reviews the research on urban containment generally, and also examines the experience of such policies in particular metropolitan areas.*
**Week 14 Regional, State, and Federal Efforts**


*This site offers a description of the Preferred Blueprint Scenario, a bold vision for growth in the Sacramento Region.*


*Presents a review of the factors that have driven and will continue to drive local governance and the ultimate look, shape, and desirability of California’s metropolitan areas in the first half of the 21st century.*


*The ULI California Smart Growth Initiative is an attempt by a broad cross section of leaders in the state to seriously address California’s growth challenges and find real, pragmatic, and effective solutions.*


*Describes how federal and state policies should be used to shape metropolitan development in the future.*

*These readings are specific to the Sacramento area or California. The adopter of this syllabus may wish to substitute these readings with similar ones that are more closely tied to the region that the course is taught in.*

**III. End Products**

The course outcomes that student grades are based upon include: classroom participation (33%), weekly homework assignments (33%), and a final project/paper (34%).
Classroom Participation

Students each week will be given a set of discussion questions that pertain to the next week’s reading. Students are expected to complete reading before next class with an eye to garnering information that can contribute to the questions/topics to be covered. One third of their course grade is based upon this discussion. I will provide quarterly updates on how I think students are doing in the classroom discussion.

Weekly Homework Assignment

It is important that students see the connection between what they read and classroom discussion. Thus I ask that students apply their newly acquired knowledge to the urban situation in the greater Sacramento Area (or state of California) by providing a short, one to two-page, double-spaced, and typed description of one of the following (that they find on your own) and how it relates to what was discussed in the previous week’s class: (1) newspaper article, (2) web entry, (3) professional or advocacy article, (4) academic article, or (5) discussion with citizen, business person, or public official. Students will have 12 of these assignments to do and must do at least one of each type. Besides their write up, students are asked to attach some form of documentation for each (i.e., article copy, web page printout, etc.).

Final Project/Paper

The final one third of the grade assigned in this course is based upon the completion of a report that revolves around the student’s choice of one of the following 10 principles of smart growth.

Smart Growth Principles

1. Mix land uses.
2. Take advantage of compact building design.
3. Create housing opportunities and choices for a range of household types, family sizes, and incomes.
4. Create walkable neighborhoods.
5. Foster distinctive, attractive communities with a strong sense of place.
6. Preserve open space, farmland, natural beauty, and critical environmental areas.
7. Reinvest in and strengthen existing communities and achieve more balanced regional development.
8. Provide a variety of transportation choices.
9. Make development decisions predictable, fair, and cost-effective.
10. Encourage citizen and stakeholder participation in development decisions.

The assignment is to write a 15 to 20 page, typed and double-spaced paper that describes for a local elected official or private developer (choose one or the other): (1) what the principle is, (2) arguments from the smart growth literature on why it is included as a principle, (3) student’s own critical analysis of whether it is a valid urban land development principle to pursue, (4) examples of where it is currently being done in the Sacramento Area, (5) whether more of it needs to be done in the area and if so how, and (6) what public policies should be used to encourage it getting done. The write up must use material and discussions related to course material. It is best if students pick their smart growth principle early in the course and continually consider how current readings/discussion relates to it.

IV. Conclusion

The goal of this course is to first provide the Master’s student in urban land development, public policy and administration, or economics with a basic background on the economics of urban development and growth. Using this background, the course then exposes students to current thinking on the consequences of urban growth and urban sprawl, smart growth principles, and policy instruments to implement these principles. This course is not meant to offer advocacy for or against urban sprawl and/or smart growth principles. Instead, the student is given the appropriate tools and background reading to make their own assessment of these topics. To adopt this course for teaching in any area of the country, I would suggest
substituting the reading material that I have marked with an asterisk with similar material that is more specific to the area in which the course is being taught.

An ideal extension of this course, that could either be considered a capstone studio course or a culminating project for Master’s students interested in urban land development, would be to have a student locate a local client (government official, developer, non-profit organization, citizen group, etc.) currently grappling with the real-world application of a smart growth principle(s). The student could then offer advice and develop a plan on how to best approach the application of the relevant smart growth principle(s) through the knowledge of economic theory, practices, and arguments learned throughout this course. Of course, a shortened version of this could substitute for the final project/paper suggested above.