SMART GROWTH ENTREPRENEURS

Partners in Urban Sustainability

ERIK SOLEVAD NIELSEN

Smart Growth Entrepreneurs

Erik Solevad Nielsen

Smart Growth Entrepreneurs

Partners in Urban Sustainability

palgrave
macmillan

Erik Solevad Nielsen
Sociology
Pennsylvania State University
University Park, Pennsylvania, USA

ISBN 978-3-319-41026-5 ISBN 978-3-319-41027-2 (eBook)
DOI 10.1007/978-3-319-41027-2

Library of Congress Control Number: 2016958452

Cover design by Samantha Johnson

Printed on acid-free paper

This Palgrave Macmillan imprint is published by Springer Nature
The registered company is Springer International Publishing AG
The registered company address is: Gewerbestrasse 11, 6330 Cham, Switzerland

This book is dedicated to my parents. My father, Thomas Solevad Nielsen, who unfortunately passed away before it was completed, was a librarian and instilled in me a love of reading. My mother, Patricia Nielsen, whose strength in the face of his passing and other adversities, is a perpetual source of inspiration for me.

Acknowledgments

This book would not have been completed without the help and support of far too many people to list here. During my time at the University of California, Santa Barbara, I benefited from the guidance of Richard Appelbaum and received constructive feedback from him on my research as it progressed. Rich also introduced me to Raymond Clémencon who hired me onto the staff of the Journal of Environment and Development as Managing Editor. Simone Pulver provided guidance and frequent feedback on my chapters, ideas, and aims. The book is much more empirically refined and theoretically precise as a result of her suggestions. Dick and Mickey Flacks both deserve my gratitude for meeting with me several times to discuss the politics of housing and development issues in Santa Barbara. Fernando Lopez-Alves offered critical assessment and helped me hone my comparative skills. I would also like to thank Harvey Molotch, whose theory I spent several years considering on a near daily basis. I am indebted for our conversations over coffee, via email, and at conferences. Harvey read early drafts of some of the chapters, and provided thoughtful, helpful, and kind feedback. Unfortunately, my friend and mentor Bill Freudenburg passed away shortly after I began my research. We were, however, able to meet and go over my initial ideas. Interestingly, he told me that the provision of parking would probably be one of the most consequential aspects of my research. Aaron Passell deserves my special thanks for reviewing the first few chapters that I submitted for publication.

I feel privileged for receiving the nominations and support provided by the Department of Sociology at the University of California, Santa Barbara. My awards, fellowships, and research grants permitted me to

conduct my fieldwork. Several people have helped in one way or another: Kathy Charmaz, Maria Charles, Denise Segura, John Mohr, Verta Taylor, Sharon Applegate, Mary Drake, Lisa Blanco, Eric Zimmerman, Greg Sprieto, Ling Tao, and many others. I want to particularly thank Rachel Krause Daniel and Elaine Fan at Palgrave Macmillan for recognizing the potential of my research and guiding its publication.

I am enormously grateful to my interview respondents in California and Oregon. Their willingness to be interviewed provided me with a much better understanding of the Smart Growth development process. I deeply respect them and truly admire their work.

I must thank my sister Sonja Anne-Nielsen Adams and my mother Patricia Nielsen for their support over the last few years. I am forever grateful to my partner, Jami Joelle Nielsen, who has been steadfast in her support for my sociological endeavors. Jami reviewed my work, alerted me to relevant books and articles, and has generally helped me better understand the intersection of the urban world.

Contents

List of Figures

List of Tables

CHAPTER 1

Markets, Governments, and Smart Growth

In 2008, I was living in the picturesque beach community of Santa Barbara, California attending graduate school at the University of California campus researching global ethnic and resource conflict. Santa Barbara is situated on a long strip of land wedged between the Pacific Ocean and the Los Padres mountains. I was amazed that the city had managed their urban growth without despoiling its beautiful natural environment—something that cannot be said of most urban development in Southern California. However, Santa Barbara was a uniquely wealthy and liberal city with a long history of environmental activism. The following year, I was in Portland, Oregon, attending a conference. Touring the city on my own, I concurred with the glowing reviews of the city's urban fabric that I had heard about anecdotally: the city had an admirable mass transit system, a vibrant mix of new commercial and residential spaces in single buildings, and a strong ethic of community and environmental conservation. I wanted to discern how. The concepts of "Smart Growth" and "New Urbanism" entered my lexicon at this time—these are urban design principles that emphasize livability by encouraging mass transit, mixed-use buildings, and pedestrian orientations while still promoting economic growth—practices exemplified by Santa Barbara and Portland.

A rapid succession of events then changed the world and sparked my interest in sustainable urban development. First, in 2007–2008, the housing market and global economy crashed. The sprawling suburbs built after

E.S. Nielsen, *Smart Growth Entrepreneurs*,
DOI 10.1007/978-3-319-41027-2_1

the Second World War became symbolic of isolation, angst, and American ordinariness; the model of low-density, cookie cutter houses and what sociologist George Ritzer called "cathedrals of consumption"—indoor malls—appeared increasingly obsolete. In 2008, oil prices surged and hummers and other Suburban Utility Vehicles (SUVs) quickly became impracticable. Surveys indicated that "Millennials" preferred to live in denser, compact urban areas with mass transit systems. Second, the Obama administration was newly elected and it seemed as though a second New Deal was the only thing capable of reviving the US economy. With American infrastructure in such a state of disrepair, a radical new model for urban development seemed plausible. Smart Growth and New Urbanism addressed many of the urban issues that bedeviled government planners and private developers.

Finally, there was growing substantive political movement on addressing climate change. The Obama administration, unlike its predecessor the Bush administration, was not hostile toward climate change activists. It appeared as though the economic and environmental problems could be addressed simultaneously. Audaciously, many scholars and activists (your author included) hoped for a global treaty on climate change at the COP-15 (Conference of Parties) meeting in Copenhagen in 2009. Scientists, politicians, and other scholars were acknowledging that urban building and living had to change to substantially reduce carbon emissions. Smart Growth, it appeared, could solve the housing, transportation, and climate crises. A sociological exploration of the topic seemed warranted.

Retrospectively, my enthusiastic optimism seems naïve and sophomoric. Perhaps we were too impatient and expected too much of our political leaders, our cities, and ourselves. Or, perhaps we are moving toward Smart Growth, but more gradually than expected. Nevertheless, the economy was in the midst of transition and the trends toward compact living remain very real. My research on Smart Growth in California and Oregon cities found many institutional barriers positioned in the way of sustainable development. Although my optimism may have been somewhat tempered by the research findings, I gained an appreciation for the technical puzzle that city planners and urban builders must piece together in the face of pressures and constraints foreseen and unforeseen. The problems that Smart Growth seeks to alleviate are still with us and, if anything, they have intensified.

The entire world is undergoing a process of rapid and intense urbanization, testing governments, economic systems, and the physical infrastructure on which modern societies depend. It is estimated that there

are roughly 170,000 commercial spaces and 1.8 million residential homes built each year in the USA alone (Henn and Hoffman 2013). Moreover, it is projected that by 2030, anywhere between 62 and 105 million housing units will be in demand depending on demographics (NAS 2009). Balancing social equity and environmental protection will be one of the most difficult challenges facing cities and communities while managing this growth (IPCC 2007; Brown 2009). Research on local greenhouse gas (GHG) emissions indicates that places which promote "economic growth" and low-cost sprawling development emit higher levels of CO_2 (Calthorpe 2012). Sprawl is a significant contributor to anthropogenic climate change.

In the last 20 years many urban planners and practitioners have begun to argue that building higher-density housing with greater regional transit connectivity can reduce CO_2 emissions and provide greater economic stability—they can grow smarter (NAS 2009; Fuller and Crawford 2011; Calthorpe 2012). Additionally, more compact neighborhoods may allow greater pedestrian freedom leading to greater commercial and community vibrancy. In current US city zoning, most residential and commercial zones are separated. Smart Growth promotes the mixing of residential and commercial spaces and buildings to conserve land while still allowing for growth. It has emerged from practices that are common in Europe and actually once characterized American city planning before the widespread adoption of the automobile led to the sprawl of urban areas across wide swathes of land.

Beginning in the 1960s, the state of Oregon actively endeavored to accommodate urban growth while preserving its agricultural land. Government officials in the city of Portland and at the state level were receptive to novel ideas to manage projected population growth, as they restively watched California's San Francisco Bay Area and Los Angeles megalopolis sprawl ever outward. During the late 1960s and early 1970s, Oregon passed a flurry of regulations that established the framework for one of the most far-reaching, and the only democratically elected, regional governments in the USA: the Portland Metro. The planners and political officials who staffed the Metro recognized the need for business activity to be concentrated in the downtown and other regional "cores"—primarily suburban downtowns. While planning for regional cores, they managed physical urban expansion and contained it within a newly established urban growth boundary. The book details several of the inventive efforts that brought these plans to fruition.

Phil Whitmore, a shrewd planner who had worked for TriMet, Portland's regional transportation agency, spent years lobbying the federal government to provide greater funding for mass transit in Portland. He viewed mass transit, particularly light rail, as the most sustainable way to prepare for projected urban growth. Most parcels of land in the suburbs were cheap when compared to downtown Portland. Regional planners feared that these lots would be developed into generic strip malls or subdivisions of single-family homes, further expanding sprawl. During the 1980s, the federal government began precipitously withdrawing from urban development, delegating planning responsibility to city and state governments. Despite this fiscal environment, Whitmore firmly believed that active government intervention was necessary, but that government, ultimately, had to embrace practices in the private marketplace in order to complete a given project. The Metro became deeply involved in the Portland metropolitan area's real estate market, directing it through regional planning, but also partnering with local builders on site-specific projects. For these innovations, the Portland Metro has received many accolades and glowing reviews in planning and urban studies journals (Mayer and Provo 2004). Portland is now a very desirable place to live—in part due to the success of the Metro. Whitmore was instrumental in these accomplishments.

Not everyone, however, is convinced that the heavy involvement of a regional government is beneficial for urban growth. Others argue that, instead, the entrepreneurial marketplace should direct urban growth through unadulterated competition. Development should follow prices and respond to supply and demand pressures. In Gresham, Oregon, Cliff Kohler, a local property developer, insisted on limited government involvement in real estate and construction markets. His firm took a risk and built its own mixed-use, Smart Growth project in Gresham, but, unlike many Smart Growth developers here, refused public subsidies. His conviction that government intervention was really market interference dictated his building methods. Kohler contended that Metro's involvement was an unfair intrusion in the market, and distorted it by favoring certain developers over others; it was cronyism.

In a beachside city in Southern California, different ideological battles were being waged over urban growth. Since the 1970s, the city of Santa Barbara had successfully employed tight restrictions on development to ward off the sprawl that covered coastal Southern California. Environmental and social justice activists had fought throughout the 1960s

and 1970s and were able to preserve the character of the city and enact environmental protections while cultivating the commercial economy. By the late 1990s, the city was experimenting with Smart Growth principles to address changing demographics and the new geography of work. Planners and local housing activists pushed for increased density in the downtown to remedy a growing affordability crisis. The drive for Smart Growth split the local activist movement between those in favor of a new direction and those preferring to stay the course of "no growth" or "slow growth." Although Santa Barbara is unique in many ways, the conflict between affordable housing and nativist environmentalism is common to many communities across the country.

Less than 30 miles down the coast, the city of Ventura adopted several Smart Growth policies. It showcased the world's first artist community housed in a LEED certified, green building. The Working Artists Ventura (WAV) was unique in many ways. It was developed by a non-profit organization and provided art studios, a courtyard, gallery and theater, and commercial space. It used a mix of energy sources, including solar power and had charging stations for electric vehicles. The WAV was widely recognized as a creative project and also had its share of detractors. Some residents of Ventura wondered why the location was not used to build conventional affordable housing for people who already struggled to live and work in a coastal city with a pricey housing market.

The examples above reflect the daunting political, economic, and cultural challenges of managing contemporary urban growth. Many city planning divisions have integrated the principles of Smart Growth into their planning repertoire, although fewer have implemented specific policies. However, there are signs that the customary ways of planning and developing cities may be changing.

Cities have shown an enthusiasm for Smart Growth and New Urbanism. In this book, *Smart Growth* will refer to broader city or regional plans and principles meant to direct urban development in ways that are not single-use sprawl. The term is useful because it does not hide the fact that this type of development continues to be based on *growth*, the defining feature of industrial life. These policies and perspectives intend to promote *New Urbanism*, defined in this book as the precise architecture and design of green building projects. *New Urbanist developments (or projects)* are often vertical, high-density, near transit stops, and mix residential and commercial uses (Poticha 2000). They are often located in green buildings: buildings developed using sustainable construction methods and materials.

Green buildings often feature solar panels, living roofs, water reclamation technology, and other environmental amenities. These three concepts will be used frequently in this book.

The thorniest issue facing the USA, and other wealthy countries, is just how to institute Smart Growth in a market society that is characterized by "creative destruction"—the innovation that destroys old ways of doing business and replaces them with new practices. Furthermore, the USA still retains a strong degree of centralized state power. Smart Growth principles are derived from notions of land use, public space, and density that have long guided Europe's urban form. European countries with smaller land areas already had dense cities. Agricultural land was limited and incompatible with low-density urban design. During the twentieth century, European countries had more robust national planning systems for their cities and regions. The USA, by contrast, is the exemplar of a free market society: it has a devolved democratic governing structure, little to no regional planning, and a labyrinthine patchwork of land-use regulations. While perhaps less stifling for builders, the cognitive and institutional barriers that permeate the American system can also be more difficult to change. Many American urban enthusiasts often look to the spatial planning in European cities as a model (Beately 2000; Bagnasco and Le Gales 2000).

Yet, Europe's more integrated planning system is also facing severe structural stressors. A recent article in *Citylab.com*, an outfit of *The Atlantic*, recites observations from an Association of European Schools of Planning (AESOP) conference on city planning and the move from command-and-control approaches to a more decentralized system of "flexible planning." For decades, European urban planners attempted to control growth through cohesive regulatory policy, with varying success. More recently, however, unanticipated complexities, such as the rise of e-commerce and the changing geography of jobs and housing, have made many planners rethink traditional modes of operation. The prevailing concern identified at the conference was that if the future is non-linear—a notion that is increasingly widely accepted—then planning cannot be based on presumptions of linearity or stasis. This means transitioning to planning concepts and methods that are more adaptive to complexity, change, and circumstance. The technical challenges of decentralized, versatile planning are formidable; however, they could permit the experimentation needed to achieve sustainable urban development.

Jane Jacobs, a famous urban analyst, viewed the design for dense, diverse, and active cities like New York City—and those in Europe—as requisite for urban life. She was, however, critical of many mid-century American urban planners who seemed plagued by avarice and more concerned with furthering their egos and careers than in achieving the most ideal designs for their respective communities. While she believed high density was good for major cities, she more firmly believed that buildings needed to be planned to fit the neighborhoods in which they were built; they had to be adaptive. Today, Jacobs's ideas are experiencing resurgent popularity among both libertarian critics of urban planning (for her emphasis on decentralized systems) and urban planners (for her enthusiasm for high-density neighborhoods, walkability, and other basic principles of Smart Growth). Regardless of the source of interest in Jacobs, it represents an appetite across the political spectrum for ideas to achieve decentralized, pragmatic urbanism.

Governments and markets, activism and entrepreneurship; all contribute to urban development. Given political and physical challenges, can the compact city, the New Urbanist model borrowed from Europe, but once practiced in early America, be adapted to today's already sprawled out cities? Can green buildings succeed in a market-driven society such as the USA?

In this book, cities in California and Oregon are used as case studies to show that Smart Growth and other forms of urban sustainability can be achieved in a market society via a combination of social entrepreneurship and an entrepreneurial state, the closing of knowledge gaps between public and private agents, and the implementation of smart regulations. Entrepreneurs, public and private, must identify opportunities for the innovation of sustainable practices in urban development. Different actors (developers, planners, architects, etc.) each have their specialized niches of knowledge. Green building inherently requires varied technical expertise in construction, finance, environmental science, land-use law, and much more. To successfully implement New Urbanist projects, these gaps in knowledge must be closed as much as possible. Some regulations are onerous and have hindered the advancement of Smart Growth, while other "smart" regulations are needed to coax entrepreneurs into forming markets for urban sustainability.

Ultimately, in a capitalist society, the vicissitudes of the property market can ravage a New Urbanist project with the same intensity that conventional development faces. Because market societies experience price bub-

bles and market crashes, these developments are prone to the same risks other businesses encounter—and sometimes more susceptible. Unless capitalism undergoes a momentous shift, the risks inherent in boom and bust cycles are mostly unavoidable. Thus, planners and developers must consider this basic fact of economic history when preparing to build. Disregarding price signals and market cycles can imperil projects that may otherwise be well designed.

This chapter lays out the three schools of thought that are used in this book to examine the dynamics of Smart Growth development. First, catallactics—market-driven theories—are explored. They originated in Austria during the late nineteenth and early twentieth centuries, from discussions and studies by economists such as Carl Menger, Ludvig Von Mises, and others. The crux of this perspective is that government involvement in the economy spells ruin. Government agents can never possess all the expansive yet precise types of knowledge needed to make decisions. The Austrians hold that prices provide signals to social actors who can then use them as the basis for their decision-making. This is the intellectual foundation of neoliberalism. In regards to urban development, neoliberals want as little involvement by city planners as possible and posit that the property market should dictate land-use and building decisions. Using the price mechanism to coordinate decisions makes a powerful argument for decentralization of knowledge, skill, and authority. The fundamental problem with the neoliberal perspective is that it is rigidly adherent to a normative belief on what the relationship between markets and society should be. However, their insight that price signals have the power to coordinate institutional logics is persuasive. Empirically, the trouble is that neoliberals often separate markets from governments in their analyses, a relationship that other scholars view as inherently inseparable.

Theorists from the second school of thought, called political economy, view political and economic agents as often colluding to enhance their own power and prestige at the expense of the public. Karl Polanyi, an early twentieth century anthropologist who conversed with the original Austrian analysts, argued that far from being inseparable, governments and markets "grew up together." Historically, markets expand to a point at which they upend the social order spreading harm and dislocation. Societies have responded in varied ways—mildly through programs like Social Security and the passage of environmental laws, as well as radically through systems such as communism and fascism. Political economists are reproachful of the current arrangement of state and market institu-

tions and argue that the neoliberals, far from expanding freedoms, have permitted the expansion of elites who cajole social and democratic institutions to submit to market doctrine (Gendron and Domhoff 2009).

Finally, the book contributes to the nascent interdisciplinary field of *green building studies*. Applying perspectives from economics, sociology, architecture, and organization studies, green building studies provide a mid-range and less ideologically rigid way to conceive urban development and a more fruitful path to understand sustainable construction in a market society. The focus of the book is on Smart Growth entrepreneurs and the institutional challenges to market formation. Catallactics, political economy, and green building studies each offer ways to approach, examine, and interpret empirical data on Smart Growth.

Catallactics, Knowledge, and Entrepreneurs

During the latter part of the nineteenth century, new economic theories arose that modeled markets as abstract constructs that through the signaling of prices would efficiently allocate resources. The Marginalist Revolution and the genesis of the Austrian School of Economics pushed economists to increasingly focus on the microeconomics of markets and prices instead of industry and trade relations. In particular, the Austrians—as they began to be called—theorized that pricing systems permitted the owners of capital, whether consumers or business owners, to most effectively and efficiently determine the purchasing, saving, and investing decisions. Markets and prices, they maintained, should be free of government intervention; prices should be allowed to settle as determined by the aggregation of market decisions. Prices would ebb and flow according to a natural rhythm that would match spontaneous changes in supply, demand, and consumer taste. Karl Polanyi, while generally opposed to rigid Marginalism, acknowledged that the price mechanism was a critical component of contemporary capitalism.

Ludwig Mises and Friedrich von Hayek became the leading Austrians of the twentieth century—and some of the last actual Austrians in the school (most people who ascribe to the theories of Menger, Mises, Hayek, and a few others, are no longer from the country of Austria; the Mises Institute is located in Auburn, Alabama). Mises and Hayek both believed that economics should be centered on the concept of the market, and that the term "economics" should be replaced by "catallactics": the science of exchange. More than Marx's "means of production" and the extraction

of "surplus-value," the Austrians viewed institutional and social relations in capitalism as being forged by commodity exchanges. (Hayek actually believed that Marx had become familiar with Menger's work and had difficulty incorporating the findings into his own grand theory of capitalism, thus prolonging the completion of the third volume of Capital. Others find this to be a dubious and unsubstantiated claim.)

According to Mises and Hayek the aggregation of local knowledge is facilitated by the discovery of entrepreneurial opportunities. Expanding on Adam Smith's theories of the division of labor, each small producer and consumer would facilitate exchange while routine-resistant market participants would find new ways to satisfy consumer needs and desires. Hayek argued that a market is decentralized and primarily constituted by local knowledge regarding how much a given commodity costs and where opportunities for capital accumulation are to be found. Economic planners could never possibly be aware of the full range of potential knowledge required to solve a given problem. This is a fundamental flaw of the planner, according to Hayek. Exchanges happen as a result of the actions made by a multitude of individuals acting according to their own self-interest and using their own specialized knowledge and expertise. Hayek was critical of urban planning, but also recognized that land was different from other forms of property because of its external effects on neighboring people and properties.

Israel Kirzner, a protégé of Hayek's, theorized that the gaps in human knowledge could be filled through market exchange. Decentralized markets would provide spaces for local knowledge to accrue. Kirzner called this "entrepreneurial discovery" and postulated that it is what made the capitalist market system so appealing and, once established, so pervasive. He defined an entrepreneur as anyone who took risks to take advantage of an opportunity. Since the 1970s, many countries around the world have dropped centralized economic planning and largely accepted this insight on economic planning. The end of the twentieth century and the beginning of the twenty-first witnessed a renewed focus on entrepreneurialism as the pace of technological development accelerated.

Joseph Schumpeter, an economist and polymath, elaborated on Mises's insight that entrepreneurs are the driving force of innovation and change within market societies. He described the creative destruction wrought by entrepreneurs as a revolutionizing force in which traditional ways of doing business were torn asunder. Fruitful innovations are routinized within the capitalist process and become standard commercial or industrial practice—

to be disrupted as new entrepreneurs find novel ways of doing things. In a recent examination of entrepreneurial characteristics, Henrekson and Sanandaji (2011: 49) define entrepreneurial talent as the ability to detect opportunities to innovate. Other characteristics of entrepreneurs include: a need to achieve and create, a willingness to take calculated risks, and an ability to work under conditions of considerable uncertainty; most entrepreneurs experience several failures before they reach success (Shane and Venkataraman 2000). Critics of the Austrian school generally focus on the capital accumulation that drives capitalism while disregarding the entrepreneurial actions that perhaps make capitalism so appealing over other more controlled economic systems.

If one delves deeply into the literature on entrepreneurship, one finds a lack of agreement on what specifically an entrepreneur is or what the process of entrepreneurship actually entails. This book does not seek to answer these questions, but rather uses the previous literature to illustrate the people and organizations that are innovating and altering routine methods of land-use management. Economists and sociologists study entrepreneurs differently, in part because they are peering at the same processes but through different lenses of interpretation and with a different set of foci. Fabio Rojas, a sociologist at Indiana University Bloomington and host of Orgtheory.net (a popular organization studies blog) has pointed out, Kirzner's definition of entrepreneur—someone who takes advantage of opportunities—is far too broad to be at all useful. A heterogeneous mix of social actors and institutional environments are all involved in the formation of a market—there are many areas in which innovation occurs. Trying to determine the exact traits of an entrepreneur, he argues, is thus futile.

Rojas identified a possible way out of the dilemma that the field of entrepreneurship studies finds itself in. Rather than trying to define what a specific entrepreneur is, the focus should be on what he calls "market formation research." It allows researchers to incorporate a wider range of the multifarious elements that work synergistically to form or shift a market—the aggregated production and consumption habits of a specific sector of the economy. I agree that this is a much more sensible approach. The term entrepreneur is still useful to analytically capture the influence that the initial innovators have when they push a new product or policy. The formation of a market must start somewhere.

In the popular imagination, entrepreneurs are conceived of as individuals like Mark Zuckerberg, Corporate Executive Officer (CEO) of

Facebook, or Lee Kuan Yew, the three-decade long Prime Minister of Singapore, but institutions can also be entrepreneurs. Individuals must innovate within the context of structural opportunities and constraints (Shane and Venkataraman 2000). The effect that *individual* entrepreneurs have is generally measured by their ability to shift the broader organizational field. It is the *institutional* entrepreneurs, often originating in government that push for innovation (DiMaggio 1988; Fligstein and Mara-Drita 1996). Economic sociologists have examined many government institutions that have rewritten the rules of a given industry.

In her eye-opening book, *The Entrepreneurial State: Debunking Public vs. Private Sector Myths*, Mariana Mazzucato (2014), an economist, makes a compelling argument, supported by data, that several of the most momentous innovations across the tech industry have been the result of government-led entrepreneurialism—mostly for military purposes. Perhaps her most poignant example is the technology used in Apple's iPhone. The touch-screen, Siri, and many of its features that make it "smart" are all technological advancements made possible by what she calls "the entrepreneurial state." Apple, like many private organizations, borrowed from innovations made during the course of government research. Mazzucato (2014) describes how indebted the tech sector is to government research—and the irony of the do it yourself (DIY) libertarian, anti-government attitudes deeply entrenched in many Silicon Valley firms. She draws from Polanyi and acknowledges his trailblazing pathway for understanding that governments—the public—created the conditions for free market economies—for entrepreneurship.

Most scholarship on entrepreneurs focuses on the Schumpeterian entrepreneurs in the private sector who create new businesses. However, a growing field of study on entrepreneurship focuses on individuals or institutions that seek to create social value instead of or in addition to economic value. They are both non-profit and for-profit. Driven by a social or environmental mission, these hybrid organizations are often referred to as social enterprises (Haigh and Hoffman 2014). Mair and Marti (2006) recognize that social entrepreneurship is a behavioral process that creates value by stimulating social movement activity or directly implementing solutions to various social and environmental problems. Significantly, social entrepreneurship can create new organizations, new social enterprises, or create new missions within existing organizations. Google, for instance, goes far beyond being a search engine and donates to several social mission-oriented groups.

As in studies of profit-driven entrepreneurs, much ink has been spilt trying to precisely define what social entrepreneurship is. Dacin et al. (2010) conducted a meta-analysis of several major articles on social entrepreneurship and found 37 different definitions, some being rather redundant. Mair and Marti (2006) describe it as a process that generates social value by triggering social change. New products, services, and organizations are created to achieve these goals. Other key studies on social entrepreneurs include the Simms and Robinson (2009) study that examined for-profit versus non-profit motivations, and Dees and Elias (1998) analysis of social entrepreneurs spanning a spectrum from the purely charitable to the purely commercial. These studies form the backbone of my contention that the entrepreneurs who design, plan, and build New Urbanist projects are social entrepreneurs—specifically, they are Smart Growth entrepreneurs.

In their article on social entrepreneurs, Mair and Marti (2006) suggest that scholars focus on the priority that the entrepreneur gives to social value creation over wealth creation or profit-maximization. However, earlier research (Dees and Elias 1998) maintained that entrepreneurs are sometimes less profit-driven and more vision-driven; periodically, the social mission outweighs profits as a motivation. Dacin et al. (2010) advocate for less new theory on social entrepreneurs, and more analysis within the already congested theoretical field of entrepreneur and organization studies. For the purposes of this book, their suggestion to focus on institutional entrepreneurs is key for understanding the innovators of urban sustainability.

Entrepreneurs in urban development, whether social, public, or conventional, face an institutional context of multifarious and sometimes a Byzantine system of regulations, which is why institutional entrepreneurs are crucial in this field. The profit motives of some entrepreneurs must meet the social mission of cities—to provide livable, affordable, and sustainable housing for their residents and citizens. Democracy itself is a contextual variable that is at the heart of the urban development process. Entrepreneurs making other products outside the property market may not have to contend with the intensity. But the forces of democratic action and public participation may be what propel sustainable housing innovation, as some of the cases in this book illustrate. Smart Growth and New Urbanism both convey of ideas and practices wherein we find a slew of entrepreneurial action taken or enabled by the state and tested through the market. We also find the traditional Schumpeterian entrepreneurs who

endeavor to build New Urbanist projects without assistance by the state. Even with an entrepreneurial state the success of the innovations is gauged by their performance in the real estate market.

Modern Austrian School economists are opposed to central government planning and argue that the market represents de-centralized social planning conducted by entrepreneurs and the price mechanism (Mises 1998; Pennington 2002); they ignore or criticize Mazzucato's assertions. They are often critical of many contemporary Smart Growth efforts in the USA because government planners lead them, suggesting more centralization. Foldvary (2009) argues for a replacement of city zoning laws with private easements, which are more flexible. The neoliberals critique urban planning by pointing out that private entrepreneurs are more likely to seek efficiency and efficacy in order to reduce their costs—this is an important incentive that does not exist for government planners. Government officials can only increase the size of their agencies' budgets. In this sense, the Austrians adopt a Weberian view of governments and the bureaucrats that staff their organizations.

The core of their argument is that planners lack the requisite knowledge for the contingent process of urban development. Contemporary thinkers from the Austrian perspective, such as Samuel Staley and Fred Foldvary, describe Smart Growth as being akin to the same planning ideas that characterized twentieth century socialism. Staley directly compares urban growth management planning in Florida, Oregon, and Washington to "the socialist calculation debates" of the early mid-twentieth century. In these debates, Mises and colleagues argued against Polanyi and others that a functioning socialism was impossible because it could not allocate resources as efficiently as a market system based on prices. Staley distinguishes between *articulate knowledge*, the tangible wants and desires of consumers discovered in surveys and other market research, and *inarticulate knowledge*, the subjective aspects of the market, such as the aesthetics of a house that a potential buyer will only know from visiting the place. Prices represent a medial point between articulate and inarticulate knowledge. Staley's argument is mostly unconvincing because the comparison of urban planning in US states to European socialism of the twentieth century is unsystematic and largely presumption. Still, his point about price mediating inarticulate knowledge is compelling.

The greatest contribution of the Austrian school of thought is their recognition that the price mechanism is uniquely capable of coordinating individual and institutional entrepreneurialism. While they have provided

a powerful critique of centralized decision-making and the coercive capabilities of governments, they have failed to adequately explain why centralization and tyrannical hierarchies nonetheless form within private, non-government market institutions. Political economy, a perspective born from Marxism and increasingly influenced by Karl Polanyi, does not idealize the state or the market but sees them as colluding to enrich and empower elites.

Urban Political Economy

Research in political economy focuses on the imbalances of power and influence within political and economic institutions. Political economy theorists emphasize the congruence of both market and political forces. Polanyi, who resides in this school of thought, critiqued the neoliberal perspective and argued that their notion of a "self-regulating market" was as utopic as collective communism. He engaged in dialogue with Mises and Hayek, cordially but critically. His thesis was that liberal capitalism expands markets over various services in a society triggering disruption resulting in a pushback against laissez-faire notions of economics. The "double movement" was marked by: (1) the increasing prevalence of markets in social life, and (2) the societal response to the despoliation caused by extreme market fundamentalism (Polanyi, 1944). Several European countries responded to market intrusion with fascist and communist—statist—movements. Most, however, followed a social democratic political model with Keynesian management of the economy. In the USA, the New Deal redirected markets. Polanyi viewed Keynesianism and the New Deal as positive responses to the disruption and destruction wrought by capitalist markets. In many ways he was a percipient interpreter of capitalism, recognizing that if markets were left unbridled they would potentially cause catastrophic ecological devastation.

A new development in political economy is the rise of institutional economics. Institutional approaches in economic sociology emphasize the importance of historical context and non-economic organizations for understanding economic markets. These analyses focus on the role of government institutions and the subsequent laws developed, which set the parameters, through rules and regulations, on market practices. Institutional economist Douglass North (1981) conceived institutions as formal *and* informal constraints on behavior that configure market transactions. Sociologists view institutions as parts of a complex social system

encompassing class, ethnic, and gender relations. In this approach, the state is the central organizing institution and deserves much more scrutiny than either network analysis or embeddedness theory provide. Firms are also institutions with historical emergence (and disappearance) and are systems of interconnected informal and formal elements. In contrast with network theory, institutional approaches address traditional political economy concerns, but with a more rigorous discernment of institutional forces and outcomes (Nee 2004).

Urban political economy applies this critical lens to urban development studies. These perspectives also include the study of public entrepreneurs. Robert Dahl, a political scientist, first used the term "political entrepreneur" in the classic study of New Haven, Connecticut, to denote political leaders who act as agents of change for themselves rather than acting as agents for someone else. Urban sociologists argue that political entrepreneurs are the most consequential innovators for urban development (Mollenkopf 1983; Logan and Molotch 2007). In these studies, political entrepreneurs are often party officials or politicians who carve out new legislation that often benefits other elite business interests. They are a crucial component of the urban growth machine theory.

The *growth machine* theory states, simply, that coalitions of elites in government and in local business coalesce to engender economic growth through the intensification of real estate development (Molotch 1976, 1993). It focuses on the outcome of decisions made by local urban elites who are interested in generating capital from urban development. The key finding of growth coalition studies is that coalitions of real estate and political interests still dictate the basic parameters of urban form (Harding 1994; Logan and Molotch 2007). Molotch has consistently argued that the growth machine theory represents a "middle ground" approach that links the larger political economy to the agency of local actors and institutions. It is closer to Max Weber's "means of administration" than Marx's "means of production."

John Logan and Harvey Molotch comprehensively depicted the growth machine in *Urban Fortunes: The Political Economy of Place*. In this book they laid out a social typology of place entrepreneurs who are likely to be involved in urban planning and development. These entrepreneurs then speculate on the future structure of the real estate market, and nudge the structure in that direction. Growth machine agents actively attempt to push for economic growth and care little for anything that impedes this goal. Social and environmental activists are often their local adversaries

(Schneider and Teske 1993). But the collusion of power by government and private real estate firms is often enough to put their designs into place. Historically, growth machine actions degrade the biophysical environment.

Joe Feagin (1998), a leading analyst in urban political economy, describes the leading institutions of financial capitalism as the commercial and investment banks, the insurance companies, and other lender organizations. This is a large and incredibly complex web of network interactions. The profits are obtained by trading and developing complicated financial instruments including bonds and mortgage packaging, and repackaging. In recent years these practices have been accompanied by a dizzying array of securities and derivatives (Gotham 2006). The material result has been an upward spiral of speculation on future land value. More money is then invested in land, which means more structures are built, pushing the entire price structure of the land upward (Logan and Molotch 2007). The local developers that often play integral parts in local growth machines are dependent upon the finance capitalists to fund their projects. As Gotham (2006: 238) points out, the financing goes global while real estate production remains local.

At least one study has linked a concentration of elite interests and their activities to increased CO_2 emissions. Using county-level data on GHG emissions and a series of independent variables—population growth and levels of affluence, for instance—to represent growth machine activity, the authors found that the growth machine action increased CO_2 (Clement and Elliott 2012). The authors acknowledge that technological innovation can reduce emissions and other forms of environmental degradation, but argue that focusing on the political economy of local places is as critically important—perhaps more important than studying emerging technologies (Clement and Elliott 2012). They also found that more affluent areas produced lower levels of CO_2 and suggested that groups with greater social and financial capital are more likely to adopt green technologies, use less energy, and take part in more environmentally conscious lifestyles. Other studies have examined the relationship between infrastructure and growth coalitions (Kirkpatrick and Smith 2011). More studies of this kind are warranted to determine what forms of growth, and at what level of analysis, are more likely to produce greater GHG emissions.

There are few studies of Smart Growth or New Urbanism from the perspective of political economy. The best analysis in this area is the book *Building the New Urbanism* by Aaron Passell. He traces the emergence of the New Urbanist movement from its historical roots as a response to the

rampant suburbanization that characterized the built environment after the Second World War. Many of the leading figures of the movement were interviewed, several high profile developments were featured, and theories from Science and Technology Studies (STS), Pierre Bourdieu's "organizational field" theories, and Molotch's emphasis on the built environment intersecting local and global economic processes, were applied. The book is a welcome contribution to urban political economy.

Passell devotes a few pages to the libertarian critique of New Urbanism. Again, these perspectives are usually absent from urban political economy. The views of Staley, the conservative publications *The Weekly Standard* and the *American Enterprise*, and others are described and then refuted. Passell focuses on their claim that government intervention is akin to government coercion. Their analysis falls apart, according to him, because their consistent ideological approach does not match with the inconsistencies of New Urbanist development. The practices of New Urbanism and Smart Growth are not only the result of government planning, but are often generated in the drawing rooms of private architecture and design firms, later adopted by urban planners. However, they do sometimes begin in city planning departments and are ushered into the private sector. Smart Growth markets are rarely the outcome of a single, brave innovator, but reflect the variegated constituents of market creation. Passell's book is a powerful rejoinder to the many presumptions of the neoliberals.

It provides a welcome exposition of several of the first New Urbanist developments, social actors, and a partial refutation of the libertarian and neoliberal perspectives. It does not, however, deeply probe the role of prices and markets in coordinating institutional relationships. The secondary mortgage market and some of the financial challenges to sustainable development are briefly discussed. Given the broader context of market capitalism, an in-depth analysis of the relationship between real estate finance and the decisions made by architects, developers, and planners could enrich the inquiry. An embryonic field of research, green building studies, provides standpoints adopted from organizational studies.

Green Building Studies

Green building studies refer to institutionalist approaches extended into explorations of sustainable construction. Both environmental and urban sociologists have noted the importance of inspecting organizational forms and actor behavior within institutional contexts (Pulver 2007; McQuarrie

and Marwell 2009; Schwom 2009). Moreover, organizational studies have largely ignored the real estate and construction industry, which contribute 14 % to gross domestic product (GDP). According to one survey of organization studies, only 0.3 % of the literature focuses on real estate and construction (Henn and Hoffman 2013). The lack of attention given to this vital industry is surprising and somewhat disconcerting.

This incipient field uses organization theories to explore sustainable construction; practitioners refer to it as "green building economic analysis" (Conger and York 2013; Mondor et al. 2013). Scholars in this field investigate a few specific domains of green building: the institutional entrepreneurship born from social movements, the fragmentation of the industry combined with the rise of temporary organizations, the role of professional expertise, shifting governance structures within the construction industry, and changing conceptions of coupled systems (Henn and Hoffman 2013). By integrating perspectives from a wide range of intellectual fields such as sociology, economics, psychology, architecture, construction, and others, green building studies constitute a promising new way to conceptualize urban growth.

One of the key insights by green building studies is that the real estate industry is an enclosed *community of practice*, accustomed to the building designs that characterize sprawl. Communities of practice refer to the established industrial techniques and ways of conducting business that often pose institutional barriers to innovation (Biggart and Beamish 2003; Hoffman and Henn 2008; Henn and Hoffman 2013; Rudel 2013). Communities of practice make inventive green building a challenge. However, sustainable urban development is increasingly popular with city officials, residents, and entrepreneurs in the building industry. Nonetheless, there are questions regarding the ease of developing Smart Growth projects.

The construction industry uses the concept of *buildability* to caution against building innovation; the lending industry favors more familiar, time-tested building approaches (Rajkovich et al. 2013; Bueren and Broekhans 2013). The Construction Industry Research and Information Association conceptualized "buildability" as a way to assess whether or not a project type permits ease of development or will prove risky for investors (CIRIA 1983). More recently, buildability has been used as a response by the industry to proposed climate change regulations. The contemporary construction industry thus represents an inert institutional structure that actively tries to impede social and market entrepreneurialism.

In a study of the green building industry using entrepreneurial theory, Conger and York (2013: 142) describe it as a "market-based extension of ongoing social movements." The environmental movement has pressured building industries to design physical structures to be less ecologically harmful. Still, the communities of practice within the real estate industry present obstacles to green building and Smart Growth. Political entrepreneurship is necessary, though not sufficient, to enable Smart Growth. Private entrepreneurs are needed to identify opportunities to bring sustainable designs into fruition. As Conger and York (2013: 141) argue: "Because of this, entrepreneurs play perhaps the most important role in making socially and environmentally relevant markets a reality."

As in other markets, price still arranges institutional engagements. In a case study of a green town hall built in the Netherlands that was contracted by the city to be built by a traditional property developer, the researchers found that, as in mainstream construction, the organizational relations were still determined by price. When building New Urbanist projects, developers and planners must be cognizant of the pervasiveness of the price system. Although the Austrian perspective neglected the dual growth of markets and regulations, they correctly observed that entrepreneurs and market prices are the engine of modern capitalism. Advocates of sustainable cities can learn from these insights.

Smart Growth Entrepreneurs

A pragmatic perspective recognizes that both market and political *Smart Growth entrepreneurs* shape and design this New Urbanism. Smart Growth entrepreneurs can be distinguished from conventional planners and builders along three dimensions: first, Smart Growth and New Urbanism are most easily, though not exclusively, accomplished with an entrepreneurial state using public-private partnerships (PPPs) for some greater social or environmental purpose. The building types and unconventional real estate practices associated with Smart Growth are often foreign to most lenders. A strong collaboration between public agencies and the developer can give the project some legitimacy that may be harder for a lone private developer to achieve. Second, decentralized knowledge niches and gaps must be coordinated. Government officials do not often grasp the financial considerations of urban development. Moreover, green building practices associated with New Urbanism require expertise absent from customary development. Mixing residential and commercial spaces, engineering

structured parking, and installing solar panels, or other green amenities, all entail more scientific and financial expertise than is found in more commonplace urban forms. Finally, a market-based regulatory framework is endemic to Smart Growth. Most practitioners accept market logic, but also believe that markets can be steered or nudged by careful and considerate government involvement.

Insights from the catallactic perspective are used in this study to emphasize the critical import of entrepreneurs and prices. Urban political economy, with its focus on the coalitions of elites, often neglects the innovative drive and the creative destruction that typify contemporary capitalism. In this book, political and economic entrepreneurs are viewed as essential partners for urban sustainability. Moreover, the market price system is still the dominant framework that city builders must work within. For many reasons, Smart Growth is costlier than typical suburban construction. Most urban planning now provides financial incentives for developers to adopt certain building styles. Staley correctly pointed out that Austrian theories lack grounding in political economy. This book uses empirical data to show that, in contrast to Staley and other Austrian economists, markets and governments are not necessarily adversarial, but are often complementary. The observation of this synergistic relationship is at the foundation of political economy studies.

The collaboration between political and market actors—the growth machine—is the leading force behind the development of New Urbanism just as it is for any other kind of development. Although the growth machine theory has its shortcomings, it points to a very concrete reality of land use in the USA: in any given city, the real estate industry and government planners often work in concert rather than in conflict to achieve economic growth while accumulating profits and garnering revenue. While cities increasingly are turning to sustainable practices, they still must present economically viable opportunities for jobs and housing. Elsewhere, I have referred to this confluence of interests as a *Smart Growth machine* (Nielsen 2014). A machine, however, is perhaps not the best metaphor for understanding what drives Smart Growth. So in this book, the focus is on the entrepreneurs who partner together to build high-density, mixed-use projects.

The book draws heavily from the insights offered by green building studies. Although it is a relatively new field of study, it provides organizational, sociological, and economic lenses by which to view the social structure of sustainable construction. Many studies on Smart Growth and New Urbanism focus on policies and plans, but neglect a careful study of the

social and institutional relations within the sustainable construction sector. Green building studies focus on the cross professional collaboration that distinctively characterizes the sector. The approach is more amenable to an analysis of price and markets than urban political economy has traditionally been.

Research Design

This project maps the social actors and institutions that plan and develop New Urbanist projects in small to medium-sized cities located in two regions: the Portland Metro region of Oregon and the South Coast of California. Both of these regions are recognized for their innovative measures to manage urban growth. They are also criticized for rising housing costs. However, only a handful of cities actually allowed the construction of mixed-use buildings. Sprawl and suburban development characterize most of the cities in each region. It should be noted that the cities that did promote Smart Growth used it as a way to manage some of the more urgent growth issues they face, such as housing the workforce or the revitalization of stagnant downtowns.

The research approach builds on Gottdiener and Hutchison's (2011) argument for a "socio-spatial perspective" that moves the focus of urban analyses from central cities to a broader view of urban areas as part of multi-centered regions. They argue that the growth machine is rendered useless by the complexities of a regional scale analysis. This seems undeserved. I contend that inspecting the relationship between the concept of economic growth and the actions of urban elites is of considerable importance for understanding land-use policy. To determine how to study Smart Growth in multi-centered regions, I drew from previous research on comparative urban political economy. Sellers (2002) employed a "multi-stage selection," wherein three countries (France, Germany, and the USA) were chosen to analyze individually and then identify similarities or differences.

Likewise, my study adopts a multi-stage selection, first examining 11 cities in 2 separate states. The research design is displayed in Table 1.1. It was determined that a single case study would be less generalizable. Moreover, there is little standardized data on mixed-use, transit-oriented development (TOD) to conduct a broader quantitative analysis that would address the research questions. By comparing two regions in two separate states, some of the issues of generalizability were addressed.

Table 1.1 Research design and methods

Units of analysis	*Data collection*	*N*	*Analysis*
States and cities	Regions chosen from 2 states	California and Oregon 11 cities	Census data Maps Visits to sites
New Urbanist projects	Building permits approved (2000–2010) from 11 cities – 4 in Oregon – 7 in California	9 Smart Growth projects	Web searches Local press Planning brochures Visits to sites
Actors	Interviews	28	Codes were inductively generated

The first stage selected the states of California and Oregon because they have both experimented with different kinds of urban growth management to accommodate their climbing populations. In 2010, the population of California was 39 million; a number expected to grow to 60 million by 2050 (Vision California 2010). This represents a household growth of over 6 million. Population growth of this magnitude could potentially devastate fragile ecosystems. In 2005, California produced 284 million metric tons of CO_2, a number that is expected to grow if present trends continue (Vision California 2010). Oregon holds a smaller population of nearly 4 million, but is expected to grow to 4.5 million by 2020. Its population growth rate surged by 20 % in the 1990s over the previous decade. In the early 2000s, the growth rate fell to 12 % greater than the 1980s (Oregon Office of Economic Analysis 2011). Growth projections like these coupled with the two states' strong environmental ethos have induced cutting-edge experiments in urban sustainability.

The second stage selected the regions of Northern Oregon around Portland and coastal California north of Los Angeles. These specific parts of the West Coast were chosen for the recognition these places have received for pioneering New Urbanism and other urban growth management theories, policies, and practices (Abbott 2004; Fulton and Shigley 2005; Warner and Molotch 2000; Molotch et al. 2000; Barbour 2002). The South Coast of California was selected for its prior history of growth management. I anticipated that some of the cities would have built mixed-use development built during the property bubble of the 2000s as a way to contain growth. Incidentally, the city of Santa Barbara

is where urban sociologist, Harvey Molotch first developed the influential "growth machine" hypothesis. This theoretical statement inspired further comparative political economy research on this region (Molotch et al. 2000; Nevarez 2003; Warner and Molotch 2000). The Californian cities examined in this book are all located within a few miles of the Pacific Ocean coastline, while the cities in Oregon are all suburbs of the larger city of Portland.

The cities are considered "small" to "medium sized" with their populations ranging from 28,000 (Milwaukie, OR) to 200,000 (Oxnard, CA). A sample of these smaller cities was purposely chosen because most urban sociology and economics, as well as most studies on urban sustainability, focus on larger cities and conurbations. This is one way that this study is particularly distinctive. It turns out a string of smallish cities in California and the suburbs of a major metropolitan area—Portland, Oregon—can provide telling information on Smart Growth entrepreneurs, governing bodies, and market forces.

Building permits from 2000 to 2010 were requested from several city planning departments. After reviewing thousands of permits, there were nine projects that were identified. Each were three to four stories high, contained a higher density of residential units than commonly found where they were located, and all mixed commercial and residential spaces—the mixed-use element has been viewed as an essential component of New Urbanism. Of the 11 cities that I investigated, Gresham and Milwaukie in Oregon and Santa Barbara and Ventura in California had developed projects that fit the basic criteria that I had established. They are listed in Table 1.2. This may be the most helpful table to refer to while reading the book. It provides the project details. Three projects were dropped from the analysis because the planners and developers who worked on them had left the region. These projects generally had lower densities than I was interested in so their omission was not consequential.

The data for most of this book sprung from 28 interviews with developers, planners, and other civic officials involved in the planning and development process. They are listed in Table 1.3. I wanted to know the subjective reasons why someone, or some organization, would undertake the development of a New Urbanist project and how the process of planning and development differed from or conformed to conventional land-use practices. The University of California, Santa Barbara Human Subjects Research Committee exempted this process from statements of confidentiality, since the participants were all public figures discussing public issues.

Table 1.2 Project details

Project	*City/State*	*Size*	*Units*	*Cost*	*Done*
The Crossings	Gresham, OR	2.6 acres	81	$11 million	2006
Kohler Building	Gresham, OR	2000 sq. ft.	–	–	2001
3rd and Central	Gresham, OR	0.65 acres	34	$6.1 million	2009
Beranger	Gresham, OR	37,825 sq. ft.	24	$3.5 million	2007
North Main Village	Milwaukie, OR	1.85 acres	97	$14 million	2009
Paseo Chapala	Santa Barbara, CA	38,250 sq. ft.	33	–	2007
Chapala Lofts	Santa Barbara, CA	25,000 sq. ft.	17	–	2002
Working Artists Ventura (WAV)	Ventura, CA	1.7 acres; 130,000 sq. ft.	82	$60 million	2009
Pacific Pointe	Ventura, CA	–	32	–	2006

– = Missing data

Nevertheless, participants were asked if they could be interviewed and quoted. Twenty-six participants agreed to be quoted, while two did not. The interviews were transcribed and coded using a grounded approach allowing themes to emerge from the ethnography. The interviews were semi-structured, lasted approximately 30 to 60 minutes on average, with some extending to two hours, and covered a broad set of overarching themes such as institutional relationships, sustainable planning and development, and the local economy. They were conducted in-person, as well as over the phone, recorded, and transcribed digitally. I visited the actual sites of the building projects, explored their neighborhoods and took several photographs. Documentary evidence from local press reports and city planning websites were consulted to establish the social and temporal context of the developments. After reviewing all of the data, I constructed a policy and project timeline which is listed as Table 1.4.

Two analytical approaches were used for the development of a coding scheme. A template approach was the primary coding method. The template approach develops key codes that derive from theories and previous studies. Although the majority of the codes were derived from themes in the literature, grounded theory approaches were used to integrate

Table 1.3 Participant list

1. Steve Amerikaner, real estate lawyer, Santa Barbara
2. Dave Davis, CEO Community Environmental Council, Santa Barbara
3. Paul Casey, Community Development Director, Santa Barbara
4. Lisa Plowman, Architect, Peikert Group, Santa Barbara
5. Sheila Lodge, former Mayor, Santa Barbara
6. Bill Mahan, former city planner, Santa Barbara
7. John Campanella, Developer, Santa Barbara
8. Lee Moldaver, Citizens Planning Association (CPA), Santa Barbara
9. Dave Ward, City Planner, Ventura
10. Ian Holt, City Planner, Ventura
11. Rick Cole, City Manager, Ventura
12. Harvey Champlin, Developer, Ventura
13. Chris Valesco, Developer, CEO PLACE (Projects Linking Art, Community, and Environment), Ventura
14. Jerry Bunin, Representative, Central California Home Builders Association
15. Phillip Whitmore, founder Portland Metro Transit-Oriented Development (TOD) Steering Committee
16. Megan Steele, Metro TOD Steering Committee
17. Shirley Craddick, Metro Council (more)
18. Mike Abbate, former Urban Design director, Gresham (currently Parks/Rec Portland)
19. Rod Park, former Metro Councilor, Gresham
20. Dwight Unti, Developer, CEO Tokola Properties, Gresham
21. Janet Young, Economic Development Director, Gresham
22. Cliff Kohler, Developer, Gresham
23. Tom Kemper, Developer, Milwaukie
24. Alice Rouyer, Community Development Director, Milwaukie
25. Lisa, McGuire, Design Commission Gresham
26. Eric Wallner, Creative Economy Director, Ventura
27. Jim Bernard, former mayor, Milwaukie
28. Brian Martin, City Planner, Gresham

themes that arose from the interviews themselves (Glaser 1992; Charmaz 2006). The key codes were primarily used to address the second and third research questions; the institutional composition of urban sustainability, and the effect of the economic change, respectively.

City planning meetings and architectural charrettes were also attended. The analysis, therefore, encompasses the entrepreneurial state and the regional scale as well as the micro-scale of individuals and their actions.

Table 1.4 Policy and project time lines

1896—The world's first offshore oil drilling explorations begins in Summerland, a town south of Santa Barbara.
1909—Los Angeles, California, implements the nation's first zoning ordinance.
1927—California legislature gives local governments express authorization to form planning commissions.
1934—National Housing Act creates the Federal Housing Administration.
1937—California requires all cities and counties to adopt a master plan.
1940s—Oregon's population grows by 40 %.
1950s—California begins requiring "elements" in master plan.
1965—Master plan renamed "general plan" in California.
1965—Southern California Association of Governments (SCAG) is created.
1967—Tom McCall (R) begins term as governor of Oregon; protection of beaches.
1969—Santa Barbara oil spill.
1969—Ventura County agrees upon "Guidelines for Orderly Development (GOD) to conserve open spaces and farming belts between the county's cities."
1969—Oregon Senate Bill 10 requires all Oregon cities and counties to adopt comprehensive land-use plans and zoning ordinances to implement those plans by the end of 1971.
1969—Trimet is created to take over Portland's bankrupt private bus system.
1970s—Oregon's population grows by 26 %.
1970—California Environmental Quality Act (CEQA) passed.
1970—Oregon passes The Scenic Waterways Act.
1971—California legislature passes the consistency law which essentially reversed the legal hierarchy of the general plan and zoning ordinance.
1971—Oregon passes the Bottle Bill and Forest Practices Act.
1972—The California Coastal Commission (CCC) is established by voter initiative via Proposition 20.
1972—Portland Downtown plan emphasizes density and a transit mall.
1972—Goleta Water District passes water moratorium.
1973—SB 100 Oregon Land Conservation and Development Act. It is the country's first and only comprehensive, statewide land-use planning system.
1974—Impacts of Growth report, Santa Barbara.
1978—California voters approve the ballot initiative Proposition 13.
1979—Voters approves the creation of Portland Metro.
1980—Thousand Oaks voters adopt Measure A, which enacts Thousand Oaks Residential Development Control System to manage urban growth.
1986—Trimet begins operating a 15-mile-long light rail, the metropolitan area express (MAX) from Gresham to downtown Portland.
1989—Santa Barbara passes Measure E, which seeks to control growth by capping commercial development to limit the need for more housing development.
1990—Napa Valley passes a measure to stop urban sprawl that serves as the model for SOAR (Save Open-space & Agricultural Resources) in Ventura.
1991—Regional Urban Growth Goals (RUGGOS) adopted in Portland.

(*continued*)

Table 1.4 (continued)

1994—2040 Growth Concept adopted by the Portland Metro Council.
1995—The City of Ventura passes SOAR with 52 % of the vote.
1997—Regional Framework Plan adopted by Metro Council.
1997—Orenco Station, popular large-scale Smart Growth project, built in Hillsboro.
1998—MAX is extended to Hillsboro.
1998—Metro TOD Program purchases its first site for a project in Hillsboro.
2000—Regional Transportation Plan (RTP) adopted and updated by Metro.
2000—Oregonians in Action—Measure 7—to require governments to compensate owners if property values were reduced by land regulations.
2000—Kohler Building built in Gresham.
2001—MAX line connected to Portland International Airport.
2001—Portland builds first modern streetcar line in North America.
2001—Metro purchases 13 acres for development in Gresham.
2001—Central Point completed in Gresham.
2002—Chapala Lofts completed in Santa Barbara.
2004—Oregon voters pass Measure 37—allowed state and local government to waive land-use regulation in lieu of compensation.
2005—Oregon State Legislature passes legislation setting up Vertical Housing Program (VHP).
2006—Pacific Pointe is completed in Ventura.
2006—Gresham receives approval for Vertical Housing Development Zone (VHDZ)
2007—The Crossings is completed in Gresham.
2007—Chapala One is completed in Santa Barbara.
2007—North Main is completed in Milwaukie.
2008—Santa Barbara voters reject Measure B, an attempt to reduce building height limits in the city.
2008—The Beranger is completed in Gresham.
2008—3rd and Central is completed in Gresham.
2009—The WAV is completed in Ventura.
2010—Light rail station is built near the Crossings in Gresham.
2010—Gresham Vibrant Storefront Initiative.
2010—Gresham Lilian's Marketplace, a grocery store, open in 3rd Central in Gresham.

The Plan of the Book

The second chapter traces the history of urban development in the USA after the Second World War. During the twentieth century, automobile use shifted urban development from the center to the outer fringes of the cities. American zoning laws prohibited the mixing of land uses—residential, commercial, and industrial—leading to low-density, separate housing and retail; this separation pushed cities to *sprawl* outward. In the 1950s,

scientists began to amass data on the deleterious effects that sprawl has on the environment, both social and biophysical. By the 1990s, planners were experimenting with New Urbanism. They have argued that rather than slowing or stopping urban growth, they can use this New Urbanism for growing smarter—a potential win-win for residents, the building industry, communities, and the environment.

The population of the West Coast exploded in the second half of the twentieth century, fueling building booms and industrial expansion. Concomitant with the spectacular urban growth were innovative attempts to manage it. The third chapter examines the history of urban growth, environmental policies, and the social demographics of several cities in California and Oregon. The different policy avenues to Smart Growth are assessed and the proper context is established for a more in-depth analysis of the projects themselves.

The fourth chapter shifts the focus to the political and economic associations between market actors and political officials. A political economy perspective reveals that both market and political Smart Growth entrepreneurs shape and design this New Urbanism; they form a Smart Growth machine. Smart Growth entrepreneurs, and the PPPs they formed, are profiled in four cities in California and Oregon: Santa Barbara and Ventura, and Gresham and Milwaukie. The types of expertise required for New Urbanist development are also detailed. This chapter concludes with a review of the various smart regulations that cities and planning bodies have enacted to achieve Smart Growth.

New Urbanist building projects are only viable if they house both residential and commercial tenants—as in other conventional business, vacancies can be ruinous. After the market crash of 2007, several commercial spaces in mixed-use developments fared poorly, struggling to keep various retail businesses as consumers pulled back on spending or purchased products online. Proponents of Smart Growth blamed the recession, while critics blamed the Smart Growth model itself. The reality is more nuanced. Some developers and architects were overly ambitious about what the market would support, while other projects bounced back after the recession, filling their commercial spaces with successful businesses. In 2012, only one of nine Smart Growth projects had full commercial occupancy; three years later, every project had filled its commercial space. Nonetheless, there exists a cautionary tale about Smart Growth and the volatility of property markets.

Bibliography

Abbott, C. (2004). Centers and edges: Reshaping downtown Portland. In C. P. Ozawa (Ed.), *The Portland edge: Challenges and successes in growing communities* (pp. 164–183). Washington, DC: Island Press.

Bagnasco, A., & Le Gales, P. (2000). European societies and collective actors? In A. Bagnasco & P. Le Gales (Eds.), *Cities in contemporary Europe* (pp. 123–144). Cambridge: Cambridge University Press.

Barbour, E. (2002). *Metropolitan growth planning in California, 1900–2000*. San Francisco, CA: Public Policy Institute of California.

Beatley, T. (2000). *Green urbanism: Learning from European cities*. Covelo, CA: Island Press.

Biggart, N., & Beamish, T. (2003). The economic sociology of conventions: Habit, custom, practice, and routine in market order. *Annual Review of Sociology, 29*, 443–464.

Brown, L. (2009). *Plan B 4.0: Mobilizing to save civilization*. New York: W.W. Norton.

Bueren, E., & Broekhans, B. (2013). Individual projects as portals for mainstreaming niche innovations. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 145–167). Cambridge: MIT Press.

Calthorpe, P. (2012). *Urbanism in a time of climate change*. Washington, DC: Island Press.

Charmaz, K. (2006). *Constructing grounded theory: A practical guide through qualitative analysis*. Thousand Oaks, CA: Sage.

Clement, M., & Elliott, J. (2012). Growth machines and carbon emissions: A county-level analysis of how US place-making contributes to global climate change. In *Urban areas and global climate change*, *research in urban sociology* (Vol. 12, pp. 29–50). Bingley: Emerald Group Publishing.

Conger, M., & York, G. (2013). The evolution of the green building supply industry: Entrepreneurial entrants and diversifying incumbents. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 127–144). Cambridge, MA: MIT Press.

Construction Industry Research and Information Association (CIRIA). (1983). *Buildability: An assessment*. London: Construction Industry Research and Information Association.

Dacin, P., Dacin, T., & Matear, M. (2010). Social entrepreneurship: Why we don't need a new theory and how we move forward from here. *Academy of Management Perspectives, 24*(3), 37–57.

Dees, J. G., & Elias, J. (1998). The challenges of combining social and commercial enterprise. *Business Ethics Quarterly, 8*(1), 165–178.

DiMaggio, P. (1988). Interest and agency in institutional theory. In L. Zucker (Ed.), *Institutional patterns and organizations* (pp. 3–21). Cambridge, MA: Ballinger Press.

Feagin, J. (1998). *The new urban paradigm: Critical perspectives on the city.* Lanham, MD: Rowman & Littlefield.

Fligstein, N., & Mara-Drita, I. (1996). How to make a market: Reflections on the attempt to create a single market in the European Union. *American Journal of Sociology, 102*(1), 1–33.

Foldvary, F. (2009). Urban planning: The government or the market? In R. Holcombe & B. Powell (Eds.), *Housing America: Building out of a crisis* (pp. 323–341). Oakland, CA: Independent Institute, Transaction Publishers.

Fuller, R., & Crawford, R. (2011). Impact of past and future residential housing development patterns on energy demand and related emissions. *Journal of Housing and the Built Environment, 26*, 165–183.

Fulton, W., & Shigley, P. (2005). *Guide to California planning* (3rd ed.). Point Arena, CA: Solano Press Books.

Gendron, R., & Domhoff, G. W. (2009). *The leftmost city: Power and progressive politics in Santa Cruz.* Boulder, CO: Westview.

Glaser, B. (1992). *Basics of grounded theory analysis.* Mill Valley, CA: Sociology Press.

Gotham, K. (2006). The secondary circuit of capital reconsidered: Globalization and the U.S. real estate sector. *American Journal of Sociology, 112*(1): 231–275.

Gottdiener, M., & Hutchison, R. (2011). *The new urban sociology.* Boulder: Westview Press.

Haigh, N., & Hoffman, A. (2014). The new heretics: Hybrid organizations and the challenges they present to corporate sustainability. *Organization & Environment, 27*(3), 223–241.

Harding, A. (1994). Urban regimes and growth machines: Toward a cross-national research agenda. *Urban Affairs Quarterly, 29*(3), 356–382.

Henn, R., & Hoffman, A. (2013). Introduction. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 1–32). Cambridge: MIT Press.

Henrekson, M., & Sanandaji, T. (2011). The interaction of entrepreneurship and institutions. *Journal of Institutional Economics, 7*(1), 47–75.

Hoffman, A., & Henn, R. (2008). Overcoming the social and psychological barriers to green building. *Organization & Environment, 21*(4), 390–419.

Intergovernmental Panel on Climate Change. (2007). *Climate change 2007: The physical science basis.* In S. Solomon, M. Qin, Z. Manning, M. Chen, K. B. Marquis, M. Avery, et al. (Eds.), *Contribution of Working Group I to the fourth assessment report of the intergovernmental panel on climate change.* Cambridge, UK: Cambridge University Press.

Kirkpatrick, O. L., & Smith, M. P. (2011). The infrastructural limits to growth: Rethinking the urban growth machine in times of fiscal crisis. *International Journal of Urban and Regional Research, 35*(3), 477–503.

Logan, J., & Molotch, H. (2007). *Urban fortunes: The political economy of place*. Berkeley: University Press.
Mair, J., & Martí, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business, 41*, 36–44.
Mayer, H., & Provo, J. (2004). The Portland edge in context. In H. Mayer & J. Provo (Eds.), *The Portland edge: Challenges and successes in growing communities* (pp. 9–34). Portland, OR: Portland State University Press.
Mazzucato, M. (2014). *The entrepreneurial state: Debunking public vs. private sector myths*. London: Anthem Press.
McQuarrie, M., & Marwell, N. (2009). The missing organizational dimension in urban sociology. *City & Community, 8*(3), 247–268.
Mises, L. (1998). Human action: A treatise on economics. Auburn: Ludwig von Mises Institute.
Mollenkopf, J. (1983). *The contested city*. Princeton, CT: Princeton University Press.
Molotch, H. (1976). The city as growth machine: Toward a political economy of place. *American Journal of Sociology, 82*, 309–332.
Molotch, H. (1993). The political economy of growth machines. *Urban Affairs Review, 15*(1), 29–53.
Molotch, H., Freudenburg, W., & Paulsen, K. (2000). History repeats itself, but how? City character, urban tradition, and the accomplishment of place. *American Sociological Review, 65*(6), 791–823.
Mondor, C., Deal, D., & Hockley, S. (2013). Building up to organizational sustainability: How the greening of places transforms organizations. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 198–217). Cambridge: MIT Press.
National Academy of Science. (2009). *Driving and the built environment. The effects of compact development on motorized travel, energy use, and CO2 emissions* (Special Report 298). National Academy of Science.
Nee, V. (2004). The new institutionalisms in economics and sociology. In N. Smelser & R. Swedburg (Eds.), *The handbook of economic sociology*. Princeton, NJ: Princeton University Press.
Nevarez, L. (2003). *New money, nice town: How capital works in the new urban economy*. New York: Routledge.
Nielsen, E. (2014). Smart growth machines: The ecological modernization of urban political economy. *Research in Urban Sociology: Sustainable Cities: Global Concerns/Urban Efforts, 14*, 169–190.
North, D. (1981). *Structure and change in economic history*. New York: W.W. Norton and Company.
Oregon Office of Economic Analysis. (2011). Oregon's demographic trends. Retrieved from http://www.oregon.gov/DAS/OEA/docs/demographic/or_pop_trend2011.pdf

Pennington, M. (2002). *Liberating the land: The case for private land-use planning*. London: Institute of Economic Affairs.

Polanyi, K. (1944). The great transformation: The political and economic origins of our time. New York: Rinehart.

Poticha, S. (2000). Smart growth and new urbanism: What's the difference? *New Urban News, 5*(1), 21.

Pulver, S. (2007). Making sense of corporate environmentalism: An environmental contestation approach to analyzing the causes and consequences of the climate change policy split in the oil industry. *Organizations & Environment, 20*(1), 44–83.

Rajkovich, N., Kwok, A., & Larsen, L. (2013). LEED, collaborative rationality, and green building public policy. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 58–76). Cambridge: MIT Press.

Rudel, T. (2013). *Defensive environmentalists and the dynamics of global reform*. Cambridge: Cambridge University Press.

Schneider, M., & Teske, P. (1993). The antigrowth entrepreneur: Challenging the 'equilibrium' of the growth machine. *The Journal of Politics, 55*(3), 720–736.

Schwom, R. (2009). Strengthening sociological perspectives on organization and the environment. *Organization & Environment, 22*(3), 271–292.

Sellers, J. (2002). *Governing from below: Urban regions and the global economy*. Cambridge: Cambridge University Press.

Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review, 25*(1), 217–226.

Simms, S. V. K., & Robinson, J. (2009). Activist or entrepreneur? An identity-based model of social entrepreneurship. In J. Robinson, J. Mair, & K. Hockerts (Eds.), *International perspectives on social entrepreneurship* (pp. 9–26). Basingstoke: Palgrave Macmillan.

Vision California: Charting our Future. (2010). *Statewide scenarios report*. Berkeley: Calthorpe & Associates. Retrieved from http://www.visioncalifornia.org/

Warner, K., & Molotch, H. (2000). *Building rules: How local controls shape community environments and economies*. Boulder, CO: Westview Press.

CHAPTER 2

Sprawl and Smart Growth

Growing up in the 1980s and 1990s, suburbia became synonymous with American ordinariness: a homogenous dream that everyone was to aspire to in which everyone was a homeowner and automobile driver, owning and maintaining a homogenous green lawn, complete with picket fences and gardens. The term *sprawl* described the spread of this, often, one- to two-story development type. Commercial buildings that housed stores like Wal-Mart, Borders, Best Buy, and others were large, spacious buildings—practically warehouses—that were also very low density. This trend of building cities was predominant from the 1940s to the 2000s, taking a hit from the property and financial market crashes, online retailers, and demographic shifts. As my generation, the Millennials, entered the workforce or graduated college to then start our adult lives, the suburban dream seemed less appealing and inorganic. For longer than a decade, there has been a discernable trend among both young adults and, interestingly, the elderly toward living near city downtowns, near regional centers, or closer to transit services.

While "urbanization" has been the focus of much commentary, cities across the world are witnessing a dramatic shift in their populations migrating from city centers into suburbs. Suburbanization, and its land use type, *sprawls* outward from city centers gobbling up land on the fringes. Sprawl can be defined as a type of urbanization distinguished by leapfrog patterns of development, commercial strips, low-density, single-

E.S. Nielsen, *Smart Growth Entrepreneurs*,
DOI 10.1007/978-3-319-41027-2_2

family detached housing, separated land uses, and automobile dependence (Ewing 1994; Gillham 2002; Calthorpe 2012). The land use type alone devastates nature and reduces agricultural potential, but the buildings that are most often associated with sprawl are also some of the greatest contributors to CO_2 emissions from urban areas (Newman et al. 2009).

For decades now, many analysts have viewed sprawl as inefficient, at best, and destructive, at worst. Nevertheless, it is imprinted in the planning DNA of most municipalities in the USA and development firms and city governments are readily embracing it across the world. However, a noticeable change has occurred in many urban planning departments. A more compact, mixed-use approach to building has been adopted by state and local governments: this design type is often called Smart Growth or New Urbanism, and it could potentially reshape property markets and the contours of urban development.

Real Estate and the State

The real estate industry involves different levels of the state, development companies, investment and commercial banks, transportation agencies, and resource-based agencies and industries. Land is just another term for nature and is incapable of becoming a commodity in the same way as other products (Polanyi 1944). It is a unique commodity because it is finite, and when turned into private property, its value is determined by many things such as what is on the site as well as the effects of externalities. Yet, tremendous fortunes can be made from the sale of land and, due to its fictitiousness, in real estate speculation. Economic value is created from the overlapping use and exchange of the land (Logan and Molotch 2007; Feagin 1998). The sprawl-patterned development that has marked the last 50 years of American urban expansion was a result of speculators offering farmers on the outside of cities vast sums of money for their land. Many farmers would sell their land, pushing up property taxes on adjacent properties putting pressure on their owners to sell to real estate speculators.

Real estate speculation has been at the forefront of American capitalism starting in the eighteenth century. Every parcel of land in the contemporary world is a territorial piece under the purview of a larger nation-state. Markets developed alongside regulation, and the real estate market is more of a rule than an exception. The price attached to places is not solely a product of supply and demand but also reflects a process of competitive bidding on how much it is worth and what it is calculated to be

worth in the future—speculation (Logan and Molotch 2007). Most of the early American revolutionaries were in conflict with King George III for engaging in large-scale real estate speculation. Washington, Jefferson, and Patrick Henry, among others, bought many lots for plantations, slave quarters, as well as many lands for speculative purposes. Real estate capitalism gained steam during westward expansion with construction of cross-continental railroads. Many of the new townships that sprawled across the west were built on foundations of bribery, originally stolen from indigenous populations. The placement of Omaha, Nebraska, was the result of competing real estate and railroad speculators, Abraham Lincoln being one of the competing speculators (Feagin 1998: 142).

A real estate speculator is more often interested in the profits to be gained from property value oscillation, and less interested in what is actually built on the land. Logan and Molotch (2007) identify different kinds of place entrepreneurs but focus their attention on "structural speculators"; real estate agents, banks, developers, and so on, who try to actively change the price structure of place markets. Structural speculators use their specialized knowledge of property, local law, price and tax changes, and political connections, to actively affect current and future land values (Logan and Molotch 2007). This type of speculation relies upon expected increases in value with the passage of time. Structural speculators often work to conjoin their interests with those of the local growth interests, providing the linkage between local, national, and global processes (Molotch 1999). Pincetl (1999) examined how real estate businessman Donald Bren and the Irvine Ranch Development Company bought up huge tracts of land in Orange County, California, that they held and then later built into sprawling subdivisions. They subsequently lobbied government officials to favor this sort of development across the USA. This sort of structural speculation encourages the capital and spatial expansion of real estate markets.

Structural speculation is most apparent in the process of landbanking. Landbanking occurs when a development firm purchases land and holds it while waiting for the land's value to rise in response to adjacent city development (Feagin and Parker 1990). Often this will influence the subsequent development of the region. Lending institutions (banks and other financiers) have considerable power in shaping how a community grows. It is no surprise that national or global financial institutions and corporate firms prefer to deal with local growth machines rather than local community citizen groups. Speculators often obtain tracts of land outside

urban areas, subdivide, and then sell them to other companies to develop. Perhaps the most efficient way for structural speculators to get what they want from a place is to take part in the growth machinery—to form coalitions, back politicians, send editorials to local news outlets, and so on.

The American government has been actively engaged in real estate development since its inception. Massive public works projects and infrastructure spending paved the way for urban sprawl and low-cost home loans gave American workers the chance to own land of their own—in the suburbs. Critics from the Austrian perspective point to home buying patterns and see sprawling low-density development as a result of market forces. While this is true to some extent, the crucial role of government in enabling this urban form is often conveniently omitted from their analyses. This chapter discusses the history of sprawl in the USA and the collaboration of public and private agents.

Sprawling into the Future

After a long period of direct intervention in housing, by the 1920s, the US federal government had largely removed itself from the housing business. Free market fundamentalists pushed for fewer restrictions on development. There were occasional instances of nuisance laws at the local level in some places, but virtually everything pertaining to housing was viewed as an individual problem—including the location, selection, housing construction, maintenance, and the purchase of the home. Before the 1930s, the federal government was involved in three areas: (1) In 1892, the federal government conducted a survey of slum conditions in the larger industrial cities, (2) A Federal Land Bank System was developed in 1916 to provide short-term credit to farmers who often were faced with high machinery costs and oscillation in both agricultural production and market pricing, and (3) During the First World War the federal government built housing and munitions depots for the military (Jackson 1985). However, most real estate property was viewed as a fundamental component of a self-regulating real estate market.

The Great Depression ushered in a new era of engagement between the federal government and the real estate and construction industry; the government rescued the industry. Between 1928 and 1933 the construction of residential property fell by 95 % and expenditures on home repair fell by 90 % (Jackson 1985: 193). By 1933, half of US houses were in default and mortgage foreclosures were happening at a rate of 1000 per day. Most of

the victims of foreclosure were the newly secure middle-class and poorer farmers many of whom were doubly hit by the Midwestern Dust Bowl.

The federal government under Roosevelt responded with frenetic activity. One of the early proposals was a "Greenbelt program" modeled after the ideas of Ebenezer Howard. This program sought to both develop and assist developers that were building streetcar suburbs. The Greenbelt program also proposed large tracts zoned for green space to be filled with parks. It preceded many recent urban growth management strategies. The program was never enacted due to vicious opposition by conservative officials at various levels of government as well as in the private sector. The Roosevelt administration turned their attention to the New Deal and job creation. As part of the New Deal, several institutions and programs were created to help rebuild the country. These institutions paved the way for decades of suburban sprawl—literally, in many cases (Steinberg 2002).

The New Deal developed two programs that have had a long-lasting impact on US suburban development: the Home Owner Loan Corporation (HOLC) and, most importantly, the Federal Housing Administration (FHA). Jackson (1985: 195) points out that HOLC is "important to history because it introduced, perfected, and proved in practice the feasibility of the long-term, self-amortizing mortgage with uniform payments spread over the whole life of the debt." The use of the self-amortizing mortgage has spread across the globe and is one of the key pillars of modern housing finance. HOLC standardized appraisal methods across the USA so that real estate pricing would be more consistent. HOLC was also responsible for many exclusionary zoning practices and overt racial segregation in urban planning.

The National Housing Act created the Federal Housing Administration (FHA) in 1934. The agency did not build houses or lend money to homeowners. Instead, "they induce lenders who have money to invest in residential mortgages by insuring them against loss on such instruments, with the full weight of the US Treasury behind the contract." They revolutionized the home finance industry in a number of ways. The FHA continued a trend begun by HOLC, and extended the repayment period for guaranteed mortgages to 20–30 years and insisted that all loans be fully amortized. Before the FHA began operations, first time mortgages were limited to half or two-thirds of the appraised value of the property. Homebuyers often needed a down payment of at least 30 %. With a FHA-secured loan, the fraction of the collateral that the lender was able to lend was about 93 %. This made homeownership a possibility for many people who probably

would have been unable to afford the down payment itself. The FHA also furthered original HOLC programs by establishing recognized standards for home construction. Designs for single-family homes proliferated and became the conventional way to build in America.

While many Americans began taking advantage of home loans, the government also began trying to revive its cities. Government planners sought to revitalize "blighted neighborhoods"; places that lacked investment, and were spatially and socially apart from commercial and employment centers. Urban renewal is an example of the structuration of place happening by the second movement: a check on supposedly self-regulated market practices and the use of government to offer social protection through urban land use planning and construction.

Urban renewal was supposed to provide the construction of public housing that would be affordable to the veterans returning from the war. The National Housing Act of 1949 started the project of urban renewal. The project ended up having devastating effects on many cities, while enriching developers and assisting the careers of politicians (Mollenkopf 1983; Feagin and Parker 1990). Urban renewal planning was characterized by a very autocratic attitude toward the communities that were being "renewed." The predominance of growth machine interests were evidenced by the fact that less than 20 % of urban renewal land went to housing, while the 80 % went to commercial and industrial infrastructure (Logan and Molotch 2007).

After recognizing the chaos that the program was creating, in 1965 the Housing and Urban Development Act was passed, and furthered in subsequent legislation. It provided more subsidies for affordable housing and put more constraints on development corporations' ability to displace people. Following urban renewal, the Carter administration developed the Urban Development Action Grant (UDAG) program, which became the core of the nation's urban policy. UDAG consisted of providing discretionary grants to economically distressed areas by using direct capital subsidies. UDAG had the unintended consequence of being exploited by local governments who were taken over by growth machine interests (Logan and Molotch 2007). It is unclear how effective UDAG was, though it was popular in the public. The Reagan administration, enthralled by neoliberal economic policies, was strongly opposed to UDAG, and cut off so much funding that in 1988 the Congress shut down the program.

In the seminal history of twentieth century suburbanization, *Crabgrass Frontier: The Suburbanization of the United States*, Jackson (1985) identi-

fied five key characteristics of suburban development that persisted after the Second World War. The first is the location of development on the peripheries of urban areas. The second major feature was the low density of development, both residential and commercial. During the first few decades after the war, builders and homebuyers both abandoned row houses that sheltered most working families turning toward the new private, single-family homes going up on the outskirts of the city.

The single-family detached houses of Levittown, New York, and Los Angeles, California became the model for the US housing sector (Weiss 1987). From 1945 to 1955, approximately 97 % of all new single-family houses were completely detached from other structures and surrounded on every side by grass lawns. A sophisticated and gender stereotyped advertising and manufacturing economy promoted the suburban way of life: the generic mom worked in the kitchen using new chemical cleaning products and the generic dad built cars at the local factory and came home to mow the lawn, watch the game, and go to bed (Steinberg 2002). The advent of the television at this time provided a platform from which to promote this way of life and make the American Dream synonymous with homeownership.

The third characteristic of suburbia was its architectural similarity. Before the Great Depression, housing differed by region. Homes built in New England were distinct from those built in the Midwest or coastal California. Tract housing—ranch houses—inspired by the architectural designs of Frank Lloyd Wright, proliferated during the second half of the twentieth century. Though no larger than most previous housing in terms of square footage, the long one story gave the impression of spaciousness. They were devoid of stairs, parlors, and porches, but each ranch house came equipped with an outward projecting automobile garage. A fourth characteristic of suburbia and perhaps the one that established its predominance was its affordability for the working class. For the first time in much of human history, laborers returned to spacious dwellings that they owned and did not rent. The significance of this last point for the cultural ideal of American individualism and private property ownership cannot be underestimated.

The fifth characteristic of sprawl was its social homogeneity, both ethnic and economic. Early twentieth century zoning enactments were often presented as a way to limit speculation, congestion, and protect livability for local residents. They were, however, also used to exclude minority groups from moving into certain neighborhoods. The lack of investment

in the inner cities coupled with discriminatory lending laid the foundation for white suburbia and the need for federally funded urban renewal. Suburbanization and urban renewal within cities both failed to address concentrated poverty and spatial segregation.

Suburban sprawl is difficult to undo or reverse. The American Dream has long been characterized by the ideal of home and automobile ownership. Since the 1960s, roughly 60 % of Americans have lived in detached, single-family homes. Of all workers, 86 % commute to work using the automobile (of which 76 % drive alone, contributing to rising CO_2 levels) (ACS 2012). Although work commutes are only 20 % of all trips taken, they are often the most important drive of the day. By contrast, only 10 % of commutes are done using public transportation. Bicycle commutes comprise roughly 3 % of the total (ACS 2012). Thus, the built environment of the USA is predominantly constructed to accommodate automobile travel, incurring a high public cost. Despite the costs of sprawl, there are many political and physical restraints on changing the built environment. The reliance on automobiles in modern American society necessitates a parallel development of places in which to park the car.

Smart Growth and the New Urbanism

Jane Jacobs (1961), a New York-based urban critic and activist discussed in the last chapter, recognized that compact urban development with protected parks performed functions that allowed healthy communities to prosper, both socially and culturally, in the midst of the frenetic pace of city life. She disparaged urban planning trends that gave design precedence to the automobile over the pedestrian. In fact, she was very critical of the autocratic way in which cities were planned and developed. Jacobs also noticed several problems with the zoning of land into separate and distinct uses: residential, commercial, and industrial. If building uses were mixed, the theory goes, it would generate continual social activity throughout the day and night; this ongoing economic activity, she maintained, enriches community networks and strengthens social ties. Beginning in the 1980s and 1990s, many of her ideas were adopted and expanded upon by a growing generation of "Smart Growth" or "New Urbanist" planners.

In the 1990s, Maryland Governor Parris Glendening first used the term "Smart Growth" to describe high-density, transit-oriented development (TOD) as part of Maryland's new policies to grow within its geographic limits and to use land more sustainably. Smart Growth appealed to cities

grappling with growing populations, more traffic congestion, and heightened air pollution. Several organizations and agencies adopted Smart Growth policies and other incentives to promote Smart Growth. During the 1990s, institutional entrepreneurs who pushed for Smart Growth flourished: Smart Growth America, the Congress for a New Urbanism, and the US Green Building Council, among many others were born during this time. They intended to shift the organizational field of urban development from sprawl to Smart Growth and saw regulatory action as the most effective way to achieve this shift.

Beginning during the early years of the Clinton administration, Smart Growth principles began to receive significant support from the federal government. To replace the faulty housing projects of past urban renewal, the federal government adopted policy to support Smart Growth development. HOPE VI (Homeownership and Opportunity for People Everywhere) was created by the Department of Housing and Urban Development (HUD). The HOPE VI program "encourages local authorities to identify and demolish distressed public-housing complexes in their jurisdictions and to work with private developers to construct mixed-use, mixed-income communities on the newly cleared sites." It funded upwards of $5 billion to over 100 local housing authorities across the country. HOPE VI was generated around the consensus of past urban renewal failures and generally did not fund apartment complexes, but rather duplexes and row houses (Downs 2004). The program had its critics who argued that it was a wasteful government program incapable of providing affordable housing as efficiently as the market could. It has also been criticized for promoting gentrification. Predominantly a HUD-operated program, HOPE VI was dramatically defunded during the George W. Bush administration.

Europe, Asia, and other parts of the world have more readily adopted regional planning than the USA. Individual states exercise different policies on regional development. While the federal government provides the backbone of physical infrastructure on which urban development relies, the particulars of planning and building are found at the local level. Cities often act as discrete units and usually do not coordinate their building with other nearby municipalities. They compete with their neighbors leading to inconsistent land uses. Traditionally, the coordination of transportation systems is the only role of regionalism in American urban planning. During the highway programs of the 1950s and the mass transit programs of the 1960s and 1970s, the federal government created Metropolitan

Planning Organizations (MPOs) to coordinate federal transportation policy into the local government structure. In contrast to many European countries, in the USA this can be a difficult task given the high levels of inter-governmental competition for tax-rich (commercial) development projects.

Many European countries have systems of regional planning that are shaped at the federal level. Beatley (2000) conducted an extensive study on European planning and found much more collaboration at the federal level with local planners and developers. Research by Gissendanner (2004) has shown how the municipal cooperation in Germany differs strikingly from the municipal competition found in the USA. The dynamics of regional planning differ in Europe by country, and sometimes by provinces within countries, yet strategies to attain greater social and environmental equity are integrated into the governance structures in a way that is not seen in the USA (Bagnasco and Le Gales 2000).

Policies on regional development vary by state. The structure of land use decision-making is too decentralized for a comprehensive system to be laid out. Californians have shown little support for regional planning in their state although this may be changing (Wolch et al. 2004; Pastor et al. 2009). California has "associations of governments", such as the Southern California Association of Government (SCAG) and the Santa Barbara County Association of Governments (SBCAG), but these entities have little authority on most land use decisions. Their primary purpose remains planning for large transportation projects. In contrast to California, the state of Oregon requires urban growth boundaries (UGBs) in which cities must contain growth within set borders. This encourages greater regional cooperation.

Smart Growth Versus Sprawl

Based on an analysis of World Resources Institute data, Calthorpe (2012: 17) estimates that buildings and transportation contribute a staggering 37 % of CO_2 emissions. Of that, transportation emits 20 % and buildings emit 17 %. There is, however, wide regional variation in emission levels. In the USA, buildings contribute 32 % of total CO_2 emissions and transportation contributes 30 % (Calthorpe 2012: 17). One study examined the life-cycle of energy in a low-density suburb of Melbourne, Australia, determined the amount of greenhouse gases (GHGs) emitted and used various scenarios to calculate what higher-density buildings would have

emitted. Their results indicate that if apartments and condos replaced the detached, single-family homes, GHG emissions would plummet by nearly 20 % (Stephan et al. 2013). However, these innovations will not be adopted in the current political and economic context (Wu 2006; Johnson 2001). The subfields of urban and environmental sociology provide the tools for a deeper analysis of the political economy of urban sustainability.

According to several studies, TOD—usually mixed-use buildings located near mass transit—emits less CO_2 than suburban sprawl. One study comparing the CO_2 emissions from suburban homes and TODs found that in a suburban development where there were eight dwelling units/acre, the estimated lbs. of CO_2/household/year emitted associated with transportation was 26,000 and the buildings themselves emitted 24,000 lbs. In contrast, in a typical TOD with 40 dwelling units/acre, CO_2 emissions from transportation were estimated to be 9000 and only 11,000 from buildings (Allen 2008). This represents a difference of 30,000 lbs. of CO_2. Hovee (2008) found that compact buildings reduce CO_2 emissions by 65 % compared with a standard suburban development; furthermore, high-density places of employment reduced CO_2 emissions 45 % more than that of employment centers typical of suburban sprawl. Smart Growth development reduces sprawl, concentrates social activity, protects surrounding land, and reduces GHG emissions.

The real test to determine whether TOD does less harm to the environment than auto-dependent sprawl depends on the relationship between density and energy use. The most common way to test the effect of the built environment on CO_2 levels is by measuring vehicle miles traveled (VMT): the number and distance of trips that people take and the percentage of the different modes of transit people use (Calthorpe 2012). A comprehensive review of the literature by the National Academy of Science (2009) examined studies that isolated the effect of residential density while controlling for social and other variables and found that a doubling of density is associated with a VMT reduction of 5 %; VMT is 12 % lower than in higher-density places in California. VMT is reduced by anywhere between 3 % and 20 % depending on regional variation and once mixed-use has been accounted for (NAS 2009). The authors of the report, however, noted that many studies fail to distinguish between the various types of density changes within a region.

Still, criticisms of Smart Growth abound. The greatest source of contention is housing affordability (Johnson and Talen 2008; O'Toole 2009).

There is a vigorous ongoing debate between practitioners, theorists, and policy makers about whether or not housing or rental units in New Urbanist and Smart Growth developments are affordable to the people in the community. Research shows that Smart Growth projects are often unaffordable to those making the median household income in the cities in which they are located; most are occupied by middle and upper income families (Johnson and Talen 2008). In this book, many of the case studies had a mix of affordable and higher priced units, with a few offering Section 8 housing.

Environmental Justice scholars lament that Smart Growth may only appeal to young, educated, often white, professionals, but not other groups. While it is true that Smart Growth did not initially address social and environmental equity issues, Environmental Justice advocates also argue that promising theoretical and political alliances can be formed with Smart Growth practitioners. In an important volume edited by sociologist and Environmental Justice scholar Robert Bullard (2007a, b) and urban analyst Anthony Downs (2004), several authors advocate for a merger of Smart Growth with equity-oriented regionalism. Pastor et al. (2009) have postulated a regional Smart Growth perspective for Los Angeles and other cities with high Latino populations. The researchers argue that the dense neighborhoods and mixed-uses that embody Smart Growth planning also match the social structure of Latino immigrant communities.

Denser, vibrant neighborhoods attract the now notorious creative class (Florida 2005). The creative class refers to sectors of the economy that "*create meaningful new forms*": computer scientists and developers, various kinds of artists, academics, green economy entrepreneurs, and other inventive entrepreneurs. Many but not all creative centers are located in high-density downtown areas. Environmental amenities are integral to Smart Growth strategies. Case study research on San Luis Obispo, Santa Barbara, and Santa Monica has found that environmental amenities, parks for example, attract workers in the creative technology sectors (Nevarez 2003; Florida 2005). It is suggested that Smart Growth, with its emphasis on aesthetics, would be associated with the creative class.

Heying and Ryder (2010) built on the theories of the creative class and applied them to a study of Portland, modifying the creative class concept with what they describe as the *artisan economy*. The artisan economy is both a moral economy and a service economy consisting of small-scale craft, art, and DIY (do it yourself) producers that operate in a post-Fordist system of decentralized social networks. Heying and Wineman (2010) suggests that the artisan economy functions best in places where there are high-density,

mixed-use spaces for artist enclaves. The density and neighborhood context are deemed conducive to the lifestyle of contemporary artisans. Developers and planners hope the patrons of Smart Growth projects, whether residents or customers, will be creatives who will generate ideas that spur activity and community vibrancy. Others fear that they will gentrify.

Smart Regulations and Ecological Modernization

Martin Jänicke, an academic and German policy maker, has spent most of his career trying to determine how to balance industrial society, the environment, and democratic politics and is convinced human societies must undergo an ecological restructuring—a reorganization of industry that is less damaging to the biophysical environment. According to Jänicke (2008), an ecological restructuring of any given industry requires well-crafted regulations to create an institutional path toward change. The regulatory framework of the environmental state is a core component of the ecological modernization process (Spaargaren and Mol 1992; Fisher and Freudenburg 2001). Jänicke (2008) stresses the need for what he calls "smart regulations." Rather than a command-and-control regulatory structure, smart regulations are decentralized and permit greater participation among government and firms. They consist of incentives to reward sustainable production as well as the restriction of certain practices. A sort of smart regulatory guidance, it is argued, could institutionally restructure economic processes.

The business of building is a uniquely regulated industry, with many modes of regulatory surveillance. The most common restrictions include zoning ordinances, building rules, building height limits, and traffic mitigations. Particular regulations that emerge vary by location. For instance, building in places with abundant, unused, or little used land such as Las Vegas or Midwestern cities, is usually not constrained in the same ways that coastal cities or cities along major estuaries are. Many cities, however, face growth pressures and have some basic set of regulations, usually zoning ordinances. The only major American city without zoning ordinances is Houston, Texas, which is lauded by libertarians as an example of what a city can do without government interference (O'Toole 2009). Interestingly, Houston uses a system of private deeds that if they were considered to be land use regulations, the city would be one of the most regulated in the country (Logan and Molotch 2007). It would just be privately regulated as opposed to publicly.

In a study of Santa Barbara, Santa Monica, and Riverside, California, Warner and Molotch (2000) found that various regulations do not prevent building development, but rather shape the form that growth takes. Uniquely, this study adopted an experimental method in which developers were asked if they would build a project under certain hypothetical regulatory conditions. The tightest growth restrictions were found in Santa Barbara and they contrasted sharply with the permissive attitude toward development found in Riverside. The authors discovered that regulations did not shut down construction, but spurred innovative thinking on how to accomplish development projects while working within the parameters laid down by the regulatory authority.

Smart Growth requires a mixture of carrot and stick regulations; sticks such as UGBs, zoning ordinances, and building restrictions combined with carrots such as building incentives. This regulatory philosophy is consistent with the smart regulations advocated by ecological modernists. Regulations will be a central component of any attempt to ecologically restructure urban growth. Ecological modernization acknowledges economic self-interest, but maintains that it can be synchronous with social and environmental justice.

Promoting New Urbanist Development and Identifying the Obstacles to Smart Growth

The most common regulatory action used to encourage Smart Growth applies zoning ordinances and other governmental measures to manage patterns of growth. Two such practices are the demarcation of *UGBs* and the promotion of *infill development*. UGBs are created by municipalities to prevent development from spreading further from central cities, or from encroaching upon agricultural and natural landscapes. "Urban infill" refers to the creation of housing, businesses, and public places in underused urban lots. By containing sprawl-based growth UGBs are supposed to promote infill.

Urban infill is not necessary for Smart Growth—several projects that I studied are green field development in the suburbs or edges of cities. Still, infill appeals to many cities because there are vacant or unused properties that could be used for housing or commercial revitalization. Undeveloped parcels of cities tend to be developed at higher densities later on. These lots become more valuable over time due to the limited amount of available land. Leaving some vacant parcels in a city actually results in greater effi-

ciency later when the property is developed at a higher density. As the city expands outward, more workers commute back into the city where the employment centers are located. Many urban economists and sociologists argue that the development of these parcels provides workforce housing.

Infill is supported by many states, cities, and urban planning associations. By 2004, almost half of US states had adopted a Smart Growth policy of some kind (McConnell and Wiley 2012). The California Infill Parcel Locator, created by the University of California, Berkeley, is a tool available for the general public to identify vacant properties that could be developed across the state. The states of Oregon, Washington, and Tennessee mandate that their cities establish UGBs nudging them to institute infill development policies. Several cities and counties across the country have their own UGB policies that are independent of their respective states. However, there are many other factors that determine whether or not there will be infill development. These factors can multiply when the infill is a New Urbanist design—high-density, mixed-use, transit-oriented, and environment-sensitive.

New Urbanist developments do have costs associated with them that are different than those in conventional building. Few studies—including this one—directly compare the costs of New Urbanism with those in typical sprawl. Instead, the findings in this book mirror similar studies in the literature and add to them. As will be discussed in Chap. 4, aspects of construction, financing, mixed-use, regulation, are all much costlier in green building than in most housing, apartments, or commercial buildings. Public opposition can also be greater, depending on the political and neighborhood circumstances.

Parking and Urban Form

One of the highest costs associated with automobile usage is parking provision. In the most comprehensive, authoritative, and perhaps definitive work on the subject, *The High Cost of Free Parking*, Donald Shoup (2005) cogently argues that literature on transportation and automobile use ignores the implications of subsidized parking. Shoup (2005: 7) describes parking as an "asphalt commons: just as cattle compete in their search for scarce grass, drivers compete in their search for scarce curb parking spaces." Developers and planners are required to provide the maximum peak amount of parking spaces; aerial pictures of malls show vast lots filled with empty parking spaces surrounding a structure containing a few

stores. The problems with parking provisions are more fundamental to urban sprawl than many had previously realized. Most analysts recognize the immense cost of freeway and road construction and their continued maintenance, but fewer have grasped the legacy of parking.

Until recently, most urban economists and specialists had focused on how road and highway construction prompt more automobile-dependent urban sprawl. Donald Shoup conducted extensive research on parking and traffic in San Francisco and Los Angeles and found that most of the sprawl was being permitted by free off-street parking. Parking spaces require much more land and are costlier than interstate construction. Many businesses rely on free off-street parking so that they are shouldered with the cost for developing their own parking spaces. More analysts are beginning to recognize that determining the design and financing of parking is one of the most important tasks in managing urban growth.

Parking has garnered even less attention from urban sociologists, despite the fact that it represents a gargantuan industry that shapes urban form in a variety of ways. There are an estimated 40,000 parking facilities in the USA. The average cost of building one parking space varies from roughly $13,000 in Dallas to $17,000 in Los Angeles and up to $20,000 in San Francisco (Victoria Transportation Policy Institute 2012). The provision of parking is often a primary factor for developers and lenders when considering the financial viability of a project (Shoup 2005).

For low-density development, less expensive parking is required. Parking for high-density Smart Growth projects must be subterranean or accommodated with complex lift systems. Until automobile use declines dramatically or self-driving car systems reduce the need for parking, its development will continue to shape the contours of urban form.

Sustainable Construction Costs

In a previous study, Miller (2008 cited in McConnell and Wiley 2012) examined and compared the costs of 19 construction elements in New Urbanist and conventional development. After interviewing developers, architects, and engineers, he found that the New Urbanist development was actually cost efficient. The foundations, exteriors, interiors, and materials were all of higher quality. Green building studies make this a major point of emphasis: sustainable construction results in high caliber projects (Janda and Killip 2013). However, the focus of this study was on facets of construction and did not factor in costs associated with mixed-use, zoning,

storm water management or other aspects of development. McConnell and Wiley (2012) in their interview with a developer found these to all significantly add to the final costs beyond construction. According to them, it is impossible to conduct a comprehensive comparison of New Urbanist and conventional construction costs due to the lack of information, but anecdotal evidence gleaned from interviews with developers can provide some idea.

Mixed-Use and Financing

Few studies have explored the financing of Smart Growth and New Urbanism. One survey and several case studies have indicated that New Urbanist projects are deemed to be riskier primarily because of the uncertainty surrounding mixed land use: combining commercial and residential in the same zones or buildings. The mix of uses indicates that a project must generate fast returns to attract investors. Cities and lenders both have familiarity with single-use projects. The lending or investor communities are also more accustomed to the rates of return offered by single-use projects. Predictability is key for most real estate financiers. New Urbanist projects that include a mixed-use element face several challenges acquiring the necessary investment to get the project off the ground. Still, there is little research on this.

Mixed-use is a fundamental component of Smart Growth and New Urbanism. However, there have been very few studies of how well the retail portion performs after being developed. Few researches have focused on the economics and finances of mixed-use (Grant 2002; Grant and Perrott 2011). In a study of three Canadian cities, they find troubles with mixed-use. The retail portion did not perform as well as expected. There were vacancies, turnover of tenants, and other challenges. Planners tended to view the mixed-use element favorably and were less aware of how well the commercial spaces performed. Developers followed the retail performance more closely as it indicated whether or not the building type would be successful in the future.

Community Participation and the Permit Review Process

One of the biggest concerns for a New Urbanist or infill developer is opposition by current residents or what are called NIMBY—Not In My Back Yard. These residents may have legitimate concerns with new development.

They may not want the character of their neighborhood changed, potential traffic congestion, construction noise, detours, and other nuisances. If they are homeowners, they may sometimes fear that the new development will negatively affect their own property value. NIMBY groups tend to be painted negatively by progressive groups, but they are often on the front lines of conservation, preserving green spaces, parks, and the environment from deleterious development. NIMBY groups can prevent development that would devastate ecosystems or gentrify neighborhoods. Sometimes, though, they are motivated by more self-serving goals.

NIMBY groups often consist of homeowner associations or neighborhood groups that form to prevent additional development in their areas. In an important book, *The Home Voter Hypothesis*, Fischel (2001a) suggests that homeowners often vote in ways that will preserve or increase the value of their homes and vote against policies or candidates they fear will cause a downgrade in home prices. Others find that NIMBYs prevent needed redevelopment by charging that it is gentrification. Most NIMBY groups are comprised of residents, activists, and sometimes supportive public officials (Fischel 2001b). Usually, they are driven by what they believe is right for their community and attend city council meetings, planning meetings, and other forums where they can voice their opinions to decision-makers.

"Democracy is a great system. I love it. It's messy, but it's fun. It's not, however, necessarily the best way to approve a project," remarked Jerry Bunin of the California Home Builders Association. More community participation generally leads to a lengthening of the project permit review process. For developers, this usually means added expenses relating to the interest on the building loans or changes in taxation and inflation rates. When it is a high-density project, the neighborhood opposition often intensifies. In one study of a New Urbanist development in the small Pennsylvania town of Cochranville, Rybczynski (2007) spoke with a developer who had tried to build at higher densities than the zoning allowed. Local residents sat on the zoning boards and resisted smaller lots and more units. The developer worked with the city and others to eventually obtain a permit approval after seven months—which is a long time for a developer in a small town. The delay was very costly for the developer, but the city government felt that the length was sufficient for what they saw as a necessary process to determine its appropriateness.

After reviewing the literature on NIMBY opposition to high-density infill, McConnell and Wiley (2012) find a reason for this persistent and prevalent trend: most of the costs (construction, traffic increases, around

the development, impact on neighboring property values) tend to be local, while the benefits (reducing sprawl, greater urban efficiency) tend to be regional.

Conclusion

Modern American life has been structured around a specific type of land use and the lifestyles that it engenders. Home and automobile ownership have been synonymous with the American Dream and the American way of life. It was always more of a dream than a reality, but for decades a particular architectural design formed the basis of city building across the country. Low-density housing separated from the noise and busyness of retail stores and shops made cities stretch across large expanses of land. Wetlands were filled in, forests chopped down, and waterways rechanneled to permit the urban sprawl. Along with the spreading development came air pollution, waste, and GHG emissions from buildings themselves. Smart Growth and New Urbanism are not the sole routes to achieving sustainable cities; however, they are the most popular. Denser buildings shared by residential and retail spaces near mass transit have seemed like an appropriate response to urban sprawl. Urban areas have experimented with these designs. Since these concepts and principles have been relatively recently linked to environmental sustainability, there has, understandably, been more analysis of planning than of project implementation.

This chapter described the political, economic, and cultural history of urban development in the USA. It also reviewed the research on the success of Smart Growth and New Urbanism. It is decidedly mixed. The ambiguous findings from the literature informed my own exploration of the topic. The rest of the book discusses the various situations that cities and entrepreneurs have experienced in their attempts to attain New Urbanism and Smart Growth.

Bibliography

Allen, E. (2008). *Cool Spots.* Retrieved from www.crit.com/documents/cool_spots.pdf.

Bagnasco, A., & Le Gales, P. (2000). European societies and collective actors? In A. Bagnasco & P. Le Gales (Eds.), *Cities in contemporary Europe* (pp. 123–144). Cambridge: Cambridge University Press.

Beatley, T. (2000). *Green urbanism: Learning from European cities.* Covelo, CA: Island Press.

Bullard, R. (2007a). Introduction. In *Growing smarter: Achieving livable communities, environmental justice, and regional equity*. Cambridge: MIT Press.

Bullard, R. (2007b). Smart growth meets environmental justice. In *Growing smarter: Achieving livable communities, environmental justice, and regional equity* (pp. 23–49). Cambridge, MA: MIT Press.

Calthorpe, P. (2012). *Urbanism in a time of climate change*. Washington, DC: Island Press.

Downs, A. (2004). Introduction. In A. Downs (Ed.), *Growth management and affordable housing: Do they conflict?* (pp. 1–19). Washington, DC: Brookings Institution Press.

Ewing, R. (1994). Characteristics, causes and effects of sprawl: A literature review. *Environmental and Urban Studies, 21*(2), 1–15.

Feagin, J. (1998). *The new urban paradigm: Critical perspectives on the city*. Lanham, MD: Rowman & Littlefield.

Feagin, J., & Parker, R. (1990). *Building American cities: The urban real estate game*. Upper Saddle River, NJ: Prentice Hall.

Fischel, W. (2001a). *The home voter hypothesis*. Cambridge, MA: Harvard University Press.

Fischel, W. (2001b). Why are their NIMBYs? *Land Economics, 77*, 144–152.

Fisher, D., & Freudenburg, W. (2001). Ecological modernization and its critics: Assessing the past and looking toward the future. *Society and Natural Resources, 14*, 701–709.

Florida, R. (2005). *Cities and the creative class*. New York: Routledge.

Gillham, O. (2002). *The limitless city: A primer on the urban sprawl debate*. Covelo, CA: Island Press.

Gissendanner, S. (2004). Mayors, governance coalitions, and strategic capacity: Drawing lessons from Germany for theories of urban governance. *Urban Affairs Review, 4*(1), 44–77.

Grant, J. (2002). Mixed-use in theory and practice: Canadian experience with implementing a planning principle. *Journal of the American Planning Association, 68*(1), 71–84.

Grant, J., & Perrott, K. (2011). Where is the café? The challenge of making retail uses viable in mixed-use suburban developments. *Urban Studies, 48*(1), 177–195.

Heying, C., & Ryder, M. (2010). Genesis of the concept. In C. Heying (Ed.), *Brew to bikes: Portland's artisan economy* (pp. 13–22). Portland, OR: Ooligan Press.

Heying, C., & Wineman, B. (2010). Beyond bohemian enclaves: Spaces for artisans to work and live. In C. Heying (Ed.), *Brew to bikes: Portland's artisan economy* (pp. 251–260). Portland, OR: Ooligan Press.

Hovee, E. (2008). *Carbon footprints benefits modeling*. Reconnecting America. Retrieved from http://www.reconnectingamerica.org/assets/Uploads/cabonbenefitsmemo.pdf.

Jackson, K. (1985). *Crabgrass frontier: The suburbanization of America*. Oxford: Oxford University Press.

Jacobs, J. (1961). *The death and life of great American cities*. New York, NY: Random House.

Janda, K., & Killip, G. (2013). Building expertise: Renovation as professional innovation. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 135–155). Cambridge: MIT Press.

Jänicke, M. (2008). Ecological modernization: New perspectives. *Journal of Cleaner Production, 16*, 557–565.

Johnson, M. (2001). Environmental impacts of urban sprawl: A survey of the literature and proposed research agenda. *Environment and Planning, 33*, 717–736.

Johnson, J. S., & Talen, E. (2008). Affordable housing in new urbanist communities: A survey of developers. *Housing Policy Debate, 19*(4), 583–613.

McConnell, V., & Wiley, K. (2012). Infill development: Perspectives and evidence from economics and planning. In N. Brooks, K. Donaghy, & G.-J. Knaap (Eds.), *The Oxford handbook of urban economics and planning* (pp. 473–502). Oxford: Oxford University Press.

Mollenkopf, J. (1983). *The contested city*. Princeton, CT: Princeton University Press.

Molotch, H. (1999). Growth machine links: Up, down, and across. In A. E. G. Jonas & D. Wilson (Eds.), *The urban growth machine: Critical perspectives two decades later* (pp. 247–265). Albany: State of New York Press.

National Academy of Science. (2009). *Driving and the built environment. The effects of compact development on motorized travel, energy use, and CO2 emissions* (Special Report 298). National Academy of Science.

Nevarez, L. (2003). *New money, nice town: How capital works in the new urban economy*. New York: Routledge.

Newman, P., Beatley, T., & Boyer, H. (2009). *Resilient cities: Responding to peak oil and climate change*. Covelo: Island Press.

O'Toole, R. (2009). Smart growth and housing. In R. Holcombe & B. Powell (Eds.), *Housing America: Building out of a crisis* (pp. 83–99). Oakland, CA: Independent Institute, Transaction Publishers.

Pastor, M., Benner, C., & Matsuoka, M. (2009). *This could be the start of something big: How social movements for regional equity are reshaping metropolitan America*. New York: Cornell University.

Pincetl, S. (1999). The politics of influence: Democracy and the growth machine in Orange County, US. In A. Jonas & D. Wilson (Eds.), *The urban growth machine: Critical perspectives two decades later* (pp. 195–212). New York: SUNY Press.

Polanyi, K. (1944). *The great transformation: The political and economic origins of our time*. Boston: Beacon Press.

Rybczynski, W. (2007). *Last harvest: How a cornfield became New Daleville*. New York: Scribner.

Shoup, D. (2005). *The high cost of free parking*. Washington, DC: American Planning Association Press.

Spaargaren, G., & Mol, A. P. J. (1992). Sociology, environment, and modernity: Ecological modernization as a theory of social change. *Society and Natural Resources, 55*, 323–344.

Stephan, A., Crawford, R. H., & de Myttenaere, K. (2013). Multi-scale life cycle energy analysis of a low-density suburban neighbourhood in Melbourne, Australia Build. *Building and Environment, 68*, 35–49.

Steinberg, T. (2002). *Down to earth: Nature's role in American history*. Oxford: Oxford University Press.

Victoria Transportation Policy Institute. (2012). *Annual Report*. Victoria, Canada: Victoria Transportation Policy Institute.

Warner, K., & Molotch, H. (2000). *Building rules: How local controls shape community environments and economies*. Boulder, CO: Westview Press.

Weiss, M. (1987). *The rise of the community builders: The American real estate industry and urban land planning*. New York: Columbia Books.

Wolch, J., Pastor, M., & Dreier, P. (2004). Introduction. Making Southern California: Public policy, markets, and the dynamics of growth. In J. Wolch, M. Pastor, & P. Dreier (Eds.), *Up against the sprawl: Public policy and the making of Southern California* (pp. 1–44). Minneapolis, MN: University of Minnesota Press.

Wu, J. J. (2006). Environmental amenities, urban sprawl, and community characteristics. *Journal of Environmental Economics and Management, 52*(2), 527–547.

CHAPTER 3

Managing Urban Growth in Oregon and California

The West Coast of the USA is an engine of social and economic dynamism settled amid some of the world's most breathtaking natural wonders. With plentiful land at the beginning of the century, governments and developers built sprawling cities across Southern California and the San Francisco Bay Area. Traffic congestion and the other problems associated with suburbanization also sprawled across the state. Oregonians watched warily as Portland and its suburbs expanded outward. By the end of the twentieth century both states and many of their cities were actively trying to reign in the single-family, low-density development through an array of growth management regulations while at the same time unwittingly getting trapped in the housing bubble. What we find when we look at urban development and growth management in California are a series of innovative and experimental policies that curtailed expansion. Oregon, in contrast, enabled regional authorities to adopt more standard growth control measures. Though their urban growth management paths diverged, several cities in both states viewed Smart Growth as a possible panacea for many urban and environmental problems.

Throughout the latter half of the twentieth century, states and cities enacted command-and-control regimes to manage urban development. Strict regulations often deterred innovative building and prolonged the practices associated with sprawl. It was not until the end of the century that new incentive-based growth management regimes were enacted.

E.S. Nielsen, *Smart Growth Entrepreneurs*,
DOI 10.1007/978-3-319-41027-2_3

Many of the growth control measures succeeded in several places, but had the unintended consequence of "spilling over": pushing sprawl to other neighboring cities leading to traffic congestion and longer commutes. The unsustainability—ecologically, economically, and physically—of this system led city officials and analysts to find new ways to accommodate growth, but limit its negative effects. By the 2000s, many locales were experimenting with Smart Growth. The history of California and Oregon reveals that governments have long intervened in real estate markets on behalf of citizens or to prevent the deleterious impact of unbridled building. Many of these new attempts to contain or permit growth were the result of entrepreneurial individuals in the public sector. Governors, mayors, and housing or program directors, innovated several ways to enact Smart Growth and reduce urban sprawl.

Managing Urban Growth in the El Dorado State

Modern-day California represents the ethos of modernity: it has gone beyond the limits imposed by nature and reconfigured the landscapes and waterways to permit large urban populations to live in a semi-arid climate with scarce water sources that would not otherwise support them. California has more people than any other state and is the third largest state in the country, geographically. Over the next 30 years, the population is projected to grow by another 20 million people (Vision California 2011). Roughly 80 % of the population is clustered within two urban triangles. The Northern triangle contains 15 million people and extends from the San Francisco Bay Area east to the city of Sacramento, and south to the coastal city of Monterey. The top vertex of the Southern triangle is roughly Santa Barbara with a line to San Bernardino to the east, reconnecting to the bottom right vertex in San Diego. This triangle of Southern California contains 20 million people in a much more arid climate than is found to the north.

The rest of the population lives in the central regions of the state with a smaller sprinkling of cities north of Sonoma and Napa Counties. The Central Valley hosts several disparate cities in an agriculturally based economy with depressed wages. The region faces drought and exceedingly high levels of air pollution. However, the construction of hi-speed rail lines and the creation of the new University of California, Merced campus are intended to draw future economic and population growth away

from the congested coastal cities. The Central Coast extends from the Monterey Bay south to Santa Barbara and Ventura; these cities straddle Central and Southern California. The Central Coast is not as populated as the coastal triangles or the Central Valley, but has nonetheless increased its population by 15 % since 1990. Roughly 1.5 million people live along the coast and in the inland valleys and hillsides and many worry about overdevelopment.

California has a relatively short history of rapid population growth. At the beginning of the nineteenth century, places such as the San Gabriel Valley, which now contains Los Angeles, were deemed too arid for modern habitation. The channeling and damming of waterways enabled large agricultural farms and made California habitable for large populations. By the twentieth century, the population of California was 1.4 million people. Developers and other industrialists were lured by the discovery of oil and wide swathes of cheap buildable land. In connivance with agribusinesses, the industrialists gradually, and sometimes coercively, redirected water from the Owens Valley and the Colorado river to Southern California. A greater water supply meant more agriculture and industrial opportunities for business and greater revenue for local governments. The pleasant climate that resembled the Mediterranean also attracted people tired of the harsh winters in the East Coast and the Midwestern states. During the Great Depression, California's population grew as agricultural companies utilized most of the water for irrigation and people escaped the Depression by working in the fields, as famously portrayed in John Steinbeck's novel *The Grapes of Wrath*.

After the Second World War, California's economy and population took off; the state led the nation in home building after the war. It secured over 10 % of all the war's production contracts, which, in turn, led to a surge of factory construction for the defense industry. Large aerodynamic companies set up their shops in Southern California and employed an industrial reserve army enticed by high-paying jobs, nice weather, and a single-family home. The structure of the industry decentralized after the war, but it grew more spatially nebulous. Southern California's population trebled between 1945 and 1970. During this time, over 100 new cities were added to the state, most of them on the fringes of larger cities. Most of this growth came in the form of sprawl.

National housing policies promoted suburbanization in California. Federal programs such as the National Housing Act of 1934 ensured 90 %

of individual mortgages and standardized a system of 20–30-year payment plans. It undergirded the private real estate industry's predilection for single-family homes. Urban planning and development across the country followed California's example and suburbs sprawled out from major city centers into far-flung "edge cities" (Garreau 1992).

Public entrepreneurs also promoted rapid urban development. In 1958, Governor Pat Brown created several major public works projects, one of several periodic forays by the Golden State into regional planning and development. California's main transportation agency, Caltrans, was also formed during this bout of public investment. Other major institutions that were developed with public support were the University of California system and several research organizations. In 1965, the Southern California Association of Governments (SCAG) was created to coordinate major transportation planning. It has not, however, lived up to the dreams of its founders. Regional planning has faced intense opposition from city governments across the state. In the late 1960s, two other important, large-scale, regional agencies were created, though they did not directly regulate land use: the State Water Resources Control Board centralized the disparate water boards and made them accountable to the state government in Sacramento while the Motor Vehicle Pollution Control Board managed automobile emissions. Through organizations like these, California pioneered pollution emission regulation in the USA.

The broader Central Coast of California spans the coastline from Santa Cruz, south of San Francisco, to Santa Barbara, which sits at the meeting point between the Central Coast and Southern California. The area is comprised of four large counties and several cities with a total population of roughly 1.5 million people (Fulton and Shigley 2005). Most of the population is clustered in two areas: Santa Barbara County, containing nearly half a million people, and the Monterey Bay area, which has a population of nearly 800,000 (US Census 2010a). The coastline is known for its natural beauty and its inviting beaches. Located just inland are various agricultural operations. A burgeoning viniculture industry competes with traditional wine growing regions of Napa Valley and Sonoma Valley. The Central Coast is also a popular tourist destination, with its comparatively untouched seashores. Several coastal cities have enacted some of the most restrictive zoning ordinances in the state, as well as in the country, to ward off sprawl that covers the inland valleys of Southern California.

Megapolitan SoCal

Nearly 20 million people live in the Southern California, Los Angeles and San Diego metropolitan regions. In 1870, the population of the region was only 15,000 (Wolch et al. 2004). Between the two world wars, Los Angeles's population doubled to 2.7 million people. Southern California experienced a largely uninterrupted building boom during the postwar period. The defense industry, in particular, built several facilities in Los Angeles and San Diego. By the 1970s, the population grew to nearly 10 million with many people working in the defense sector. Manufacturing jobs paid well and were relatively stable. Single-family homes for each worker became the ideal working and living arrangement. Large home-builders moved into the area accelerating sprawl. Southern California became associated with the "American Dream," "the good life," and other marketing slogans, while its population surged by 40 % between 1980 and 2000, the total rising from 11 million to 16 million people. Orange County and the Inland Empire (on the periphery of Los Angeles) grew the most dramatically.

Globalization restructured the economy in the state with significant consequences for cities. Manufacturing jobs were outsourced overseas while the service industry replaced it as the primary sector of the economy. Increasingly, workers lived in one part of the region, but commuted long distances to their jobs and homes elsewhere, a relationship often termed the "spatial mismatch." After the recession of the early 1990s, services and entertainment employment outpaced secure high-paying factory jobs. Between the 1960s and 2000, nearly 100 cities were incorporated creating a patchwork of local governments and inter-organizational competition for social service funding. Cities along the coastline north of Los Angeles faced growing pressures to build housing and commercial employment centers.

Growth Management in the Golden State

California has a multiplex, devolved structure of urban governance. A key element of this decentralization is the ballot initiative, through which major legislation may be passed. The labyrinthine structure of land-use planning is similarly delegated to local governments. There are roughly 7000 local government entities, with 478 cities and 58 counties in California (Fulton and Shigley 2005). The state itself provides the

cardinal guidelines that cities and counties must follow when designing and implementing general plans, but cities have greater control over the particulars of the development process. Cities hold jurisdiction over land within their borders, while counties control unincorporated territories not under city planning authority. In California, little formal coordination is required of planning agencies. Cities, counties, as well as state and federal agencies, often coordinate action only when encouraged by specific laws or funding programs. This is in contrast to Oregon, and other states, where the state government is more directly involved in the development of urban policy.

California Zoning

Local governments in California pioneered many land-use practices now common in other states, the most important of which is zoning. In 1909, Los Angeles implemented the nation's first zoning ordinances. In California, they form the basis of the primary city planning documents. They were used primarily for the purpose of protecting single-family homes from the encroachment of commercial and industrial development. Zoning ordinances are sets of regulations that dictate how a geographically defined piece of property can be used. Specifically, they determine whether spaces are residential, commercial, industrial, or mixed-use. They also regulate density, lot size, building height, and the building's proposed uses. Land-use zoning is an essential component of contemporary American planning and land-use development. The practice is protected by a Supreme Court decision signifying it as a component of public welfare. Houston, Texas remains the only major city in America without zoning.

Zoning ordinances are the simplest and most effectively used tools for managing growth. Several cities in California have recently implemented "form-based codes": a unique zoning framework that moves the cynosure from the uses of land (residential, commercial, etc.) to the attributes of the building mass itself. Form-based codes allow for flexibility of land use, signaling a potential transposition in urban planning. Cities that use form-based codes are experimenting with pliant systems of land use that can more readily mix uses—a crucial ingredient of Smart Growth design. If cities in California continue to absorb population growth, we could see form-based codes proliferate.

The General Plan

California became one of the first states in the country to require that cities and counties draw up "Master Plans." In 1937, the Master Plan was developed to design and arrange urban development within a coherent policy framework. The term "General Plan" was adopted in 1965, to apply to specific planning areas, such as the downtown. Today, the General Plan remains the most important policy tool used by local land-use planners—land-use decisions made by cities in California all descend from the General Plan.

Courts interpret the General Plan as a constitution for the community containing a vision of what the future will be for the city and the policy recommendations to realize the vision. California requires that cities address seven elements: land-use element, circulation element, housing element, conservation element, open-space element, noise element, and safety element. Little direction, however, is given to communities as to how they must incorporate these elements into their General Plans. Unlike constitutions, the plans are easily amenable to change and therefore not always viewed as legitimate. They can undergo a great deal of revision by the community and growth machine actors.

By the end of the twentieth century, California's urban growth was largely contingent on the state's revenue structure. Property and sales taxes have been the two primary sources of state revenue. Changes in the tax structure—and thus government revenue—have contributed to suburban sprawl and commercial development.

Tax Revolt and Fiscal Crises

In 1978, Proposition 13 passed as a ballot initiative. In California, it placed restrictions on property taxes and led to a nationwide "tax revolt" (Martin 2008). One of the most far-reaching portions of Prop 13 placed a cap on property taxes at 1 % of the value of a property, based on its assessed value in 1975. The tax rate cannot be changed unless there is a majority two-thirds vote, a near impossibility in a strongly anti-tax environment. Properties may not be reassessed until the property is sold. Their values are capped at 2 %/year regardless of changes in the broader market. Proposition 13 sharply curtailed government revenue from property taxes. As a result, cities could no longer rely on property taxes as the main source of revenue and turned to sales taxes. Proposition 13 is the underlying structure of California's real estate markets.

To garner greater sales tax, cities and municipalities permitted commercial development more readily than housing construction. Often called the "fiscalization of zoning," the sales from commercial establishments would provide more revenue for local governments than housing construction and non-commercial property development. This is important for Smart Growth for several reasons. Whatever a sustainably oriented planner may want to do, he or she must work within the financial constraints of this system. Profitable commercial spaces are needed to supply greater government revenue. Mixed-use developments are appealing because they provide housing and commercial spaces, a winning combination for physically and financially strained cities.

By the late 1960s, the problems of sprawl were becoming plainly visible, particularly the noxious impact on air quality. Growing technological and industrial risks, ecological disasters, and environmental consciousness spurred activists into the nascent environmentalist movement. In California, organized environmentalism was prompted, in part, by the 1969 oil spill in Santa Barbara. People entering public life in the Golden State began developing a series of environmental measures that would reduce pollution and shift social behavior toward a more ecologically oriented modernity.

California Environmental Quality Act (CEQA)

One of the most significant components of urban planning in California is the CEQA. Although it is not technically a part of city planning per se, it affects every project that is proposed. CEQA was passed in 1970 and was developed in conjunction with the National Environmental Policy Act (NEPA). It puts forth a process to examine the effects of building on one dimension: the environment. But this singular focus uniquely impacts the development process. CEQA requires the developer and city to conduct an Environmental Impact Report (EIR) on every proposed project. An EIR consists of an assessment of the expected environmental damage caused by a certain development, such as its impact on biodiversity, air, and water quality. The Act has also, interestingly, democratized the building process, because the environmental impact of building and construction can become a forum for debate over urban development. The most common EIRs are those used on a project-by-project basis. EIRs can also make it into the General Plan process, as long-term planning must accommodate CEQA considerations and mitigations. Conventional growth

coalitions view CEQA as anathema to their goals because it inadvertently manages urban building.

Exactions and Impact Fees

Impact fees, also known as exactions, are the main policy tools that cities use to direct urban growth. Exactions fall under the "police power" of local governments. Initially, cities would require developers of large subdivisions to reserve space for streets, parks, community centers, and other items of public interest. They were determined on a project-by-project basis, and took the form of "in lieu of" payments. If a developer were simply constructing a building or two, rather than a neighborhood, she would be forced to pay a fee to the local government. The money would then be used to fund social programs, parks, or other services deemed as falling within the public interest.

As a result of the reduced revenue stream caused by Proposition 13, exactions are often viewed as a mechanism to fund infrastructure and social programs without broadly taxing homeowners (Martin 2008; Fulton and Shigley 2005). Developers may oppose fees, but the broader real estate industry, such as the California Home Builder Association, acknowledges the usefulness and necessity of limited but focused exactions. Infrastructure funding and social programs can often provide a more stable foundation for real estate development.

Development Caps

Another popular form of direct growth management is capping development, putting a limit on the number of units to be built each year. In 1971, Petaluma, California, a small city north of San Francisco, saw its population rise dramatically after the 101 Freeway was built. To prevent the low-density development that sprawled across Southern California, and increasingly encroached upon the Northern San Francisco Bay Area, the city initiated the first building caps in the state. They consisted of a set number of housing units (500/year). Petaluma also mandated certain aesthetic features and initiated a complex point system for development that guided the private real estate market (Landis 1992). Over 60 cities have now implemented some form of development cap. The caps may be comprised of limits on city populations, the number of housing units, the square footage of retail space, and so forth. Santa Barbara instituted a

strict cap on both housing construction and retail development, but it did more to curtail population growth than commercial growth (Warner and Molotch 2000).

By the closing decades of the twentieth century, California confronted greater pressures from a decentralized, but an increasingly urbanized, population. Planners explored Smart Growth and New Urbanist designs to accommodate housing demand, while protecting resources and reducing pollution. Various environmental measures were passed in cities and counties in California and incentive systems were instituted that induced private developers to pursue high-density projects. As coastal cities faced a housing affordability crisis, Smart Growth projects appeared to be the ticket to sustainable development. City planners and community activists drew up new General Plans that included Smart Growth principles in their core elements[1] (housing, transportation, etc.).

The recovery from the recession of the late 1990s partly entailed a building boom in California. Profligate banks, speculators, and homebuyers partook in an irrational exuberance over the housing market. New subdivisions were built in the exurbs of large conurbations. Subsidies were given to city Redevelopment Agencies to beautify neighborhoods, and subprime mortgages were offered to people who could not afford them. The growth machine logic drove this behavior on both personal and organizational grounds. As housing prices rose, so did the rental market causing an affordability crisis in the midst of the booming property market. Several cities with tight growth controls looked to Smart Growth as a way to house their workforce populations, revitalize urban spaces, and save space by building vertically as opposed to horizontally. Plans for Smart Growth generated tensions within several cities between groups in favor of limited, but smart, growth and those considered "no growth" or "slow growth." Long time environmentalists who fought several battles with developers were suspicious of Smart Growth ideas and saw them as a smoke screen for further ruinous development.

California Cities and Growth Controls

For a sample of Smart Growth cities, California provides a veritable buffet of places to choose from. I wanted to place the New Urbanist within their broader regional context. As a resident of Santa Barbara at the time, I had become familiar with its story of urban growth management and its forays into Smart Growth planning and development. The affordability crisis in

Santa Barbara displaced workers across the region that now faced long commutes in and out of the city; over half of the first responders do not actually live in the city. Neighboring cities approached urban growth management differently. The region beginning roughly 90 miles north of Santa Barbara and further down the coast to the suburban edge of Los Angeles was chosen as a regional case study. This cluster of cities covers agricultural communities, coastal cities, and the suburbs of a major megacity.

My sample included the cities of Santa Maria, San Luis Obispo, Oxnard, Camarillo, Thousand Oaks, Santa Barbara, and Ventura. They are located between 20 and 190 miles from Los Angeles. All are medium sized, ranging from 44,000 people in San Luis Obispo to 187,000 in Oxnard. Being planned communities, Camarillo and Thousand Oaks are much newer than the other cities. The cities are strewn across three counties: San Luis Obispo, Santa Barbara, and Ventura (each county has a city by its name as well). San Luis Obispo and Santa Barbara Counties have been less aggressive in their land-use regulation than Ventura County. Ventura County has the most stringent land-use regulations of any county in Southern California (Wolch et al. 2004). Countywide growth controls have induced its cities to adapt to development pressures and manage growth more proactively.

In 1969, the cities within Ventura County agreed upon the "Guidelines for Orderly Development" (GOD), which saved a series of open spaces and created farming belts between their respective boundaries. In 1998, Ventura County voters (including those in the city itself) voted for SOAR (Save Open-space & Agriculture), which mandated that cities create an urban growth boundary (UGB) to promote infill development and protect agricultural land. It was modeled on the Slow Growth Initiative Measure A, which limited growth to 1 % a year and protects agricultural land from sprawl. Passed in 1980, it withstood legal challenges and set a precedent by the Supreme Court. In addition to SOAR, the Oxnard-Camarillo and Oxnard-Ventura Greenbelt Agreements protect the agricultural land between them by an agreement to not annex existing agricultural land and to recognize the existing land zoned for agriculture. SOAR has preserved hillside vistas and strawberry fields, among other open spaces, that most likely would have been built over during the housing bubble of the 2000s.

San Luis Obispo

The city of San Luis Obispo is the northernmost city examined in California, located approximately 190 miles north of Los Angeles. It

developed around the historic San Luis Obispo Mission. Today, tourism and higher education drive economic activity. In this regard, it is similar to Santa Barbara to the south and the cities of Monterrey and Santa Cruz to the north. San Luis Obispo houses the California Polytechnic Institute. The city has preserved several buildings in its downtown as well as the winding San Luis Creek. In the 1950s, local growth politicians in the thrall of private developers, proposed paving over the San Luis Creek to accommodate more automobiles full of customers. The next decade witnessed residents and students waging pitched political battles against the growth machine (Nevarez 2003).

San Luis Obispo has a population of 44,000, however when neighboring towns are added the regional estimate is closer to 115,000. The city is the largest employment center in San Luis Obispo County with roughly 45 % of the county's jobs (Reynis and Sylvester 2002). It has dynamic service and hi-tech sectors in addition to its more traditional agricultural economy (Nevarez 2003). Like other California coastal communities, property values in San Luis Obispo are among some of the highest in the nation. Homes prices have steadily increased since the 1960s and 1970s as part of a broader real estate trend in California.

The city's downtown displays many characteristics found in both traditional and Smart Growth designs: a pedestrian plaza, several small specialty shops and boutiques, art galleries, and the Mission. The San Luis Creek also winds through the town with several paths running along the creek and bridges crisscrossing the waterway. Now the creek is a valued community amenity that adds to downtown activity. San Luis Obispo has several regulations in place to make the downtown more attractive to residents and tourists. It was the first city in the USA to ban smoking in public places. In another example, San Luis Obispo also banned drive-through fast food restaurants to reduce roadside litter. Though the city is only 11 square miles, it contains nearly 35 miles of bike lanes.

The city used residential growth rate targets and annual caps on building permits to manage urban development. In the 1980s, annual residential growth rate targets were capped at 2 %. Ten years later, San Luis Obispo conceived a new program of growth control, the City's Residential Growth Management Regulations, further limiting development. To assuage housing advocates, the residential construction rate was lowered to 1 % annually. This change was partially in response to the drought of the late 1980s and early 1990s (Landis 1992). Recognizing the need for affordable housing, residential construction projects that favored low-

income housing received a greater likelihood of approval. While the city enacted tight growth regulations during the 1980s and 1990s, the County loosened its building restrictions, effectively absorbing the growth that the city disallowed.

Many analysts have argued that growth management increases housing prices (O'Toole 2009). Landis's (1992) landmark study on building regulations and housing affordability found that during the first decade following the enactment of San Luis Obispo's growth controls, the price of single-family homes increased much more slowly than in three neighboring pro-growth cities (Pismo Beach, Grover City, and Morro Bay). However, there was a dramatic drop in permitting between 1990 and 2001, when the growth rate target was changed from 2 % to 1 % (Reynis and Sylvester 2002).

Today in San Luis Obispo, urban growth politics remain at the forefront of community issues. San Luis Obispo is exploring possibilities for Smart Growth planning and development to accommodate projected growth while still retaining its small town feel. It is also preparing a Climate Action Plan, hoping to reduce CO_2 emissions. In spite of the smart regulatory framework, San Luis Obispo did not build high-density, mixed-use projects, such as the Smart Growth projects that I am specifically examining. Their ability to fend off unwise development and protect the treasures of community make them a smart town, whether they build dense, mixed-use projects or not.

Santa Maria

Santa Maria is an inland city located 60 miles north of Santa Barbara and roughly 30 miles south of San Luis Obispo. Originally known as Grangerville, Santa Maria was born in an oil boom. Beginning in 1888, several oil wells were drilled. In 1910, the name was changed to Santa Maria and became an officially chartered town as its oil economy grew. By mid-century, there were nearly 2000 oil wells in operation. The city's population has swelled dramatically in the last 30 years and recently surpassed Santa Barbara (90,000 and 93,000, respectively). Santa Maria has lax growth controls and it sprawls toward the northern border of Santa Barbara County. Several big-box retail establishments not allowed in neighboring San Luis Obispo or Santa Barbara, were built in Santa Maria. Today its economy primarily serves local agriculture, viniculture, and service to the nearby Vandenburg Air Force Base.

In 1998, the National Civic League listed Santa Maria as an "All American City" due to its local business and community partnerships. It is fitting that it exemplifies low-density sprawl. Santa Maria permitted the development of many subdivisions of low-density, single-family tract homes during what became the housing bubble. Foreclosure rates are higher in Santa Maria proportionally than all of the other cities I examined.

In the early 2000s, there was a movement to put Smart Growth on the city planning agenda. A series of workshops on the possibilities of Smart Growth in Santa Maria were held and the findings and ideas were presented to the city council. The city council did not adopt any of the suggestions and the crash of the housing market more effectively curtailed sprawl in Santa Maria than local activism had been able to do. The city must share the Santa Maria Valley with agriculture, meaning that there is limited room for expansion. It is plausible that Santa Maria will take a second look at Smart Growth in the not too distant future.

Santa Barbara

Santa Barbara is the vainglorious celebrity of the Smart Growth sample. It has served as the setting in several movies, television shows, and is a globally popular tourist destination. The city is nestled between the Pacific Ocean and the Los Padres mountain range, providing residents and visitors with beaches and mountains for outdoor recreational activities. The climate of the South Coast, as it is locally known, averages 70 °F. Santa Barbara also has a vigorous bicycling culture placing it in the top 25 cities in the American West based on the share of bike commuters (ACS 2012). The University of California, Santa Barbara (UCSB), a historic mission, a world-class theater, and a popular film festival are all located in the city. Montecito, the wealthier part of the city, has houses owned by popular movie stars, heirs and heiresses, and other extremely moneyed individuals.

Santa Barbara is a haven for rich tourists and residents, who buy mansions in Montecito, stay at high-class resort hotels, eat at the diverse restaurants, and shop at high-end stores on State Street downtown. Away from the eateries and beneath the glitter, however, is a struggling working class. The median income is actually below the California state average and lower than neighboring Ventura (Census 2010a) with many people working for low wages in the service sector. The city also has a large professional class that works at UCSB, the downtown hospital, and at a number of technology and defense contracted firms. Santa Barbara is sometimes referred to as the "Silicon Coast" (Nevarez 2003).

Like Santa Maria to the north and Ventura to the south, Santa Barbara has an oily history. In 1896, the first offshore oil drilling explorations began in the town of Summerland, just south of Santa Barbara. Oil had flowed from the drilling rigs outside of Ventura since the 1860s, but it was not until 13 years later that the oil industry moved into the southern tip of Santa Barbara County. Oil wealth brought wealthy heirs and heiresses to the burgeoning community. Developers emphasized the aesthetic amenities that the city had to offer. They built the city in an amphitheater-like design where the oceanfront harbor acted as the stage. The harbor itself was built for a single yacht owner named Max Fleischman. While industry pipelines and production facilities were located in Ventura, Santa Barbara remained the entertainment destination. Molotch et al. (2000) pointed out that this is somewhat counterintuitive: Ventura actually has longer, wider beaches; it has a larger, more functional port, and is 30 miles closer to Los Angeles. Nevertheless, the developers and local growth machines in Santa Barbara managed to advertise their city as the ideal vacation spot.

Two disasters shaped Santa Barbara's form and culture, one natural, one human-made. The natural disaster was an earthquake in 1925 that crumbled many of the Victorian homes and buildings in the city. Following the earthquake, the city instituted an ordinance on architectural aesthetics that required buildings to use distinctive Spanish, red-roofs, and an adobe form. Even before the ordinance was passed, in 1922 a citizen group called the "Plans and Plantings Group" developed the country's first architectural review board.

The second, human-caused, disaster was the 1969 oil spill, which galvanized community opposition to polluting industries. The disaster and its disastrous response, indirectly led to the first Earth Day, an event that receives a yearly weekend festival in Santa Barbara. It also led to the creation of one of the country's first Environmental Studies Programs, located at UCSB. After the oil spill blackened the coastline, the environmental movement radicalized the city's approach to economic growth and the impact it had on the local environment. The expansion of urban sprawl across Southern California, and the disastrous oil spill, exemplified the need for greater planning and land-use consideration. Nearly two-thirds of the city residents voted in favor of the 1972 Coastal Protection Act.

In the 1970s, two events occurred that curtailed urban growth in Santa Barbara. First, in 1972, the Goleta Water Board decided not to grant any new water pipelines and links to the city in the Goleta Valley. Goleta was

an unincorporated collection of suburban homes but was also one of the fastest growing parts of the South Coast. Voters approved of this decision in a local referendum and the neighboring water districts of Summerland and Montecito also put limits on water hookups (Warner and Molotch 2000).

The second event was the publication of a major study on urban growth on the South Coast. Citizen coalitions in Santa Barbara wanted stronger growth control measures to be put in place, but needed an empirical basis by which to formulate land-use policy. In 1974, local researchers were commissioned by the city to examine the characteristics of growth pressures and offer suggestions for policy to manage or curtail growth (Appelbaum et al. 1974). Although the authors argued for a regional planning perspective to plan for future development, the cities comprising the South Coast developed their General Plans independently. Local citizen groups such as the Citizens Planning Association pressured the local government to prevent development that would ruin the amenity-rich character of the city.

In 1989, Santa Barbara passed Measure E, which sought to control growth by capping commercial development. As the economy changed during the 1990s, however, job growth continued apace (Warner and Molotch 2000). Developers could replace any structure on a lot with one of the same size to redirect urban development in the downtown core.

This combination of restrictions and incentives reordered land markets in Santa Barbara, favoring existing density patterns across the city and a redevelopment of the downtown. Of course, it conflicted somewhat with the overall goal of limiting growth and further helps explain the otherwise curious finding of so much growth under a regime of growth control (Warner and Molotch 2000: 119–120). Santa Barbara was recently ranked second in the nation for all small cities in terms of "anti-sprawl" by Smart Growth America and was ranked fourth for cities of all sizes (Smart Growth America 2014).

By the 2000s, the growth controls and the attractiveness of the region (the two are linked) contributed to a dramatic rise in home prices, part of a national trend that was more pronounced in some places. Prices skyrocketed in already expensive property markets like Santa Barbara. From 2004 to 2006, the median price of a single-family home rose by 35 %; the average price was $1.3 million, rising to $1.6 million in 2006, at the height of the housing bubble (Rabin and Kelley 2006; Harney 2012). Santa Barbara

County remains the fourth least-affordable small metropolitan housing market in the nation (Coastal Housing Coalition, 2014).

Large employers, including half a dozen Fortune 500 companies, left the city because the housing costs were too high for the workforce. Half of the employees of the Montecito Fire Protection District who lived outside of the South Coast area commuted into the city for work. Santa Maria has absorbed the population loss from Santa Barbara. From 2001 to 2005, Santa Barbara grew by 400 people, while Santa Maria added 10,200 new residents (Rabin and Kelley 2006; Harney 2012). Traffic congestion rose dramatically as workers commuted from Ventura, Santa Maria, and elsewhere. During the 1990s, the number of workers commuting from Ventura increased by 61 % while the number commuting from San Luis Obispo County increased by 36 % (UCSB Economic Outlook Project Report 2002). According to a 2011 California Economic Forecast study, since that same time period, the number of commuters from Los Angeles County has increased by 57 %. Without dramatic changes, these problems are projected to grow.

The city of Santa Barbara is often thought to be a wealthy resort community, but that data and previous studies suggest otherwise (Molotch et al. 2000). While there are certainly wealthy families in the city, the median income is roughly $1000 less than the state average in California. Santa Barbara had an artisan class comprising 17 % of its total workforce—nearly 6 percentage points higher than the state average. Housing and workforce advocates sought the ability to build workforce housing to both reduce the number of commuters and the associated air pollution. Several planners and housing activists devoted themselves to finding inventive ways to provide affordable housing while simultaneously preserving Santa Barbara's splendor. These entrepreneurs increasingly looked to Smart Growth and New Urbanism for their ideas and inspiration.

Ventura

The location of San Buenaventura (the city's full name) mirrored Santa Barbara. Ventura is located roughly 28 miles south of Santa Barbara and neighbors the city of Oxnard. Ventura is topographically similar to Santa Barbara, with coastal hills hugging one side of the city and the Pacific Ocean on the opposite side. It shares the Mediterranean climate, averaging 72 °F. However, the two cities took different developmental paths. Ventura suffered from shortsighted urban planning decisions made throughout the twentieth century. As mentioned above, in a comparison

of late nineteenth- to mid-twentieth-century urban growth in Ventura and Santa Barbara, Molotch et al. (2000) found that the two places had radically divergent views on planning. Ventura became an "oil town" putting the local oil industry interests ahead of other city planning possibilities. For example, Santa Barbara turned its beaches into a tourist destination while Ventura, which has much more beach space, handed its beaches over to the fossil fuel industry to lay down pipelines, build refineries, and give space for trucks to load and unload oil and natural gas tanks, effectively closing access to the beach for residents and visitors.

Molotch et al. (2000) also found that Santa Barbara citizen coalitions spent a great deal of time and energy ensuring that the 101 Freeway did as little demolition of historic areas as possible and did not cut the downtown off from the ocean beaches. Ventura, by contrast, did not show nearly the same level of opposition to the placement of the 101 Freeway, which was constructed during the same time period. For much of the twentieth century, Santa Barbara was seen as the pioneering environmentally planned "green city," while Ventura was viewed as a local oil town that lacked the social and environmental activism to engender growth management.

Ventura's planning culture has changed and the city is actively trying to undo the damage wrought by decades of lackadaisical urban growth management. By the late 1990s and early 2000s, analysts were viewing Ventura as a possible future leader in California's Smart Growth movement. The city council, the city manager, and the mayor of the city of Ventura were strong proponents of high-density, mixed-use development (RPPI 2002). The Smart Growth projects that were built were seen as relatively successful and sensitive to the surrounding neighborhood. Although the city was in favor of New Urbanism generally, they refused some of the proposals for development, contending that developers from Orange County were trying to build projects that were far too dense for a generally low-density community. Instead, the city took a proactive approach in carefully assessing building permit applications. The city rejected several proposals, but approved nearly 30 high-density, mixed-use projects.

The city of Ventura has a progressive community, a higher median income than the state of California, a positive growth rate, a high proportion of the workforce that is engaged in the artisan class, and median rents that are also higher than the state average. Ventura has been active in the regional growth system set up by SOAR. This is partially the result of a progressive community that has actively supported innovative approaches to growth management. On their platforms, the Democratic Parties in

both the city of Ventura and Ventura County have listed urban sustainability, UGBs, and other strategies consistent with Smart Growth. This was part of a trend in Southern California, where the Democrats pushed for Smart Growth legislation and tried to form a Smart Growth caucus. Governor Gray Davis, at the time, did not give support to these attempts, and Smart Growth planning was left to individual cities and counties. Although in some states, Republicans have been supportive of Smart Growth, in California, the party has generally been opposed. Progressive political entrepreneurs in the city of Ventura decided to take a leading role in adopting Smart Growth and New Urbanism (RPPI 2002).

The median household income was lower than the states' average in all of the four Smart Growth cities except Ventura. The median income of residents in the city of Ventura was only slightly higher than the California state average. It may be even more surprising that Ventura ($62,410) has a higher median income than Santa Barbara ($59,000).

Ventura has a vibrant and growing artisan class. The proportion of artists in the workforce is higher than the state average. The city has fully embraced its artisan culture and in the early 2000s hired Eric Wallner to be the "creative economy specialist" to fuse the needs of local artists with philanthropists and city officials. Ventura paid $40,000 for Richard Florida's Creative Class Group to come and host a two-day workshop on expanding the potential of local "creatives." To underscore the relationship between New Urbanism and artisans, the most ambitious project examined in this book is the WAV (Working Artists Ventura) located a few blocks from the downtown in Ventura. This project is designed and built for an artist community, holds a gallery space, and forges links between its international clientele and the local businesses. When the property market crashed the city shut down all plans for development, except for one: WAV, an innovative Smart Growth project built to house a cadre of international artists.

Oxnard

Oxnard is a sprawling regional hub for the rest of the Central Coast to the north and the suburbs of Los Angeles to the south and east. The city is located approximately 35 miles south of Santa Barbara and 60 miles north of Los Angeles. The Santa Clara river separates it from Ventura. Oxnard developed alongside Ventura as both a harbor town and an agricultural center. Oxnard's city limits encompass Port Hueneme, a small charter city that serves the busy seaport. Oxnard is located on the Oxnard Plain, a

fertile area of land that is known for strawberries. Oxnard is often referred to as the strawberry capital of the world (USDA 2012). Cesar Chavez, the United Farm Workers activist, spent time both working and organizing strawberry pickers in Oxnard in the 1960s (Barajas 2007). With a population of almost 200,000, the city is the largest in the sample, and is also one of the larger cities in California.

Oxnard supported an UGB as the primary growth control, but still provided space for low-density development. During the 1990s and early 2000s, speculative development fueled real estate construction. The city amassed enormous debts to finance the infrastructure development needed for its low-density housing and commercial construction (Kirkpatrick and Smith 2011). Using a tool called tax increment financing (TIF), the city funded new road, waterway, and power line construction. When the housing bubble burst in 2007, Oxnard almost became insolvent. The city was saved from fiscal catastrophe by a strong majority of local voters (65 %) who voted for a half-cent sales tax increase (Kirkpatrick and Smith 2011).

Oxnard prides itself on being a regional Auto Center with 28 car dealerships sprawled across both sides of the 101 Freeway. The city's infrastructure was roundly criticized for its inability to plan to accommodate a population of 200,000. According to a survey in 2000, urban planners gave failing grades to more than 24 of Oxnard's intersections (Griggs 2007). As with other cities in Ventura County, a majority of voters supported the SOAR initiatives. Oxnard did not build any New Urbanist projects, which met my criteria, from 2000 to 2010. Given its poor planning grades and population growth, it may look to Smart Growth in the future.

Camarillo

Camarillo lies inland to the east of Oxnard in Pleasant Valley and at the foot of the Santa Monica mountains. The city was incorporated in 1964 and housed many war veterans. It has since transitioned from a rural community into a suburb of Los Angeles. Camarillo is known for fighting off several attempts by the growth machine to build on the hillsides which envelop the city (Wolch et al. 2004). Today, Camarillo is a popular destination for shoppers with major outlet malls lining the 101 Freeway and attracting regional customers. Though it did not build high-density, mixed-use developments, the city has managed growth successfully.

Camarillo primarily relies on two growth controls: (1) annual cap on building permits, and (2) UGB approved by voters and managed by Ventura County. As in Ventura and Oxnard, Camarillo voters

largely supported SOAR initiatives (Wolch et al. 2004). The annual cap on building permits has reduced what projects can be approved while large swathes of agricultural land have been protected by the UGB. The Camarillo Sustainable Growth Organization was formed to provide alternatives for urban management. It is likely that in the coming years and decades, Camarillo will need to increase density within its UGB.

Thousand Oaks

The city of Thousand Oaks is located in the Conejo Valley in Ventura County, but is considered part of the Greater Los Angeles area. Thousand Oaks is roughly 40 miles north of downtown Los Angeles and it serves as a commuter suburb. With a household median income nearly twice the average for the state, many residents are professionals living in large single-family homes and commuting by car to Los Angeles for work. Several corporate offices are housed in Thousand Oaks, such as the Rockwell Science Center, Sage Publications, Netzero.com, the General Dynamics Corporation, and others. The city is generally a wealthy community, although its schools were pointed to as overcrowded and bereft of the funding that one might expect in a wealthy Los Angeles suburb.

The city was planned and built as a commuter suburb for affluent residents working in Los Angeles. In the 1950s, the Janss Investment Company created the master planned communities of Thousand Oaks and Newbury Park (now part of Thousand Oaks). There is a central downtown area, but commercial strip malls also sprawl across many neighborhoods.

Although Thousand Oaks development typifies patterns of low-density sprawl, stringent controls on overall growth are in place. In 1980, voters adopted Measure A, which enacted the Thousand Oaks Residential Development Control System to manage urban growth. The following year, the city capped new home construction at 500 units/year. The development cap was later accompanied by the UGB mandated by the SOAR initiatives (Wolch et al. 2004). These growth controls limited new development and preserved nearly 12,000 acres of open space. Thousand Oaks did not plan or develop any high-density, mixed-use Smart Growth projects. Instead, they tried to cluster retail space so that people could only make one or two stops to do their shopping.

Oregon Urban Growth and Management

History

The state of Oregon is directly north of California and its residents have enacted strict growth management measures, wary of the chaotic sprawl to the south. Oregon is ranked as the 27th most populated state in the USA with roughly 3.8 million people. Its population is far below that of California, and its sprawling southern neighbor has motivated its system of growth management. Oregon, like California, was one of the fastest growing states in the country after the Second World War, but the state was smaller and had a less dynamic economy, primarily focused on agriculture. Still, the urban growth during this time and the more dramatic population expansions in California prompted the state to adopt experimental measures to manage and direct urban development. The population growth rate dropped 8 % during the early 2000s, but is expected to grow to 4.5 million by 2020 (Oregon Office of Economic Analysis 2011).

Most of Oregon's current urban growth occurs in the Portland metropolitan area. Moreover, most of the state's projected growth is expected to continue in the region for the next two decades (Oregon Office of Economic Analysis 2011). With television shows like the comedy "Portlandia" popularizing the city as a beacon for hipsters and bohemians ("where young people go to retire"), deserved or not, the pressures on the city to grow are bound to intensify. Other cities such as Eugene and Salem also witnessed population increases, though not nearly as dramatically as in Portland. Oregon's urban population grew along the Willamette river and today is still mostly clustered within the Willamette Valley. The Valley is awash in fertile land and has supported the modern agricultural economy for decades. Throughout the early twentieth century, Oregon was sparsely populated and predominantly rural. During the Second World War, several factories were built for the war effort attracting workers and their families. As in California, a strong manufacturing economy was born out of the war effort. Also, like its southerly neighbor, Oregon's growth machines favored more sprawl. Unlike California, the farmers outside the cities mobilized political support to restrict urban development from devouring farmland.

From 1950 to 1970, around a third of the agricultural land of the fertile Willamette Valley underwent development (Abbott 1983). Agricultural enterprises and small farmers feared that the land would soon

be paved over by urban sprawl. Rural legislators and public figures such as State Senator Hector Macpherson, a dairy farmer, and the Republican Governor Tom McCall established a series of long-term and long-ranging growth management policies that shaped the state's growth for the following decades. Today, Oregon is globally renowned for its planning principles and achievements. There is a path-dependent relationship between its growth management and two state senate bills passed in the 1960s and 1970s. Oregon's land planning system is also the target of many libertarian and "anti-Smart Growth" groups.

Senate Bill 10

Oregon pioneered many land-use strategies that are now widely adopted in many states. In 1969, Oregon State Senate Bill 10 required cities and counties to develop comprehensive land-use plans that complied with various state planning goals. The state was the second in the nation, after California, to mandate that cities develop master plans, known in Oregon as "Comprehensive Plans." Like General Plans, these required blueprints have helped governments coordinate growth management. Oregon was the first state in the nation to mandate that all land within a city's jurisdiction be zoned by that city. If a city refused to zone all of the land within its jurisdiction then the state government had the authority to unilaterally zone that land. Senate Bill 10 was a first step toward a comprehensive system of land-use planning, something unique in American planning.

Senate Bill 100

In 1973, the state legislature passed Senate Bill 100 to help cities achieve the state planning goals laid out in Senate Bill 10. Oregon Senate Bill 10 had failed to delineate a clear mechanism to assess municipal compliance. Senate Bill 100 outlined how the state government would enact local zoning ordinances for cities when the municipal governments refused. It created the Land Conservation and Development Commission (LCDC) to oversee the implementation of state mandated zoning laws. Senate Bill (SB) 100 was supported by an anti-growth coalition of farmers, rural legislators, as well as environmentalists. It required all of Oregon's 241 cities to develop comprehensive plans that included stringent regulations on urban growth. A legal framework was established that permitted cities to develop their zoning and land-use regulations in conjunction with the state's overarching goals.

Urban Growth Boundaries (UGBs)

Following Senate Bill 100, Oregon initiated a program of UGBs to manage and contain urban development. It was the first state in the USA to mandate statewide UGBs (Abbott 1983). In 1974, the coalition of farmers, rural landowners, and environmentalists pushed the Oregon legislature to pass the most comprehensive land-use planning laws in the country. UGBs were later instituted in other states and cities (Gillham 2002). As a result of UGBs, the urban development that threatened the Willamette Valley virtually halted in the mid-1970s. Unused land in cities was developed at higher densities to stay within the boundaries demarcated by state regulations. Urban infill became a common part of the obligatory responses to the state regulatory framework.

Portland

Portland is often hailed as the most livable, sustainable, and green city in the USA. It is highly regarded for its public transportation, pedestrian-friendly neighborhoods, and regional planning accomplishments (Abbott 1983). The creative class thrives in Portland. Participatory action and active stakeholders influenced the formation of the Portland Metro, the only elected regional planning body in the nation (Seltzer 2004). Numerous political, social, and environmental groups are active in the area and have developed what some call an "ecotopia" (Hovey 1998). However, Portland is not immune from an affordability crisis and has a history of environmental racism (Mayer and Provo 2004; Stroud 1999). Nevertheless, it is widely acknowledged that Portland has achieved incredible successes in managing urban development.

The Portland metropolitan region has a population of roughly 2.2 million people, making it the largest city in Oregon and the third largest in the Pacific Northwest. Located at the confluence of the Columbia and Willamette rivers, Portland's economy developed around agriculture and shipping. When river traffic declined, the city turned to manufacturing. The Columbia river divides Portland from Vancouver, Washington while the Willamette runs through downtown and the southern suburbs. It has a temperate climate that is generally warm, wet, and overcast during the summer, and cool, wet, and overcast during the winter. Farmland and the Cascade mountain range surround the city. Since the mid-1800s, Portland has exhibited a dedication to parks and open green space. The city famously turned its downtown Harbor Drive freeway that ran paral-

lel to the Willamette river into the popular Tom McCall Waterfront Park (Hagerman 2007). This is one of the first instances of a city removing a major freeway.

Portland Development Commission (PDC)

The PDC is the city's original growth machine. Beginning in the 1950s, Portland's city government focused on maintaining and replenishing its urban core. In 1958, voters in Portland approved the urban renewal corporation as the city's primary development agency. PDC is structured like most urban renewal agencies around the country. It is quasi-independent so that it can move faster and be more flexible than other similar governmental agencies. Urban development corporations operate more like private firms than government agencies; legally they have less transparency and accountability than other government agencies. The main funding source for the PDC is tax increment financing (TIF), in which cities build urban renewal or infrastructure projects using projected property tax revenue. Roughly 70% of PDC projects are funded by TIF along with 95% of the organization's various departments. In areas undergoing urban renewal, the PDC sets aside 20–30% of TIF resources for affordable housing. (PDC 2010). The board of directors of the PDC, comprised of members of the local business community, makes the TIF distribution and allocation decisions for urban renewal and other projects (PDC 2010). Their finalized development projects are ultimately subject to the City Council for approval (Gibson 2004). At this time, Portland's urban development regime was focused far more on economic growth than land-use management.

The Portland Metro

In 1979, Portland voters approved the formation of a regional planning organization called the "Portland Metro." Its initial purpose was to protect farmland that was under threat from unrestrained sprawl. For its first ten years, Metro focused on transportation planning and the siting of landfills (Seltzer 2004). Its jurisdiction now covers the three core counties of Multnomah, Washington, and Clackamas, a total of 24 cities (Gillham 2002). The scope of Metro's governing power has grown significantly over the last two decades. Only cities and counties have the authority to develop comprehensive city plans, but Metro has been given the authority to create regional functional plans that require municipal compliance. This planning format is unique in America—and all the more remarkable

when considering the tendency toward bureaucratic centralization that comprehensive planning can beget (Seltzer 2004).

The Portland Metro TOD (Transit-Oriented Development) Program

The Portland Metro is preparing to contain 50 years of projected population growth within its UGB (Metro, Region 2040 Plan 2012b). In the 1990s, Metro began to formulate strategies by which to revitalize the ailing downtowns of Portland's suburbs (Leo 1998; Seltzer 2004). In 1998, it created the "Metro TOD Implementation Program" to oversee regional mass transit and compact development strategies. Metro developed several projects within the city of Portland itself, but also tried to create new markets for New Urbanism in suburban cities and neighborhoods. These strategies met with some opposition due, in part, to their unfamiliarity to local governments. However, there was enough support from key political officials to push many of the projects forward.

To reduce sprawl caused by automobile dependency, Portland's transportation authorities experimented with light rail. The planners also lobbied for federal transportation money to get the rail system off the ground. In 1986, the first light rail line was built, connecting the city of Gresham on the far eastern edge of the UGB to Hillsboro located on the far western edge. Metro has focused on Hillsboro and Gresham to anchor regional light rail development given their locations (Metro, 2012a). Since the mid-1990s, Metro has sought to connect the suburbs on the outskirts of UGB to downtown Portland. This goal figured prominently in the Metro 2040 Growth Concept, a regional plan for the next few decades.

The fundamental design elements of the 2040 Growth Concept align with Smart Growth principles. In the plan, light rail links the downtowns of suburbs to the central hub of downtown Portland. Six urban centers have been designated across the region for TOD. Metro officials assist cities and developers in navigating the complex financial maze that Smart Growth project (SGP) development requires and fosters public-private partnerships (PPPs) to offset the private sector costs. The planning agency purchases parcels of land near mass transit stops and sells it to developers at a reduced cost. Roughly 320 acres are held in an easement for future Smart Growth projects as part of a long-term planning vision (Metro, 2012b). This process is similar to a conservation easement. In a conservation

easement, or land trust, land is held in perpetuity for conservation reasons—sensitive habitat, agricultural protection, or historical sites—and cannot be developed. TOD easements set aside land for higher-density development. Metro determined that this was the most effective way to develop the Portland area over the coming decades.

Government and real estate professionals staff the Metro TOD Program. They have more familiarity with shifting, regional markets than many actors in other local government planning organizations. The TOD program makes implementation the cornerstone of its work. There are many plans and conceptual renderings for New Urbanism, but there are few organizations devoted to actual project implementation. Metro was the first program in the country to experiment with using Federal Transit Administration funds to acquire land for TOD development. It acts as a mediating mechanism between the various levels of government and the real estate industry.

The Portland metropolitan area has bucked many of the trends that confound planners in other cities around the country. Elsewhere, cities saw decreases in their populations and declining economic activity in their downtowns. Most followed the lead of Southern California and planned single-use zones that sprawled ever outward. From 1973 to 1993, as the economic engines of central cities dispersed to the suburbs, Portland remained compact with downtown jobs growing by 50 % (Layzer 2012: 501). By the end of the twentieth century, Portland was one of the only cities in the country where housing construction was growing faster within the inner city than in the outlying suburbs and edge cities. It was about this time that urban planners, scholars, and designers began studying Portland's planning methods.

Metro's role in promoting mass transit is a crucial part of maintaining commercial and social activity in downtown Portland. According to surveys, there are roughly 543,000 additional transit trips annually due to projects built with funding from the Metro TOD Program (Metro 2012a). Metro has promoted their projects by not merely emphasizing the convenience of transit, but also pointing to studies which indicate that there is a 10–20 % increase in the value of properties built within a short walking distance from a mass transit station (Metro, 2012a). The city has gone to great lengths to use data to drive planning transportation and housing policies. Portland also ranked in the top 5 among 64 cities with a population over a quarter of a million in the percentage of the workforce that commuted by bicycle (Layzer 2012). While Portland itself has

received attention for its planning, the edge cities and suburbs, aside from Hillsboro, have largely escaped thorough scrutiny.

Oregon Cities and Growth Controls

Beaverton

Beaverton is a city between Hillsboro and from downtown Portland—it is roughly ten miles from the central city. The sixth largest city in Oregon, it exemplifies typical suburban development. Appropriately, the city was one of the first places with a car dealership. In 1915, Ford Motor Company built one of their early establishments in the city (Beaverton Historical Society 2012). Over the following decades, car dealerships expanded across the city. The low price of land and convenient location attracted corporate office development in the 1980s. Beaverton is home to Nike's global headquarters and engages in frequent disputes over whether Nike is actually subject to its zoning regulations, since it technically is in an unincorporated territory.

Beaverton is part of the Silicon Forest, with several tech company offices and facilities within the city. Companies such as Linux, Phoenix Technologies, Tektronix, Electro Scientific Industries, and several others, have headquarters and offices in Beaverton. In the mid-2000s, the city embarked on a growth plan that would eventually make Beaverton the second largest city in Oregon. Given the UGB and the proximity to other cities, such as Hillsboro and Portland, compact development appears to be the only way to successfully reach this goal.

Lake Oswego

The small community of Lake Oswego sits roughly eight miles southwest of downtown Portland. Founded in the mid-1800s, and becoming an incorporated city in 1910, Lake Oswego has long served as a commuter suburb for the central city of Portland. In the first two decades of the twentieth century, the city had a very active train service to and from Lake Oswego and Portland. At its peak in 1920, over 60 trains a day carried workers to the urban core and back (Abbott 1983). However, at the same time, the automobile industry was expanding and, like the rest of the country, passenger rail lines were demolished and paved over with new roads for cars. By 1930, the passenger rail service between Lake Oswego and Portland ended. Today, the Willamette Shore Trolley takes a small

number of passengers along the Willamette river. This is primarily a service for tourists and is not an efficient transport mode for commuting.

The city is located on the edge of Oswego lake, a private body of water. Partly as a result of the waterfront properties, Lake Oswego is the most affluent suburb of Portland and home to Hollywood performers, business people, famous athletes, and other wealthy people. In the early 2000s, the city built a mixed-use project that housed offices and retail establishments. This project was not included in the case studies because it did not have residential units. Still, it does demonstrate that the city government is looking to compact development as a way to cautiously expand its population and induce private investment.

Milwaukie

The city of Milwaukie is tucked between two major freeways and the Willamette river, a few miles south of downtown Portland. In this sense, it is somewhat "hidden" from view by most commuters and its waterfront park remains mostly unknown to many residents of the metropolitan region. With a population of roughly 29,000, Milwaukie is the smallest urban area examined in this book and is the most ethnically homogenous. It has largely been a quieter part of the region and does not face the same growth pressures as the edge cities, like Gresham or Hillsboro. The citizens of Milwaukie have voiced their suspicions of the Portland Metro's centralized planning system. The city is known for its conservative, anti-government attitudes.

Milwaukie's potential for urban growth is limited on the west by the Willamette river and on the north by Portland. On the south is the unincorporated community of Oak Grove, which has been resistant to annexation (something Milwaukie officials have wanted as a way to increase growth). During the 1990s and early 2000s, Milwaukie's revenues were in decline or were stagnant while the cost of providing services to residents increased (Combe et al. 2002). The city has been interested in the possibility for infill development to boost revenue. The median household income in Milwaukie is roughly $2000 less than the Oregon state average, a factor contributing to the lack of revenue.

A light rail line connecting Milwaukie to Portland has been under construction and just opened in September 2015. Proponents argue that it will bring economic growth to downtown Milwaukie. Metro, Milwaukie officials, and developers successfully persuaded the city to develop a high-density project in anticipation of the light rail line. The city does have ame-

nities that the Metro refers to as "the coolness factor." The Dark Horse Comics Company (known for its original "300" comic that was later made into a film) has a strong presence, owning several lots in the downtown. Locals also view the riverside park as an environmental amenity that will help the city over the long term.

Of all the projects in this research, the New Urbanist project in downtown Milwaukie named North Main Village was the most financially successful. For several years, a vacated Safeway grocery store occupied a two-acre lot. In the early 2000s, Metro and Milwaukie developed a PPP with a local developer to revitalize the downtown by building a New Urbanist project near the proposed light rail stop. When the project North Main Village was completed, it was architecturally diverse, was mixed-use, and contained 97 housing units and 8000 square feet of commercial space. It was one of the most expensive projects in this research, totaling $14 million. Despite the skepticism of Metro in Milwaukie, North Main Village has been viewed as one of Metro's most successful developments in the Portland suburbs.

Gresham

The city of Gresham occupies the far eastern edge of the Portland metropolitan area. It is hemmed in by the regional UGB. Gresham's population is roughly 105,000, making it the fourth largest city in the state of Oregon (US Census 2010b). Gresham has an active manufacturing sector with several Boeing facilities being the primary employers. The city has long been a suburb of Portland and low-density housing and retail development characterize its urban form. In many ways, Gresham's patterns of urban growth have been similar to other medium-sized cities in the USA. During the 1970s, land in Gresham was comparatively inexpensive and sprawling subdivisions of single-family homes were erected.

Population growth in Gresham has not been negative and has in fact grown dramatically over the past 50 years. Gresham had the second highest population growth rate of any city. In 1970, the population of Gresham was less than 4000 people. By the 2000 Census, the population had skyrocketed to over 90,000. One of the reasons for the influx of population was the development of comparatively cheap housing and apartments.

Metro planners recognized this pattern which contributed to so much Smart Growth planning focused on the area. Gresham lies on the far western edge of the UGB. The city has conducted studies on what greenfields

are open to future development and how best to incorporate them into the regional fabric. Metro bought 13 acres, helped plan and build the Crossings (an ambitious New Urbanist development), and sees increased density in Gresham as the most effective way to accommodate the growing population without extending UGB.

The average rent is slightly higher than in the rest of the state of Oregon, the artisan class is also slightly higher than the state, and population growth is among the highest of all of the cities examined (Santa Maria has by far the most growth). The income in Gresham is roughly $6000 less than the Oregon state average. Metro Councilor, Shirley Craddick, explained that poor planning by the city in the 1970s led to the development of several low-quality apartment complexes and condominiums. Many were located near light rail stations and residents use the public transit system. However, it has led to a concentration of poverty that the city has struggled to break up. Before the market crash, it had been hoped that the new developments, containing affordable housing units, would lead the city in a new direction. The city no longer sees development as the best way to address this and is actively courting employers to move to the region. One project examined in this book, the Crossings, ended up replacing its restaurant space with a vocational learning center that will probably be of better service to the community than a higher-end eatery.

During the early 1980s, Metro and TriMet planned light rail lines across Metro's planning jurisdiction, with downtown Portland as the central hub. As mentioned, the first light rail line was built in Gresham in 1986 connecting the city to Portland as well as the western suburbs of Beaverton and Hillsboro. Metro and other supportive city and community members intended for the line to go through the old downtown, thereby creating more activity in Gresham's inner retail areas. But several members of the community and a few city officials voiced strong opposition to light rail in their downtown, and so the line now runs on the edge of the downtown, largely bypassing that area. The rail line has not engendered the ridership that proponents had hoped for, due to its low-density development near rail stations. Largely because of the suburban attitudes of city and community members, Gresham's New Urbanist development proceeded incrementally.

In the late 1990s and early 2000s, Metro's program, the "Metro Transit-Oriented Development Steering Committee" began teaming up with local developers. The head of Metro's TOD division became a men-

tor to developers in Gresham and elsewhere in the region. By the 2000s, Gresham was actively planning and constructing several high-density, mixed-use TOD sites. Metro was an active partner in all but one of the projects, the Kohler Building. Gresham became a test for Smart Growth development in the suburbs.

Of all the cases examined in this book, Gresham was the most active in pursuing Smart Growth during the decade from 2000 to 2010. Throughout the boom years of the early 2000s, the city created PPPs with Metro and two developers, Peak Development and Tokola Properties, to build four New Urbanist projects. Metro assisted financially and politically, providing a buffet of subsidies that developers could use to build Smart Growth projects. City and Metro officials lobbied state and regional organizations to adjust zoning ordinances, provide affordable housing tax credits and bestow money for aesthetic improvements. However, when the property market crashed in 2007, the financial assistance furnished by the Metro was not enough to save three projects that finally went into foreclosure. The developer of those projects was also bankrupted and left the city.

Urban growth is actively managed by governments on the west coast. However, it is clear that a devolved governing structure produces very different ways of managing development. California relies upon cities to develop their own growth management schemes, while Oregon has had a more proactive state government. For these reasons, there are many adherents of the Austrian perspective who decry the heavy-handedness of governmental regulations on building. They maintain that if the market were left alone it would satisfy what people actually want, which may or may not be growth controls. Moreover, they argue that the government should not be involved in designing development or assisting local property developers as this leads to market distortion.

A political economy perspective, by contrast, sees government officials and the real estate industry working together to form markets. Adherents of political economy are skeptical that a "self-regulating" urban market could actually exist. Markets and government regulations are constructs that are intertwined and interdependent. Furthermore, they contend that democracy requires governments to regulate real estate and construction, otherwise popular will could easily be bulldozed in the process of planning for development. The main criticism emanating from political economy recognizes that the collaboration between government officials and the building industry is often undemocratic and serves the desires of the already existing elites.

The politics and economics of land use in California and Oregon still resemble the growth machine as described by Molotch and Logan. Over the last two decades, there has been a noticeable shift from sprawl to Smart Growth in planning documents. City governments and private developers have been enthused by the possibility of innovative new building designs and growth management techniques. Cities want to achieve further growth, but also want to ensure that it is sustainable. Smart Growth and New Urbanism have offered seemingly perfect ways to achieve both aims.

To conduct an analysis of 11 cities, I initially used Qualitative Comparative Analysis (QCA) as a sorting mechanism, illustrating how combinations of social conditions impacted cities. The research began with the count of Smart Growth projects ascertained from building permit data. The first significant finding was that there were so few high-density, mixed-use developments that met the criteria established at the onset of the research. From the analysis of Census data, cities that develop Smart Growth projects were found to have certain characteristics that were not evident in other cities. These include an artisan class, comparatively high rents, and progressive politics. Are these relationships causal? Not directly.

Take population growth. Two cities experienced negative population changes while the other two saw their populations increase. When returning to the in-depth case material, it became clear that cities adopted Smart Growth to respond to population change, albeit for different reasons. Milwaukie faced a fiscal crisis and was experiencing small population declines (−1 %). In conjunction with the Metro, Milwaukie has promoted the upcoming light rail line as a source of future economic growth. Planners at Metro believed that a New Urbanist development, North Main Village, would engender more commercial activity and revitalize the struggling downtown.

Santa Barbara also saw its population decline during the study period. This has been viewed as a result of lower than average median income and higher than average median rents. Santa Barbara's workforce is comprised of roughly 30,000 workers who commute into the city from Ventura, Santa Maria, Oxnard, as well as Los Angeles. Santa Barbara is not facing the dramatic revenue declines that motivated Milwaukie, but faces an affordability crisis. Both cities are hemmed in by their geographies. Santa Barbara has mountains on one side and the Pacific Ocean on the other; there is little or no room for peripheral expansion in both cities. To remedy these problems, compact urban infill development has been viewed as the most pragmatic solution.

Gresham and Ventura both saw population increases but developed Smart Growth for different reasons. Gresham has been the fastest growing community in Oregon over the last 50 years. Its population has increased by 90,000 since the 1970s and grew 16 % between 2000 and 2010 (US Census 2010b). The city lies on the far eastern fringe of the Portland UGB. In 1986, a light rail line was constructed from Portland to Gresham and the city remained a focus of Metro planners for the next 20 years. Specifically, Metro recognized that the city needed urban infill development to accommodate this population growth and also to prevent any proposed changes to the UGB. Gresham also had a downtown that had been neglected in favor of lower-density suburban strip malls. The development of several Smart Growth projects in the downtown was also an attempt to revitalize its ailing city center.

Having an artisan class seems to have an influence. This finding matched previous studies and arguments on Smart Growth and the creative class (Florida 2005; Heying and Wineman 2010). It is, however, difficult to draw a straight line from the artisan class to Smart Growth development. The creative class is generally described as social groups that are interested in innovation and creative experimentation. This may suggest that communities with vibrant art scenes are more willing to view new urban designs more favorably than other cities.

Still, the overall framework is most influenced by the market price system. To attain Smart Growth in a market society, public and private entrepreneurs have to work together to form innovative PPPs, bring in financial and scientific experts, and create regulations and incentives to entice compact building. Together, these Smart Growth entrepreneurs have formed what can be called Smart Growth machines.

Conclusion

This chapter examined the history of urban growth, environmental policies and the social demographics in California and Oregon. In California, a string of medium-sized cities extending from the Central Coast to the periphery of Los Angeles were examined. Of the cities analyzed, only Santa Barbara and Ventura vigorously implemented Smart Growth policies. In Oregon, the suburbs form a ring around the city of Portland. Again, only two of Portland's suburbs that were studied, Gresham and Milwaukie, built New Urbanist projects. In contrast to the cities in California, Portland has a regional planning agency at the forefront of urban growth manage-

ment and Smart Growth development. The following chapters describe the Smart Growth entrepreneurs, their experiences, and the impact that the Great Recession of 2008 had on sustainable urban development.

Note

1. Interview with Paul Casey, Community Development Director, Santa Barbara.

Bibliography

Abbott, C. (1983). *Portland: Planning, politics, and growth in a twentieth century city*. Lincoln: University of Nebraska Press.

American Community Survey. (2012). *Where we ride: Analysis of bicycling in American cities*. Retrieved from http://bikeleague.org/sites/default/files/ACS_report_forweb.pdf.

Appelbaum, R., Bigelow, J., Kramer, H., Relis, P., & Molotch, H. (1974). *Santa Barbara: The impacts of growth*. Santa Barbara: Praeger Press.

Barajas, F. (2007). *Cesar Chavez's early connection to Ventura County*. Presentation at California State University Channel Islands.

Beaverton Historical Society. (2012). Retrieved from http://www.historicbeaverton.org/page-1674697

Coastal Housing Coalition. (2014). *Housing in Santa Barbara*. Retrieved from http://coastalhousingcoalition.org/wp-content/uploads/2014/09/2014-Employer-EmployeeHousing-Survey.pdf.

Combe, E., Mildner, G., & Santo, C. (2002). *Clackamas county—City of Milwaukie urban service study: Financial analysis*. Center for Urban Studies, Portland State University.

Florida, R. (2005). *Cities and the creative class*. New York: Routledge.

Fulton, W., & Shigley, P. (2005). *Guide to California planning* (3rd ed.). Point Arena, CA: Solano Press Books.

Garreau, J. (1992). *Edge city: Life on the new frontier*. New York: Anchor Books.

Gibson, K. (2004). Urban redevelopment in Portland: Making the city livable for everyone? In H. Mayer & J. Provo (Eds.), *The Portland edge: Challenges and successes in growing communities* (pp. 61–83). Portland, OR: Portland State University Press.

Gillham, O. (2002). *The limitless city: A primer on the urban sprawl debate*. Covelo, CA: Island Press.

Griggs, G. (2007, May 23). A new bid to slow Oxnard's growth. *Los Angeles Times*. Retrieved from http://articles.latimes.com/2007/may/23/local/me-transit23

Hagerman, C. (2007). Shaping neighborhoods and nature: Urban political ecologies of urban waterfront transformations in Portland, Oregon. *Cities, 24*(4), 285.

Harney, K. (2012). Santa Barbara real estate: Rebounding Riviera. *Forbes*. Retrieved from http://www.forbes.com/fdc/welcome_mjx.shtml

Heying, C., & Wineman, B. (2010). Beyond Bohemian enclaves: Spaces for artisans to work and live. In C. Heying (Ed.), *Brew to bikes: Portland's artisan economy* (pp. 251–260). Portland, OR: Ooligan Press.

Hovey, B. (1998). Building the city, structuring change: Portland's implicit utopian project. *Utopian Studies, 9*(1), 68–79.

Kirkpatrick, O., & Smith, M. (2011). The infrastructural limits to growth: Rethinking the urban growth machine in times of fiscal crisis. *International Journal of Urban and Regional Research, 35*(3), 477–503.

Landis, J. (1992). Do growth controls work? A new assessment. *Journal of the American Planning Association, 58*, 489–450.

Layzer, J. (2012). *The environmental case: Translating values into policy* (3rd ed.). Washington, DC: CQ Press.

Leo, C. (1998). Regional growth management regime: The case of Portland, Oregon. *Journal of Urban Affairs, 20*(4), 363–394.

Martin, I. (2008). *The permanent tax revolt: How the property tax transformed American politics*. Stanford, CA: Stanford University Press.

Mayer, H., & Provo, J. (2004). The Portland edge in context. In H. Mayer & J. Provo (Eds.), *The Portland edge: Challenges and successes in growing communities* (pp. 9–34). Portland, OR: Portland State University Press.

Metro. (2012a). *Transit-oriented development program*. Retrieved from http://www.oregonmetro.gov/tools-partners/grants-and-resources/transit-oriented-development-program.

Metro. (2012b). Region 2040 origins. Retrieved from http://library.oregonmetro.gov/files/natureof2040.pdf

Molotch, H., Freudenburg, W., & Paulsen, K. (2000). History repeats itself, but how? City character, urban tradition, and the accomplishment of place. *American Sociological Review, 65*(6), 791–823.

Nevarez, L. (2003). *New money, nice town: How capital works in the new urban economy*. New York: Routledge.

O'Toole, R. (2009). Smart growth and housing. In R. Holcombe & B. Powell (Eds.), *Housing America: Building out of a crisis* (pp. 83–99). Oakland, CA: Independent Institute, Transaction Publishers.

Oregon Office of Economic Analysis. (2011). Oregon's demographic trends. Retrieved from http://www.oregon.gov/DAS/OEA/docs/demographic/or_pop_trend2011.pdf

Portland Development Commission. (2010). Urban renewal. Retrieved from http://www.pdc.us/our-work/urban-renewal-areas.aspx

Rabin, J., & Kelley, D. (2006). 'Slow growth' has come at a cost in Santa Barbara. *The State, LA Times*. March 6. Retrieved Spring, 2012, from http://articles.latimes.com/2006/mar/06/local/me-slowgrow6

Reason Public Policy Institute. (2002). *Smart growth in action: Housing capacity and development in Ventura county*. Los Angeles: Reason Public Policy Institute.

Reynis, L., & Sylvester, T. (2002). *The economic impact of a growth rate ordinance in the city of Santa Fe*. Bureau of Business and Economic Research: University of New Mexico.

Seltzer, E. (2004). It's not an experiment: Regional planning at the Metro, 1990 to the present. In H. Mayer & J. Provo (Eds.), *The Portland edge: Challenges and successes in growing communities* (pp. 35–60). Portland, OR: Portland State University Press.

Smart Growth America. (2014). *Measuring sprawl, 2014*. Retrieved from https://www.smartgrowthamerica.org/app/legacy/documents/measuring-sprawl-2014.pdf.

United States Census. (2000). *American FactFinder*. The United States Census Bureau.

United States Census Bureau. (2010a). *QuickFacts: Santa Barbara city, California*. Retrieved from http://www.census.gov/quickfacts/table/PST045215/0669070.

United States Census Bureau. (2010b). *QuickFacts: Gresham city, Oregon*. Retrieved from http://www.census.gov/quickfacts/table/PST045215/4131250.

United States Department of Agriculture. (2012). Retrieved from http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1381

University of California Santa Barbara. (2002). *Economic outlook project report*. University of California, Santa Barbara.

Warner, K., & Molotch, H. (2000). *Building rules: How local controls shape community environments and economies*. Boulder, CO: Westview Press.

Wolch, J., Pastor, M., & Dreier, P. (2004). Introduction. Making Southern California: Public policy, markets, and the dynamics of growth. In J. Wolch, M. Pastor, & P. Dreier (Eds.), *Up against the sprawl: Public policy and the making of Southern California* (pp. 1–44). Minneapolis, MN: University of Minnesota Press.

CHAPTER 4

The Smart Growth Machine: Coalitions of Entrepreneurs

After collecting and reviewing city building permit data and identifying high-density, mixed-use sites, I began research on the development process. Most of the initial data was gleaned from newspapers, online blogs, and city and independent reports. I created lists of the vital actors for each project—specifically the developer, city planner at the time, and other city or community members. From 2011 to 2013, I visited the building sites and communities in Oregon and California. My physical proximity to the projects in California allowed fuller immersion in those communities. In Oregon, I read local press, blogs, Metro and city reports, and conducted a series of interviews in-person and over the phone with several participants. After the interviews, I gained an appreciation for the initiative and acumen displayed by Smart Growth entrepreneurs. This chapter describes this emerging group and details how they initiated the market formation for Smart Growth. It is organized by theme rather than location or chronology to identify the similarities and differences between the cases in California and Oregon.

One particular anecdote from my fieldwork encapsulates the social context in which Smart Growth entrepreneurs find themselves. Shortly upon returning from fieldwork in Portland, Oregon, in the summer of 2011, I attended an architectural charrette in Santa Barbara organized by the city's housing program and the local chapter of the American Institute of Architects. Several California architects, engineers, local activists, planners,

E.S. Nielsen, *Smart Growth Entrepreneurs*,
DOI 10.1007/978-3-319-41027-2_4

and others, participated in workshops to brainstorm and experiment with planning Smart Growth for Santa Barbara. They sought to dig the city out of the deep rut that the update of the Santa Barbara General Plan had slid into. The City Council had spent five years and $3 million dollars with little agreement reached. Measure B—the proposed restriction on building heights—had failed and the public largely supported some way of providing more housing using taller buildings. But the more uphill battle than the electoral one was determining how to move forward. Santa Barbara was already a fairly compact and geographically confined city.

The main political contestation was sparked by disagreement over the appropriate housing density. Two barriers are associated with density. First, Smart Growth entrepreneurs must thoughtfully consider whether increasing density will bring about the changes they hope to achieve without denigrating the neighborhood or contributing to traffic congestion. The second obstacle to implementation that Smart Growth entrepreneurs must scale is political: convincing the local community and government officials that high density will not ruin and in fact will benefit cities and neighborhoods. Building more compactly in a way that fits the city is the fundamental challenge for the Smart Growth entrepreneur.

The Santa Barbara architectural charrette was divided into two sessions at the Santa Barbara Junior High School gym. Architects, planners, and developers formed teams to design a hypothetical compact, green building in downtown Santa Barbara using the city's existing zoning ordinances, height restrictions, parking requirements, traffic impact fees, and other regulations. Teams could also take advantage of incentives for affordable housing. They were given a hypothetical budget which they could not exceed. I attended both sessions with the intention of conducting interviews, but the participants were far too engrossed in solving the intricate puzzle of building affordable, high-density, mixed-use development in a city with one of the priciest real estate and rental markets in the country; the cost of living is closer to San Francisco or Manhattan than most of America. Santa Barbara also has many complex building regulations that made the task all the more difficult. The results were given at the end of the second charrette in preparation for a final presentation given to the City Council later that summer.

Only one group successfully increased density, built according to city rules and financed the hypothetical project within the allotted budget. The other groups created impressive projects that increased density, however each needed a slight modification of the original constraints they

were working within. To actually build their projects, most of the groups would require minor changes in zoning or parking rules. More commonly, though, the groups felt that the budget was insufficient. The lone group that successfully designed a project according to code and within the financial parameters acknowledged that it was a very complex endeavor. Each group possessed an entrepreneurial spirit, but success depended on an extensive knowledge of how planning, building, and financing intersect.

I later attended the City Council meeting in which Dennis Peikert, a local architect who had organized the charrette, presented the findings. Most of the meeting was focused on whether or not to extend the steps to a local theater. After an hour and a half of discussion, with about 30 minutes left, the Council turned to hear Peikert represent the charrette participants. With considerably less time than he initially expected, he explained to the Council that, based on the architects' work, the city could develop market-rate, mixed-use buildings without subsidies. Many problems in the General Plan could be solved or alleviated with the right development type. Several Council members seemed uninterested in the architectural renderings, doubtful of the financing, and skeptical about the need for higher density. Council members who supported Smart Growth efforts, raised thoughtful questions to Peikert, but did not wholeheartedly endorse the architect teams' ideas for adoption in the General Plan. Critics pointed out that instead of proving that New Urbanist development could be done, the charrette really showed that it could not be achieved—only one group had successfully pulled it off. At the end of the meeting, the architects looked dismayed.

In the hallways, they grumbled that most of the meeting had been devoted to renovating the stairs at the entrance to a local theater and far less time was given to the work of over 50 architects to present designs for the future of the city. They felt their time, energy, and efforts were all for naught. Most entrepreneurs face failure after failure before attaining success. These architects had, however, shown that with a few tweaks here and there, Smart Growth could be achieved. And one group had demonstrated that with enough technical expertise a Smart Growth project could actually be delivered within the current regulations.

That group included John Campanella, a local developer who was the first developer to sit on the Santa Barbara City Planning Commission and understood government, markets, and construction masonry. He is emblematic of a Smart Growth entrepreneur. Campanella had worked on many high-density projects, some more successful than others. He had far-reaching, but sober, visions of how Smart Growth principles could

alleviate workforce housing problems while still preserving the character of Santa Barbara. By bringing his expertise on the development process to the Planning Commission, he filled a key knowledge gap; most people in city government lack financial and construction literacy.

This chapter describes various Smart Growth entrepreneurs and the formation of markets for sustainable construction. The most successful of entrepreneurs, whether in private development or city government, were those who understood how prices and markets ultimately dictated what projects could be built. A few onerous regulations can obliterate the most thoughtful green building plans. Sometimes government action can substantially raise the price of sustainable construction. Not everyone was enthusiastic about all aspects of New Urbanist development, but there was widespread agreement that mixed-use worked better in certain locations rather than others. The riskiest entrepreneurs built their projects in places where the market did not support high-density, mixed-use development. Some of these gambles paid off, while others led to business closures or intense political opposition.

My research identified three common, but not necessarily required, features of Smart Growth planning and New Urbanist development: first, an entrepreneurial state often assembles public-private partnerships (PPPs) to help shape the market. The predominant lending industry is unfamiliar with Smart Growth and New Urbanism and shies away from unconventional real estate practices; government support provides legitimacy. Second, the complexity of these projects requires entrepreneurs to identify and fill various knowledge niches to form markets. Green building practices associated with New Urbanism require specialties not usually needed in customary development, such as mixing residential and commercial spaces, engineering structured parking, and providing green amenities. Finally, market-based regulations, which combine incentives with restrictions, assist the developer who must pay high upfront costs. In each part of the process, several entrepreneurs come together for the development process, making a temporary organization—a Smart Growth machine.

The Entrepreneurial State, Innovators, and Market Formation

An entrepreneurial state can often shepherd Smart Growth much more effectively than a steady state. Urban innovators both in government and in the building sector, can realize their visions more easily with broader institutional support (While et al. 2004). City planners have been at the

forefront of implementing zoning ordinances and building restrictions meant to direct market practices toward New Urbanist designs. To achieve their growth management goals and provide compact, mixed-use buildings, they find ways to support private developers and architects politically and financially. Over the last two decades, cities and states have established policies that break from previous rules, which encouraged low-density sprawl. Within the organizations that comprise the entrepreneurial state are the specific individuals who go against the grain and challenge established institutional logics.

The PPP has become predominant in public administration. In the late 1970s, the name was given to the partnerships between municipalities and private enterprises (Schultze 1977). PPPs share three attributes: public and private sectors work cooperatively, risk and responsibility are shared under terms set by formal contracts, and these relationships continue after a project has finished (Sagalyn 2007). By the 1990s and early 2000s, PPPs were an established structural force within urban development. Public and private organizations working in concert is not something new; one can find examples in Ancient Rome, China, and elsewhere. However, they were not explicitly described as a partnership. Today, when we speak of PPPs we are discussing the coalescence of government agencies and funds with private, often commercial, enterprises.

Joseph Schumpeter recognized long ago that entrepreneurialism, with its risk-taking and disruptive capabilities, is an indispensable component of a market society. What is more recent is the role attributed to social entrepreneurs. The crucial difference between Smart Growth entrepreneurs and the conventional growth machine—the policy makers and business interests that have promoted sprawling development—is that sustainable development needs social entrepreneurs to alter customary political and business practices. Smart Growth is a relatively recent and unwonted type of development. People and institutions that adopt it are incontrovertibly Schumpeterian entrepreneurs. These risk-takers open the door with building types and city plans that could unsettle established market practices. Social entrepreneurialism also requires motivation, ability, and the detection of opportunities to disrupt or lead markets and policy.

According to DiMaggio in a classic sociological study of institutions, *individual* entrepreneurs push innovative and disruptive ideas into established organizational practices. They occupy government, the private sector, and non-profit organizations. Once these individuals change or create new organizational practices, they become institutional. *Institutional*

entrepreneurs are formal organizations, economic and political, that shift the organizational field, in this case the broader market of urban development. The relationship between the individual disruptor and the consequent changes in institutional logics is key to understanding the process of entrepreneurialism; it is in this that we find the activities germane to creative destruction.

Individual entrepreneurs pioneered the institutional change that permitted Smart Growth. In addition to some of the city governments, the Portland Metro, the non-profit group PLACE in Ventura, and the architecture and design firm, the Peikert Group in Santa Barbara, are considered institutional entrepreneurs that challenged existing planning and development practices by creating new regulations and methods of sustainable construction. After the projects were built, many of their cities updated their zoning ordinances and modified design codes. The Portland Metro TOD (Transit-Oriented Development) Program was an institutional entrepreneur for the city of Portland and for the broader field of urban development. Uniquely, it fostered and maintained organizational relationships between cities and developers to ease the permitting process and hasten New Urbanist development.

The varied experiences of Smart Growth entrepreneurs in Santa Barbara, Ventura, Milwaukie, and Gresham, depict the multitudinous ways that markets and regulations can help or hinder New Urbanist development. Although the specific social and political situations differ considerably, in each case the desired outcome is remarkably similar: building New Urbanist projects that represent potential templates for future urban design. Without placing them in their regional contexts, the endeavors of these cities cannot be adequately understood. Santa Barbara and Ventura have successfully managed urban growth in the past, but both cities face increasing challenges and must make decisions that may be politically unpopular or procedurally unfeasible. The Portland Metro and the city's suburbs have their own unique political, economic, and geographic contexts. Each case, then, provides lessons for a wide range of communities across the USA and other nations that are trying to manage growth while preserving or enlivening the neighborhoods that make up their social fabric.

The Entrepreneurial State in Santa Barbara and Ventura

Several decades of political entrepreneurialism in Santa Barbara had created a broad consensus on a regulatory framework to ward off sprawl.

The principles of environmental conservation were enmeshed into the civic fabric of the city. Stringent rules on development limit the scope of approvable projects in Santa Barbara. Since the Impacts of Growth study in the mid-1970s, Santa Barbara has tried to limit its population to roughly 90,000. However, the increasing commute times for workers, the inability of many businesses to operate in such an expensive real estate market, and the increase in CO_2 emissions in Santa Barbara County, have become urgent problems that the city is trying to address.

In the middle of the 1990s, a professor of architecture from the University of Southern California brought his class to Santa Barbara to use the city as the setting for some experimental planning. Four of the architecture programs in the state of California were invited: Berkeley, the University of Southern California, University of California Los Angeles, and the San Diego. Their goal was to architecturally render a vital, vibrant mixed-use area and determine what the future of the downtown would be. All but one of the groups assessed the Chapala corridor—a street that runs parallel to the main downtown commercial street. They concluded that this was where new downtown development was going to happen. The groups created their own master plans for the Chapala corridor, heightening awareness of the possibilities that the street may hold for future development. A few years later, New Urbanist buildings began springing up along Chapala Street.

At about the same time, Santa Barbara began reviewing Smart Growth principles in its General Plan to increase density to build affordable housing for the city's workforce. The downtown is already a dense and active commercial area with a booming tourist industry. Increasing or enhancing the amount of housing stock for lower- and middle-income people priced out of the housing and rental markets, was a primary motive for Smart Growth. However, this led to severe backlash from a sundry collection of the older environmental organizations that had for decades battled to institute significant growth controls.

In Santa Barbara political battles stirred over whether or not to change zoning rules and building codes to increase housing density as a way to integrate workforce housing. Those in favor of increasing density wanted it built in the downtown or near the campus of the University of California, Santa Barbara, which is actually physically located in the neighboring city of Goleta. Most Smart Growth entrepreneurs were looking at doing infill in vacant or disused lots in the downtown where people could more easily walk, bike, or take public buses to work. Opponents thought that instead

of reducing automobile traffic, higher density would increase it, that higher buildings would obstruct views of the mountains, and that new housing or rental units would be unaffordable to most of the workforce.

As the city prepared for its General Plan update in the mid-2000s, the divergent views on future growth scenarios led to fiery political confrontation. The conflict pitted those in favor of continuing the city's "no growth" or "slow growth" versus those who wanted increased densities to promote "Smart Growth"; a quintessential NIMBY (Not In My Back Yard) situation. Many of the original environmental organizations and their members opposed the inclusion of Smart Growth projects in the new General Plan. The Coalition for Sensible Planning and other similar organizations were formed to deter higher-density development. In 2008, they put Measure B on the ballot, which sought to reduce future building heights from 60 feet to 45 feet. It led to a bitter divide between community activists. Other progressive social and environmental organizations, such as the Santa Barbara County Action Network, joined with the Chamber of Commerce, local architects and real estate developers to support Smart Growth planning, and defeated Measure B. The density battles were far from over, however.

The motivation for Measure B was, in part, a reaction to several New Urbanist projects built on Chapala Street. The first of these developments was Chapala Lofts. Financed by famous local architect, Barry Berkus, it is a small mixed-use project tucked away at a quieter location on Chapala. It went relatively unnoticed; no one perceived it as a threat of overdevelopment. The project, Paseo Chapala, alarmed several members of the community. It was 60 feet high, contained 21 luxury units, and 8 affordable units, with several commercial spaces on the bottom floor. Paseo Chapala was situated across the street from a popular outdoor mall (Sadler 2008). Shortly after it was built, another dense, mixed-use project, named Chapala One, was planned further down the street. Its development ignited a political firestorm culminating in the Measure B proposal. Chapala One was 60 feet tall and contained 42 housing units. It was ultimately a failure as a series of lawsuits and conflicts between the architects and developers of the project coincided with the economic collapse of 2007, effectively shutting down construction and leaving a vacant building on the lot for several years. It is beyond the scope of this book to explain the legal battles between the developer and the construction company. The project had internal problems that are well covered in a series of articles in the *Santa Barbara Independent*.

Several groups including the Citizens Planning Association, described in the previous chapter, were historically at the forefront of the community's efforts to deter and prevent development that would have threatened fragile ecosystems as well as the unique cultural environment of Santa Barbara. The Citizens Planning Association, the Environmental Defense Center, the Community Environmental Council, and the Audubon Society all comprise the older citizen activist groups that have pushed against unwanted development. Formed in the late 1950s and 1960s in reaction to California's suddenly burgeoning population, many of these organizations in Santa Barbara have matured and represent the status quo. They have resisted attempts to increase density. It is unclear what kind of new governmental or community organizations, if any, are going to arise to re-energize community development or to supersede them.

In 2004, Bill Mahan, a city planner in Santa Barbara, voted in favor of the New Urbanist project, Chapala One. At that time, Mahan believed that the affordability crisis called for a new approach based on compactness. Both the national economy and Santa Barbara's economy were booming in the late 1990s and early 2000s. As described in Chap. 3, employees commuted long distances to work in the city and congestion was worsening. Smart Growth and New Urbanist principles seemed to offer a solution to this growing crisis. However, the condominiums ended up being unaffordable for most workers, and were merely used as second homes for wealthy residents of other cities. Mahan changed his tune after the first few projects were built. He later spearheaded efforts to institute new building height restrictions.

> We started approving these big condominium projects. But then, once we approved three of them down there, what we discovered, at the Planning Commission, was that condominiums are very expensive so these aren't people that walk to work; these are people that will live in Beverly Hills and have another place in Santa Barbara. So, we weren't getting the kind of people that we thought we were getting.

Mahan and others contended that without government subsidies, these projects could never be affordable. And if sold at market-rate, the prices were much higher than anyone but the very wealthy could afford. Mahan and others became suspicious of the reasoning that developers and other planners gave. Several argued that the developments would be built for rentals. That was "bullshit" according to Mahan—they would be built in

a certain way so that they could be converted into money-making condominiums after a few years. This suggests that for a city like Santa Barbara, the only way that Smart Growth could be achieved was by an entrepreneurial state that provided subsidies and specifically laid out building requirements for affordable housing.

One of Mahan's strongest allies was Sheila Lodge, the former mayor of Santa Barbara and one of the authors of the Impacts of Growth study. As the battles over density became more pitched, she grew more involved in city planning and development. Lodge concluded that New Urbanist plans for density would violate the long held principles of growth management derived from the Impacts of Growth study that had successfully prohibited detrimental overdevelopment. She recognized the housing affordability crisis, but was skeptical that an increase in density in the downtown would alleviate it. She drew the opposite conclusion from Peikert's design charrette. The fact that only one group could barely design a project under existing rules indicated to her that it wasn't feasible to build affordable, market-rate housing in Santa Barbara:

> Let me restate: I'm not opposed to density per se, it depends on how it's done. The proposal that was being ran through the Planning Commission, as far as I'm concerned, was going to be a broad-brush increasing the density and undoing what we did in 1975, essentially. And this was going to "create market affordable housing," and I didn't believe it. I thought it would work for rental housing. Two years ago, all the architects got together and they had a charrette and what happened? They were going to prove that they could build affordable housing and they showed that they couldn't!

Mahan, Lodge, and others, teamed up under an umbrella group called El Pueblo Viejo, which sought to resist the turn toward higher-density development. They were the group that organized signatures to put Measure B on the ballot. After losing the initiative, they tried to convince the City Council and others that Smart Growth was not in the city's best interests. Nevertheless, there were other organizations that had also been energized by the density fights and were buoyed by their success in defeating the NIMBYs at the ballot.

One of those organizations was the Santa Barbara County Action Network (SBCAN). Comprised of housing and environmental activists, politicians, business owners, and others, the group fought for progressive political change across the county. It viewed higher density as an appro-

priate response to the skyrocketing costs of living in Santa Barbara and the growing traffic congestion and levels of air pollution. SBCAN began teaming up with architects and developers who were interested in building New Urbanist housing in Santa Barbara. Most wanted to build market-rate housing because subsidizing affordable housing was too hard in Santa Barbara's regulatory climate. Others, such as Peikert and some of the groups that took part in the charrette, were enthused by the challenging opportunity to bring market-rate New Urbanism to the city.

After the charrette, the battles over density continued. They only abated once a compromise had been made. As discussed later in this chapter, the city included a provision in the General Plan that allowed a small, but not insignificant, number of units to be built with only one required parking spot. This "affordable by design" adjustment to the zoning rules has already prompted the development of several new high-density, mixed-use projects. As described at the beginning of the chapter, the disinterest shown by the Santa Barbara City Council had greatly dismayed the assorted architects. They didn't immediately realize that they had actually achieved something rather remarkable: the designers were able to show a very anti-growth city that with a little bit of flexibility, small changes to the city plan could allow New Urbanist development.

In Ventura, south of Santa Barbara, several political and economic entrepreneurs saw an opportunity for New Urbanism. Previous planners of the mid to late twentieth century neglected the downtown and concentrated instead on an outdoor mall and single-family housing development on the opposite side of town. In the 1992 Downtown Specific Plan, however, the city zoned the downtown for mixed-use. After the Save Open-space and Agricultural Resources (SOAR) legislation was passed in 1996, the city of Ventura was encircled by an urban growth boundary, prompting the use of form-based codes to encourage compactness to accommodate population growth. It curtailed development sprawling up the hillsides, and nudged the city to experiment with infill in order to meet growth requirements. This brought the ire of neighborhood residents, NIMBYs, who had supported growth controls but didn't like infill development happening next door or down the street from where they lived. As Ventura's city planner, Dave Ward explained:

> Then the city began in the early 2000s to focus on the whole downtown in the General Plan. And that's what led to the 2005 General Plan, which embraced Smart Growth and the use of the form-based codes as an urban design tool to provide for the infill. The strategy was that we're going to

> build on the hillsides and we're not going to expand the city limits out onto the ag [agricultural] land. We're going to be focused inwardly and we're going to be focused on the key corridors, neighborhoods, and districts.

The city made a very conscious and public effort to bring Smart Growth leaders into the local government. Bill Fulton, an urban planner and strong proponent of Smart Growth, served as Mayor of Ventura for ten years. He is also the leading author of one of the most widely read planning textbooks in California. They also hired Eric Wallner, a Creative Economy Specialist, to help engage artists, developers, and city officials to help turn Ventura into a hotbed of the creative class. These efforts, from the form-based codes to the appointment of prominent Smart Growth advocates, were undertaken to ensure the protection of the unique and beautiful surrounding landscape and to celebrate the local artisan community. Additionally, Ventura hoped to siphon some of the tourist dollars that flowed into its northern neighbor, Santa Barbara.

Ventura hired a colleague of Fulton's, Rick Cole, to be City Manager. Cole was recruited for his past political entrepreneurship as the Mayor and City Council Member of Pasadena where he helped spearhead efforts by the city to adopt principles of New Urbanism. He served as City Manager of Azusa, California before coming to Ventura. When he left Ventura in 2012 he became the City Manager of Santa Monica. Cole approved various compact mixed-use projects in downtown Ventura, although several were canceled when the housing market crashed in 2007; only the Working Artists Ventura (WAV) was completed. When he joined the city staff in 2004, he shut down several conventional, sprawling projects as well as some high-density projects that he deemed as poorly designed. These actions made him unpopular with many developers. His drive for mixed-use through strict building code standards also alienated him from developers. Cole further incensed some city leaders and residents with a controversial traffic management plan that placed parking meters in downtown Ventura to reduce what Shoup calls the "high cost of free parking" that falls on city government.

Smart Growth entrepreneurs such as Cole are in positions to shape regulations that can entice more thoughtful development. He was instrumental in formulating policy mechanisms to permit Smart Growth measures and designs. However, he was adamant that each building project had to fit the surrounding community and be responsive to the needs of the neighborhoods. Echoing planners and community members in Santa Barbara, he insisted that Smart Growth doesn't mean that any tall, high-density,

mixed-use building is good for a city or neighborhood. Rather, the local community, the city government, and residents had to determine collectively what fit the style and culture of Ventura. He worried that too many developers viewed New Urbanism as merely a way to increase density for the sole purpose of accumulating capital.

In the private sector, market formation depends upon Schumpeterian entrepreneurs presenting new practices and filling the niche for people who want to live downtown, near transit, and so on. They take the financial risks to innovate new building designs intended to disrupt current markets for lower-density building. Both of the developers that I interviewed in Ventura built New Urbanist projects, but had vastly different experiences. One was a for-profit developer and the other was a non-profit developer. They were both Smart Growth entrepreneurs, but coaxed the market actors and city government officials in different ways.

The developer of Pacific Pointe in Ventura, Harvey Champlin, previously built large resort hotels around the world, but settled in Ventura, turning to local community building. He developed a New Urbanist project, though later turned decidedly against the concept, believing that the mixed-use component was inherently flawed. Before his change of heart, Champlin spent years building compact, mixed-use projects in downtown Ventura. His main dream was to build an enormous hotel in the downtown that would host talks by the forum Technology Education and Design (TED) and serve locally sourced food. Deemed too grandiose for the downtown, the project was rejected by the City Council in favor of a smaller movie theater.

The New Urbanist projects that he developed, Pacific Pointe and Soho Lofts, were both mixed-use, high-density and located on busy streets. Some local organizations and residents accused Champlin of gentrification; Pacific Pointe had higher rents than many of the surrounding properties. There were tense meetings and resultant legal battles over the development of Pacific Pointe brought on by a neighboring property manager. Champlin, nonetheless, worked closely with the city's housing program and was active in local politics. He found himself increasingly trying to defend the New Urbanist model and educate Ventura's City Council on the economics of building. His experience convinced him that the development community faced frequent misunderstanding and abuse by local political officials and activists, especially if they were trying to do something new. Champlin lamented that entrepreneurial developers faced unwarranted opposition from the city government and some residents:

> I think that there is a sociological factor here, and that is that any entrepreneur is automatically suspect. His motives are suspect, "he's just a no-good dirty greedy opportunist," whatever that means. You could argue until you're blue in the face that it is "those dirty, rotten, greedy developers and entrepreneurs who built the city, built the house you live in, the restaurant that you like to eat at." And there's such a huge disconnect. They don't see that.

The one true green building in Ventura was the aforementioned WAV, a LEED certified, sustainable artist community—the first of its kind in the world. It was developed by a distinctive enterprise called PLACE. Among the professionals interviewed for this book, Chris Valesco, the Executive Director of PLACE, was the greatest enthusiast for sustainable development. He had experience in restorative and artist community development. In the early 1990s, he helped revitalize parts of Minneapolis by restoring disused properties. He worked for a group called Art Space that develops artist communities across the USA, a component of which involved preserving old warehouse areas and converting them into small studios.

Valesco was not merely interested in saving historical structures. He also wanted to prevent their construction materials from going into the landfill. During his time working in preservation, he learned what happens to buildings when they get demolished. He was surprised by the amount of carbons and other chemicals that are embodied in many construction materials and subsequently released into the atmosphere or into waterways. When the group started to design and build new projects, they were not initially attaining the highest level of environmental responsibility. Valesco envisaged an organization that would develop sustainable communities for artists and the homeless. He voraciously reviewed the literature on green building construction, financing, and the political process of development.

In 2005, Valesco and Elizabeth Bowling created PLACE. The new organization was modeled on Art Space, but added cutting-edge sustainable construction and renewable energy generation. A Board of Directors, composed of architects, government officials, and others, was formed to manage the non-profit organization. Headquartered in Minneapolis, its first project was in Ventura and it has since begun working on projects around the country. Its current project is a sustainable artist community in St. Louis, Missouri, that would rely upon its own energy generation

using a product that PLACE has submitted for patent: E-Generation, a "digester" that uses a portfolio of energy sources such as wind, solar energy, and food waste.

Ventura invited the group to develop a forward-looking project to invigorate the city's creative class. Of all the projects examined in this book, the WAV was the most financially and functionally complex. PLACE generated funding through a network of local and national sponsors, such as the federal government, the city of Ventura, Supportive Housing (a homelessness advocacy group), Google Inc., and several others.

Artisans, musicians, thespians, and others, from around the world apply for residency. It is the second LEED certified building in the state of California. The WAV provides 69 housing units with rents adjusted according to a sliding scale that keeps them affordable to the artists in residence. A large gallery space occupies one of the ground floor units. It showcases the residents' artwork, presents theater performances, and hosts community gatherings. The bottom floor commercial space contains a yoga studio. The building is a short walk to the downtown and, originally, was too be accompanied by several other New Urbanist developments that were shelved when the financial crisis hit.

The WAV ended up costing $57 million while the second most expensive project examined (North Main Village, Milwaukie) cost $14 million. Some people referred to the WAV as a "boondoggle," a waste of taxpayer money. In an interview, Valesco pointed out that many local bloggers and commentators misunderstood how the project was financed. There was a widespread misperception that the full $57 million came from public funds. The WAV, however, only cost $1.5 million in public subsidies. Most of the funding came from the sponsors and through sources that are only available to non-governmental organizations, such as charitable donations from companies, foundations, and individuals.

The funding of the WAV presents an alternative to contemporary private development financing. Non-profit entrepreneurs may have goals that differ from those of actors in the conventional building industry since their *raison d'etre* is to design and build the best project for the community using charitable funds, not generate investment returns. When this profit-motive is removed from the development process, it enables an operation that is more amenable to broader community participation. One might argue that this is one reason for their relative success with mixed-use. As exemplified by the situation in Santa Barbara,

developers are often discouraged from doing mixed-use projects because they believe that the community meetings and government procedures could result in a rejection of the project or a long delay, costing the developer money.

PLACE was undeterred by public participation and in fact welcomed it. A for-profit developer takes risks on any development. They need a business and policy framework that ensures commensurability with risk. Valesco and his associates thought that it would be viable as a non-profit to work more closely with the community. This meant moving beyond the county or the state governments. It meant establishing relationships with the charitable foundations, philanthropists, banks that invest in the community, local unions, non-profits, and others who work on local housing and sustainability issues.

The Ventura City Planner, David Ward, who supported the WAV, discussed how it went from being a controversial project in the city to being one that was accepted by most of the community and enthused local businesses and arts organizations:

> It was a unique project in that it had a lot of grant money funding, redevelopment agency stuff, it's got parking on site, it's not subterranean. It does have those courtyard environments and the frontages. But the height was an issue because it's four stories and it's actually got a little fifth story element. So everyone's like, "Wow, where did this come from?" It got a lot of heat in the beginning. Now, I think it's really a component of the community and some of the artists living, and this [Ventura] is a big arts community. The WAV has an affordability component and there's a lot of events that they sponsor. So I think it's a good thing.

Both PLACE and the WAV are widely regarded as successful experiments in urban sustainability. PLACE is an innovative urban development organization and the WAV is a unique New Urbanist project. Valesco now gives talks on urban sustainability to a wide range of organizations, such as the Urban Land Institute, the Department of Housing and Urban Development, Americans for the Arts, and others. The story of the WAV illustrates a potentially disruptive institutional path to green building that bypasses the focus on investment returns. PLACE is building on the success of the WAV. In addition to its work in St. Louis and E-Generation, it is also conducting studies of artist housing and studio needs in Venice Beach, California, to determine the possibility of developing sustainable artist communities there.

The Metro TOD Program: The Entrepreneurial State for Portland and Its Suburbs

In Oregon, the Portland Metro is the quintessential Smart Growth machine: an entrepreneurial, cross-jurisdictional, PPP that works on sustainable transit and housing projects for a large metropolitan region. The Metro is structured as a Metropolitan Planning Organization (MPO) and is authorized by the US Congress and the state of Oregon to collaborate with local governments to plan and develop transportation and housing for projected population growth. It consists of an elected Council, a chief executive officer, a workforce of roughly 1600 employees, and hundreds of volunteers. A truly unique organization, it serves as a springboard for urban innovation and, sometimes, political agitation.

The Metro Council is a non-partisan body that has a regionally elected President and six Councilors who are elected by their districts every four years. The Chief Executive Officer (CEO) manages most of the organization's operations while their Attorney attends to the legal matters across the region. Most cities have MPOs, but the Portland Metro is unique because it is currently the only elected regional planning agency in the USA. This gives it a democratic legitimacy that other MPOs cannot claim. It is also, therefore, held accountable to the 1.5 million people it provides services for. The President and Councilors can be voted out of office if the voters feel that they have served poorly. While their specific mission is transportation, the Metro views housing and development as going hand-in-hand with transit planning. Because the urban growth boundary dictates land use in the Portland metropolitan area, planners have adopted Smart Growth designs as the most pragmatic way to develop within the limitations imposed by the UGB.

I spoke with Phil Whitmore, who is described at the beginning and in the previous chapter of this book. More than anyone else, he helped introduce Smart Growth planning and development across the Portland region. During the Reagan administration, he secured federal funding for development clustered around mass transit in Portland. Reagan's transit officials were generally skeptical of integrated mass transit systems. As Whitmore said, "What would Reagan contribute? Hardly anything. I mean he practically shut everything down." This was shortly after the Metro had been established, but before the Portland region actively committed to compact development and long before the concept of "Smart Growth" was used. Whitmore's history in both government and real estate gave him

experience finding and then allocating federal and state funding. His work in the real estate sector had convinced him that markets could be directed more optimally through the careful provision of public funding. The urban growth boundary surrounding Portland meant that more compact development was needed to address population growth. These circumstances allowed him to test the ways in which PPPs could be used to build compact TOD. Whitmore lobbied the Metro Council and obtained permission to create a program that would work in conjunction with TriMet, the regional transportation agency, to build "transit villages" in suburban downtowns designated as "regional centers" by the Metro's Region 2040 Plan. They identified Gresham, Milwaukie, and a handful of other places as ideal locations based upon their analysis of where land values were lower, future mass transit was planned, and numerous other factors.

In 1998, the organization formed the Metro TOD Implementation Program specifically to create PPPs with developers and local governments. Since its inception the Metro TOD Implementation Program has received $40 million in financing. It was built out of an older, crumbling organization, the Department of Environmental Quality. Whitmore turned this defunct agency into a Smart Growth program that would assist developers with high-density, mixed-use development near regional mass transit stops. Metro established co-ownership of properties with cities, developers, and landowners. This fostered a close relationship between Metro officials and local governments. The Metro TOD Implementation Program sought out developers who wanted to do mixed-use projects, but were hesitant because of the financial risks. The Metro would work with developers to determine if public funding could be used for gap financing, covering the added costs associated with Smart Growth. As Megan Steele, Senior Planner at Metro, explained:

> We always work very closely with local jurisdictions when we have a publicly owned property. Most of our sites are actually co-owned percent ownership interest from the local jurisdiction. Not all but most. So we do that kind of as a partnership process. Those projects are approached much more like a typical redevelopment agency project. The thing that we do that is unusual is that we are willing to consider funding projects that developers bring to us when a developer has site control and has a project concept that is not going to be financially feasible on its own in that particular real estate market.

The Metro TOD Program specialized in land banking; they obtained land, wrote it down (reduced its value to market-rate), and hastily converted it

into mixed-use development. A central facet of the program was the use of federal funding to purchase TOD sites directly. Land costs are often much higher than construction costs further exacerbating the difficulties of doing New Urbanist development. The Metro sought out parcels in which to build compact development that would help reach the goals of the Vision 2040 Plan. The Metro would establish land easements for vacant parcels that they purchased or co-owned with local governments or individuals. Land would be reserved for high-density, mixed-use development. Site control by Metro was used to keep land from being built over with low-density sprawl. The Metro TOD Program used federal and state transit funds to ensure that there was land available for New Urbanist projects in places designated as regional centers. While the Metro Council itself focused on long-range planning for the region, Whitmore's program focused on the implementation of sustainable building and development, and thus collaboration with an assortment of social actors and institutions.

Metro was trying to bring a higher-density and mixed-use projects to areas that would not otherwise have approved it. The market for Smart Growth might be feasible in 20 or 30 years. But their reasoning was that if they just let single-story buildings, or even two or three story buildings occur, then all future development would simply sprawl. Then, as Whitmore explained, when the market for Smart Growth potentially arrived in 20 years the ideal sites would be gone. What they were trying to achieve was the introduction of an urban lifestyle to the suburbs more quickly than may have occurred otherwise.

Whitmore described how the logic of his program differed from other planning organizations. They set up the program as the "Metro TOD Implementation Program." He wanted this title so people understood that the primary focus was getting the project done. Planning was a vital component, but there were others doing the planning, and this program would essentially be focused on implementation. He emphasized that they were doing "hands-on deal making," which was difficult, but it had taken him over a decade to get it going and he had no intention of quitting.

Whitmore's entrepreneurial efforts enabled the development of every project examined in Oregon except for the Kohler Building in Gresham. For several years it was a "one man show," as Whitmore challenged federal, state, and local governments to provide him with the resources needed to pioneer an organization that could assist developers and municipalities who were willing to build TOD. He reached out to several developers and persuaded them on the benefits of New Urbanism. Whitmore, and the

Metro TOD Program, had to "develop developers." As a result of these efforts, the Portland Metro TOD Steering Committee provided subsidies to both developers and local governments for New Urbanist projects that would, they hoped, steer regional markets toward Smart Growth.

This goal led to a fraught relationship between the Metro, cities, and local officials in the Portland area. Municipalities were not always receptive to the suggestions offered by Metro. Some complained over the broad jurisdictional powers that the regional planning agency exercised. For instance, in the 1980s, Gresham opposed the light rail system and required that it bypass the downtown. Shirley Craddick, a Metro Councilor and former Gresham City Council member, decried the poor decisions made by the city with regards to the original light rail line. Craddick viewed the light rail as being ineffective for Gresham's economic development because it did not stop in the downtown. Opposition also came from private developers who believed that Metro involvement distorted the free market of property development. These ideological disagreements are explored in the following chapter. Whitmore described tense encounters like this, but pointed to Portland's enduring pluralism:

> You're always a little late with enemies everywhere and some of them should be your friends. Most of the local governments were pretty skeptical about us because we were newcomers to the area and they had a very, very organized sort of way in which they went about doling out money to everybody. It is part of the way Portland gets things done; there's just tons of stakeholders.

The Portland Metro TOD Program has matured since its conception, becoming a formal organization marked by professionalization and a clear division of administrative tasks. When Whitmore headed it, the Metro TOD Program worked more closely on the projects, including even the details of architectural design. After he retired from Metro, the TOD Program focused on funding allocation rather than the building design process itself. By 2011, there were several regional developers who had become familiar with financing and building New Urbanist projects. The developers had been developed, so to speak. Megan Steele, Senior Planner at Metro, explained that Whitmore was a charismatic leader and as a founding director of the program was very influential in everything. The methods and approaches are now more precisely documented and less opaque. Steele thought that the TOD Program was as enthusiastic as ever before in its willingness to take on riskier projects.

The Metro TOD Program epitomizes an entrepreneurial state in action. Whitmore, and others, contend that PPPs are both endemic to the Metro TOD Program and essential for successful sustainable development. It accomplished many precedents for New Urbanism. The Metro has a long list of properties that it has helped develop in the region, attracting both praise and criticism from cities, residents, and various activists. Their policy innovations paid off: Portland is regularly cited as a model of sustainable urban development for the USA and the rest of the world (Mayer and Provo 2004).

Local Developers in the Portland Region

Entrepreneurial developers in Portland were spurred into Smart Growth by the combination of regulations and building incentives overseen by the Metro. This underscores the idea that regulations do not curtail economic development, but often create opportunities for new markets (Warner and Molotch 2000). When developers are forced to work within tight constraints, they become very creative yet also careful in their planning and design process. Many received assistance and cooperation from the Metro, the Portland Development Commission, and other sustainability groups. The Metro TOD Program was never the first organization to give or lend money to the developer ("Never, never, never"—Whitmore emphasized during an interview). But they were the first organization to give the developer the political commitment they would need in order to secure financial backing from banks and other lenders. It also provided some legitimacy in the eyes of local government officials who would ultimately decide whether or not to approve the project.

Dwight Unti, CEO of Tokola Properties, explained that his company made a decision to start doing compact development instead of the traditional single-family homes and suburban apartments that they were accustomed to. The company realized that population growth and demographic changes within the urban growth boundary were transforming the Portland suburban real estate market. One of the main reasons they experimented with New Urbanist design was that the 8–15-acre suburban sites for conventional, wood framed, garden style apartments were simply no longer available. In the early 2000s a strategic decision was made to refocus their emphasis on vertical housing because it appeared that it would be the main source of multi-family housing for the Portland metropolitan area for the immediate future. They also began to appreciate

the design type and, according to Unti, believed that it was supported by demographic changes. Tokola Properties, in their analyses of the regional property market, identified a strong trend toward urban living environments with close proximity to amenities and services, particularly mass transit.

One of the biggest surprises with Unti's New Urbanist project, 3rd and Central, was that the compact housing units were not primarily rented to younger people, as he had predicted. Elderly residents comprised the main demographic of his renting tenants. As other research suggests, the services that downtowns offer appeal to both Millennials and Baby Boomers (Kayzar 2008). The elderly population is increasingly seen as a good fit for the denser living that New Urbanism provides. Young people want to live in downtowns and older people want to live closer to the amenities they rely on. Living close to mass transit increases walking and other activities for the young and the old, and the able-bodied and the disabled.

Another developer who worked closely with the Metro on a number of housing and commercial projects was Tom Kemper, CEO of Kemper Co. He was widely regarded as an expert on financing challenging affordable housing projects. Kemper and Phil Whitmore saw opportunities in one of the suburbs of Portland, the small town of Milwaukie. He also mentored Megan Steele, another Senior Planner at Metro, who was interviewed for this book. Kemper recognized that demographics were shifting the market. As Portland became more expensive, but younger people still wanted to rent apartments, he saw the market moving toward denser suburbs:

> I think that's probably where the demand is today. What's interesting, is that the demographics of the twenty somethings and maybe early thirty somethings, there's a significant number of them that are not interested in ownership, they are interested in maintaining flexibility to go where they want to go, so they are really not interested in buying a house and that's kind of an interesting shift that will definitely affect what happens. In terms of what gets built, it's going to have a significant impact.

Still, entrepreneurialism by itself can only accomplish so much, whether political or economic. To achieve their goals, entrepreneurs must possess or obtain the technical know-how and the administrative specialization to address precise aspects of the market that they intend to disrupt. Expertise in finance, construction, engineering, architecture, and regulatory policy are all requisites for urban development. In New Urbanist development,

these same diffused areas of knowledge are accompanied by an amplified need for expertise in sustainable construction, green features, transit, mixed-use, and parking masonry. Entrepreneurialism must be wedded to technical expertise to transform existing political and market structures.

Niches and Gaps in Knowledge

Hayek observed that market economies rely on decentralized knowledge. Bueren and Broekhans (2013) have shown that actors use niche knowledge to form a market for green building in the Netherlands. Various social actors possess distinct areas of expertise whether it be finance, construction, policy, law, or engineering, and it must all be configured to successfully implement urban development. But there are also significant knowledge gaps between the actors—on issues ranging from the cost of building materials to the long-term visions of the community. What is capable of coordinating this inarticulate, but highly specialized niche knowledge? Prices. However, the principal role that prices play has not always been appreciated by urban planners and designers, especially those interested in sustainability.

According to the catallactic perspective, prices can act as signals that individuals or organizations can interpret and base their decisions on. For local government, the prices of parking, mixed-use, and so on, should act as the coordinating mechanism that allocates municipal space for urban development. Whether one agrees or not that prices are ideally suited to direct urban development, my research shows that markets are a central force, which cities ignore at their peril, as discussed in the following chapter.

The knowledge gaps between private developers and municipal staff were some of the most consequential. Many developers, as well as government officials who had previously worked in the private sector, agreed that local governments did not fully appreciate the complex economics of urban construction. Government agencies or elected city council members lacked a solid grasp of the industrial process of development. Developers felt that, often, city officials understood what they wanted in terms of density, community vitality, and mixed-used TOD, but often lacked knowledge of financial obstacles. Several public officials agreed that planners and other city officials needed a more precise conception of construction financing. In Gresham, Cliff Kohler, a local developer who was actually opposed to government subsidies for development, never-

theless worked with the city to alter their planning documents to more realistically attract developers to commit to Smart Growth projects in the area. Harvey Champlin, developer of Pacific Pointe and the Soho Lofts in Ventura, shared the same sentiment on public officials being naïve about the development process:

> "We want jobs, we want private investment and economic development, tax revenue, tourism, we want to promote the arts"…but when it's offered to them in a definitive way, they're incapable of choosing a course of action that will achieve what they want because it means that they have to give up on some preconceptions of what they want downtown to be. A businessperson would look at it pragmatically, but you don't have business people. You just don't.

These sentiments were echoed by Bill Mahan, a former planner in Santa Barbara, who understood the knowledge gap between developers and city planning staff. He opined that most planners didn't have the requisite background in economics that they should, given its relevance for the tasks that they must accomplish:

> Money needs to come in into planning more than it is. They need to have courses in economics and in construction financing, and in appraising, and stuff like that. Those are important parts of the development and the planning staff wants to stay away from it all.

Some government officials countered that developers failed to appreciate the balance that had to be struck between building construction and the procedures that comprise the democratic process. Cole had been at odds with several developers—including Champlin—and described the difficulty that public officials faced balancing their work with residents and developers. He spent so much time with the residential community that the builders and lenders came to the conclusion that he was an impediment to growth. He found himself trying to explain to them: "'What part of Smart Growth did didn't sound like growth?' What they heard was 'smart' and they perceived it as 'no growth.'"

The Metro tried to bridge these knowledge gaps. It has a real estate team that works on these projects and understands both the private and public approaches to land-use development. They offered numerous subsidies and incentives to developers and cities for building high-density, mixed-use projects. The regional planning body took a lead role educating

local political officials, as well as developers, on the programs that it offers as well as the mechanics of the development process. In the case of North Main Village, constructed along a light rail line in Milwaukie, the Metro and the developer found a few enthusiastic allies in the city government who were willing to champion the project.

Kemper struggled to convince the Milwaukie City Council that the projects couldn't be built without adjusting zoning ordinances. He felt that he could not rely on them to support his project. As a developer he was spending a great deal of capital on a gamble that he could get it approved. It was not easily accomplished. He and the Metro had to persuade the city to create a whole new special zoning district for the sole purpose of making the development of North Main more feasible. These changes included adjustments to parking requirements, zoning laws, traffic impact fees, and others. Still, it paid off: North Main wound up being a highly successful project.

A diverse assortment of professionals in areas such as construction, engineering, and finance are needed to successfully implement New Urbanism and green building. Balancing the influence of specialists and technocrats with participatory democracy can prove challenging, but it is possible (Appelbaum 1977). For example, the WAV in Ventura had the most community participation: 142 town hall meetings were held so that the developer and designers could solicit input from city residents and address any concerns with the project. This suggests that higher technical expertise does not necessarily mean a closed-off, profit-oriented growth machine. Although difficult, technical experts and community residents can work collaboratively. Even the politically tense General Plan update in Santa Barbara, ultimately had experts and community members work together to hammer out a compromise that was deemed acceptable to most stakeholders.

One concept that lenders and investors take very seriously is *buildability*, a gauge of whether or not a project type allows ease of development or will prove risky. Buildability is largely determined by upfront costs and the returns on investment (Bueren and Broekhans 2013). The growth machine, as conventionally understood, is primarily concerned with generating high returns on investment; the tremendous profits that can be made in the real estate industry. Civic officials support profitable developments because they generate higher tax revenues. In contemporary US urban development, profitability is largely determined by the ability of the developer to contain costs during the development process and success-

fully sell or rent residential and commercial units. Yet before the building can be constructed, there are several expenses associated with Smart Growth that are absent from single-use sprawl.

The more sustainable and ecologically oriented that a building site becomes, the more niche knowledge is needed; greater expert cooperation is required. Chris Valesco, developer of the WAV in Ventura, elucidated the challenges of assembling a team of specialists with different areas of specialization. For the WAV this consisted of building construction and finance, but also artist studio designs, solar paneling and its energy generation, transportation, and a few Section 8 housing units. The series of knowledge gaps here can be successfully filled with the right expertise. This collaboration is part and parcel of a Smart Growth machine.

Another area of specialization was the provision of specific environmental amenities. For example, the Beranger, in the city of Gresham, had a "living roof" as an additional aesthetic feature. These roofs are designed and built for plants to be grown on them, which distinguishes them from most rooftops. It also requires specialists who can combine roofing that can support plant life. A host of problems can arise, such as water leakage, soil erosion and replacement, in addition to the constant upkeep. The company Greenworks, a local environmental design firm, was hired to design and construct the Beranger's green roof. Greenworks was tasked with conducting maintenance checks on the roof to ensure that it remains structurally stable.

The catallactic perspective, while not flawless, does correctly recognize the centrality of prices and markets in economic processes. This pertains to the consumption of durable goods as well as to the development of green buildings. As has been emphasized throughout this book, the critical role that prices play in dictating urban development is largely ignored by many scholars, activists, and practitioners who advocate for urban sustainability. Most of the literature focuses on polices and plans, which while fundamental are only one part of the development process.

How Mixed-Use, Parking Costs, and the Permitting Process May Hinder Securing Loans

Prices and markets often dictate urban form by setting the parameters of construction costs for developers when they begin the construction process. Here, New Urbanist projects typically have higher upfront costs than

conventional buildings. A Smart Growth entrepreneur must account for three primary upfront costs that do not typically accompany a sprawl-type design: (1) the mixed-use portion of the building, (2) the construction masonry needed for structured parking versus surface parking, and (3) the time that the permitting process takes. All three of these costs pose enormous obstacles for planners, designers, and builders because they are unfamiliar to most municipalities as well as the real estate and construction industry. Lenders are reticent about adopting these risky and often unfamiliar designs.

The High Cost of Mixing Uses

As Bueren and Broekhans (2013) observed, upfront costs often determine whether developers and investors or lenders will take on a green building. This is consistent with the emphasis that the catallactic perspective places on prices. Most urban and environmental analysts that support New Urbanism often fail to recognize these vital components of the building process. Only by looking at the basic fundamentals of what a developer must take into consideration, can we get a clear picture of the obstacles to sustainable construction. Moreover, most private developers must not only meet the initial prices of parking, mixed-use buildings, and so on, but must also achieve a financial return that is greater than the initial investment—they must make a profit to stay viable as a business. Even for PLACE, a non-profit, the mixed-use and parking components were the greatest financial complication.

Whether in the frothy real estate market of coastal California or the comparatively cheaper market in suburban Oregon, mixed-use tends to be more expensive. Due to the use of higher quality construction techniques, they are much costlier and riskier for developers. Mixed-use projects are difficult from construction and development to the day-to-day property management because a whole layer of complexity is added to the process. A designer must be very sensitive about how the two residential and commercial uses mix. This includes everything from sound transmission, to odors coming from a restaurant on the ground floor, to nighttime traffic activities if there is a facility that is open late into the evening. Tenants may or may not be keen on the commercial establishment below them. Moreover, for vertical mixed-use buildings, one of the problems that developers face is that there are different building standards for residential

and commercial as well as different insurance standards, meaning that they need two sets of insurance for two sets of building.

Most of the cities examined were low-density suburbs or suburb-like (in the case of Ventura). Santa Barbara's downtown was already relatively compact. The city had a gridiron pattern that was conducive to dense, mixed-use buildings. Nonetheless, mixed-use fell out of favor for several decades until the end of the twentieth century. Dave Davis, CEO of the Community Environmental Council, and also a former city planner, explained that there was a long history of mixed-use in Santa Barbara. The downtown of the city is comprised of mixed-use building, stores, office, and housing.

In the 1970s and 1980s, mixed-use struggled because financing proved elusive. If lenders had a mixed package of commercial and residential, people would only buy in the secondary mortgage market. The primary mortgage market is made up of banks and credit unions that constitute most of the lending. The secondary mortgage market, in contrast, is where the mortgage loans are often bundled together, and hence is a much more complex and riskier financial instrument. Lenders and investors would only buy a "pure" package of all residential or all commercial. They didn't fully comprehend that they could play off of each other positively, negatively, or synergistically.

In the early 1990s, the real estate bubble inflated. By the late 1990s and end of the 2000s the investors and the financial community saw the market potential for mixed-use and changed their tune. This is when the projects that I examined in Santa Barbara—Paseo Chapala, Chapala One, and Chapala Lofts—were built. After a decade-long lull in mixed-use development, concerns about accommodating the workforce in Santa Barbara brought these designs, with additional features, back to the drawing board.

Making Parking Sustainable and Financially Feasible

Parking is one of the most important components in contemporary urban construction; it determines the physical form a project takes (Shoup 2005). Most zoning ordinances require that developers not only provide parking for every residential tenant, but also for guests and the commercial establishments. The parking requirement combined with height limits determines how many units can be built and if height limits are not tall enough, if they are two or three stories, then one must build underground

parking. In many communities, the developer must get above three stories to make it financially viable.

The high upfront costs of structured parking, which are significantly pricier than the concrete or asphalt materials used for surface parking, often repel banks and other private lenders. Consequently, lenders and investors prefer single-story development, because it is accompanied by cheaper surface parking. To be truly "transit-oriented," projects must have parking that is structured: below ground, on a lift system, or in a "tuck-under" frame, where some parking spaces are positioned beneath living units (Shoup 2005). These types of parking systems reduce the amount of land needed for parking and thus expand the opportunities for the remaining lot, such as more residential and commercial units or green space. Most developers who build residential or commercial units in suburban or low-density sites are unaccustomed to this kind of parking construction. The underground, lift, or tuck-under parking spaces are all significantly more expensive that a standard surface space.

In Santa Barbara, the architecture charrette was meant to demonstrate that affordable New Urbanism was possible. Peikert's rebuttal to Lodge and others was that slight changes to zoning ordinances and building requirements could greatly increase density while making the housing in mixed-use developments affordable. Santa Barbara currently requires developers to make two parking spaces per housing unit. If this were reduced to one parking space, developers would be able to build affordable housing, according to Peikert. He maintained that developers could do mixed-use projects without subsidies that were $366,000–500,000 per unit. It would work well for developers too. They would be able to develop a New Urbanist project and would still generate considerable levels of profit. All of this, however, was contingent on the city changing its long-standing requirements for parking.

Community Perceptions of Density and the Permitting Process

The relations between the planners, developers, and designers, and the broader community, often determined the length of the permitting process. One theme that pervaded the interviews in both Oregon and California was the difficulty communicating the concept of "high density" to skeptical city officials and community members, delaying the permit approval process. Obtaining permit approval can come at a cost to developers. They have taxes, interest on loans, wages, and other expenditures

that they pay for with the capital generated from their developments. The more time spent trying to get a project approved, the greater the financial risk to them. Community meetings often collapsed over discussions of what the appropriate density of a neighborhood, street, or even city should be. Cole held a similar view and described the same dynamic in his experience in Southern California, specifically Pasadena and Ventura:

> "Density" is one of those weighted words that isn't terribly useful except as a way of dumbing down the conversation and demonizing a set of abstractions. Change was definitely a concern. This is a nice place to live and too much bad development over the years has taught people that no matter how things are on a particular street block. If you had to bet, keeping it the way it is a better bet than allowing a developer to come in and put something that will make things even worse.

The city of Milwaukie was generally highly skeptical of the Metro's intentions. It had fought the light rail project and wasn't keen on new mixed-use development. However, the mayor at the time, and others in the government, viewed high density as capable of invigorating the downtown. Still, several neighborhood associations were sternly opposed to North Main Village. When asked about the opposition, Tim Bernard, the former Mayor of Milwaukie, expressed his opinion that the opposition to high-density and affordable housing was a result of prejudicial beliefs and conservative fears of change:

> It comes from people who don't understand what affordable housing is, like I said, I think that there's probably some racism in it. Milwaukie is a very white community. I would say that there's probably, you know, I could count on two hands how many black people live in Milwaukie. It's slightly different now but not much and thought of people who are poor and are dependent on social services. And people think of that as affordable housing. Mostly I think it was an excuse to try to stop change.

Most of the interviewees stated that they should have more carefully articulated Smart Growth to community members. Several other respondents involved in project development said that they learned how to more effectively communicate the concept of density to community members and other city officials, by avoiding the word "density." Unti described that the choice of terminology could sometimes cause confusion:

> I do think if there is opposition, and what little there was, has generally come from, or generated from, one word: density. And the concern is that if you're going to do a project that is 60 people to the acre, people think, "density." And I think there's a tendency on the part of our city planners to make the wrong choice of words when trying to communicate to the general public about the importance of vertical housing, TOD projects.

In the Portland Metro, the prevalence of high-density building across the region, if not mixed-use, led to apprehension by some about what higher densities would mean for the suburbs. The outskirts of Portland were filled with single-family homes and conventional apartment complexes. The owners of conventional retail businesses worried that higher density would mean overcrowding and that this would deter people from visiting their commercial establishments. Rod Park, former Metro Councillor, tried to make the business community understand that high density would actually be good for business and would also bring additional revenue to suburban municipalities:

> It's easy to say anti-density. I like to say anti-customer because it's really what it comes down to. "We don't want density," "Oh you mean you don't want customers?" And that's really who's driving the density is the customers who come to the businesses who support the area so you get the density one way or another. It's whether you're going to have long-distance drives or whether you're going to have it in a local area.

Opposition from the community, usually to proposed densities, was a significant factor in prolonging the approval process. Especially in Santa Barbara, Ventura, and Milwaukie, several residents attended the city council meetings that discussed project density. In Gresham, the densities were not viewed so negatively. The city had more financial struggles than any of the other three Smart Growth cities, and largely welcomed further development in the hope that it would provide an economic boon to the city. Developers were aware that in addition to the other upfront costs, the permit approval process could cost lots of money and even end up with a rejection of the project.

Whitmore was sensitive to their concerns and wanted to impress the local developers to advance a reputation based on mutual respect as opposed to antagonism. Too often, animosity and distrust sour the relationship between developers and local governments. He wanted the

Metro to create a more symbiotic relationship between these entities. One of the best ways to accomplish this was by educating the city and community members and thereby reducing the project approval time:

> What I wanted to do, the thing that will most impress the developer always is time. Time is the enemy once you commit to the project. The biggest way that you impress them is not to rule against them or by requiring something from them, or by punishing them, or how by out-negotiating them. The biggest way to impress developers is by beating him at that thing called, "scheduling". And if you can deliver your troops and your "yeses" faster than he can, he's just awestruck by that. He's never seen anything like that in the history of government. So that was our motto, and that's what I tried to do.

The Metro worked assiduously with cities, planners, and other community members to demonstrate that high-density development was not a bad thing. As Whitmore explained, it all depended on how the project was designed. There were aesthetically unappealing, high-density projects that were probably what people had in mind when they heard the term. Whitmore took city members on tours of high-density buildings in the Portland area to give them an idea of the variety of compact, dense buildings. Some were built in ways that disguised how dense they actually were; others that actually had lower densities sometimes looked like obtrusive Soviet modernism. But this helped pave the way for a much quicker approval process since the city officials had a greater understanding of how diverse a dense project could be.

Investments and Profits

There is a reason that the coalitions that form urban areas are called growth machines: their primary purpose is to grow capital. Many private developers seek out quick returns on investment. This attracts speculative investors who may want to use the project solely as a way to generate fast profit. Long-term planning is essential for sustainable development, but long-term investment secures a project. Investors with patient capital were involved in nearly every project that was examined. They do not expect high initial returns on investment; they anticipate financial losses over the first few years as the market catches up to the new model of development. The typical suburban growth machine, both its public and private compo-

nents, would generally not take on the risk of a New Urbanist project if their main concern was an immediate return on investment.

Unti explained that as long-term investors in the project, his company wanted a commercial establishment that would add amenities that both initiate and foster community vitality. They felt that one of the key things that was missing for the success of their project—because they were long-term investors, not speculative builders—was that in downtown Gresham, there was no grocery. It can be an important amenity to attract residents. Their commercial space was initially a grocery store, but then changed hands shortly after my initial research was conducted.

An entrepreneurial state can certainly and sufficiently achieve Smart Growth, but it is not the only way. Cliff Kohler, CEO of Kohler, Meyer, O'Hanlon Inc., was the only builder in the Oregon cities to not use government subsidies. He was a commercial building entrepreneur and long-term investor who built one of the first mixed-use projects in Gresham in the early 2000s. He was well aware that his company would take losses on their initial investment. Kohler explained the logic of his company's long-term investment in the mixed-use Kohler Building:

> We went in, had a project that was not completely supportable for market realities, but we didn't fool ourselves going in. We knew, we admitted it, and made a conscious decision knowing that it was going to not be supportable. We just said: "Okay we're willing to take the brunt". Didn't see the Great Recession coming. We weren't prepared to take that big of a hit, but still we were prepared to take losses for a period of years until the market caught up with the rental, with the overhead of the building.

Many of the participants stressed that private suburban lenders would not initially support New Urbanist developments because they did not generate fast enough returns on investment. Ultimately, this appeared to be an enormous barrier to achieving New Urbanism in many cities. A catallactic perspective recognizes and emphasizes that profits are an essential engine of a market-based economy. An Austrian purist may argue that Smart Growth ought to be abandoned because of lack of investment returns. Others, however, maintain that the investment capabilities of public institutions can, in fact, steer markets. Many smaller private development companies are interested in short-term profits not because of avarice, but due to the pressures of survival in a smaller competitive market. Public institutions generally resemble the long-term investors in the private market with

more stable resources to sustain them. The Metro could buy property and hold onto the parcels until they were ready for higher-density development. They can invest for the long term, for a better city.

The Metro had purchased a total of 13 acres surrounding the Crossings. It is one of the largest projects studied, but still only used one acre. Other properties that the Metro purchased were empty greenfields surrounded by a big-box retail mall. The original plan was to develop some sort of entertainment center, such as a movie theater that would be located across the street, and the Crossings was to have a restaurant with some additional commercial spaces. Metro intended for these to be built near a light rail station. When the markets crashed in 2007, however, the development plans were put on hold for an undisclosed amount of time. Metro still owns the property—and retains the public investment—proposing to develop affordable apartment complexes instead of commercial spaces. If this land were owned by a short-term speculative builder, they might turn it into a strip mall or low-density, single-family homes. Still, the Metro is trying to accommodate the population growth that is projected for the next few decades and views compact development as the best way to do this.

The Entrepreneurial State, Carrots, and Sticks

Martin Jänicke maintains that regulatory systems enable an ecological restructuring of development by creating a system of "smart regulations." Building regulations—of any type—are often considered onerous by the construction industry. However, regulations are often an integral component in the formation of a market. In an earlier study, Warner and Molotch (2000) demonstrated that building rules and regulations set the parameters of what could be built, whether sprawl or Smart Growth, and that entrepreneurs can actually benefit from regulation. Often they must innovate new ways of building, financing, and developing to work within the restraints laid out by the governing authority. Although developers who build traditional sprawl also bend regulations to accommodate their development types, Smart Growth requires much more dramatic, and unfamiliar, changes to the regulatory framework. Regulatory change is considered the most efficacious ways to form a market favoring urban sustainability.

Smart Growth demands a mixture of "carrot and stick" regulations. Regulations include land-use practices such as urban growth boundaries, zoning ordinances, and building restrictions; incentives commonly

include density bonuses, affordable housing tax credits, and TOD funds. Developers need subsidies to be commensurate with the risk and often they are needed to make the housing affordable.

The original purpose of Smart Growth and New Urbanism was to reduce sprawl and protect the environment. However, during the 1990s and 2000s, as housing prices and rental prices rose, the provision of affordable housing became an additional goal. As previously mentioned, many studies by urban economists show that sustainable development projects were often more expensive than what is considered affordable housing (Johnson and Talen 2008). Environmental justice scholars argued for greater affordable housing within Smart Growth planning (Bullard 2007a, 2007b). The challenge over the last decade has been to determine how to build sustainably while also addressing the affordability crisis.

The regulatory context of each city differed between California and Oregon, as well as between the discrete cities. They provide examples of the different ways that cities can promote Smart Growth and influence the market. This section first examines the smart regulations in California followed by an analysis of those in Oregon.

After two decades of stricter growth controls coupled with growing demand, by the 1990s, several housing advocates and city officials in Santa Barbara recognized that there was a growing housing affordability crisis along the South Coast. Housing advocates, planners, and developers sought to alleviate the affordability crisis not by permitting an unconstrained building spree, but rather by adjusting the zoning codes through the General Plan process. Zones were created that permitted the mixture of residential and commercial spaces, promoting new compact development and housing rehabilitation. Mixed-use zones allowed developers to look at new parcels with a new perspective. Several local housing advocates argued that more compact development and other zoning changes could provide housing for workers and ease regional commuting problems.

At the end of the seven-year-long General Plan update, the different factions in Santa Barbara compromised and included a program called the Average Unit Density (AUD) to allow high-density, affordable housing under certain conditions. Under this program, the city allows 250 housing units. Of the 1036 units being considered, 244 are using the AUD's affordable rental-housing program. Instead of one parking space, the city allows these units to only have one built by the developer. Dennis Peikert was instrumental in lobbying the City Council in favor of this program. The architectural charrette in Santa Barbara demonstrated that under

existing zoning laws, it was nearly impossible to build affordable New Urbanist housing. However, it also showed that tweaks to the ordinances, such as reducing required parking space, could significantly reduce rental prices. It is too early to know if the long-term goal of providing workforce housing is being achieved, but this may be a step in that direction.

The regulations in Santa Barbara convinced the architectural firm Peikert Group to hire a full-time expert on environmental land-use issues to assist public officials and private developers. This is an uncommon practice in architectural firms, and rarer for smaller companies like the Peikert Group. But the inclusion of a policy specialist makes it much easier to work within city codes and reduces the time spent complying with city zoning and other requirements. The company could proceed without as many complications during the regulatory process.

The project can be managed more seamlessly when the architectural design for the building and land-use policy compliance are done in-house. Lisa Plowman, Planning Manager for the Peikert Group, explained how this was unique for the industry in general. Usually, a developer has an architect who creates the design and a land-use consultant to help pilot the permit process. Sometimes the architect will do it, but it became more complicated in Santa Barbara due to their building rules. Traditionally, the developer has the services separated. Peikert integrated all of these functions, so that Plowman could manage the process from the beginning. She could examine construction drawings and then present them to the architects who would handle it from that point on. The land-use and entitlement process was fully integrated with the architectural rendering.

The strategy of subsidizing developers through incentives did not go unquestioned. Cole argued that subsidies weren't the best tool for cities to use to entice developers. He believed that simple, clear, but strict building standards were more effective and brought higher quality development. Cole's assumption was that the best thing the city could do for developers was not to merely shower them in subsidies and density bonuses or parking investments. If they are willing to have less parking then maybe, as he put it, they should just have less parking. Rather than giving a surfeit of subsidies, and making case-by-case choices on standards, Cole's approach was that cities can offset high standards with unambiguous rules and very straightforward processes. Form-based codes were one way to accomplish this.

The SOAR legislation in Ventura County had nudged planners to adopt form-based codes to proceed with infill development. Form-based codes,

with their emphasis on project outcome rather than land usage, allowed the city to consider in greater detail what they wanted built. In 2007, the city updated its Downtown Specific Plan for the first time since 1993. As they had to meet certain mandated state growth requirements, but were hemmed in by the urban growth boundary and the ocean, planners identified vacant or unused spaces within the city limits to develop high-density, mixed-use buildings. In addition to height and placement, form-based codes allowed them to integrate standards for various building types. The new code encouraged mixed-use development along transit corridors. Ventura went further and also included "flex-space": commercial spaces that could be converted into residential if the retail did not work out. David Ward, City Planner in Ventura, described how the form-based codes set standards for development that not only achieved the goals of Smart Growth, but also fit the surrounding neighborhood:

> What these form-based codes do, is when you have a lot of a certain size you're supposed to divide it up so it has these building increments, so you don't have the superblocks, you have selected a site is divided into two with a road going in between. It helps to integrate the project with the neighborhood and some of the [New Urbanist] principles.

In Oregon, the Metro, along with various officials from Gresham and the other suburbs of Portland, lobbied the state legislature to pass bills meant to promote Smart Growth by implementing an incentive system for developers. Oregon used three specific programs to support cities. The first was the TOD Tax Exemption (TOTE) program, which provided an abatement for developers who build one half mile from a light rail station and one quarter mile from another transit service. TOTE is a tax exemption process that is locally tailored and allows for community input on whether the developer should receive a tax exemption. Several criteria are used by jurisdictions to approve projects. These include a set minimum number of dwelling units and an integration of design to enhance transit efficiency, particularly light rail (Metro 2012b). The only cities in Oregon that used TOTE were Portland and Gresham.

During the late 1990s and early 2000s, Gresham planned to develop its transit villages by incentivizing developers to build at higher densities in its regional centers. The New Urbanist projects that took advantage of TOTE were Central Point, located in the center of downtown, and The Crossings, built near a large shopping center. Two further projects

that used TOTE: Gresham Central Apartments and another project in Portland called the Landmark. They were built prior to the study time period I had outlined; moreover, they did not contain commercial spaces nor were they mixed-use. TOTE democratizes the development process by requiring a public hearing process to determine whether or not the developer will receive the abatements. However, the City of Gresham and the Metro felt that the procedures dramatically lengthened and obfuscated the planning and development process. The city feared that this would hinder further investment. Officials from Gresham, the Metro, and Portland lobbied the State of Oregon to offer an alternative funding mechanism for Smart Growth.

Oregon passed legislation to create the Vertical Housing Program (VHP), an abatement program for developers who met specific design requirements. Abatements are available for rental and owner-occupied housing. The developer receives the reduced costs over the first ten years of the abatement if the property is rental; if it is owner occupied, the homeowner receives a partial property tax abatement for the first ten years. The VHP lowers upfront costs for developers by reducing what would otherwise be a significant increase in property taxes. This incentivizes the developer to invest in the higher-cost premiums of the project using the capital exempted from taxation. A critical difference between the VHP and the TOTE is that in the VHP there are no public hearings for each proposed development. Instead, there are meetings on the adoption of VHP within the city.

VHP bypasses the democratic process in order to hasten development. Cities apply directly to the state to establish Vertical Housing Development Zones (VHDZs). VHDZs are assessed according to their proximity to light rail stations and other mass transit stations. The developers receive the abatement from the state, but build according to the existing regulations within each city zone. The number of floors that are built determines the rate of tax exemption. There is a 20 % abatement rate for one floor of housing, 40 % for two floors, and so forth, up to 80 % for four or more floors of housing. Developers are given an impetus to build vertically.

Since the program was created in 1998, four projects have used the VHP. Only the cities of Gresham and Milwaukie established VHDZs. In 2002, Milwaukie created the special zone, VHDZ, to assist the developer and the Metro in their construction of North Main Village. The zone only encompassed the project site. In essence, the city created a whole new zone for a single mixed-use project. City officials anticipate more activity

in its downtown after the creation of a light rail line and station. Milwaukie also used the VHP to entice other developers to help increase density in its core (Metro 2007). The city had long been viewed as very "anti-Metro" and the Council had previously voted down the creation of a broad urban renewal district that the Metro had proposed. Milwaukie officials generally felt that a more cautious, project-by-project basis was needed to prevent development that may be viewed as unfavorable or unwanted by residents.

Gresham sought to intensify its compact development much more rapidly than Milwaukie. It offered a number of incentives for local businesses (Bjork 2010). In 2006, after using TOTE for a few projects, Gresham was the first city in Oregon to apply for state approval to create a VHDZ. Prior experience with the public hearing process had convinced the city that to induce private investment they would need to alleviate the developers' concerns about the uncertainty of receiving the abatement. Developers worried that if the public hearing process were held on a project-by-project basis it would entail too much risk of the TOTE application being rejected. City officials decided that a public hearing on the establishment of the zone, rather than each project, could balance democratic discussion and economic considerations. Now that VHDZ is established, developers intending to build on it are guaranteed to earn the tax abatement. In Gresham, the Beranger, developed by Peak Development, and 3rd and Central, developed by Tokola Properties, utilized VHDZ. For the Beranger, it is estimated that 60 % of Gresham's property taxes were abated from the $7 million development; 3rd and Central had 60 % abated from a $5 million development (Metro, 2012a).

The Urban Living Infrastructure (ULI), another Metro program, provides small grants to cities so that they can improve certain aspects of buildings. Ultimately, the purpose is to support urban living amenities, such as restaurants. In the mid-2000s, Phil Whitmore envisioned the ULI concept as a way to maintain community vibrancy if cities felt that it was beyond their budget or politically unfeasible. The program began in 2007 and the ideal scenario is to convert an old building in the downtown and install the systems needed for restaurants or bars. When the market crashed, the program instead focused on providing gap financing for the recently constructed mixed-use projects. Using hedonic and other types of analysis, the Metro would determine what a city needed. In Gresham, 3rd and Central was given a ULI grant to help build the ventilation system needed for a grocery store and bakery, which ultimately failed commercially. The ULI provided $85,000 that helped to cover the ventilation systems, public

bathroom, and other additional costs. North Main Village, in Milwaukie, received a ULI to help purchase specifically designed walls required to successfully separate the activities in the commercial space from the residential space. Other traditional incentives, such as fee waivers, were used to induce private investment. Unti explained that the incentive programs and government involvement enabled many aspects of the project:

> I think that we would not have been able to do it without both Metro and the city's fee waiver. One of the problems that is faced by a grocery store operator trying to do a downtown specialty grocery is that the traffic impact fees tend to be exorbitant because groceries attract people in their automobile to drive to the store. And so for even a small 5500 sq. ft. neighborhood grocery store starting, that grocer might face $100,000 more in traffic impact fees that he's got to pay before even opening the doors to his business.

Megan Steele acknowledged that there were some missteps, but that ultimately the government could choose among several developers who now had the needed technical expertise necessary to build complex, mixed-use projects as compared to Peak Development and other previous developers that the agency had collaborated with:

> So it's never just one thing to get kind of a virtuous cycle of investment happening. You need to build investor confidence in the market by showing that multiple smart and independent private sector folk think that this is the place that makes sense to do it. Anyway I think that it's not an overnight transformation. I don't know how much of that is lessons learned generally. But I will say specifically about lessons learned is that partly because the world is different now than it was 10 years ago, we can move ahead with our program and expect that we're going to be able to find developers that have had more experience.

Smart Growth entrepreneurs can form a market in a number of ways. An entrepreneurial state is often, though not always, an integral part of successful New Urbanism. Reducing the knowledge gaps between cities and developers leads to more pragmatic cooperation. It is imperative that city staff understand how market forces mold building construction patterns. Smart Growth entrepreneurs, especially private developers, must be made aware of, and appreciate the reasons why, communities may be ambivalent toward their project or outright suspicious of their motives.

To financially and operationally succeed, the innovators must familiarize themselves not only with conventional regulations such as zoning, building caps, and urban growth boundaries, but also with smart interventions including incentive programs for developers to induce private investment and attract developers.

However, one of the most crucial elements of successful Smart Growth is the continued involvement of residents. The community activists who push for growth controls must also support the high-density, infill development that results from growth boundaries and other restrictions. As Dave Ward, planner in Ventura, said:

> But we also don't have the public, so everyone who was Save Our Hillsides, the Hillsides Conservancy, the SOAR folks, Save our Open-space and Agricultural Resources (SOAR) they were a huge voice. They've all gone away because they got the policy done, and that was the highlight, it was on the news media. But it's not the day-to-day. We need those voices, and those key groups, the bicycle folks who were all interested in good streets, the affordable housing folks… you need those players, so it's not just staff maintaining that voice.

An engaged citizenry seems to be a precondition for Smart Growth. Long before Phil Whitmore, of the Metro, was considering where to place regional centers, Oregonians had voted and mobilized for greater environmental conservation and urban growth management. People like Dennis Peikert's architectural charrette were supported by a community of social and environmental activists in Santa Barbara concerned about both global warming and housing affordability. In Ventura, PLACE forged bonds between residents, artists, the city, financial institutions, and others, with their participatory development of the WAV. City planners recognized that it took more than urban professionals to make beautiful, less environmentally impactful places. Sustainable urban development, ultimately, requires sustained political activism.

Bibliography

Appelbaum, R. (1977, May–June). The future is made, not predicted: Technocratic planners vs Public interests. *Society, 14*(4), 49–53.

Bjork, N. (2010, April 21). Incentives help fill vacant Gresham storefronts. *Daily Journal of Commerce*.

Bueren, E., & Broekhans, B. (2013). Individual projects as portals for mainstreaming niche innovations. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 145–167). Cambridge, MA: MIT Press.

Bullard, R. (2007a). Introduction. In *Growing smarter: Achieving livable communities, environmental justice, and regional equity*. Cambridge: MIT Press.

Bullard, R. (2007b). Smart growth meets environmental justice. In *Growing smarter: Achieving livable communities, environmental justice, and regional equity* (pp. 23–49). Cambridge, MA: MIT Press.

Johnson, J., & Talen, E. (2008). Affordable housing in new urbanist communities: A survey of developers. *Housing Policy Debate, 19*(4), 583–613.

Kayzar, B. (2008). *The new era of mixed uses: 1986–present*. Westport, CT: Greenwood Press.

Mayer, H., & Provo, J. (2004). The Portland edge in context. In H. Mayer & J. Provo (Eds.), *The Portland edge: Challenges and successes in growing communities* (pp. 9–34). Portland, OR: Portland State University Press.

Metro. (2007). Financial incentives: Community investment tools. Retrieved from http://www.oregonmetro.gov/sites/default/files/financial_incentives_toolkit_final.pdf

Metro. (2012a). Transit-Oriented Development Program. Retrieved from http://www.oregonmetro.gov/tools-partners/grants-and-resources/transit-oriented-development-program.

Metro. (2012b). Region 2040 origins. Retrieved from http://library.oregonmetro. gov/files/natureof2040.pdf

Sadler, M. (2008). Height fight on chapala: What's greener: Cute little buildings, or big tall ones? *The Independent*. Retrieved Spring, 2012, from http://www.independent.com/news/2008/mar/13/height-fight-chapala/?print

Sagalyn, L. (2007). Public/private development. Lessons from history, research, and practice. *Journal of the American Planning Association, 73*(1), 7–22.

Schultz, C. (1977). *The public use of private interest*. Washington, DC: Brookings Institution.

Schumpeter, J. (1954). *History of economic analysis*. London: Allen and Unwin.

Shoup, D. (2005). *The high cost of free parking*. Washington, DC: American Planning Association Press.

Warner, K., & Molotch, H. (2000). *Building rules: How local controls shape community environments and economies*. Boulder, CO: Westview Press.

While, A., Jonas, A., & Gibbs, D. (2004). The environment and the entrepreneurial city: Searching for the urban "sustainability fix" in Manchester and Leeds. *International Journal of Urban and Regional Research, 28*, 549–659.

CHAPTER 5

Smart Growth and the Great Recession

The rationale for this book started as a descriptive study of Smart Growth entrepreneurs and the formation of markets for sustainable development, a seldom explored topic in urban studies. I sought to identify the institutional logics—the beliefs and assumptions—of social actors and organizations that have implemented Smart Growth and New Urbanism. Most of this book, has focused on the ways that the entrepreneurial state collaborates with individual innovators to overcome institutional barriers in the marketplace. But there is another salient temporal and structural factor in urban sustainability: the cyclical nature of the property market. The housing market crash of 2007, the Great Recession, and demographic changes, all figured prominently in how Smart Growth entrepreneurs viewed the market formation process. When the market cycle went into a downswing, so did many of the projects. The ones that didn't fail completely were nearly toppled before regaining their financial footing. This raised the question: how did broader market forces in the economy affect Smart Growth?

A few weeks before the 2011 architectural charrette in Santa Barbara, my fieldwork began with an Amtrak train ride to Portland, Oregon. Over the course of a few weeks, I visited each of the developments, ate in their restaurants, or walked about their grounds, and toured the surrounding neighborhoods. Upon arriving in Gresham, I rode the MAX light rail to The Crossings, then strolled to The Beranger, Central Point, The Kohler

E.S. Nielsen, *Smart Growth Entrepreneurs*,
DOI 10.1007/978-3-319-41027-2_5

Building, and later visited North Main Village in Milwaukie. On a separate occasion, I made the same trip, but by automobile. Wendell Cox, a critic of New Urbanist enthusiasm, has observed that when planners and designers visit Portland and other cities lauded for their Smart Growth, they often use the city's mass transit, but rarely drive to their destinations. Most city residents primarily drive to their destinations. I decided it would be best to visit the projects by both transport modes.

The buildings in Oregon had a sleek modern style with large windows, balconies, outdoor walkways, small gardens, courtyards, and other amenities. In Gresham, The Crossings displayed an architectural design that mimicked the facades of the compact buildings that line the streets of Copenhagen or Amsterdam (Fig. 5.1). However, there were few other buildings located nearby, which made it seem gaudy and overelaborate. It was an artful building, in my personal aesthetic opinion, but seemed very out of place. Metro currently owns 13 acres of land across the street. They intended for it to be another TOD project next to a movie theater and other entertainments. It is currently slated for multi-family housing, both apartments and condominiums. If the denser housing and the entertainment center across the street is eventually developed, The Crossings may be more suitable for its location. In contrast, North Main Village in Milwaukie and the other projects in Gresham were thoughtfully done and complemented the historic downtowns in which they were situated.

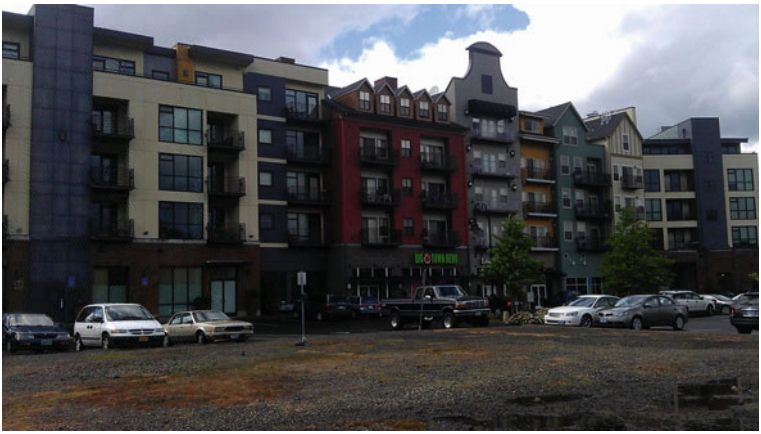

Fig. 5.1 The Crossings

Each project had one particular thing in common: the commercial spaces were completely vacant or were minimally occupied. When I first emailed several Portland Metro officials and informed them of the specific projects being studied, two responded saying that unfortunately, several of the projects had gone into foreclosure and were just coming back online. The interviews in Oregon about entrepreneurship and market formation repeatedly turned to the market crash and the failure of retail spaces. The research began to take two directions: a descriptive study of Smart Growth entrepreneurs and an analysis of how financial and business cycles impacted mixed-use development. I was shocked to find so many empty storefronts, especially at the Beranger, which was well known for its environmental amenities (Fig. 5.2).

Upon returning to California, visits were made to Pacific Pointe and the WAV in Ventura, where I also found mostly empty storefronts. Santa Barbara, an affluent tourist destination, weathered the financial storm with few vacancies. The other commercial establishments in the city fared well, but Santa Barbara's commercial activity is anomalous to the trends identified in other cities. The fiscal health of the other cases may more closely resemble the predicament of smaller American cities. Their experiences offer important lessons for academic scholarship, policy development, and organizational practice.

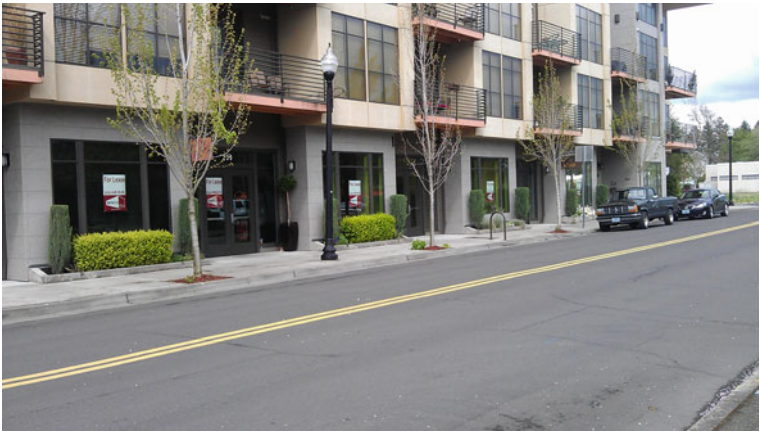

Fig. 5.2 Empty storefronts at the Beranger

Eight out of nine projects had mostly empty commercial space. Several questions arose: Is the mixed-use model a failure? Or were commercial vacancies just a manifestation of the market crash? Most importantly: can Smart Growth entrepreneurs form a proper market for urban sustainability? Not all entrepreneurship is marked by success. The purpose of this chapter is threefold: first, it examines how the financial crisis and the ensuing Great Recession impacted New Urbanist development. Second, it assesses the views expressed by various social actors pertaining to the roles of governments and markets in achieving urban sustainability. Finally, the chapter concludes by reviewing some of the insights derived from the research.

The Cyclical Nature of Property Markets

I draw from both the Austrian perspective on business cycles and also use an idealized property market cycle from institutional economics to describe how the housing boom and bust affected the development process. The Austrians, or neoliberals, propose the thesis that the housing boom was a result of decisions made by the Federal Reserve and the US government that encourage the type of risky investing that inflates economic bubbles. Moreover, they insist that bubbles are inevitable.

New institutional economists don't discount this, but rather focus on how the organization of the building industry influences market formation and cyclical behavior. When bubbles occur, a certain sector of the economy—the tech companies of the dotcom bubble, for instance—triggers a broader financial downswing that affects the various other sectors of the economy at different times and with an intensity that depends on the dynamics of the crisis. In most bubbles, the real estate market usually experiences a downturn later in the business cycle. Development nonetheless continues due to a time lag in the process of building construction. Consequently, when consumer spending dramatically decreases, the overall economy falters and the real estate market is finally hit. In the case of the Great Recession, it was the financialization of housing itself that swelled the market bubble.

It is far beyond the scope of this book to explicate the housing market crash of 2007–2008, the following financial crisis, and the myriad theories that propose explanations. The Keynesian approach, new theories from behavioral economics, or Marxist explanations are not assessed, but I urge urban scholars to use these approaches to explore the urban

development process and sustainability, in particular. My analysis borrows from the two perspectives that, while imperfect, still manage to accurately capture aspects of the crisis that are more precisely relevant to this study: Austrian, or neoliberal, theories and new institutional economics. These distinct perspectives provide ways to explore promising avenues of inquiry, such as the institutional logics of innovation, market cycles, and urban sustainability.

The crux of the Austrian Business Cycles theory (hereafter called the ABC theory) is that manipulations of monetary policy by central banks and governments distort price signals. This has a psychological effect on social actors whose investment decisions fuel market booms and bust cycles. If interest rates are held too low for too long, then borrowers will take on too much debt. Richard Cantillon, the founder of modern economics, first noted this relationship in 1755 when he assessed the Mississippi Bubble of 1730. Neoliberals and Austrian economists, in particular, emphasize that a loose monetary policy pushed by the Federal Reserve was the underlying cause of both the dotcom bubble of the 1990s and the housing bubble of the 2000s. Moreover, they argue that the housing bubble led to an allocation of more money and resources to real estate and construction at the expense of other sectors of the economy. This unequal and misplaced use of resources may be one reason for the US economy's tepid recovery.

Mises developed the ABC theory, which is now used by economists of many schools of economic thought. According to his theory, when a central bank increases the money supply, interest rates will fall below what they would have "naturally" been without the intervention. Because of (artificially) low interest rates, investors will borrow more from banks, and put their money into riskier projects searching for greater returns (profits) (Thornton, 2009). In the case of property development, they will finance more building than the market can actually handle over the long term. Mark Thornton, an Austrian economist, has summed up this theory most succinctly and maintains that it is the most accurate description of boom and bust cycles in modern capitalist economies.

The ABC theory tends to fixate on monetary policy and central banks and deprioritizes how the systemic drive for capital accumulation underlies most market institutions; central banks and governments may just be the vehicle for this fundamental process of capitalism. There is now well-documented evidence of decisions made by truly rapacious investors who pushed toxic subprime mortgages, promoted shady financial derivatives, and generally took advantage of the secondary mortgage market. Still,

several proponents of the ABC theory alerted their colleagues that they saw a housing bubble forming. Thornton warned of a bubble in 2004; Frank Shostak, another economist concerned with monetary policy, saw an unsustainable rise in housing prices as early as 2003; and Christopher Meyer, a banker, also saw a bubble in 2003. In fact, Meyer argues that a financial system based on fractional reserve banking, money deposited then lent to others, inevitably creates bubbles (Thornton, 2009). In other words, we are constantly going from one bubble to the next.

The problem with Austrian school theories is that the conclusion is always preordained: government intervention in the market is invariably ruinous—there can be no other outcome. New institutionalists in economics are less rigidly ideological. They have tried to more precisely pinpoint the institutions and organizations—whether central banks, governments, private developers, property buyers, and so on—that create or influence business cycles. Sociologists and economists generally define institutions as the parameters of social action: the rules and norms of a given social structure. Organizations are defined as groups that form within institutional frameworks for some set purpose, often to achieve a certain goal. Green building studies could be considered a branch of new institutional economics. From a sociological perspective, both new institutional economics and ABC theory provide useful ways to assess the process of urban development.

The theories of Michael Ball, a British institutionalist, are particularly well suited for the purposes of this research. Ball (1998) and Ball et al. (2002) argue that the building industry is cyclical, volatile, and has the potential to generate tremendous wealth during market upswings and incur devastating, sometimes destabilizing, losses during market downturns. He proposes a "structures of provision" (SoP) model to identify the numerous organizations in real estate and construction that form markets. This approach encourages researchers to focus on the personal and professional links between different organizations that finance, develop, and in other ways take part in property markets. In several studies of the British housing market and building industry, including cross-national studies, he identified numerous "temporary organizations" that comprise the building industry. This perspective mirrors green building studies in many ways, but focuses on how the functional organization of development and building firms influence prices and business cycles.

In a study on retail markets Ball et al. (2002) outline a basic template comprised of five stages of property market cycles:

1) Business Upturn and Development

   A property boom begins with upturns in the broader business cycle. This period is marked by low interest rates, high capital availability, growing consumer demand, and copious vacant space. Because of this abundance, empty units are filled quickly, stimulating demand for more development. As construction continues, land values increase. A bubble forms as developers and lenders both assume property values will continue to rise. Significantly for property markets, there is a considerable delay between the beginning of a development and when it is completed. During the construction process, capital values continue to rise even though more development than necessary is occurring.

2) Business Downturn and Overbuilding

   The downswing in the business cycle causes land to depreciate in value. New developments now enter a contracted market. It is considerably more difficult for commercial establishments to maintain operations as consumption levels plummet.

3) Adjustment

   Market institutions adjust to the new period of falling demand at a time of peak supply. Developers try to refinance their projects. A few succeed while others fail and file for bankruptcy. Institutional investors see real estate as becoming too laden with risk, and move their money elsewhere.

4) Slump

   During this period, the market is awash in vacant properties, but demand for them is all but absent. The remaining developers struggle while hoping that the broader economy regains steam.

5) The Next Cycle

   When the business cycle turns upward again, the process repeats itself.

As Ball emphasizes, building and development are subject to simultaneous market cycles. While housing demand and property prices tend to fluctuate with business cycles, they are also impacted by a wide range of other factors, such as demographic changes, technology (transport, communication, information, energy, and so on), locational idiosyncrasies, taxation, and others. These extraneous factors foist land and property "long cycles" onto the usual business cycles. It is precisely these two intertwined market cycles that make forecasting market booms and busts within the building industry notoriously difficult.

In the 2000s, the real estate industry, banks, hedge funds, and other financial institutions inflated the housing bubble. It was all part and parcel of an extended upward trend in the longer property cycle. Property prices had been on an upward trajectory since the 1990s. The economic crisis emanated from the development of unconventional mortgages and what can be considered financial alchemy. The mortgages often had adjustable rates that began with low payments, which later skyrocketed. Subprime mortgage lenders targeted people with little or poor credit histories. Households took out unsustainable loans for properties that they couldn't afford. Structural speculators also invested in real estate, fueling the boom. They were either unaware or unconcerned that eventually the subprime mortgage borrowers would be unable to continue making payments.

The mortgages were securitized, meaning they were bundled with other debts into packages that were then sold in financial markets. Securitization seemed to alleviate the problem of low creditworthiness among borrowers by diffusing the risk. Financial bundling went global, generating trillions of dollars of wealth for bankers, financial investors, and governments that benefited from pensions in the market and higher tax revenues. A few academics, businesspeople, and news organizations recognized that when people began to default on their mortgages, the whole system would come crashing down. As early as 2005, *The Economist* (2005) labeled the American housing bubble the biggest economic bubble in history.

In early 2007, the US housing market began to wobble. By the end of the year, it was in a full-blown crash. Financial markets went into the adjustment phase by trying to move money out of real estate and into commodity markets, which caused oil prices to rise sharply in 2008. Some people mistook the spike for the arrival of "peak oil," wherein oil supplies become unaffordable because supply cannot meet demand. It was actually global investors desperately searching for safe markets. Securitized loans had entangled most of the world's major financial institutions and they were now unraveling with devastating consequences. The US housing market crash quickly became a global economic catastrophe. When the slump began in 2008 there were over 2 million foreclosures in the US (Ferguson 2009). Most of the building projects examined in this book were conceived in the late 1990s and early 2000s, as the boom period was beginning. Several of them went into foreclosure and some development companies went bust.

Large swathes of California's cities were financially ruined by the housing market crash. It was one of four states with the highest rates of

foreclosure from 2007 to 2010; the others being Nevada, Florida, and Arizona. During 2009, foreclosures rose 20 % from the year before. Cities in California's Central Valley witnessed some of the most ostentatious overdevelopment. When the bubble ended they were some of the most severely affected communities in the country. The cities surveyed in this book saw less financial ruin than the suburbs of Los Angeles or those in the Central Valley. Still, there were telling variations. Santa Barbara weathered the crisis comparatively well—their building restrictions prevented the construction craze witnessed elsewhere. Santa Maria, on the other hand, had seen a tremendous boom in development of single-family homes and large retail establishments during the inflation of the bubble. Proportionately, it had the most foreclosures of anywhere I investigated, including the cities in Oregon. During the early 2000s, Ventura had grand ambitions for revitalizing its downtown—but the crash shelved or completely shut down these projects.

No state went untouched by the market crash, but Oregon's foreclosure rates remained below the national average. The highest rates of mortgage delinquencies and foreclosures in the state were in and around the city of Bend—a trendy place that saw a surge of development in the 2000s. The lower rates of foreclosure can be attributed to Oregon's growth management system. The Portland region, as well as Eugene, the state capital, were both enclosed by growth boundaries and were fairly well-developed, making construction costs and housing prices much higher than in Bend or Medford, cities in other less populous parts of the state. However, foreclosure rates were higher in Gresham and the neighboring Lents district than in most of the Portland region.

The cities chosen for this research are located in places where many people want to live: along the Southern California coastline or on the outskirts of Portland, Oregon. They thus have much higher property values than other cities. While they do have tighter regulations than in the rest of the country, it is their livability appeal that ultimately propels their high real estate prices. Santa Barbara, Ventura, and Gresham and Milwaukie, as part of the Portland area consistently score high on various livability measures. The burst of the housing bubble deeply impacted these cities, but the regions in which they were located were unevenly affected.

Cities across the USA now face a growing shortage of affordable housing. The regions that profiled in this study have seen land values rise once again, resulting in rising rents. High housing and rental prices have been exacerbated by the sputtering labor market. The two options for

alleviating this problem are to increase wages or build more housing in line with demand. A combination of the two may be the most sensible approach. The housing market, in 2016, rebounded and the rental market has been buoyed by demographics and changing consumer preferences. The social and environmental problems that Smart Growth entrepreneurs hoped to address with their New Urbanist developments (urban growth pressures, traffic congestion, global warming, affordable housing, among others) have only grown more acute. More experimentation with Smart Growth seems likely.

Three out of nine of the developments analyzed in this book were built during the American housing bubble, at the tail-end of a long property cycle. According to the property cycle model and the ABC theory, these projects may be entering another long property market upswing. My research was conducted during the slump period. People provided different explanations for the vacancies, foreclosures, and bankruptcies that plagued some of the projects and their developers. The following section explores various perspectives on whether mixed-use is financially viable or whether the failures were just a symptom of the market crash.

Commercial Vacancy: Mixed-use or the Great Recession?

The recession figured prominently in the development timeline of the various projects. The experience of the commercial establishments in mixed-use development was one of the most consequential findings in the research. This preponderance of commercial vacancies questions the viability of mixed-use development in lower-density cities. A pattern of unfilled commercial spaces persisted in every site except for Paseo Chapala in Santa Barbara. There was a similar pattern in Gresham, Milwaukie, and Ventura: ground floor commercial units were vacant, or had been mostly empty for years after their construction. In the case of peak development, this bankrupted the developer resulting in foreclosures. Residential units in other projects saw their rents climb to make up for the unfilled commercial spaces. As was discussed in the last chapter, the real estate industry regards most mixed-use as unbuildable or entailing too much risk. Based on their assessment, it is unsurprising that mixed-use developers would struggle during the slump of a market downturn.

Green buildings are subject to the same market cycles that affect conventional development—something that is unfortunately excluded from most studies of urban sustainability. Mixed-used projects are only viable if they house both residential and commercial tenants; unfilled units can be financially ruinous. Proponents of Smart Growth blamed the recession, while critics blamed the mixed-use model itself. The reality is murkier. Some developers and architects were overly ambitious about what the market would support, while other projects bounced back after the recession, filling their commercial spaces with successful businesses. In 2012, only one of nine New Urbanist projects had full commercial occupancy; three years later, indicating perhaps another upward business cycle, most projects had filled all of their commercial space.

Phil Whitmore, founder of the Metro TOD Program, was actively engaged in all of the Oregon projects except for the Kohler Building. He and some of his colleagues saw the market crash coming. He owned properties in Tucson, Arizona, which he began to sell for fear that their values were going to plummet. But they decided to move forward with the developments in the Portland area since construction had already begun:

> It was written in Fortune magazine and everywhere else, that there was this huge, terrible thing getting ready to happen to the world. It was really obvious. People say: "Whoever thought this was going to happen?" Well, we sure knew. I tell my boss: "I'm afraid this thing's going to crumble totally to pieces." But what am I supposed to do? The banks were not for *not* going through on these projects [Meaning, that the banks wanted to continue to support the development.] Should I tell the developers: "You're going to risk losing money, but I'm not because I think it's all going to go to pieces?" No, you keep your foot on the gas as long as you can.

Santa Barbara faced fewer problems with retail than the other afflicted cities. Its caps on commercial construction combined with careful zoning directed retail development to the downtown and along traffic corridors. In a popular tourist town, this ensured that there would be customers for these businesses. During the 1990s, Santa Barbara allowed commercial and residential spaces to be mixed along select downtown streets. The organization Smart Growth America scored Santa Barbara very highly on their "Smart Growth City" ranking; this zoning change was one of the factors that contributed to their high placement. The city's commercial areas remained vibrant through the Great Recession.

The caps on commercial building prevented the sort of overconstruction of retail found in Portland and so many other cities across the USA during the boom. The commercial market in Santa Barbara remained very strong; usable space gets leased up quickly. Vacancy rates hover around 3 %—very low—largely due to the tight restrictions on commercial development. Though commercial space may be limited, tourists continue to flock to the city throughout the year buoying retail businesses. Since commercial development has been drastically restricted, there is always pent up demand for commercial space. Even at the worst of the Great Recession the vacancy rate on the main shopping street, State Street, was still less than 5 %.

In Ventura, 27 New Urbanist projects were completely abandoned while several others were put on hold for several years. Each of the projects in Ventura had empty ground floor commercial space except one occupant space in the Pacific Pointe. The tenant of this unit was a design firm that was, coincidentally, planning and designing a more walkable Ventura. They hoped to seamlessly connect the downtown to the ocean beaches, since currently the 101 Freeway bisects the city separating the two. In 2013, a yoga studio moved into the WAV—the first commercial tenant of the building since its construction in 2009. It was still there three years later as this book went into publication.

The residential units in every project, by contrast, prospered and attracted many enthusiastic tenants. When the markets crashed, larger single-use retail spaces opened up. The rents in some of these buildings are more affordable for small businesses than in the New Urbanist projects. But the enthusiasm for residential tenancy signaled that there was demand; people were willing to pay a bit more for living in a green building or being close to a transit stop.

Harvey Champlin, a developer in Ventura, built two mixed-use projects whose ground floor retail spaces have remained largely vacant. His office is located in a ground floor unit next to the urban design firm. When he first moved to Ventura, he strongly believed in the Smart Growth and New Urbanist ideals and began work on several mixed-use projects. Before relocating to Ventura, he had built luxury hotels across the world and was excited by the prospect of settling into a small town and being able to make a difference through New Urbanism. As he proceeded with development in Ventura, however, Champlin questioned his project's commercial merit and changed his views on New Urbanism, believing it was a naively utopian concept:

> The mixed-use component for the most part doesn't work. It's a New Urbanist fantasy, and it's been forced on everyone. And every developer I'm sure, will tell you the same thing. When I sought to develop this property I wanted to develop it as multifamily residential. They forced me, I had to put in this mixed-use storefront. It sits empty. Notice that I have a lovely office here for myself, because there's no market for it. It's a fantasy. It's just a fantasy.

In the Portland region, Megan Steele, Senior Planner at Metro, contended that the ultimate cause of most retail failure in the mixed-use buildings was the building boom of the 1990s and 2000s and the consequent market crash of the late 2000s. She explained that in cities across the nation, the boom mentality raised unrealistic expectations about how much retail mixed-use projects could support. Even the Pearl District, a trendy part of downtown Portland, contained a prodigious amount of underutilized and vacant ground floor retail space while located in dense residential buildings. Steele believed that there was a fundamental misapprehension of the amount of residential density and pedestrian foot traffic needed to create a commercial shopping market. If commercial spaces in mixed-use encountered problems in downtown Portland, then it suggested that New Urbanist projects in lower-density suburbs would likely face similar troubles.

The Metro, as an organization, was frequently being told by various advisors, lobbyists, and analysts that more commercial development was warranted—and preferably single-use commercial buildings. The real estate industry was less interested in providing housing and retail together, but eagerly wanted to develop more retail establishments. Consultants were focused on how Portland's consumption rates compared with other cities. Before the market crash began, Rod Park, an elected Metro Councilor, looked at maps of ongoing commercial development, sifted through the regional socio-economic demographics, and concluded that there was too much retail being built in general. Real estate industry officials felt otherwise.

> Before the recession hit the consultants said, "We think that you're about 2 % under-retailed." I read that, I said, "Do you think the rest of the country is 2 % over-retailed?"

The recession slammed the retail portions of the Crossings in Gresham particularly hard. Upon the first site visit to the Crossings in 2011, there was only one small sandwich shop amid several vacant commercial spaces.

A corner unit of the building next to the light rail station was designed with an outdoor patio and rock terracing meant to accompany a high-end restaurant that was envisioned for the space. It sat empty for several years. On a return visit to the site in 2013, the sandwich shop remained. The space that was originally intended to hold a restaurant was now occupied by a vocational learning center. The outdoor patio and rock terracing that were meant for the restaurant remained, though unutilized. This project seems to have had the most difficulty maintaining commercial tenants.

Built in 2009, North Main Village in Milwaukie was one of the largest projects examined in this book (Fig. 5.3).It was also one of the most successful projects, both in terms of achieving its aims to enliven Milwaukie and its ability to generate investment returns. Metro remained particularly optimistic about its future. North Main Village is designed as a "community village" encompassing nearly an entire city block and amalgamates different architectural styles. It boasts of a sculpture garden that, when it rains, becomes a small, serene waterfall (Fig. 5.4). Located behind the building is a small creek side park with a protected avian habitat. These environmental amenities are aesthetically pleasing, as well as relaxing for residents and visitors. When I visited in 2011, every commercial space was occupied save for one unit. However, this did not indicate a full success story. Four years had elapsed since the development was erected before commercial enterprises began to move in.

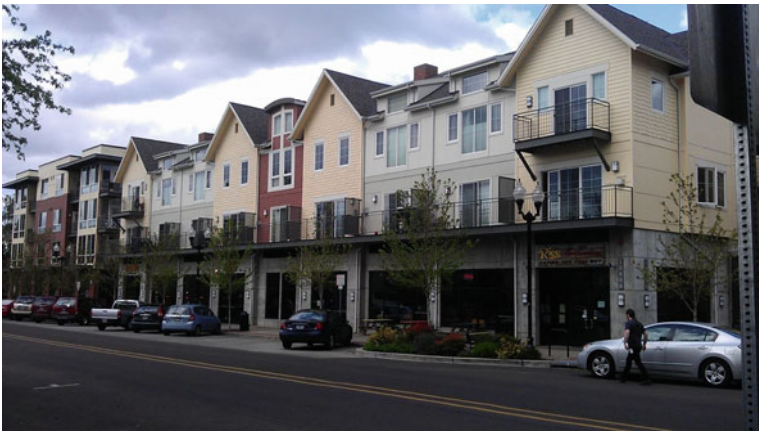

Fig. 5.3 North Main Village

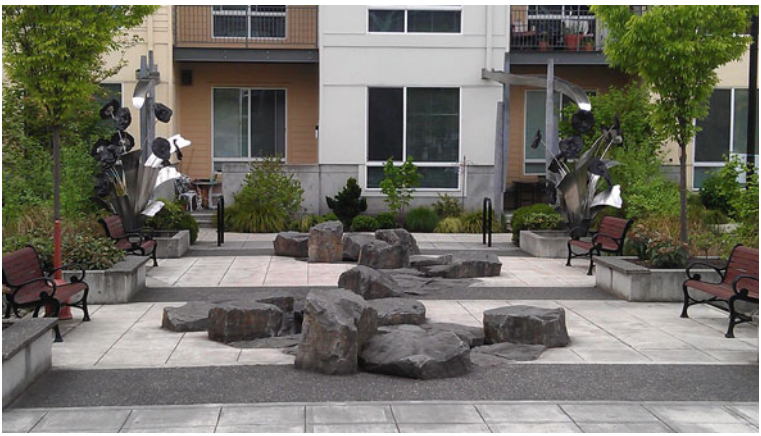

Fig. 5.4 North Main Village sculpture garden

Interestingly, the Portland Metro Steering Committee had first selected the same developer, Peak Development, LLC (limited liability company), who built most of the projects in Gresham, to undertake the project in Milwaukie. As a Milwaukie city official informed me, he was forced to abandon it because he was already overcommitted with New Urbanist projects in Gresham. Tom Kemper, CEO of Kemper Co. and developer of North Main Village, felt that retail development was a very risky venture:

> I've done a fair amount of retail development, and one of the lessons that I came away with out of that deal is that I am not going to take chances on a marginal retail location unless the numbers support real low retail rents….It is freaking expensive to do that kind of stuff. I mean it just is. And to justify new construction what you got is to get is a certain amount of rent.

Phil Whitmore, head of the Steering Committee at the time, knew that North Main Village struggled, but explained that it was hard to assign causal blame. The problem with North Main was that it was difficult to rent the ground floor retail at a rate that would be commensurate with the financial risk of the project. The small town of Milwaukie was simply not yet ready for such high commercial rents. Whitmore felt that Kemper, the developer, had appropriately priced the rent. But there still wasn't enough foot traffic to warrant rents in the $18–20 a square foot range, which is low for some places, but appropriate for Milwaukie.

When asked if there were any lessons to be learned from his experience with mixed-use, Kemper explained that mixed-use is difficult, but that the state of the broader economy really clouded what could be ascertained about the success or failure of New Urbanism.

> See, it's hard to say lessons learned because so much of that is colored by what's happened with the economy since '07. I mean it has just been, frankly, I'm sure you are aware, it's a developers' nightmare. It isn't bad it's really bad.

The firm Kohler, Meyer, and O'Hanlon did not use subsidies from the Metro, state, or city to build their project. Subsidies were unavailable in 2002 when the Kohler Building was developed. Kohler was ideologically opposed to government funding of development. However, he said that from a pragmatic business standpoint, in a competitive market, it would have been incumbent upon his company to look into the possibility of using subsidies if they had been available. It was a big risk to develop a mixed-use project without the financial support of local and regional governments. The Kohler Company completed one nonetheless. But it too struggled to maintain commercial occupancy. His experience with retail mirrored most of the other developers interviewed:

> We knew it was going to be a struggle, and it has been. I think we've gone through really good business plans, we require business plans for all ground-floor tenants, and we've seen some very good operators and business plans for the retail. And I think we've gone through approximately 27 tenants; still not stabilized. I think we are getting closer to being stabilized but, but that's a lot of tenants to go through. There are a lot of costs when you go through that number of tenants too.

Kohler said that mixed-use was a challenge, but if it is located in the right places it could be wildly successful. "Old-timers" in the industry had managed to do lots of it, he pointed out. Most of the projects in Gresham were located along light rail lines or in the downtown, where the city was actively trying to jumpstart the local economy with various programs for small businesses. These were prime locations for what New Urbanism is trying to achieve. He pointed out that the initial failures of the Metro funded projects would eventually lose their stigma. They would, he believed, find tenants, be successful, and add to the vibrancy of downtown

Gresham. He did not view the mixed-use model itself as a failure. Kohler viewed the confluence of Metro favoritism combined with unavoidable financial collapse as the reasons for the hiccups in the commercial market.

The commercial failures cannot be divorced from the property market crash and the economic recession that ensued in 2007. This suggests that political economists and sociologists who study urban sustainability should keep an eye on market cycles in the broader context of demographic and technological change, and geographic idiosyncrasy.

Governments and Markets, Liberalism and Neoliberalism

While there may be agreement on the need for dense development and integrated transit systems, interviews revealed stark ideological differences between social actors. In this section, I classify some actors as liberals or neoliberals based on their expressed views concerning the role of government and markets for Smart Growth. *Liberal,* in this sense, refers to the normative belief that governments can intercede to guide or support markets through the provision of infrastructure, gap financing, and other subsidies and incentives. They believe that market economies work most optimally when guided by the state. Like Polanyi, and the scholars who identify with the political economy perspective, they see problems with a solely market-driven approach to planning and development. *Neoliberal*, as used here, refers to the view that governments should not be involved in changing, let alone managing or directing, urban land-use markets. Many adhere to the Austrian school of thought. They are fiscally conservative, in the American sense. It's important to state that the participants never referred to themselves using these terms, but the two concepts can help us sort out the variation in attitudes toward market and government behavior.

In this section, the liberal perspective is contrasted with the neoliberal, a distinction often glossed over in other studies on Smart Growth. Public-private partnerships (PPPs) are usually brushed under an all-encompassing conceptualization of neoliberalism (see Sager 2011). This is facile and fails to adequately account for the varied practices found in real world planning and construction, as has been discussed throughout this book. Specifically, "liberal" in this chapter refers to agents who believe that Smart Growth is feasible when guided by governmental action, citizen participation, and assisted by public investment. The "neoliberal" view, in contrast, holds

that Smart Growth is infeasible unless it can succeed without subsidies and other forms of government intervention. Often the term "neoliberal" is used in a pejorative sense. This is not the intention here. Rather it is used to point out an important and consequential distinction between attitudes on government involvement in commercial markets.

Smart Growth and New Urbanism both currently rely upon a liberal regime for development; market-driven neoliberalism does not support the risks inherent in Smart Growth. Liberals in favor of intervention countered that governments must attend to a host of citizen and resident concerns that go beyond what markets can provide. Moreover, they assert, policies always influence the market and, in this case, the task for public officials is to identify the most effective ways that governments can intervene to shape real estate markets toward Smart Growth.

The primary point of debate regards the funding of New Urbanism. The divide on this issue is largely ideological. Liberals maintain that public institutions appropriately manage urban growth. Most capital market institutions prefer sprawling, investment-returning commercialism instead of what city residents may think is ideal for the community and the environment. In this sense, most respondents interviewed for this book can be considered liberals on land-use issues. Several public officials and private developers viewed government intervention as a way to handle projected population and economic growth. Neoliberals argue that unfettered, self-regulating markets should direct urban growth patterns (O'Toole 2009; Sager 2011). There were only a few people who were completely opposed to government involvement in urban development and because this is a purposive sample, their criticisms are important to document and evaluate.

A crucial difference between the New Urbanist development in Oregon and California lies in regional governance. Debates over markets and governments were far more ferocious in suburban Portland, Oregon. Local blogs, comments under news articles, and other sources, illustrated a pugnacity prevalent among those opposed to the Metro. The tenor was critical and often hostile toward the agency. As detailed in this book, Metro created several PPPs with select cities and development firms across the region. Neoliberals alleged that this resulted in bureaucratic cronyism and wasted public funds. Self-described libertarian analysts, such as Randall O'Toole and Wendell Cox, as well as other activist groups in Oregon, have long been focused on curtailing the Metro's authority in land-use planning and development (Cox 2012; O'Toole 2009). The centralized, regional government of Metro exemplifies many things abhorrent to neoliberals.

The situation in Oregon does not imply that California thus has a strict neoliberal approach. Disagreements over governments and markets were less pronounced in Santa Barbara and Ventura than in Oregon. There is no regional agency that funds or plans individual building sites, so development is a municipal issue. Both Californian Smart Growth cities, though, share a cautious recent history of urban growth and have instituted various growth controls for decades and so developers have grown accustomed to their regulations (Warner and Molotch 2000). Liberals and politically conservative factions alike within the city of Santa Barbara have generally favored a strong regulatory framework to manage urban growth. The neoliberal market perspective has been muted and political debates have pivoted toward what measures are needed to maintain the control of growth, but also provide more affordable housing. Lee Moldaver, a Santa Barbara environmental activist, pointed out that the last pro-business City Council was in 1980. They flipped over the majority in the City Council in 1979, and in 1981, and the city has never re-elected the groups in favor of intensive development.

The actions by Portland's regional agencies have directly engendered neoliberal opposition. The Cascade Policy Institute, a libertarian think tank, was one of the leading critics of the Metro's endeavors. Unlike other neoliberal groups, the Cascade Policy Institute is not necessarily opposed to rail systems or sustainable development. Rather, its members argue that Metro and TriMet should abandon urban planning, designing, and development—and especially avoid high-risk projects. The Cascade Policy Institute is particularly focused on the subsidization of Portland's MAX light rail system and also scrutinizes the accompanying TOD projects. Members of the think tank allege that land and building subsidies have created more housing and transportation problems than they have alleviated. These systems, in their view, should be privatized as much as possible.

In my research, John Charles, the Vice President of the Cascade Policy Institute, was the de facto spokesperson of neoliberal critique of publicly financed Smart Growth. He had previously worked as head of the Oregon Environmental Council before joining the think tank as the Director of Environmental Policy. When he moved to Oregon from the east coast, he was initially enthusiastic about Portland's light rail and high-density development—he hoped it would imitate mass transit in New Jersey and New York. However, after several years in the area, he grew disenchanted with the Metro and TriMet projects. In his view, these were govern-

ment agencies that had become far too ambitious in what they sought to achieve. Moreover, they were using public tax dollars to fund their TOD experiments. Charles didn't view the MAX light rail as being worth its cost and saw the accompanying developments as wasteful government interference with the market.

In a report published by the Cascade Policy Institute, Charles argued that the subsidization of TOD by the Metro has squandered millions of public dollars on failed development projects. He did mention that after studying some of the developments, primarily in Portland itself, he had grown personally fond of them. Still, their positive features didn't justify the millions of public dollars spent on their construction and maintenance. More importantly, the experiments had shown, in his view, that New Urbanism is not an economically sustainable form of urban development because it requires government assistance. When asked to elaborate on this point, Charles stated:

> People just need to see reality the way it is. And almost every TOD I know of, that I've ever looked at, required subsidies. And by definition, if you have to subsidize something then it's not a sustainable business model. Someone has to make money somewhere. So, if you're intending to subsidize every single project, that's not workable.

As mentioned, the developer Cliff Kohler generally opposed government subsidization in the real estate market. It created distortions, favoritism, and was a misuse of tax money. He was not a dogmatic ideologue, but had strong feelings about the appropriateness of government involvement in property markets:

> The purpose of taxpayer money, if it has a purpose, and a legitimate role to play, might be to do a demonstration for the private marketplace to demonstrate something that hasn't been done but was part of a goal statement and it just needed to set out to establish that product type and it to come out of the dirt and become successful, so that the lending institutions would then see somewhat of a track record and say: "Oh yeah this can work."

In his view, the funding for the projects discussed in this book went far beyond demonstrations. Kohler was particularly incensed by the Metro subsidizing a single company for the construction of four New Urbanist projects. The firm, Peak Development, built the Crossings, the Beranger,

Central Point and was also the initial developer for North Main in Milwaukie. The companies that worked with the Metro received substantial government funding for their projects. Developers who did not work with the Metro felt they were disadvantaged. Neoliberals viewed this as a violation of competitive market principles.

Kohler and others, such as the Cascade Policy Institute, alleged that this invariably results in cronyism. Some companies are able to dominate the future of the market because they colluded with the government. This is a long-standing critique of government and business collusion voiced by both left wing progressives and libertarians. Charles maintained that once they figured out how to navigate the regulatory and incentive systems, many developers and local public officials knowingly or unknowingly distort the market. Developers are very pragmatic; they are not normally driven by ideology and will take advantage of incentives when they are offered. In Portland, proponents of this system have "learned how to play the game," according to Charles.

The market crash walloped the New Urbanist projects just as many of them opened their doors to the public. Additional planned development, which would have added to the density of the Gresham and thus the customer base for retail, were canceled or put on hold. Peak Development, the building firm that developed four of them, went bankrupt. Each of these projects was the product of years of collaboration by the Metro, the city government, and the developer. Metro continued to financially reinforce the developments through the economic slump. This irked other local developers who believed that they were flawed ventures to begin with and were being rescued by the Metro while other more prudent developers floundered. Kohler held that the Metro misread the market:

> All the ones that Metro set out for demonstration projects, they all failed. Even after all of the investment, all of the taxpayers support, all of the propping and all the things that they were given, they still failed. What's the conclusion you can draw from that? I draw the conclusion that you can't swim upstream when it comes to market realities. If you try and swim upstream against the prevailing market realities you're going to drown, and no matter how much extra resources are thrown into it, there's still the basic market realities.

He also argued that the commercial space failed because the Metro was using quixotic models to assess what the market could handle. Their

expectations for commercial activity were out of sync with what the contemporary markets would have deemed possible. For instance, when The Beranger went on to the marketplace, it was having to sell in the range of $250–275 a square foot, prices not seen in Gresham. His company had never even probed through $150 a foot and yet the Metro's models presumed that there was capacity in the marketplace to absorb $250–300 a square foot. Kohler pointed out that a bank alone would not have done that: "Nobody in the private sector in their right mind would have done that, and for good reason."

The Crossings was by far the most expensive and ambitious project in Oregon. It glossed the front of several of Metro's brochures and was a signature development for the program. Peak Development received significant subsidies from the Metro to build it, along with the other projects in Gresham. Today, The Crossings receives mixed reviews within the Metro and outside of it. Whitmore was instrumental in all aspects of its planning, design, and construction. He paid fastidious attention to detail, but some thought he was being overly ambitious. There were several people who believed that the Metro should have stopped subsidizing the Crossings much earlier than it did. Partly as a result of the experience with Peak Development and the Crossings, the Metro no longer engages so closely in the architectural design of projects. Instead, they assess plans and designs that are brought to them by developers who have site control.

In addition to private critics, some local governments were also skeptical of the overarching powers exercised by the Metro. Milwaukie had long had a reputation of opposition to Metro. The members of the City Council were also initially opposed to the light rail line and station that were proposed, and later built, near the downtown. In fact, the City Council members who were most closely aligned to the Metro were voted out in an election and replaced by a Council that was opposed to regional planning. Phil Whitmore explained his experience trying to convince the city that New Urbanism would benefit them:

> I really felt that here was a community that was fundamentally very, very, very anti-government and very anti-Metro, and very anti-transit, and very anti-everything, and that suffered for itself. And, I mean, in other words, this is a community that would tend to hurt itself constantly by its ideology. And it was an ideological aberration in the midst of this liberal transit groove, that's still all over Portland.

Metro and other city officials, as well as developers who supported subsidies, feared that an unrestrained market would not accommodate the projected population growth within the UGB; UGB, they insisted, must be preserved to prevent development from paving over the agricultural and forest lands that ring around the metro area. Voters have also continued to support UGB (Layzer 2012).

Yet, a market for Smart Growth began forming across the region. One indication that the entrepreneurial efforts were beginning to pay off in the Portland area was that larger corporate developers became enamored with the idea of compact, mixed-use development. Megan Steele, Senior Planner at Metro, averred that this was the market shift toward Smart Growth that had always been intended. Rather than being an unsuccessful intervention, Metro's involvement with smaller developers in the suburbs demonstrated to the markets that high-density, mixed-use projects could be built in low-density neighborhoods and cities. Steele explained how the focus of development companies was evolving:

> The corporate folks had finally understood that this is where the market had gone. And so now, you know, we have companies that are national home building companies that are interested in doing these new product lines and maybe they haven't been experienced, haven't worked with this market, or done this particular thing, this type of product yet, but they have a corporate infrastructure and expertise. That's different than working out of a shoebox.

After the market crash, the ensuing recession created a particularly challenging financial environment for New Urbanism. Unti, CEO of Tokola Properties, mainly blamed the economic recession for the retail troubles and steadfastly believed that government intervention was necessary for successful mixed-use construction because the risk is too high for most private developers. Unti explained that his company was able to build the project, 3rd and Central only with the support of the programs provided by Metro and the City of Gresham:

> And you know in that recession everyone was, and today we're still, everyone is risk adverse. More than we've ever seen because it was such a difficult time, and small businesses were not willing to face all the front-end costs. You know, it's risky enough opening a new business. So, clearly without the combination of the city's [Gresham's] program and Metro, we wouldn't have done this. No question about it.

Differing outlooks on the role of markets and governments are not unique to the real estate industry or urban planning. Most urban political economy research, however, too readily conceptualizes developers and planners working synchronously to garner profits and revenue. Few studies have examined the actors' variegated perceptions of markets and governments. In concert with Kimmelberg's (2010) findings, real estate actors are far from an ideologically homogenous group—aside from a desire to build profitable projects. But homogeny stops there once discussions of project funding begin. There are some neoliberal developers and political analysts that view PPPs, as well as government regulation and incentives, as distorting what, in their view, would be a market in equilibrium.

Most participants held a liberal view on the need for an entrepreneurial state that shapes but also responds to markets: planners and city governments need to regulate and incentivize development to achieve outcomes that are in the long-term interest of the city. Santa Barbara's long history of citizen activism pushed political leaders to administer strict building regulations to prevent development that would otherwise threaten one of the last major undeveloped areas in Southern California. Liberal interventionism was also evident in Ventura's city government. Members of the City Council, the mayor, and the city manager, all endorsed several of the New Urbanist projects. Gresham, Milwaukie, and the Portland region are still witnessing Smart Growth development—and debate. Disagreements over the proper amount of government intervention are bound to continue as cities are pressured to address environmental problems caused by urban growth as well as their housing affordability crises.

Conclusion

I chose a unique moment in history to conduct a study on sustainable property development. For the purposes of consistency and rigor, I decided to use the first decade of the twenty-first century as the timeframe to examine green building development. The 1990s witnessed the birth of organizations such as the Congress of the New Urbanism and Smart Growth America and the publication of several books and articles promoting compact development. By the 2000s, the concepts and principles of Smart Growth and New Urbanism were being gradually integrated into city plans across the USA. But this decade also witnessed the inflation and burst of the housing bubble, the concomitant financial crisis, and a renewed debate over the functions of governments and markets. Most of

my interviews were conducted in 2012 and later; they reflect the trauma that cities had endured and passionate views on what governments, markets, citizens, and consumers should do going forward.

We can consider the success of a project as measured both by its economic viability and by how well it matches the original vision of the project or how well it meets the broader social and ecological goals outlined by various Smart Growth principles. The findings considered in dialogue with the literature raise questions for Smart Growth entrepreneurs. Projects in both California and Oregon experienced strikingly similar problems with mixed-use. However, Santa Barbara and Ventura also see global tourism, attracting pedestrian shoppers. In Oregon, the cities were impacted much more severely by the Great Recession. The recent acceleration of housing prices has also threatened Portland's regional same forces of creative destruction that have rendered obsolete the once predominant indoor mall: Internet retail. Cities must thoughtfully consider this abrupt change in consumption patterns when they draw up city plans, zoning ordinances, building codes, and so on. This is not to say that in the future all economic transactions will be done in cyber-space rather than in the commercial space of a building; people still like the physical experience of shopping. Nonetheless, building commercial space is risky and can only be supported in places where there are frequent pedestrian shoppers.

Santa Barbara had the most success with their commercial spaces, but the city is a global tourist destination and attracts money from far and wide. Gresham, Milwaukie, and most small cities in the country aren't in such a financially enviable position. Still, even Santa Barbara's commercial sales have tumbled in recent years in competition with Internet retailers, according to Paul Casey, now Santa Barbara's City Manager. This does not bode well for retail spaces in pricey green buildings. Perhaps, commercial businesses that don't sell products that are easily found on the Internet, such as cafes, restaurants, yoga studios and arts galleries will endure and perhaps even thrive in dense, New Urbanist developments.

Bibliography

Ball, M. (1998). Institutions in British property research: A review. *Urban Studies, 35*, 1501–1517.

Ball, M., Lizieri, C., & MacGregor, B. (2002). *The economics of commercial property markets.* New York: Taylor & Francis.

Cox, W. (2012). What is a half-urban world? New geography. Retrieved December 8, 2013, from http://www.newgeography.com/content/003249-what-a-half-urban-world

Ferguson, N. (2009). *The ascent of money: A financial history of the world*. London: Penguin Books.

Kimmelberg, S. (2010). Inside the growth machine: Real estate professionals and the perceived challenges of urban development. *City & Community, 10*(1), 76–99.

Layzer, J. (2012). *The environmental case: Translating values into policy* (3rd ed.). Washington, DC: CQ Press.

O'Toole, R. (2009). Smart growth and housing. In R. Holcombe & B. Powell (Eds.), *Housing America: Building out of a crisis* (pp. 83–99). Oakland, CA: Independent Institute, Transaction Publishers.

Sager, T. (2011). Neo-liberal urban planning policies: A literature survey 1990–2010. *Progress in Planning, 76*, 147–199.

The Economist. (2005, June 16). In come the waves. Retrieved from http://www.economist.com/node/4079027

Thornton, M. (2009). Smart growth and housing. In R. Holcombe & B. Powell (Eds.), *Housing America: Building out of a crisis* (pp. 237–262). Oakland, CA: Independent Institute, Transaction Publishers.

Warner, K., & Molotch, H. (2000). *Building rules: How local controls shape community environments and economies*. Boulder, CO: Westview Press.

CHAPTER 6

Conclusion

In 2016, as this book goes to press, USA is entering another affordability crisis. Housing and rental prices are skyrocketing in both California and Oregon. California's economy is booming once again spurring growth pressures in some communities. Santa Barbara barely felt the financial crisis and Ventura's economy and development plans have rebounded. It may be too early to conclude whether or not they are experiencing housing bubbles, and whether they are regional, national, or global. Housing price rises are certainly pricing out the middle-class. The stagnation of middle-income wages has exacerbated the affordability crisis in California's coastal cities. Nonetheless, both Santa Barbara and Ventura are building New Urbanist projects to provide housing for at least some of their workforce.

The situation is strikingly similar in the Portland metropolitan area. Prices have been climbing steadily for decades, but have jumped since the end of the recession. Rents for apartments are rising at a rate of 14 % per year. Half of Portland's residents pay more than 30 % of their income on rent; making it, by definition, unaffordable housing (Semeuls 2016). Increasingly, they are resettling in suburbs such as Gresham and Milwaukie. Milwaukie is geographically constrained by the Willamette river and two freeways. The addition of a light rail stop has helped connect the city to Portland and the surrounding region, but it may not see much more New Urbanist or economic development.

E.S. Nielsen, *Smart Growth Entrepreneurs*,
DOI 10.1007/978-3-319-41027-2_6

Gresham, on the other hand, looks set to continue to grow. Roughly 45 % of Gresham residents work in Portland; only 17 % of Gresham residents work in Gresham itself. The city's supply of housing is provided by what is known as "filtering," in which the housing built for higher-income groups becomes worn and depreciates over time, eventually becoming affordable market-rate housing for lower-income groups. Gresham, therefore, is actively encouraging more infill, specifically high-density, rental-housing development in poorer neighborhoods, along mass transit, and in or near the downtown. Infill development makes use of vacant lots and helps to ease the housing crisis by applying downward pressure on rents. The hope is that over the long term the area becomes more affordable and Smart Growth designs will provide a multitude of other benefits (Weinberger 2015).

More construction permits have been approved in the city in the last two years than at any time since the financial crisis. Permit applications for construction of commercial units have actually reached an all-time high. Residential, both single-family and high-density, multi-family housing has also begun booming (Weinberger 2015). The city's policies on development, such as dramatically reducing the permit review process, have ushered in a period of frenetic building activity. As Whitmore pointed out, reducing the time required to review a project will entice developers more than anything else. All of this activity suggests that cities may increasingly turn to Smart Growth and New Urbanist principles for guidance to provide more development.

As a sociologist, during the course of the research, my focus was not necessarily on the technical aspects of the planning or the financing of development, but rather on the social actors and institutions that were engaged in promoting, planning, and developing New Urbanist projects. After reviewing the literature in urban sociology, the growth machine theory stuck out as a useful way in which to explore the development process. Specifically, I was most interested in the capability of these building principles to disrupt the real estate industry and begin an ecological modernization of urban development. I wanted to know if there was a distinct set of social entrepreneurs who didn't fit the description of the conventional growth machine. My findings suggest that there are Smart Growth entrepreneurs, but perhaps less distinct than I had initially believed. Despite their innovations, the industry, consumer trends, and city governments did not readily adopt their proposals.

I was intent on widening the analytical lens beyond the limited focus of most qualitative case studies in urban sociology. Regional thinking is a component of Smart Growth principles. I determined that studying a few cities as if they were discrete units would fail to capture the regional dynamics of urban growth management. Although the final number of Smart Growth case studies ultimately ended up being fairly small (4 cities), they were placed within a larger regional context of 11 cities. It allowed for a richer picture of why some cities may witness more Smart Growth planning and development. Without providing a background of the Metro's regional planning goals, it would have been difficult to grasp the political and economic situations in Gresham and Milwaukie. Similarly, the effects of commuting, employment, and housing trends in the California region I examined, bolstered the efforts of those who advocated for New Urbanist housing development.

One of the other objectives of this study was to identify the ways in which people and institutions captured by the simple concept, Smart Growth entrepreneurs, pushed their innovations onto the market. The primary motivation of this book was to ascertain as to whether the actors and institutions that developed New Urbanist projects were distinct from those described in decades of growth machine studies and whether or not Smart Growth is a disruptive force in urban development, thereby leading to an ecological restructuring of the process that would be consistent with ecological modernization.

The book provides a snapshot of Smart Growth entrepreneurs and emphasizes the centrality of market forces in sustainable urban development. After placing the building sites in their regional contexts, the findings can be distilled into four distinct areas: first, social entrepreneurs in planning and development collaborate with one another to undertake the formation of markets for Smart Growth. These innovators were found in government, development companies, architecture and design firms, and in the cities themselves. They are endemic to New Urbanist development because sustainability currently requires organizational innovation. Smart Growth entrepreneurs shoulder enormous risk to develop projects that are deemed less buildable than the typical residential apartments or commercial shops and stores. The conventional kinds of development are less risky and uncertain and achieve a more predictable rate of capital accumulation, making lenders and investors less reticent about financing urban sprawl.

The second area pertains to knowledge gaps, institutional barriers, and community relations. These can all obstruct smooth working relationships

between government and market actors. People in each sector have valuable knowledge and skills but often have difficulty communicating them to one another. Smart Growth requires technical expertise to address the greater complexity of construction financing. Smart Growth invariably also requires experts on sustainable planning and construction—know-how that is new to established communities of practice in the real estate industry. However, the cities I examined have seen more Smart Growth entrepreneurs and New Urbanist designs spring up. This indicates that markets may be shifting.

Ultimately, the knowledge gaps are the consequence of different types of technical expertise in government, in business, and in the science of sustainability. Every building project faces knowledge gaps of one sort or another, but Smart Growth aspires to achieve a socially and ecologically sustainable vision of planning and development. During the course of my research, I came to have a great personal respect for the specialties that each participant brought to the process and the underappreciated grunt work that many of them did. This aspect of Smart Growth and New Urbanism is glossed over in the fervor for sustainability, but the devil resides in the details of urban sustainability.

There was near unanimous agreement among the respondents that public officials often lack a strong background in economics and that this knowledge gap can lead to overly optimistic visions of Smart Growth. People in the building industry—developers, designers, and architects—often had a more accurate conception of what problems Smart Growth development would encounter. Public officials, it was found, generally do not have familiarity with the broader financial lending industry—the entities that really determine what a developer is able to build. Developers assemble a team of architects, construction companies, and others, to build a project that has been approved by financial lenders. Too often, public officials believe that the developers themselves have vast sums of money to spend and build at their discretion. This is not normally the case: the institutional investors and lenders determine a developer's building discretion.

Community participation, especially relating to density, was seen as both a compliment to an engaged citizenry and as, occasionally, a hassle for developers. In every city, participants described varying degrees of opposition to higher densities. The community that portrayed the most political ferocity over proposed Smart Growth was Santa Barbara, California, while the community of Gresham, Oregon saw the least oppo-

sition to higher density, according to fieldwork. High unit density, a basic feature of New Urbanism is often misconceived as stereotypically crime-ridden towers in large cities. Many problems with community perception were described. The respondents indicated that they had learned how to articulate their projects in ways that would result in less misperception. Many city officials described a disconnect between community approvals of growth restrictions and their opposition to the compact development required to accommodate population change as a result of different types of land-use restrictions. For example, urban growth boundaries provide the impetus for infill development.

Third, my research explored the implementation of policies meant to enable sustainable urban development. Smart Growth entrepreneurs collaborate to create, or operate within, "smart" regulatory frameworks. These can include regulations and incentives to induce investment for these riskier projects. Broader restrictions such as building caps and growth boundaries compel developers to consider denser, more compact designs. Portland and the state of Oregon have pioneered new, state-of-the-art ways to restrict certain kinds of development in some places while incentivizing other kinds across the region. Many cities in both California and Oregon fiddled with their zoning ordinances and parking requirements to minimize risk and allow developers to have a little more financial reassurance that they could build a New Urbanist project.

Finally, the book determines some of the ways that the market forces affect urban sustainability. If the real estate market is discussed in most studies of urban sustainability, it is usually an afterthought, with more pages devoted to architectural design, zoning modification, and policy formulation. The experience with retail spaces vividly showed the centrality of the property market cycle for Smart Growth. It is important to re-emphasize that the commercial space struggled in every project except for Paseo Chapala in Santa Barbara. These findings are consistent with previous studies on the feasibility of mixed-use (Grant and Perrott 2011; Gyourko and Rybczinksi 2000). There are many considerations that a developer must be aware of when mixing residential and commercial units in a single building, often concentrated on the materials used to separate the two uses and the safety systems that need to be in place.

Furthermore, different uses require different insurance and building standards complicating the process. The regulatory framework in Santa Barbara, however, prevents too much retail or office space from being built. This stands in contrast to the Portland area where it was acknowl-

edged that retail space had been overbuilt during the property bubble of the 1990s–2007. This suggests that mixed-use, built in cities with an abundance of retail space, may face greater challenges during downturns in the property cycle than cities that place greater restrictions on commercial development.

The future of mixed-use is uncertain. It seems clear that it can be perilous unless developed in places where there are frequent pedestrian shoppers. Santa Barbara had the most success with their commercial spaces, but the city is a global tourist destination attracting tourist money from far and wide. Gresham, Milwaukie, and most small cities in the country aren't in such a financially enviable position. Still, even Santa Barbara's commercial sales have fallen in recent years in competition with Internet retailers, according to Paul Casey. This does not bode well for small specialty stores in pricey green buildings.

It seems that mixed-use may succumb to the same force of creative destruction that has rendered obsolete the once predominant indoor mall: online shopping. Cities must thoughtfully consider this abrupt change in consumption patterns when they draw up city plans, zoning ordinances, building codes, and so on. This is not to say that in the future all economic transactions will be done in cyber-space rather than in the commercial space of a building; people like the physical experience of consuming. Still, the changes in consumption patterns must be taken into account if trying to thoughtfully consider the need for commercial development and where it would be most advantageously situated.

Cities and regions must consider more flexible and adaptable uses for buildings or certain locations. Ventura has demonstrated creative initiative by adopting form-based codes and encouraging "flex-spaces" where commercial units can be easily converted to condos or other uses if necessary. Both of these are propitious approaches. Form-based codes are developed on a project-by-project basis, which make them more amenable to neighborhood concerns. Flex-spaces can allow the property manager to experiment with what type of establishment should occupy the ground floor. If the project is located somewhere that has low levels of foot traffic or if, as happens, the pedestrians go elsewhere, rather than go through potentially several commercial tenants the unit can be turned into additional housing—something that many communities may need more than a store.

Smart Growth generates debate on who should direct and fund the development. Neoliberals argue that governments should not be involved in subsidizing development that would not be supported in the current

real estate market. On the other hand, liberals maintain that government steering markets using regulations and incentives can best achieve Smart Growth. It would be premature to stridently argue for one approach or the other based on the research provided in this book. Nonetheless, some points can be made that are worth considering for future research.

Neoliberals who contend that the government should not be involved in Smart Growth argue that if something requires subsidization it is inherently not a financially feasible business model. They argue that the market clearly favors single-family homes and conventional apartment complexes for living and automobiles for transit. This is partially accurate. It is true that the market has generally favored the traditional sprawling development that is embodied in the ideals of the American Dream. Yet, the neoliberal perspective ignores the historical development of markets. The predominance of single-family homes and automobiles is largely a result of federal programs that began in the 1930s, such as the backing of home mortgages and the subsidization of freeway construction. Liberal proponents of Smart Growth recognize that government funding was necessary for sprawl to become predominant and is also necessary to transition to alternative forms of development. Whether the Smart Growth market can be as viable as the market for sprawl remains to be seen.

It is beyond the scope of this book to determine whether or not these projects can be clearly labeled as absolute failures or successes in terms of the impact on local and planetary ecology and community or if the projects substantially altered land-use policy. Whether they do succeed at their social and ecological aims is in some ways of secondary importance to how their success or failure is perceived by social actors whose actions play out in markets. These perceptions contribute to the broader narratives on Smart Growth and the future.

The research presented in this book opens the door for future exploration. I suggest three essential paths of inquiry: first, replicative studies ought to be carried out to confirm or disconfirm these findings. Second, further analysis of the relationship between an entrepreneurial state's actions and the property market, which requires further exploration of the real estate and construction industry. Smart Growth entrepreneurs ultimately must rely on financing from public institutions, private lenders and investors, or in the case of non-profits, charitable donations. As Passell notes (2013) in his research on New Urbanism, the profit-making requirements inherent in the real estate industry can prevent urban development from being done sustainably.

The three theoretical approaches that have guided this research—catallactics, political economy, and green building studies—have identified the complex ways that markets, governments, and the institutional logics of sustainability, intertwine. Downturns in the market ravaged nearly all of the projects that I examined. Most planners are not taught economics and finance, however, and do not always incorporate construction costs, parking financing, and so on, into their designs. Ignoring market forces can, thus, result in quixotic endeavors. Political systems and structures are elemental to urban land-use development. A survey of property markets alone is not enough to understand the political complications that arise when trying to propose a new direction for a city or neighborhood. Green building studies provide the most precise theoretical and methodological approach moving forward.

I wish that I could end this book by unequivocally stating that Smart Growth is a panacea for our social and environmental problems and the entrepreneurs who practice it are urban heroes rescuing us from our disillusioned relationship with our cities. Unfortunately, the impediments to enacting the original principles of Smart Growth, and particularly mixed-use New Urbanist development, seem nearly insurmountable. As this book has shown, this type of development works better in some places than in others. A high density of pedestrian shoppers is needed for the retail space to continue operating and even that may not be enough to generate sales if consumption patterns continue to move online.

Smart Growth entrepreneurs—and sometimes even their opponents—are truly inspirational. Everyone that I interviewed was passionate about improving the communities in which they lived. They all wanted to preserve the region's natural habitats and reduce environmental harm. The variation in attitudes over how these goals should be achieved ought not to be seen as a snare to prevent cities from reaching sustainability, but rather as a democratic petri-dish from which to experiment with creating new ways to accomplish the goals of inclusive, affordable, and sustainable urbanism.

Bibliography

Grant, J., & Perrott, K. (2011). Where is the Café? The Challenge of Making Retail Uses Viable in Mixed-use Suburban Developments. *Urban Studies*, *48* (1), 177–195.

Gyourko, J., & Rybczynski, W. (2000). Financing new urbanism projects: Obstacles and solutions. *Housing Policy Debate, 11*(3), 733–750.

Passell, A. (2013). *Building the new urbanism: Places, professions, and profits in the American metropolitan landscape*. New York: Routledge.

Semeuls, A. (2016). Can Portland avoid repeating San Francisco's mistakes? *The Atlantic*. Retrieved from http://www.theatlantic.com/business/archive/2016/05/the-real-roots-of-portlands-housing-crisis/482988/

Weinberger, J. (2015). *Construction permit uptick signals growth in Gresham*. Portland Tribune. Retrieved March, 2016, from http://portlandtribune.com/go/42-news/279177-154705-construction-permit-uptick-signals-growth-in-gresham

Bibliography

Abbott, C. (1983). *Portland: Planning, politics, and growth in a twentieth century city*. Lincoln: University of Nebraska Press.

Abbott, C. (1991). Urban design in Portland, Oregon, as policy and process: 1960–1989. *Planning Perspectives, 6*(1), 1–18.

Abraham, C. (2007, May 18). Projects to boost downtown vitality. *The Gresham Outlook*.

Adams, D., & Tiesdell, S. (2010). Planners as market actors: Rethinking state-market relations in land and property. *Planning Theory and Practice, 11*(2), 187–207.

American Community Survey. (2009a). *Transit commuter survey*. Retrieved from https://www.census.gov/prod/2011pubs/acs-15.pdf

American Community Survey. (2009b). *Where we ride: Analysis of bicycling in American cities*. Retrieved from http://bikeleague.org/sites/default/files/ACS_report_forweb.pdf

Amin, A., & Thrift, N. (2002). *Cities: Reimagining the urban*. Cambridge: Oxford Polity.

Antonio, R. (2009). Climate change, the resource crunch, and the global growth imperative. In H. F. Dahms (Ed.), *Nature, knowledge and negation (Current perspectives in social theory)* (Vol. 26, pp. 3–73). Bingley: Emerald Group Publishing Limited.

Appelbaum, R. (1977, May–June). The future is made, not predicted: Technocratic planners vs Public interests. *Society, 14*(4), 49–53.

Appelbaum, R., Bigelow, J., Kramer, H., Relis, P., & Molotch, H. (1974). *Santa Barbara: The impacts of growth*. Santa Barbara, CA: Praeger Press.

E.S. Nielsen, *Smart Growth Entrepreneurs*,
DOI 10.1007/978-3-319-41027-2

Bagnasco, A., & Le Gales, P. (2000). European societies and collective actors? In A. Bagnasco & P. Le Gales (Eds.), *Cities in contemporary Europe* (pp. 123–144). Cambridge: Cambridge University Press.

Baldwin, T. (2008). *TOD & Global weirding*. Presentation to URS Transit Design Studio.

Ball, M. (1998). Institutions in British property research: A review. *Urban Studies, 35*, 1501–1517.

Ball, M., Lizieri, C., & MacGregor, B. (2002). *The economics of commercial property markets*. New York: Taylor & Francis.

Barajas, F. (2007). *Cesar Chavez's early connection to Ventura County*. Presentation at California State University Channel Islands.

Barbour, E. (2002). *Metropolitan growth planning in California, 1900–2000*. San Francisco, CA: Public Policy Institute of California.

Bassett, K. (1999). Growth coalitions in Britain's waning sunbelt. In A. Jonas & D. Wilson (Eds.), *The urban growth machine: Critical perspectives two decades later* (pp. 177–194). New York: SUNY Press.

Beatley, T. (2000). *Green urbanism: Learning from European cities*. Covelo, CA: Island Press.

Beaverton Historical Society. (2012). Retrieved from http://www.historicbeaverton.org/page-1674697

Bechky, B. (2006). Gaffers, gofers and grips: Role-based coordination in temporary organizations. *Organization Science, 17*(1), 3–21.

Biggart, N., & Beamish, T. (2003). The economic sociology of conventions: Habit, custom, practice, and routine in market order. *Annual Review of Sociology, 29*, 443–464.

Bjork, N. (2010, April 21). Incentives help fill vacant Gresham storefronts. *Daily Journal of Commerce*.

Brown, L. (2009). *Plan B 4.0: Mobilizing to save civilization*. New York: W.W. Norton.

Bueren, E., & Broekhans, B. (2013). Individual projects as portals for mainstreaming niche innovations. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 145–167). Cambridge, MA: MIT Press.

Bullard, R. (2007a). Introduction. In *Growing smarter: Achieving livable communities, environmental justice, and regional equity*. Cambridge: MIT Press.

Bullard, R. (2007b). Smart growth meets environmental justice. In *Growing smarter: Achieving livable communities, environmental justice, and regional equity* (pp. 23–49). Cambridge, MA: MIT Press.

Buttel, F. (1997). Social institutions and environmental change. In M. Redclift & G. Woodgate (Eds.), *The international handbook of environmental sociology* (pp. 33–47). Cheltenham: Edward Elger Publishing.

Buttel, F. (2000). Ecological modernization as social theory. *Geoforum, 31*, 57–65.

Buttel, F. (2004). The treadmill of production: An appreciation, assessment, and agenda for research. *Organization & Environment, 17*(3), 323–336.

Callon, M. (1998). The embeddedness of economic markets in economics: Introduction. In M. Callon (Ed.), *The laws of the market*. Oxford: Blackwell Publishers.

Callon, M., & Muniesa, F. (2005). Economic markets as calculative collective devices. *Organizational Studies, 26*, 1229–1250.

Calthorpe, P. (2012). *Urbanism in a time of climate change*. Washington, DC: Island Press.

Cascade Policy Institute. (2009, July 28). *The fatal conceit*. Portland, OR: Cascade Policy Institute.

Charles, J. (2010). *Westside MAX: Measuring the vision against reality*. Portland, OR: Cascade Policy Institute.

Chen, D. (2007). Linking transportation equity and environmental justice with smart growth. In *Growing smarter: Achieving livable communities, environmental justice, and regional equity* (pp. 299–321). Cambridge: MIT Press.

Clement, M. (2010). Urbanization and the natural environment: An environmental sociological review and synthesis. *Organizations & Environment, 23*(3), 291–314.

Clement, M., & Elliott, J. (2012). Growth machines and carbon emissions: A county-level analysis of how US place-making contributes to global climate change. In *Urban areas and global climate change*, *research in urban sociology* (Vol. 12, pp. 29–50). Bingley: Emerald Group Publishing.

Collette, C. (2006, June 11). Collette: City moving forward with sound planning. *The Clackamas Review*.

Combe, E., Mildner, G., & Santo, C. (2002). *Clackamas county—City of Milwaukie urban service study: Financial analysis*. Center for Urban Studies, Portland State University.

Construction Industry Research and Information Association (CIRIA). (1983). *Buildability: An assessment*. London: Construction Industry Research and Information Association.

Cox, W. (2012). What is a half-urban world? New geography. Retrieved December 8, 2013, from http://www.newgeography.com/content/003249-what-a-half-urban-world

Dacin, P., Dacin, T., & Matear, M. (2010). Social entrepreneurship: Why we don't need a new theory and how we move forward from here. *Academy of Management Perspectives, 24*(3), 37–57.

Dahl, R. (1961). *Who governs? Democracy and power in an American city*. New Haven: Yale University Press.

Dieleman, F., & Wegener, M. (2004). Compact city and urban sprawl. *Built Environment, 30*(4), 308–323.

DiMaggio, P. (1988). Interest and agency in institutional theory. In L. Zucker (Ed.), *Institutional patterns and organizations* (pp. 3–21). Cambridge, MA: Ballinger Press.

DiMaggio, P., & Powell, W. (1983). The iron cage revisted: Institutional isomorphism and collective rationality in organizational fields. *American Sociological Review, 48*, 147–160.

Downs, A. (2004). Introduction. In A. Downs (Ed.), *Growth management and affordable housing: Do they conflict?* (pp. 1–19). Washington, DC: Brookings Institution Press.

Elliott, J., Gotham, K., & Milligan, M. (2004). Framing the urban: Struggles over HOPE VI and New Urbanism in a historic city. *City & Community, 3*, 4.

Evans, P. (2002). Looking for agents of livability in a globalized political economy. In *Livable cities? Urban struggles for livelihood and sustainability* (pp. 1–30). Berkeley, CA: UC Press.

Ewing, R. (1994). Characteristics, causes and effects of sprawl: A literature review. *Environmental and Urban Studies, 21*(2), 1–15.

Feagin, J. (1998). *The new urban paradigm: Critical perspectives on the city*. Lanham, MD: Rowman & Littlefield.

Feagin, J., & Parker, R. (1990). *Building American cities: The urban real estate game*. Upper Saddle River, NJ: Prentice Hall.

Ferguson, N. (2008). *The ascent of money: A financial history of the world*. New York: Penguin Books.

Fischel, W. (2001a). *The home voter hypothesis*. Cambridge, MA: Harvard University Press.

Fischel, W. (2001b). Why are their NIMBYs? *Land Economics, 77*, 144–152.

Fisher, D. R., & Freudenburg, W. R. (2001). Ecological modernization and its critics: Assessing the past and looking toward the future. *Society and Natural Resources, 14*, 701–709.

Fligstein, N. (2001). *The architecture of markets: An economic sociology of twenty-first-century capitalist societies*. Princeton, NJ: Princeton University Press.

Fligstein, N., & Mara-Drita, I. (1996). How to make a market: Reflections on the attempt to create a single market in the European Union. *American Journal of Sociology, 102*(1), 1–33.

Flint, A. (2015). Is urban planning having an identity crisis? *CityLab.com*. Retrieved from http://www.citylab.com/housing/2015/07/is-urban-planning-having-an-identity-crisis/398804/

Florida, R. (2005). *Cities and the creative class*. New York: Routledge.

Foldvary, F. (2009). Urban planning: The government or the market? In R. Holcombe & B. Powell (Eds.), *Housing America: Building out of a crisis* (pp. 323–341). Oakland, CA: Independent Institute, Transaction Publishers.

Frank, P. M., & Schockley, G. E. (2016). A critical assessment of social entrepreneurship: Ostromian polycentricity and Hayekian knowledge. *Nonprofit and Voluntary Sector Quarterly*, *45*, 615–775.

Fuller, R., & Crawford, R. (2011). Impact of past and future residential housing development patterns on energy demand and related emissions. *Journal of Housing and the Built Environment, 26*, 165–183.

Fulton, W., & Shigley, P. (2005). *Guide to California planning* (3rd ed.). Point Arena, CA: Solano Press Books.

Gearin, E. (2004). Smart growth or smart growth machine? The smart growth movement and its implications. In J. Wolch, M. Pastor, & P. Dreier (Eds.), *Up against the sprawl: Public policy and the making of Southern California* (pp. 279–308). Minneapolis, MN: University of Minnesota Press.

Gendron, R., & Domhoff, G. W. (2009). *The leftmost city: Power and progressive politics in Santa Cruz*. Boulder, CO: Westview.

Gibson, K. (2004). Urban redevelopment in Portland: Making the city livable for everyone? In H. Mayer & J. Provo (Eds.), *The Portland edge: Challenges and successes in growing communities* (pp. 61–83). Portland, OR: Portland State University Press.

Gieryn, T. (2000). A space for place in sociology. *Annual Review of Sociology, 26*, 463–496.

Gieryn, T. (2002). What buildings do. *Theory and Society, 31*(1): 35–74.

Gillham, O. (2002). *The limitless city: A primer on the urban sprawl debate*. Covelo, CA: Island Press.

Gissendanner, S. (2004). Mayors, governance coalitions, and strategic capacity: Drawing lessons from Germany for theories of urban governance. *Urban Affairs Review, 4*(1), 44–77.

Gordon, P., & Richardson, H. (2012). Urban structure and economic growth. In N. Brooks, K. Donaghy, & G.-J. Knaap. *The Oxford handbook of urban economics and planning* (pp. 99–122). Oxford: Oxford University Press.

Gotham, K. (2006). The secondary circuit of capital reconsidered: Globalization and the U.S. real estate sector. *American Journal of Sociology, 112*(1): 231–275.

Grant, J. (2002). Mixed-use in theory and practice: Canadian experience with implementing a planning principle. *Journal of the American Planning Association, 68*(1), 71–84.

Grant, J., & Perrott, K. (2011). Where is the café? The challenge of making retail uses viable in mixed-use suburban developments. *Urban Studies, 48*(1), 177–195.

Gray-O'Connor, J. (2009). Solutions in search of problems: The construction of urban inequality in "smart growth" discourse. *Berkeley Journal of Sociology, 53*, 89–123.

Griggs, G. (2007, May 23). A new bid to slow Oxnard's growth. *Los Angeles Times*. Retrieved from http://articles.latimes.com/2007/may/23/local/me-transit23

Gyourko, J., & Rybczynski, W. (2000). Financing new urbanism projects: Obstacles and solutions. *Housing Policy Debate, 11*(3), 733–750.

Hagerman, C. (2007). Shaping neighborhoods and nature: Urban political ecologies of urban waterfront transformations in Portland, Oregon. *Cities, 24*(4), 285.

Haigh, N., & Hoffman, A. (2014). The new heretics: Hybrid organizations and the challenges they present to corporate sustainability. *Organization & Environment, 27*(3), 223–241.

Harding, A. (1994). Urban regimes and growth machines: Toward a cross-national research agenda. *Urban Affairs Quarterly, 29*(3), 356–382.

Harney, K. (2012). Santa Barbara real estate: Rebounding Riviera. *Forbes*. Retrieved from http://www.forbes.com/fdc/welcome_mjx.shtml

Hayek, F. (1945). The use of knowledge in society. *American Economic Review, 35*(4), 519–530.

Hayek, F. (1960). *The constitution of liberty*. Chicago, MA: University of Chicago Press.

Henn, R., & Hoffman, A. (2013). Introduction. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 1–32). Cambridge: MIT Press.

Henrekson, M., & Sanandaji, T. (2011). The interaction of entrepreneurship and institutions. *Journal of Institutional Economics, 7*(1), 47–75.

Heying, C., & Ryder, M. (2010). Genesis of the concept. In C. Heying (Ed.), *Brew to bikes: Portland's artisan economy* (pp. 13–22). Portland, OR: Ooligan Press.

Heying, C., & Wineman, B. (2010). Beyond bohemian enclaves: Spaces for artisans to work and live. In C. Heying (Ed.), *Brew to bikes: Portland's artisan economy* (pp. 251–260). Portland, OR: Ooligan Press.

Hoffman, A., & Henn, R. (2008). Overcoming the social and psychological barriers to green building. *Organization & Environment, 21*(4), 390–419.

Hovee, E. (2008). *Carbon footprints benefits modeling. Reconnecting America*. Retrieved from http://www.reconnectingamerica.org/assets/Uploads/cabonbenefitsmemo.pdf

Hovey, B. (1998). Building the city, structuring change: Portland's implicit utopian project. *Utopian Studies, 9*(1), 68–79.

Hunter, F. (1953). *Community power structure: A study of decision makers*. Chapel Hill, NC: University of North Carolina Press.

Intergovernmental Panel on Climate Change. (2007). *Climate change 2007: The physical science basis*. In S. Solomon, M. Qin, Z. Manning, M. Chen, K. B. Marquis, M. Avery, et al. (Eds.), *Contribution of Working Group I to the fourth assessment report of the intergovernmental panel on climate change*. Cambridge, UK: Cambridge University Press.

Jackson, K. (1985). *Crabgrass frontier: The suburbanization of America*. Oxford: Oxford University Press.

Janda, K., & Killip, G. (2013). Building expertise: Renovation as professional innovation. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 135–155). Cambridge: MIT Press.

Jänicke, M. (2008). Ecological modernization: New perspectives. *Journal of Cleaner Production, 16*, 557–565.

Johnson, J., & Talen, E. (2008). Affordable housing in new urbanist communities: A survey of developers. *Housing Policy Debate, 19*(4), 583–613.

Johnson, M. (2001). Environmental impacts of urban sprawl: A survey of the literature and proposed research agenda. *Environment and Planning, 33*, 717–736.

Jonas, A., & Wilson, D. (1999). The city as a growth machine: Critical reflections two decades later. In A. Jonas & D. Wilson (Eds.), *The urban growth machine: Critical perspectives two decades later* (pp. 3–18). New York: SUNY Press.

Katz, M. (2010). Narratives of failure? Historical interpretations of federal urban policy. *City & Community, 9*(1), 13–22.

Kayzar, B. (2008). *The new era of mixed uses: 1986–Present*. Westport, CT: Greenwood Press.

Keil, R., & Whitehead, M. (2012). Cities and the politics of sustainability. In *The Oxford handbook of urban politics*. Oxford: Oxford University Press.

Kimmelberg, S. (2010). Inside the growth machine: Real estate professionals and the perceived challenges of urban development. *City & Community, 10*(1), 76–99.

Kirkpatrick, O. L., & Smith, M. P. (2011). The infrastructural limits to growth: Rethinking the urban growth machine in times of fiscal crisis. *International Journal of Urban and Regional Research, 35*(3), 477–503.

Krueger, R., & Gibbs, D. (2008). 'Third Wave' sustainability? Smart growth and regional development in the USA. *Regional Studies, 42*(9), 1263–1274.

Landis, J. (1992). Do growth controls work? A new assessment. *Journal of the American Planning Association, 58*, 489–450.

Law, S. (2008, June 12). When will they end? City debates returning river district to tax rolls or extending URA's reach. *The Portland Tribune*.

Layzer, J. (2012). *The environmental case: Translating values into policy* (3rd ed.). Washington, DC: CQ Press.

Leo, C. (1998). Regional growth management regime: The case of Portland, Oregon. *Journal of Urban Affairs, 20*(4), 363–394.

Logan, J., & Crowder, K. (2002). Political regimes and suburban growth, 1980–1990. *City & Community, 1*(1), 113–135.

Lundin, R., & Söderholm, A. (1995). A theory of the temporary organization. *Scandinavian Journal of Management, 11*(4), 437–455.

Markusen, A. (1987). *Regions: The economics and politics of territory*. Totowa, NJ: Rowman and Littlefield.

Martin, I. (2008). *The permanent tax revolt: How the property tax transformed American politics*. Stanford, CA: Stanford University Press.

Marwell, N., & McQuarrie, M. (2013). Theory people, place, and system: Organizations and the renewal of urban social. *The ANNALS of the American Academy of Political and Social Science, 647*(1), 126–143.

Mayer, H., & Provo, J. (2004). The Portland edge in context. In H. Mayer & J. Provo (Eds.), *The Portland edge: Challenges and successes in growing communities* (pp. 9–34). Portland, OR: Portland State University Press.

Mazzucato, M. (2013). *The entrepreneurial state: Debunking public vs. private sector myths*. London: Anthem Press.

McCann, E. (2007). Inequality and politics in the creative city-region: Questions of livability and strategy. *International Journal of Urban Regional Research, 31*(1), 188–196.

McConnell, V., & Wiley, K. (2012). Infill development: Perspectives and evidence from economics and planning. In N. Brooks, K. Donaghy, & G.-J. Knaap (Eds.), *The Oxford handbook of urban economics and planning* (pp. 473–502). Oxford: Oxford University Press.

McQuarrie, M., & Marwell, N. (2009). The missing organizational dimension in urban sociology. *City & Community, 8*(3), 247–268.

Metro. (2007). *Financial incentives: Community investment tools*. Retrieved from http://www.oregonmetro.gov/sites/default/files/financial_incentives_toolkit_final.pdf

Metro. (2012a). *Transit-oriented development program*. Retrieved from http://www.oregonmetro.gov/tools-partners/grants-and-resources/transit-oriented-development-program

Metro. (2012b). Region 2040 origins. Retrieved from http://library.oregonmetro.gov/files/natureof2040.pdf

Metro. (2014). Homepage. Retrieved from http://www.oregonmetro.gov/tools-partners/grants-and-resources/transit-oriented-development-program

Mises, L. (1998). Human action: A treatise on economics. Auburn: Ludwig von Mises Institute.

Modig, N. (2007). A continuum of organizations formed to carry out projects: Temporary and stationary organization forms. *International Journal of Project Management, 25*(8), 807–814.

Mol, A. (1997). Ecological modernization: Industrial transformations and environmental reform. In M. Redclift & G. Woodgate (Eds.), *The international handbook of environmental sociology* (pp. 138–149). London: Edward Elgar.

Mollenkopf, J. (1983). *The contested city*. Princeton, CT: Princeton University Press.

Molotch, H. (1976). The city as growth machine: Toward a political economy of place. *American Journal of Sociology, 82*, 309–332.

Molotch, H. (1993). The political economy of growth machines. *Urban Affairs Review, 15*(1), 29–53.

Molotch, H., Freudenburg, W., & Paulsen, K. (2000). History repeats itself, but how? City character, urban tradition, and the accomplishment of place. *American Sociological Review, 65*(6), 791–823.

Mondor, C., Deal, D., & Hockley, S. (2013). Building up to organizational sustainability: How the greening of places transforms organizations. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 198–217). Cambridge: MIT Press.

National Academy of Science. (2009). *Driving and the built environment. The effects of compact development on motorized travel, energy use, and CO2 emissions* (Special Report 298). National Academy of Science.

National Parking Association. (2011). *Parking in perspective: The size and scope of parking in America*. Washington, DC: National Parking Association.

Nee, V. (2004). The new institutionalisms in economics and sociology. In N. Smelser & R. Swedburg (Eds.), *The handbook of economic sociology*. Princeton, NJ: Princeton University Press.

Nevarez, L. (2003). *New money, nice town: How capital works in the new urban economy*. New York: Routledge.

O'Toole, R. (2009). Smart growth and housing. In R. Holcombe & B. Powell (Eds.), *Housing America: Building out of a crisis* (pp. 83–99). Oakland, CA: Independent Institute, Transaction Publishers.

Oregon Office of Economic Analysis. (2011). Oregon's demographic trends. Retrieved from http://www.oregon.gov/DAS/OEA/docs/demographic/or_pop_trend2011.pdf

Packendorff, J. (1995). Inquiring into the temporary organization: New directions for project management research. *Scandinavian Journal of Management, 11*(4), 319–333.

Passell, A. (2013). *Building the new urbanism: Places, professions, and profits in the American metropolitan landscape*. New York: Routledge.

Pastor, M., Benner, C., & Matsuoka, M. (2009). *This could be the start of something big: How social movements for regional equity are reshaping metropolitan America*. New York: Cornell University.

Pincetl, S. (1999). The politics of influence: Democracy and the growth machine in Orange County, US. In A. Jonas & D. Wilson (Eds.), *The urban growth machine: Critical perspectives two decades later* (pp. 195–212). New York: SUNY Press.

Polanyi, K. (1944). *The great transformation: The political and economic origins of our time*. New York: Rinehart.

Portland Development Commission. (2010). Urban renewal. Retrieved from http://www.pdc.us/our-work/urban-renewal-areas.aspx

Poticha, S. (2000). Smart growth and new urbanism: What's the difference? *New Urban News, 5*(1), 21.

Pulver, S. (2007). Making sense of corporate environmentalism: An environmental contestation approach to analyzing the causes and consequences of the climate change policy split in the oil industry. *Organizations & Environment, 20*(1), 44–83.

Rabin, J., & Kelley, D. (2006). 'Slow growth' has come at a cost in Santa Barbara. *The State, LA Times*. March 6. Retrieved Spring, 2012, from http://articles.latimes.com/2006/mar/06/local/me-slowgrow6

Rajkovich, N., Kwok, A., & Larsen, L. (2013). LEED, collaborative rationality, and green building public policy. In R. Henn & A. Hoffman (Eds.), *Constructing green: The social structures of sustainability* (pp. 58–76). Cambridge: MIT Press.

Reason Public Policy Institute (RPPI). (2002). *Smart growth in action: Housing capacity and development in Ventura county*. Los Angeles, CA: Reason Public Policy Institute.

Reynis, L., & Sylvester, T. (2002). *The economic impact of a growth rate ordinance in the City of Santa Fe*. University of New Mexico, Bureau of Business and Economic Research.

Rogaway, M. (2011, July 9). Big name tech companies resume migration into silicon forest. *The Oregonian*. Retrieved from http://www.oregonlive.com/silicon-forest/index.ssf/2011/07/big-name_tech_companies_resume_migration_into_the.html

Rojas, F. (2011). The end of entrepreneurship studies. Orgtheory.net. Retrieved from https://orgtheory.wordpress.com/2011/02/22/the-end-of-entrepreneurship-studies/

Rybczynski, W. (2007). *Last harvest: How a cornfield became New Daleville*. New York: Scribner.

Sadler, M. (2008). Height fight on chapala: What's greener: Cute little buildings, or big tall ones? *The Independent*. Retrieved Spring, 2012, from http://www.independent.com/news/2008/mar/13/height-fight-chapala/?print

Schneider, M., & Teske, P. (1993). The antigrowth entrepreneur: Challenging the 'Equilibrium' of the growth machine. *The Journal of Politics, 55*(3), 720–736.

Schumpeter, J. (1934). *The theory of economic development*. Cambridge: Harvard University Press.

Schumpeter, J. (1950). *Capitalism, socialism, and democracy*. New York: Harper Press.

Schumpeter, J. (1954). *History of economic analysis*. London: Allen and Unwin.

Sellers, J. (2002). *Governing from below: Urban regions and the global economy*. Cambridge: Cambridge University Press.

Seltzer, E. (2004). It's not an experiment: Regional planning at the Metro, 1990 to the present. In H. Mayer & J. Provo (Eds.), *The Portland edge: Challenges and successes in growing communities* (pp. 35–60). Portland, OR: Portland State University Press.

Semeuls, A. (2016). Can Portland avoid repeating San Francisco's mistakes? *The Atlantic*. Retrieved from http://www.theatlantic.com/business/archive/2016/05/the-real-roots-of-portlands-housing-crisis/482988/

Shane, S., & Venkataraman, S. (2000). The promise of entrepreneurship as a field of research. *Academy of Management Review, 25*(1), 217–226.

Shockley, G. E., Frank, P. M., Stough, R. R., & Haynes, K. E. (2006). Toward a theory of public sector entrepreneurship. *International Journal of Entrepreneurship and Innovation Management, 6*(3), 205–223.

Shoup, D. (2005). *The high cost of free parking*. Washington, DC: American Planning Association Press.

Smart Growth America. (2014). *Measuring sprawl*. Retrieved from https://www.smartgrowthamerica.org/app/legacy/documents/measuring-sprawl-2014.pdf

Smith, Q. (2010, June 11). Downtown Gresham's new grocery might be the boost the community needs. *The Oregonian*.

Staley, S. (2009). Urban planning, housing affordability, and land use. In R. Holcombe & B. Powell (Eds.), *Housing America: Building out of a crisis* (pp. 11–32). Oakland, CA: Independent Institute, Transaction Publishers.

Steinberg, T. (2002). *Down to earth: Nature's role in American history*. Oxford: Oxford University Press.

Stine, M. (2010, May 18). Ground broken for Civic Drive MAX Station. *The Gresham Outlook*.

Stone, C. (1976). *Economic growth and neighborhood discontent: System bias in the urban renewal program of Atlanta*. Chapel Hill, NC: University of North Carolina Press.

Swedberg, R. (2007). *The principles of economic sociology*. Princeton, NJ: Princeton University Press.

United States Census. (2000). *American FactFinder*. The United States Census Bureau.

United States Department of Agriculture. (2012). Retrieved from http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1381

University of California Santa Barbara. (2002). *Economic outlook project report*. University of California, Santa Barbara.

Ventura County Democrats. (2010). Sustainability plank. Retrieved from http://www.venturacountydemocrats.com/sustainable-communities-plank.html

Victoria Transportation Policy Institute. (2012). *Annual Report*. Victoria, Canada: Victoria Transportation Policy Institute.

Vision California. (2012). Home page. Retrieved September 1, 2013, from http://www.visioncalifornia.org/

Warner, K., & Molotch, H. (2000). *Building rules: How local controls shape community environments and economies*. Boulder, CO: Westview Press.

Weinberger, J. (2015). Construction permit uptick signals growth in Gresham. Portland Tribune. Retrieved from http://portlandtribune.com/go/42-news/279177-154705construction-permit-uptick-signals-growth-in-gresham.

Weiss, M. (1987). *The rise of the community builders: The American real estate industry and urban land planning*. New York: Columbia Books.

While, A., Jonas, A., & Gibbs, D. (2004). The environment and the entrepreneurial city: Searching for the urban "sustainability fix" in Manchester and Leeds. *International Journal of Urban and Regional Research, 28*, 549–659.

Wolch, J., Pastor, M., & Dreier, P. (2004). Introduction. Making Southern California: Public policy, markets, and the dynamics of growth. In J. Wolch, M. Pastor, & P. Dreier (Eds.), *Up against the sprawl: Public policy and the making of Southern California* (pp. 1–44). Minneapolis, MN: University of Minnesota Press.

Wu, J. J. (2006). Environmental amenities, urban sprawl, and community characteristics. *Journal of Environmental Economics and Management, 52*(2), 527–547.

Yago, G. (1983). The sociology of transportation. *Annual Review of Sociology, 9*, 171–190.

Yong, Y., & Stevens, M. (2012). The Economics of new urbanism and smart growth: Comparing price gains and costs between new urbanist and conventional developments. In N. Brooks, K. Donaghy, & G.-J. Knaap. *The Oxford handbook of urban economics and planning* (pp. 503–521). Oxford: Oxford University Press.

Index

Note: Page numbers with "n" denote notes

E.S. Nielsen, *Smart Growth Entrepreneurs*,
DOI 10.1007/978-3-319-41027-2