

# carolina planning

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# Editors' Notes

After two issues which focused on special topics -- Rural Planning last spring, and Public/Private Ventures this winter -- we decided to publish a "mixed bag" issue in hope of offering a wide range of topics to fit the wide range of interest represented by our readers.

Those who are interested in historic preservation will enjoy reading the Southern and Kaplan article dealing with the preservation of rural housing, and the Rowland piece describing New Bern's involvement with the Main Street program.

Several articles describe intriguing planning methods. Coe and Jones describe the use of circuit riding planners; Hollyer and Snaman discuss the uses of CDBGs; Furuseth, Ives, Stiftel and Burby give planners ideas on flood management; and Guffey and Barnes show how human services planning can improve local delivery systems.

Propst examines new legal issues related to aesthetics and land use control which may soon be affecting planners throughout the Southeast, and various planning techniques and theoretical concepts are discussed by Hively, Robinson, and Haak. Also included are our regular features of Book Reviews and In the Works.

We hope our readers enjoy the issue, and we encourage letters to the editors, contributions to In the Works as well as regular articles, and of course, new subscriptions.



## carolina planning thanks

Dave Godschalk

for his guidance and support  
over the past five years

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In the Works contributed by Julie McCullough, Matt Friedman, Ginny Faust, and the North Carolina Independent staff.

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SPECIAL THANKS TO GINNY FAUST, WHO HAS DEDICATED TWO YEARS OF VOLUNTEER SERVICE TO *carolina planning*



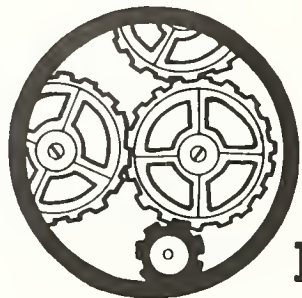
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## In the Works

### STUDY OF NORTH CAROLINA'S FOR-PROFIT HOSPITALS

The North Carolina Center for Public Policy Research, Inc. is a private, non-profit policy research organization which examines and reports on policy issues affecting citizens of North Carolina. Currently, the Center is studying the development of for-profit hospitals in North Carolina.

During the last 10 years, the U.S. and the sunbelt in particular have seen the development of investor-owned multi-hospital chains. These "for-profit" organizations own, lease, or manage large numbers of hospitals. Out of 157 nonfederal hospitals in North Carolina, 20 are investor-owned and an additional 10 are managed by these companies.

The Center's study has two purposes: first, to examine the differences between these 30 hospitals and the other hospitals in the state; and second, to examine policy implications of the growth of these chains. To meet the first purpose of the study, differences in service, staffing patterns, size, costs, revenues, and types of hospitals will be examined. State licensure information and Medicaid cost reports will provide data.

The report on policy implications will be based largely on interviews of hospital administrators and trustees and local government officials. Through these interviews, researchers will try to discover reasons why hospitals join or consider joining the chains, and the level of satisfaction after a hospital joins one of the chains. The roles and views of various groups in the community will be documented, along with the type of decision making process used.

The Center anticipates that the final report will help local communities make better informed choices about whether to join a chain, based on the experiences of other hospitals in the state and a clear understanding of the issues involved. The Center will also examine what actions the state can take to influence further for-profit chain development in North Carolina; if appropriate, the Center may recommend changes in legislation, reimbursement regulations, or other strategies for the state to pursue.

For more information, contact Lacy Maddox, Senior Researcher, or Ran Coble, Executive Director, N.C. Center for Public Policy Research, Inc., P.O. Box 430, Raleigh, N.C. 27602, (919) 832-2839.

### STATE AND AMTRAK INVESTIGATE RAIL SERVICE IMPROVEMENTS IN NORTH CAROLINA

More rail passenger service for North Carolina? Amtrak and the North Carolina Department of Transportation think it is a possibility. The Charlotte Observer recently ran a front page story describing the plan. The new service would leave Charlotte in the morning, going through Greensboro and Durham to Raleigh, and then on the Richmond where it would join the existing Amtrak "Palmetto" to provide service to the northeast. Southbound, the new service would split off the "Palmetto" at Richmond, arriving back in Charlotte in mid-evening. This spring the state spent \$5,000 to inspect the track and other facilities between Greensboro and Raleigh, a stretch which has not had regular passenger service since 1959.

Amtrak has conducted cost, revenue, and ridership projections and found this route to be promising. Initially the N.C. Department of Transportation had asked Amtrak to study a Norfolk to Memphis route across the state, but later focused on the Raleigh-Charlotte segment as the most promising. State transportation planner Fred Fravel said that "Combining it with the 'Palmetto' enables us to increase ridership by adding through passengers to and from the northeast." Amtrak at this point is developing the inspection report in order to determine the amount of money needed to upgrade the track to passenger train standards, and to build stops in Burlington and Durham. The major consideration for Amtrak is the willingness of the state to contribute to the funding of the new service. Under the Amtrak 403(b) program, the state must contribute 45% of operating costs the first year and 65% every year after that, along with 50% of the capital costs.

The state of North Carolina is faced with the question of how much money to invest in this service. According to David King, Director of the Public Transportation Division of the N.C.

Department of Transportation, allocation of these funds would have to be approved by the General Assembly. King commented: "If costs come back high (for track improvements) we wouldn't be able to support the service on a cost-benefit basis." Ultimately, a key issue here is whether or not, and to what extent, state funds should be used to support intercity rail passenger service.

#### MONTGOMERY COUNTY'S TDR PROGRAM -- AN UPDATE

How is the transfer of development rights (TDR) program working out in Montgomery County one year after the first receiving areas were designated? Very well, according to the planners responsible for its design and implementation. The program works by identifying a preservation district (sending area) and a development district (receiving area). Owners of land in the sending area are assigned rights in a systematic manner, and their land is limited to low density use. Anyone can buy the development rights -- developers, real estate brokers, or individuals -- and use them to build at higher densities in the designated development districts.

There are now 435 TDR's "in the pipeline," which represent 2,175 acres in the county, since each development right is worth five acres. Approximately one-third of the county (89,000 acres) has been designated as a Rural Density Transfer Zone. It is applied in those areas where little subdivision activity has occurred and a major effort to protect agriculture is warranted. The average going price for a development right is \$5,000, and farmland with the TDR easement is selling for \$900 per acre. This demonstrates that the program has removed the speculative value from the land. Instead of moving away from the urban fringe, farmers are attracted to the area because of its fertile soil and proximity to markets

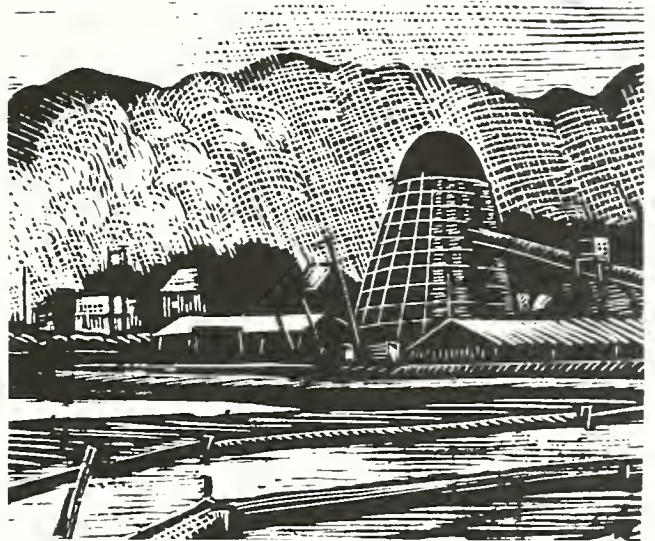
For further information, contact Melissa Banach, Coordinator of Community Plans, North Division, or Denis Canavan, Principle Planner, Development Review Division, Maryland-National Capital Park and Planning Commission, Silver Spring, MD.

#### NEW NEWSPAPER STARTS PUBLISHING

As of this spring, North Carolinians have a new and different kind of newspaper to read. The North Carolina Independent, a bi-weekly statewide paper, will provide the kind of in-depth, analytical, probing coverage of North Carolina issues not found in the dailies. A general interest paper with a focus on politics and economics, The N.C. Independent hopes to bring to North Carolina print journalism what NPR's "All Things Considered" and CBS' "Sunday

Morning" have brought to broadcast journalism at a national level -- thoughtfulness, thoroughness, hopefulness, and a sense of style. As its name indicates, the paper is proudly independent of any political party or group; in fact, concern over the number of local papers which have recently been acquired by out-of-state chains (32 of 55 dailies) provides part of the reason for the creation of the paper.

The Independent is the brainchild of two Durham residents, Steve Schewel and David Birkhead. Schewel, with years of business and organizing experience, will serve as the paper's publisher. Birkhead will use his typesetting, publishing, and production skills in his role as managing editor. The former city editor of The Greensboro Daily News and Record, Katherine Fulton, will serve as The Independent's editor.



Also on the staff are Dee Reid, an award-winning reporter from the Chatham County Herald, and Jim Overton, former research director at the Institute for Southern Studies. The current full-time staff totals eight, with many other freelance writers and photographers across the state interested in participating.

Unlike most papers, The Independent will shape its content from a reader's point of view. As a bi-weekly publication, it will not attempt to cover all the traditional beats. Instead, the publication will focus on such issues as the changing world of work in North Carolina, economic development, environmental problems, and consumer concerns. Since many North Carolinians are tied together by their religious beliefs, their love of sports, and their commitment to their families, The Independent will also explore the culture and the contradictions of this fascinating state.

Contact The N.C. Independent, P.O. Box 2690, Durham, N.C. 27705, for more information. Phone (919) 286-1972.



# Abandoned Farmsteads in North Carolina: Lost History and Wasted Housing

You're driving down one of the state's secondary roads -- it might be SR 1005 in southern Alamance County -- and you see a two-story, white frame farmhouse in its grove of tall trees. From a distance, the prominence of the house and its pleasant setting suggest that it might be the seat of a prosperous family farm. But as you come closer, you see that the windows are broken, the chimney tops are crumbling, and the house is slowly falling apart. No one lives here anymore. This fine old family homeplace, once the most substantial building in its community, has been left to rot away.



The scene reflects a problem that North Carolinians are just beginning to recognize and understand -- abandonment and neglect are destroying the well-built farmhouses vital to North Carolina's rural heritage and landscape. In rural communities across the state, people build new houses, many of poor quality and construction, and purchase mobile homes, while older, usable dwellings -- often of excellent quality materials and craftsmanship not affordable today -- are left to fall into ruin. Our history is lost, and valuable housing stock is wasted.

The problem is especially troubling in North Carolina because here our roots are in our farmland. North Carolina's history is that of an agrarian, rural people who worked and lived on small and middle-sized farms. As late as 1900, 90 percent of the state's population was found in rural areas. Farmsteads therefore com-

pose much of the valuable, irreplaceable historic architecture of our state. If North Carolina loses most of its historic farmsteads, it will lose much of its special sense of place.

There is a very real danger -- indeed a probability -- that this will happen. Few rural families find continued maintenance of an older farmhouse as attractive as building a new one. One survey of historically significant farmsteads conducted by the Department of Cultural Resources found one out of three such properties deserted, and fewer than half facing a reasonably secure future.

## The Abandonment Process

A look at a typical chain of events leading to abandonment illustrates some of the forces at work. A typical story begins with the well-maintained farmhouse occupied by a landowner actively farming adjacent lands. As time passes, the family may abandon the dwelling as

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"THE HOUSE HAS BEEN CONVERTED TO A BARN WITH STABLES AND SHELTER ADDED. IT'S NOT FIT FOR A HOUSE" (A RETIRED FARMER)

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younger family members leave the farm, either because they cannot operate the farm profitably or want to pursue other occupations, or because they want to live in a nearby town. Traditionally, the family will not sell the property to another farmer. Instead, the house and land will probably pass to a tenant who leases the acreage from the landowner. As the house becomes older and is seen as outmoded, this tenant may decide to construct a new house or move into a mobile home. Or the owner may let the land to another tenant to whom this parcel is only one of several he rents and who works them all from a central base of operations. Only sheer chance determines if the "old homeplace" is ideally located to become this central base.

If the tenant moves to a house on one of the other parcels, he may pass the homeplace along to one of his hired laborers. The laborer may work in a nearby factory or in town, although he retains use of the house in return for

*Kathleen Pepi Southern is a recent graduate of the law program at the University of North Carolina, Chapel Hill, and Peter R. Kaplan is Preservation Planner for the North Carolina Division of Archives and History.*

labor during peak periods. From this stage, the house may become abandoned or it may be used for seasonal labor -- occupied only a few weeks annually and standing vacant the remainder of the year. Before total abandonment, the structure may serve as a barn, storage facility, or animal shelter.

Rural decay is not a simple matter. It cannot be dismissed as the fault of apathetic, insensitive landowners, or as a result of poverty. Deteriorating farmhouses are vestiges of what has become an obsolete settlement pattern, one reflecting a rural way of life that required



a large labor force living on or near the farm. Decaying farmsteads are also casualties of suburban growth around the state's cities and towns, and of obstacles to rehabilitation that discourage even people who want to live in an old farmhouse.

Some of these forces are beyond the control of planners, but there are some hopeful trends that planners can do much to encourage. This article will review the causes of farmhouse abandonment, discuss some of the signs that could herald a more optimistic future for old farmhouses, and take a look at what can be done to stem the tide of rural decay.

### Changing Settlement Patterns

To understand why abandonment has occurred, one must look beyond the disturbing symptoms to changing rural settlement patterns and sometimes formidable obstacles to rehabilitation. The changing rural settlement patterns that result in farmhouse abandonment spring from 1) changing agricultural practices; 2) migration of rural residents; 3) more housing, ostensibly of "better quality"; 4) changing ways of life and expectations among rural people; and 5) changing land uses in rural areas.

The changing agricultural practices that most directly affect the fate of farm dwellings are mechanization, farm enlargement and consolidation, and the increased popularity of soybeans and corn. These crops are far less labor-intensive than the customary crops of tobacco, peanuts, and cotton. As a result of these trends, the need for farm housing has declined; for example, the 1980 census revealed that only 3.2 percent of North Carolinians still live on working farms. Changing technology has also eliminated the need for traditional farm out-buildings such as the tobacco barn, which are among the most distinctive features of the state's rural landscape.

Changing agricultural practices have forced many rural residents to find jobs elsewhere, and many have left of their own accord to seek higher wages and better opportunities in cities. Between 1960 and 1970, 72 of North Carolina's counties experienced outmigration, especially from rural areas. This movement took place principally among hired laborers, but also extended to farm owners themselves. North Carolinians continue to leave agriculture as they find the cost of entering the field or of maintaining a family farm prohibitive.

Even for those who remain in rural areas, many forces discourage the use of older houses. Chief among these is the new housing that has



become readily available since the fifties. Government programs, particularly those of the Farmers Home Administration (FmHA), have fostered the construction of thousands of new units in rural North Carolina, most of them variations on the brick ranch house. A 1976 study found an overwhelming preference for one-story brick houses among rural North Carolinians, especially





in the eastern part of the state. The mobile home has also become an integral part of the rural landscape -- often parked in front of a vacant farmhouse.

Changing ways of life among rural residents often cause them to leave the older home behind. Today's "sidewalk farmer" need not live on his farm but can live in or on the periphery of a town and be closer to other people, schools, and shopping. With the automobile, the traditional pattern of self-sufficient farmsteads distributed evenly over the landscape has become obsolete, and the isolated locations of many older houses make them less desirable. Changing family living patterns often spell doom for large farmhouses. When aunts, uncles, grandparents, parents, children, and perhaps a hired man composed a household, a big house made sense. Today, families are smaller and children seldom remain in their parents' home once they reach adulthood. Grown children are also unlikely to return to the old homeplace when their parents die, even if they are living in the immediate area, for they no longer perceive the need for a larger house.

During the past thirty years North Carolinians have seen much of the state's land converted from agricultural to nonfarm use, and farmhouses continue to disappear right along with surrounding cropland. Large urban centers in the Piedmont and smaller cities scattered throughout the state spread at low densities into the countryside. Industrial firms continue to find rural locations attractive, and they often purchase sites that are far larger than the immediate needs of their plants. Recreational development along the coast and in the mountains takes still more land out of agriculture and claims many farmhouses.

### Obstacles to Rehabilitation

Changing settlement patterns make major contributions to the problem of farmhouse abandonment, but there are steps in the process of rehabilitation that make decay very difficult to reverse once it becomes a fact of life.

Absentee ownership and the unwillingness of some owners to sell their property, even when potential buyers are available, often prevent rehabilitation. Whether vacant or occupied, farmhouses are often owned by someone who lives on another parcel of land, in a nearby town, or in the common case of ownership by heirs, in another part of the state or country. These owners gain most of their return on the property from the land; they have little incentive to rehabilitate farmhouses they may rent to laborers for nominal amounts in exchange for work during peak periods. These owners also see little advantage in selling a small parcel within a larger tract for someone else's residential use. One of the sad ironies of the rural abandonment problem is that many people refuse to sell old farmhouses they do not occupy out of reverence for heritage or regard for family associations, but find it impossible to prevent the houses from falling into disrepair.

Even if a person is able to overcome the obstacles to purchasing an older farmhouse, he still faces another hurdle before he can begin work -- financing. Credit is generally more difficult to obtain and more expensive in rural North Carolina than in the state's urban centers. City dwellers have often found that housing rehabilitation can be a radical notion among lending institutions; the small size and limited lending capacity of rural banks and savings and loans reinforces their reluctance to make loans on rehabilitation projects. *Cont. on page 45*



## Planners Get Results

# Old New Bern Gets a New Look

Settled in 1710 by German Palatines and Swiss Colonists, New Bern became a major port and mercantile center because of its protected waters and lack of tidal fluctuation. Its importance as a port declined, however, with the advent of railways and improved roads during the early 1900s. The central business district grew slowly; later, a shopping mall attracted merchants to the outskirts of the city. The viability of the commercial heart of the community was threatened, and the tax base eroded as more stores became vacant.

Recognizing the importance of downtown New Bern and the architectural and historical heritage of the older parts of the city, the community began taking steps to solve some of these problems. The following narrative describes several ways the New Bern Planning and Community Development Department became a part of the downtown revitalization process.

### Establishment of the Historic District Commission

During the mid seventies, a 20-block downtown area of commercial and residential structures was nominated and listed on the National Register of Historic Places. At this time, old houses were being sensitively converted to restaurants, specialty shops, and multi-family dwellings. However, many significant buildings were being demolished and commercial structures

were being "modernized" to the extent that they became characterless monoliths slip-covered in aluminum.

It appeared that the only tangible advantages of having a district listed on the National Register were tax advantages for those who could follow certain rehabilitation standards. Meanwhile, the "modernizations" and demolitions continued as property owners simply obtained building permits to do the work.

Many individuals and citizen groups were frustrated by the situation. Organizations such as the New Bern Preservation Foundation, which had a revolving loan fund, could only respond to a few properties at a time and only as they became available. What was needed was a local historic district commission to insure sensitive rehabilitation, compatible new construction, and delayed demolition of historic structures so that alternatives could be considered.

Spurred by community interest, the Planning Department decided to examine the feasibility of establishing a local historic commission. The community had tried previously to establish such a group, but the idea was rejected on the issues of property rights. With the help of the Tryon Palace Commission, the New Bern Historical Society, and the Preservation Foundation, a slide show was presented to citizens that showed "the good, the bad, and the ugly" of the district. From this meeting, it was clear that there was a great deal of interest and enthusiasm for a local commission.

Shortly thereafter, the Board of Aldermen officially established a nine member commission. Its charge was to hammer out an ordinance and guidelines and to report back to the Aldermen with a finished report.

The nine citizen members drafted the ordinance and guidelines, with the Planning Department providing support, overall coordination, and ordinances for the Commission's consideration. Forms had to be developed concerning the operation of the commission and presentations were made to the Downtown Merchants Association and other local civic organizations. Of major importance in this process was an inventory of



*David Rowland is the Director of Planning and Community Development for the City of New Bern.*

the district as described by the North Carolina General Statutes. This was conducted under a separate grant by an architectural historian whose work dovetailed with the efforts of the Commission.

After eight months, the ordinance and guidelines were adopted as official policy to be effective January 1981. They state that a certificate of appropriateness (CA) must be obtained from the HDC before any exterior portion of a building or appurtenant feature can be erected, altered, restored, or moved. In the case of proposed demolition, the Commission can delay the action up to 180 days and attempt to move the structure or find a new owner.

Over the past two years, the HDC has had an incremental but positive effect on the District. The Planning Department continues to provide support for the HDC by assisting people with CAs and providing technical assistance for ordinance revisions and other matters.

Municipalities considering the adoption of a historic district ordinance should not expect overnight change. Just as development occurs gradually, so will the impact of a commission. There will be the initial start up confusion associated with any new ordinance; for example, there are still instances when a New Bern property owner did not know that a CA was required to erect a sign or fence.

#### Main Street Designation

The Main Street program is a rigorous, self-help program of downtown revitalization sponsored by the National Trust for Historic Preservation. Because of private investment in historic structures, the implementation of the historic district ordinance, and other local efforts already in progress, the Planning Department was contacted by the North Carolina Department of Natural Resources and Community Development for possible inclusion in the program.

The Planning Department developed an application which discussed in depth the measures already underway and the need for a structured process such as that offered by Main Street. New Bern, along with Shelby, Washington, Tarboro, and Salisbury were chosen to submit applications as North Carolina's Main Street communities. From approximately forty state applications across the nation, North Carolina was chosen as one of six states to receive the Main Street designation.

The initial step in the program was to have a resource team of five consultants come for a three day evaluation focusing on New Bern. They met with local and business leaders to assess their ideas, problems, and suggestions concerning the downtown area. The recommendations were presented to citizens, and a booklet was devel-

oped to provide an overall framework for the revitalization effort.

A primary area of concern listed in the resource team booklet was the visual quality of the downtown area. The team recognized that the commercial historic area needed more trees and vegetation. They suggested that trees be planted to unify and soften incompatible architecture along the streets and to make parking lots more attractive. To this end, the Planning Department began contacting businesses and organizations who had parking lots without landscaping. A planting scheme was suggested and cost figures derived from a local nurseryman. Carolina Telephone and Telegraph was the first to volunteer and plant shrubbery and trees along their parking lot. Others followed and soon large expanses of asphalt were naturally softened and cooled by the plantings.



*A good example of a small, but effective sign*

A second area of concern was rehabilitation. Many of New Bern's buildings were slip-covered with aluminum siding during the fifties, hiding unique architectural features. Community effort, aided by the influence and guidance of the HDC, resulted in the production of some high quality storefront rehabilitations. Instrumental in the process was the Main Street architect hired by NRCD to serve the five North Carolina Main Street communities. Equipped with the architect's renderings, a staff member of the Planning Department would counsel property owners about the proposed renovations. In many cases, it was a matter of removing the aluminum siding, replacing some brick, replacing several windows, and applying a fresh coat of paint. Massive plastic signs were replaced by smaller, more effective signs that do not mask architectural features and are more in scale with the buildings.

Present in all of the Main Street efforts was Swiss Bear, a non-profit corporation developed to promote downtown revitalizations. Swiss Bear continues to work effectively within the private sector, serving as an overall rallying point for many different organizations.



## Processing Tax Applications

Working with Archives and History in Raleigh, the Planning Department researched tax incentives for historic properties and their use in promoting rehabilitation. If an owner could certify that his/her property conformed to the Secretary of the Interior's standards for rehabilitation, then he/she would be entitled to a 25 percent tax credit. This sounds simple in theory, but in practice it was not.

Simply transmitting all the necessary forms to the owner was not enough. As an incentive for rehabilitation, the Planning Department began processing the applications for owners. Basically this involved taking before, during, and after photographs of the renovated structures and supplying a narrative of each phase of the work. The idea was to not radically alter the structure and to retain distinguishing features such as pressed-tin ceilings and original woodwork. Removing original walls and changing the floor plan, for example, would not conform to the standards. The Planning Department counsels the owner on all phases of the work to ensure that it meets the standards, and the HDC also assesses the work. The entire package is sent to Raleigh and then Atlanta for approval, which usually takes between 45 and 60 days.

To date, the Planning Department has processed 16 applications representing over one million dollars in private investment. Tax incentives have proven to be a successful tool in promoting rehabilitation and revitalization.

## Implementing Public Improvements

With the advent of Main Street and the HDC, the city took steps to alleviate some of the parking and congestion problems in downtown New Bern. Work began on a parking lot, originally proposed in 1977, that capitalized on existing vacant space in back of stores. As part of the project, all overhead utility lines and transformers were moved underground. Within eight months, the Planning Department had secured permission from 35 individual storeowners and leasees to proceed with the improvements.

Despite construction difficulties, all utilities were underground and operating as of February 1983. The parking lot, which will provide 150 spaces, is expected to be completed this summer, and the total project cost of \$175,000 is being paid by a municipal service district created in 1977. Proving their commitment to the downtown rehabilitation process, owners and leasees in the district pay twice the usual tax rate to finance such improvements.

## Organizing the Loan Pool

Emphasizing the Main Street theme of self-help and taking advantage of the excellent rela-



*Awnings can add charm and distinction*

tionship it had developed with the private sector, Swiss Bear was able to create a \$2 million loan pool for commercial revitalization projects. Four banks contributed funds to the pool, which offers loans at 70 percent of the prime lending rate.

One of the key steps in implementing the loan pool was to designate a part of the CBD as a redevelopment area under the North Carolina Redevelopment Law. The Planning Department was in charge of this step, which involved the evaluation of all buildings within the designated area and ensuring that they fit the prescribed characteristics of the urban redevelopment law. In addition, the Department was responsible for developing the forms and exhibits that applicants have to submit as support for consideration by the loan pool committee. The first loan applications were processed this spring. As another element in New Bern's downtown efforts, the loan pool is an excellent example of a public/private partnership.

## Conclusions

Several ways that planning departments can become involved in revitalization efforts were outlined in this article. Planners should be sensitive to specific community problems and frustrations in order to present alternatives and develop productive planning tools, such as the HDC. It is important to increase awareness of available programs and policies in existence at all levels of government and to find those that address special community needs, such as the Main Street program and federal tax incentives for historic properties. Planning departments can successfully implement public improvement programs such as construction and landscaping efforts, while also providing technical expertise to develop urban renewal plans and appropriate financing mechanisms.

# Building Rural Officials' Capacity

## Circuit Riders and Technical Assistance

Recognition is growing in the literature of the last decade that rural local government is being left behind and sorely needs help. City government has full-time employees and has usually been able to evolve to match the growing complexity of both society and the political system. On the other hand, rural local officials are mostly part-time people with other full-time jobs. Their pay is usually in the lower four figures for twenty hours a week or more of effort. It's no wonder then that small communities are found to lack the ability to anticipate potential problems and take preventive action. They are often crisis oriented because their elected officials can just barely keep up, let alone look ahead. And when they do foresee problems they often do not know where to turn for needed information and consulting help.

Commitment by state governments to providing technical assistance to local governments has had its ups and downs over the past twenty years. Fueled by Federal money (e.g., HUD 701 and I.P.A.), attempts to organize a field network and support staff to aid local government have sometimes been elaborate. Sometimes these state level local assistance agencies have proven unstable, experiencing cutback and reorganization with change in administration. The level and nature of existing programs enhancing the capacity of small local governments has become insufficient to meet the need. In New York State the Division of Local Government and Community Services exists within the Department of State, a cadre of highly competent dedicated experts in local government matters. This unit

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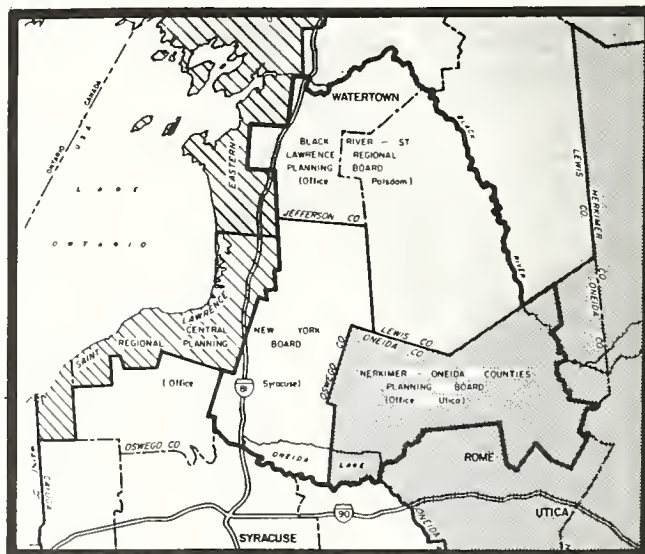
THE LEVEL OF EXISTING PROGRAMS ENHANCING  
THE CAPACITY OF SMALL LOCAL GOVERNMENTS  
HAS BECOME INSUFFICIENT TO MEET THE NEED

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serves very effectively as a resource that is tapped through training, publications, and conferences. Division staff conduct model studies that can be used by others in a way that will enable local officials to carry on after the experts leave. What they cannot provide is a regular direct link with local officials, so help can be provided on day-to-day problems or long-term continuing efforts. Other states are in a similar condition, but there have been some excitingly successful methods piloted here and there that demonstrate how to provide the missing link.

According to Honadle (1981) in Capacity-Building for Local Governments: An Annotated

Bibliography, the term "capacity building" in domestic policy circles has been around since the early seventies. Honadle defines it as "...improving the ability of local communities to deal with their problems. It means helping communities anticipate, influence, or direct change; attract and absorb resources; make deci-



*Regional planning boards serving the Tug Hill*

sions about policy; manage physical, human, and informational resources; and evaluate the results of such activities." Inherent in the literature on capacity building is an emphasis on small communities, where the need is greatest, on decentralized decision-making, and on helping local officials help themselves -- a "bottom up" rather than the "top down" approach to federal/state relations with local government.

Ways of providing technical support to towns and counties have been around for a long time. The National Association of Towns and Townships has been in business since 1963 and the National Association of Counties since 1935. In 1959 New York and Alaska were the first to form state agencies on local or community affairs. By 1970, some 25 states had established such offices, and by 1978 virtually every state had done so. For example, in 1975, newly-elec-

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ted Governor Carey abolished the Office of Local Government (OLG) and the Office of Planning Services (OPS), merging their functions into the Department of State and greatly cutting back field offices and representation.

Similar histories of rise and decline have occurred in other states. In 1980 Wisconsin's Department of Local Affairs and Development (DLAD) went out of existence, and its functions merged with business development into a Department of Development. Again, it was a newly-elected Governor who applied the coup-de-grace. Hagensick and Rasmussen, writing in the December 1981 National Civic Review, listed three factors which they feel contributed to DLAD's demise: lack of clear and consistent operational mandates, lack of effective clientele relationships, and lack of indispensability.

In spite of the erratic organizational history of state programs to assist local government, a number of approaches and techniques have proven effective. The idea of shared experts and circuit riding town managers has been around at least since the 1960's. By 1975, interest had grown to the extent that a two-and-one-half day workshop held in Tennessee drew over 80 people from more than 20 states. Today the circuit rider should be viewed as one who makes a personal and regular connection with leaders of a group of communities in order to provide information and resources needed to solve problems and make decisions. This person is concerned with building capacity rather than taking over the job of management.

#### Circuit Riding The Tug Hill Area of N.Y. State

In 1973, when special area commissions were in vogue in New York State, the Temporary State Commission on Tug Hill was formed. Other state commissions in the Adirondacks, the Cat-

skills, and the Hudson Valley were formed because of strong statewide interests in those areas. These interests sometimes carried with them expectations on the part of people living outside the area that were not necessarily shared by residents. The Tug Hill area, 2000 square miles in parts of four counties, was generally unknown when the Tug Hill Commission was formed. Tucked in between Lake Ontario on the west, and overshadowed by the Adirondack Park on the east, the commission was created due to concerns of local people and had no broad outside constituency. All nine commission members were local residents and served as volunteers. The stimulus for its formation was a developer's option to buy a large portion of the wilderness core of Tug Hill, perceived by local residents as a threat that would cause undesirable change.

When the commission members first met in April 1973, they decided that they were most interested in learning what future for the area was desired by local people. With advice from

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AN INVESTMENT IN TECHNICAL ASSISTANCE AND IN  
PERSON-TO-PERSON HELP OF A CIRCUIT RIDER IS A  
SMALL PRICE TO PAY FOR EQUAL OPPORTUNITY

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Cooperative Extension and Cornell's community resource development people, four steering committees composed mostly of local officials were formed to help plan a series of public forums. The public came out in droves to the eight forums and told the commission that they were concerned about the future, but that they did not want the state to plan for the area. Rather they would do it themselves.

The findings of the commission, published in early 1976, called for local cooperative planning boards, one of which had already been formed and tested, with all power remaining at the individual town level. The commission would provide planning assistance with no strings at-



*Peaceful scene in the heart of the Tug Hill region*

## Riding the Southern Circuit

Ben Coe's description of circuit riders in upstate New York has its counterparts in the Southeast. Daniel Wanamaker, in a 1977 paper about circuit riders in the U.S. which was presented at the National Association of Regional Councils Conference, noted that the idea of using roving local government experts has been attempted in Alabama, Georgia, Kentucky, North Carolina, South Carolina, Tennessee, West Virginia, and Virginia.

An informal survey of North Carolina public agencies indicates that technical assistance to local governments is not often provided by circuit riders. However, examples of persons who as Coe describes, "build the capacity" of local government officials to solve their communities' problems, are found within the state Office of Coastal Management and the Community Assistance Division of the Department of Natural Resources and Community Development (NRCD), and among North Carolina's Councils of Government. Undoubtedly there are other examples.

John Crew is the land use plan coordinator for the state Office of Coastal Management (OCM). Working from his Washington, North Caro-

tached. Formation of a technical assistance service that would solve problems for town and village officials as requested was also recommended.

This was the beginning of a program which today reports the following progress:

- Four cooperative planning boards and one council of governments, with membership ranging from three to 18 municipalities, each served by a part-time or full-time circuit rider.
- Of the 39 towns and 20 villages in the Tug Hill study area, only eight towns and nine villages have not yet been involved with land use planning programs. In the eleven-town Cooperative Tug Hill Planning Board, a circuit rider provides regular support to five enforcement officers covering seven communities.
- Training sessions attended by town supervisors, councilmen, highway superintendents, and planning board members on subjects such as simplified double-entry accounting, town budgeting, and investment pooling.
- Education program plan developed for the "Tug Hill Aquifer," a critical underground water supply serving three coun-

lina office, he aids local officials in the state's 20 coastal counties in the development of land use plans required under the 1974 North Carolina Coastal Areas Management Act (CAMA). Crew is also involved with the current disaster planning effort of the OCM: he works with local governments to bring their disaster plans in line with current CAMA regulations.

The Division of Community Assistance of NRCD provides technical assistance to local governments through four major programs; the largest of which, both in terms of funding support and local governments served, is its community development technical assistance program. Under this program, any city or county needing assistance in land use, community development, or public management may contact a regional office of the Division of Community Assistance. Examples of services provided, free of charge, include preparation of zoning ordinances and subdivision

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ties. The Salmon Rivers Cooperative Planning Board/Conservation Advisory Council, assisted by their circuit rider, will coordinate the citizen education effort and the management strategy discussions.

In addition the commission conducts research projects on questions, needs, and issues that affect the area as a whole. Subjects being covered at this time include new opportunities in agriculture, a survey of feelings about the acid rain issue, and a look at the economic and environmental aspects of several new approaches to forest harvesting.

The acid test of the Tug Hill program came in April 1981. Cooperative Extension at Cornell was asked to conduct workshops for local leaders, without the commission staff present, in order to determine how the leaders felt about the commission's past performance, whether or not the work should continue, and if so what form it should take. Over 90 percent of the 125 participants felt that programs should continue, and that all the elements of the program were important to their communities and the area as a whole. A 36-member steering committee was then appointed to make specific recommendations to the Governor and the Legislature. The result was that in the summer of 1981, Governor Hugh Carey proposed legislation to extend the program for five years. Led by local state legislators, the bill passed with few dissenters. This ex-



regulations, assistance to local officials in the development of budgets, and preparation of local grant applications.

In the past, regional staff were assigned specific portions of work weeks on a contractual basis to provide this technical assistance in local communities. Some of this work was done with HUD 701 funds. Today this is no longer technically a circuit rider program, as staff do not have the same constant personal contact with local government officials.

Executive Director Lindsay Cox of the Piedmont Triad Council of Governments notes that his COG has been providing technical assistance for nearly 10 years. Two years ago the staff tried the circuit rider approach for provision of this assistance, and staff services were contracted out on a daily or monthly basis. Piedmont Triad's circuit riding program was unique among the state's Councils of Governments, said Cox. The circuit riders attended meetings of local planning boards, revised ordinances, prepared annexation studies, evaluated city codes and charges for inspections, and made preliminary studies for Community Development Block Grant revitalization.

Despite this high level of activity, Cox noted that the circuit rider program "didn't work as well as we'd hoped", partially because experience is in sharp contrast to the fate of some of the state-level local government service agencies like DLAD in Wisconsin.

Some of the more subtle aspects of setting up effective circuit rider/technical assistance programs are noted below:

- The person hired for circuit rider or technical assistance work is all-important. That person must be one who is willing to enable others to make decisions or take action; must have the pursuit and persistence to see that information needed is obtained and delivered; and must like working with people and be willing to work any time of day.
- The circuit rider needs technical support from other sources. The technical assistance service located at the Tug Hill office fills this role. In turn, that office finds it very important to turn to other resources with more specialized knowledge.
- A circuit rider needs someone to talk to; it's lonely out there! For this reason, the Tug Hill Commission has set up a team for each sub-area program. Each team meets on a regular basis to discuss problems in the field and how to overcome them.

the circuit rider requests came in spurts. Today Piedmont Triad COG still provides assistance to local planning boards, and staff members serve somewhat of a circuit riding function when they are requested to do so by local governments. This COG is currently preparing to contract with a local government to provide a circuit rider.

Although provision of technical assistance is widespread, the Western Piedmont COG in Hickory makes intensive use of this method of local government aid. Two of this COG's staff could be termed "circuit riding planners", according to Executive Director Doug Taylor. These people contract with five local governments for one or two days of services per week, such as annexation studies and transportation planning. The Western Piedmont COG remains one of the few that provide circuit riding planners. Taylor noted that other North Carolina COGs provide similar services, but not at the same level: 27 percent of Western Piedmont's current budget goes for such contracted services.

"We only provide circuit riding assistance if the city or county wants it, and doesn't want to hire full time staff," explained Taylor. Some of the communities this COG has serviced have recognized their increased effectiveness with greater technical assistance, and have gone on to hire their own full time planners.

- A system is needed to log in and file for future access each technical assistance request and response. Access to past efforts is important, since many times similar requests will come from different communities.

The commissions's "capacity building" efforts are not just directed at building management skills. Just as important is the regular provision of information, sometimes with analysis, sometimes with training in its use. This kind of personal, reliable resource is vital if part-time officials are to make informed decisions. The response to commission programs has demonstrated a long term continuing need for circuit riders who utilize a variety of technical assistance services and other resources.

Anthony Brown, in the January/February 1980 Public Administration Review calls for a community-wide approach to local government capacity building rather than a problem-specific perspective, and a continuing and intimate relationship between the source of assistance and the recipient. Brown notes that education is as important as action in helping a community solve its problems, and that capacity building involves a greater degree of risk-taking and investment of resources in low-visibility, 'soft' programs by the technical assistance agency than is presently required under the traditional approach.

## A Proposal to Apply the Tug Hill Experience More Widely

The literature of the last five or six years describes a growing need for technical assistance to rural local officials and the strengths and weaknesses of past efforts to meet the need. The experience of the Tug Hill Commission confirms that need in rural New York State and identifies some new elements that should be added to augment existing state services. A primary new ingredient is the circuit rider, the personal link between the communities and the information, training, and consulting resources. There is a workable, affordable way for a state to enhance its capacity building program for rural local governments:

1. Within a local government service department establish a separate division to provide assistance to small communities. Include a capability to connect with all kinds of assistance, including fiscal, planning, and legal assistance. Local government assistance must be service-oriented and, at times it should be an advocate for the local government or rural viewpoint. Functions such as state planning, on the other hand, must advocate statewide interests. The two conflict and should not be combined.
2. The division should not build its own network of state employees to "ride the circuit." Rather, the state should provide partial support to groups of communities, counties or groups of counties so that they may establish offices of town and village assistance. Another way would be to scale up the Tug Hill approach by financing a network of independent state commissions which would be governed by boards of appointed volunteers who live in the areas served. The disadvantage of this approach, however, is that it sets up additional governmental structures that might seem threatening to existing ones. The state level division or office would include a section that would help organize and finance local assistance programs, and another section that would provide strong technical backup from a central or regional office.
3. The state would provide a share of the financing for these local, independent or quasi-independent technical assistance organizations. The Tug Hill Commission has tested several approaches to financing the circuit rider function and has found that small communities by themselves cannot afford the kind of services needed. The amount of local contribution per municipality to circuit rider program budgets in Tug Hill has ranged from a low of \$200 (where there is also a county contribution) to as high as \$1500. The amount depends somewhat on size of the municipal budget.



*Tug Hill Commission circuit rider confers about budget item with a town supervisor.*

Elizabeth Marsh, in Cooperative Rural Planning: a Tug Hill Case Study, brings in a second point of view:

"What the circuit rider does is raise the capabilities of very small governments to a point where they can begin to compete on equal terms with larger cities and towns... An investment with county or state funds in technical assistance and in the person-to-person help of a circuit rider is a small price to pay for equal opportunity for small places. The advocates for rural America should lobby for such services."

### Conclusion

Part-time officials of small communities need technical assistance. Past failures and successes of technical assistance programs have been discussed in this paper. An approach to state programming has been proposed that may be able to build local government capabilities to the net benefit of the taxpayer. If properly implemented, this approach should be able to gain and retain constituent support, insulating it from political change at the top. More information from other states should be gathered in order to develop effective local assistance programs. Among the important principles to follow is that local assistance must be responsive, independent, and separated from state level agendas. Its leadership must have faith that, given information and dialogue, more effective and efficient local government will usually result.

*This article is an excerpt from Coe's presentation to the 1982 Region I/II Conference of the American Society for Public Administration.*



## Who Won and Why ?

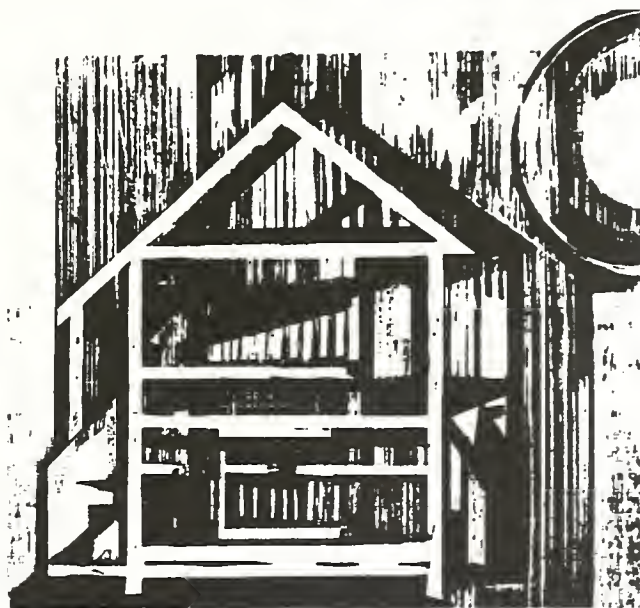
### North Carolina's Small Cities Compete for Block Grant Stakes

A primary objective of the Reagan Administration is to transfer the responsibility for social service and community development programs from the federal government to the state or local level. Accordingly, since 1981, the administration of a considerable number of programs has shifted from Washington to state capitals. A significant component of one of the Department of Housing and Urban Development's (HUD) largest programs, the Small Cities Community Development Block Grant (CDBG), is now administered by many state governments, including North Carolina. This transfer of control represents a significant challenge to the State and its ability to manage a substantial sum of money in accordance with federal and State goals. A review of the State's regulations and the types of funded activities provides some preliminary insights to North Carolina's response to this challenge.

The CDBG program is divided into two components, and the changing level of administration affects them differently. Entitlement funds are provided automatically to cities with over 50,000 residents and to cities which are centers of SMSAs. In North Carolina, these cities are Asheville, Winston-Salem, High Point, Greensboro, Burlington, Charlotte, Gastonia, Concord, Salisbury, Durham, Raleigh, Fayetteville, Jacksonville, Wilmington and Hickory. These cities will continue to receive their funds directly from HUD. The Small Cities program is now administered by the states which choose to do so, and all other states must assume this responsibility by 1984 if they wish to continue receiving the funds.

Before 1982, state participation in the Small Cities program was on a limited and selective basis. A demonstration program was conducted in Kentucky and Wisconsin during 1981 to determine if increased state participation would lead to better targeting and coordination of federal and state resources to those communities with the greatest need. The decision to shift administration of the Small Cities CDBG program to all states reflects that continuing expectation. It is based on an assumption and a hope that states are more aware of and responsive to the needs of their citizens than the federal government and that state administration will simplify procedures and reduce costs. The state administering agencies are charged with the responsibility of developing criteria to suit the particular housing, social and economic conditions prevalent in the states.

In North Carolina, the Small Cities program is administered through the Department of Natural Resources and Community Development (NRCD). NRCD generally follows the program objectives outlined by HUD: to support expansion of housing opportunities for low- and moderate-income families; to provide increased economic opportunities for low- and moderate-income persons; to promote rational land use; and to correct deficiencies in public facilities which affect the public health or safety. In addition, the State requires that the Small Cities grants "support the North Carolina Balanced Growth Policy Act by encouraging economic progress and job opportunities throughout the State, and supporting growth trends favorable to maintaining a dispersed population, a healthy and pleasant environment and the preservation of our natural resources."



North Carolina's Small Cities program is administered on a competitive basis because local demand for grant money far exceeds the available funds. Any small city or urban county is eligible to apply. In the first round of grant awards, three types of project funds were available. The bulk of the funds were designated for Community Revitalization projects, but localities were also able to apply for Economic Development and Development Planning funding.

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Community Revitalization projects are those "activities in which a majority of funds are directed toward improving, preserving or developing residential areas." Projects may include single or multiple activities and may address one or more needs in the target area. Economic Development projects include "activities in which a majority of funds are directed toward promoting the creation or retention of jobs, enhancing income levels and providing local ownership opportunities principally for persons of low- and moderate-income."

Planning Development grants differ markedly from the project-oriented nature of the Community Revitalization and Economic Development activities. The Planning Development grants are designed to assist local governments in developing "appropriate and competitive" CDBG strategies if they have never received these funds or to assist more experienced local governments in their efforts to develop "creative and complex" CDBG projects.

Within these broad project categories a variety of eligible activities are allowed, which, for the most part, have remained the same since the CDBG's inception in 1974. Property acquisition and rehabilitation, provision of public works, code enforcement, and relocation assistance are a few of the traditional CDBG funded activities permitted in North Carolina's Small Cities program. Additional project activities allow neighborhood-based non-profit organizations or local development corporations to carry out local economic development. Grants are also available to finance the development of a community-wide energy use strategy.

In the first round of competition in North Carolina, Community Revitalization and Economic Development projects were evaluated and rated against six selection criteria. While the criteria were the same for both project types, the weights were applied differently. Applicants could obtain a high score of 1000 points based on the criteria in the chart below.

CRITERIA	WEIGHTS	
	Community Revitalization	Economic Development
Community needs	200	100
Financial design	150	250
Program design	250	250
Low- and moderate-income benefit	200	200
Leverage of other funds	100	100
Consistency with other funds	100	100

Development Planning projects were evaluated against program design (400 points) and benefit to low- and moderate-income persons (200 points). Therefore, the highest score a Development Planning project may have obtained was 600 points.



Several of the selection criteria categories can be broken down into individual measures to indicate the concerns of the State:

- In the community needs area, applicants were rated on absolute and relative measures of poverty and substandard housing. The absolute measures were worth 40 points, and the percent measures were worth 60.
- Cost effectiveness and financial feasibility were considered in the rating of the financial design of a project.
- Program design measures were used to evaluate the potential impact of the proposed project, so that project appropriateness was determined relative to the severity and type of needs in the community.
- The availability of outside funds "leveraged" by the grant strengthened the financial feasibility of the proposed project.

These requirements demanded that the competitive applicant use sound accounting practices, have a clear idea of the work entailed, and possess a realistic vision of the intended results.



# Improving Rural Housing by Changing the Small Cities CDBG Regs

The Community Development Block Grant (CDBG) Program is one of the few remaining federal sources of assistance available to local governments in their efforts to improve housing conditions. The Small Cities component of CDBG is intended for smaller urban and rural areas. Unfortunately, as presently designed and administered by the North Carolina Department of Natural Resources and Community Development (NRCD), the State's Small Cities program excludes a portion of the very needy -- those people who live in substandard housing outside incorporated areas.

Substandard housing is a significant problem in North Carolina's rural areas. Substandard housing is defined by the U.S. Census as units that lack adequate plumbing and/or are overcrowded. In 1970, approximately 300,000 units in the State were identified as substandard. By 1980, the number had declined to 207,000 units. Three-quarters of these substandard units are located in unincorporated areas.

This problem of substandard rural housing is demonstrated by the conditions in the six counties (Chatham, Durham, Johnston, Lee, Orange, and Wake) that comprise Planning Region J, one of the fastest growing areas in the

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IT IS CLEAR THAT SOME SPECIAL EFFORT MUST  
BE TAKEN IF THE PROBLEM OF SUBSTANDARD RURAL  
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State. The number of substandard units declined from 28,000 in 1970 to 16,000 in 1980. Nearly 60% of these units are in unincorporated areas. Of the six counties, Johnston County has the greatest concentration of substandard housing. Summary reports from the 1980 Census place nearly 80% of the substandard units outside of the County's nine incorporated areas.

Johnston County's inability to obtain Small Cities funds to address its housing problems, despite its clear need, demonstrates the limitations of the State's program. The Application Guidelines issued by NRCD in February 1983 for the second round of Community Revitalization and Development Planning projects contain the selection criteria used in the competitive ranking of the applications. A significant impediment to rural housing improvement efforts remains -- the requirement of geographic "targeting" of program

operation and benefit to low-and moderate-income recipients.

The most significant obstacle results from the State's requirement that grant funds be spent within designated target areas which are "defined areas of concentrated need." The regulations do not specifically exclude rehabilitation in scattered sites, but the ranking criteria assign low values to applications which do not demonstrate a concentrated impact on a particular area. Similarly, the ranking criteria favor projects which show benefit to low- and moderate-income people concentrated within the target area. The concept of a target area has only limited utility when assessing housing need and impact in an area such as rural Johnston County because the incidence of substandard housing and poverty is usually not segregated in isolated areas. "Slums and blighted areas" are not as prevalent in rural communities.

These obstacles make it difficult for rural counties to obtain Community Revitalization funds for housing rehabilitation. However, scattered site rehabilitation is possible as a "local option" activity. These are activities which may take place outside of a target area. These activities, however, are limited to 20% of a maximum \$750,000 Community Revitalization proposal. This ceiling of \$150,000 precludes extensive rural rehabilitation efforts.

In an effort to address the unmet problem of rural housing, the Housing Advisory Committee of the Triangle J Council of Governments petitioned the State during the comment period following the announcement of the first round of grant awards. The Committee requested that a special pool of Small Cities CDBG funds be designated for a scattered site rural rehabilitation demonstration project. It was felt that careful project design, site selection and monitoring could address the special problems of management, accountability, and measurement of impact dispersed over a greater area. To date, the State has not accepted this recommendation, but it is clear that some special effort must be taken if the very real problem of substandard rural housing in North Carolina is to be addressed and successfully resolved.

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In October, 1982, NRCDC awarded \$28,579,436 to 47 Community Revitalization projects, 7 Economic Development projects and 20 Development Planning projects. The majority of the money, \$25,927,407, went to Community Revitalization projects. This amount is significant because

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THE QUALITY OF SERVICE DERIVED FROM  
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ON THE HOUSING AND COMMUNITY DEVELOPMENT  
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North Carolina was one of the few states to concentrate its funds in community revitalization efforts, rather than economic development projects.

Data obtained from project applications reveal the following information about the 1982 Community Revitalization grant recipients:

- The largest portion of the winners were communities with populations between 4,000 and 30,000.
- Coastal applicants received 52.1% of all funds, Piedmont projects, 37.5% and the remaining 10.4% was allotted to projects in the Mountain Region.
- Seventy-seven percent of the winning applications were from cities, two percent were joint applications and 21% were from counties.
- Almost 75% of the winning applicants included a housing rehabilitation component in their projects.
- None of the 49 winners scored over 165 out of a possible 200 in the community needs category. In fact, the highest scoring project, from Morganton (total score 833), received only 33 points for community needs, but had perfect scores for the other criteria.
- Nearly all the funded projects scored 100 to 150 points on their financial impacts.

Project impact scores ranged from 178 to the top possible rating of 250 points; the vast majority of winner's scores were above 200 points.

- All winners targeted 80% or more of their benefits to the low- and moderate-income residents of their communities, and received the full 200 points in that area.
- The availability of other funds was a less important factor overall in the selection process. Only two of the winners, Morganton and Cleveland, received a top score on this qualification. Half of all the applicants had scores from ten to zero. It was unclear whether the other funds were to come from other public sources or from private lenders; both sources of funds were allowed. It is very likely, however, that in the future, more emphasis will be placed on the use of non-CDBG funds in Community Revitalization projects as public-private partnerships are viewed as alternatives to only government involvement in local development.
- Compliance with state policies was strongly emphasized in the selection process. All the winners except two scored 100% in this area. This emphasis reveals the potential for using CDBG funds to promote state housing and community development goals.

Before any recently funded projects have made substantial progress, it is not possible to draw significant conclusions regarding the impact of such an administrative change on the Small Cities CDBG program. The quality of service derived from the program will depend to a large degree on the housing and community development goals emphasized by the State. If State goals and objectives are sensitive to the needs of the residents and if local program performance is carefully monitored and evaluated to ensure attainment of these goals, then it is very possible that State administration of the Small Cities program will have positive long-term effects on the lives of North Carolinians.



*Part of this article is based on an unpublished paper written by Beth Pearsall and Julie McCullough, recent graduates of the Department of City and Regional Planning, UNC-Chapel Hill.*



# The Process is More Important than the Product

During the past ten years, I've shaped, written, or edited the gamut of planning products from thousand page regional development plans, city comprehensive plans and school district reorganization plans to ten-page briefs on project design. In spite of these efforts, I've spent a good bit of time disassociating myself from "planners." My typical line has been, "Please don't think of me as a planner...My field is communications."

Why this comment? Because I sense that the term "planner" is more often than not a nasty word. "Those planners got in the way of our getting anything done at the legislature." "All that planners care about is keeping zoning codes pure." "What makes sense to planners doesn't make common sense or political sense." "Planners don't seem to have much contact with reality."

Obviously, some of these comments are sheer guff. What has made sense to me, however, is their implication that planners are frequently isolated from the day-to-day decision-making of government officials or other line managers. In my experience, elected officials who are able to spin a balance wheel in their heads and thus calculate how many constituents are on each side

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## PLANNERS ARE FREQUENTLY ISOLATED FROM THE DAY-TO-DAY DECISION-MAKING OF GOVERNMENT OFFICIALS OR OTHER LINE MANAGERS

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of each issue tend to avoid planners because they see them as trouble makers, more dangerous than useless. The danger they see is that some commitment to an image of the future will mean their loss of authority when the voting begins on a critical issue. They don't see planners as facilitators for their most important decision-making -- which tends to involve budget decisions.

Now the pressure is on. Elected officials are laying off planners as "soft" line items in their budgets when they cut back expenditures in the face of shrinking revenues. For those of us who see planning as an everyday, ordinary, essential process to help decision makers manage and facilitate change, it's time to come out of the closet, speak our piece, and demonstrate that planning is useful and relevant to elected officials. This requires that we focus at least as much on process as on content.

It's appropriate and necessary for planners to develop decision-making processes which will:

- focus on planning objectives;
- encompass the needs defined by managers of line agencies;
- invite review by outside agencies; including community representatives; and
- leave intact the authority of elected officials to make decisions.

Unless these four elements are accommodated, elected officials will make decisions irrelevant or contradictory to existing plans, agency needs, or community perspectives. It is particularly important that officials take account of planning, line agency, and community perspectives within a "priority framework" as they make the harsh budget decisions which are now required at the local, state, and federal levels of government.

The decision making process used in Minneapolis since 1979 to determine the city's capital improvement budget illustrates these points. Figure 1 is a flow chart showing the capital improvement budget process. The steps of the process follow the numbered boxes:

1. The City Council passes an annual capital improvement resolution setting out the schedule for the preparation of the annual capital budget and updated five-year capital improvement plan.
2. The city's comprehensive plan, which addresses eight functional planning areas (housing, economic development, physical environment, transportation, property services, human development, health and safety, and general management), guides the Planning Department in the preparation of the five-year improvement framework.
3. The five-year capital improvement framework, the critical element in this process, is prepared by the Planning Department in conjunction with the Office of Budget and Evaluation. It is revised and adopted by the City Council each year, and includes:
  - estimates of revenues for the following five-year period;
  - objectives for each of the comprehensive plan's functional areas, with the

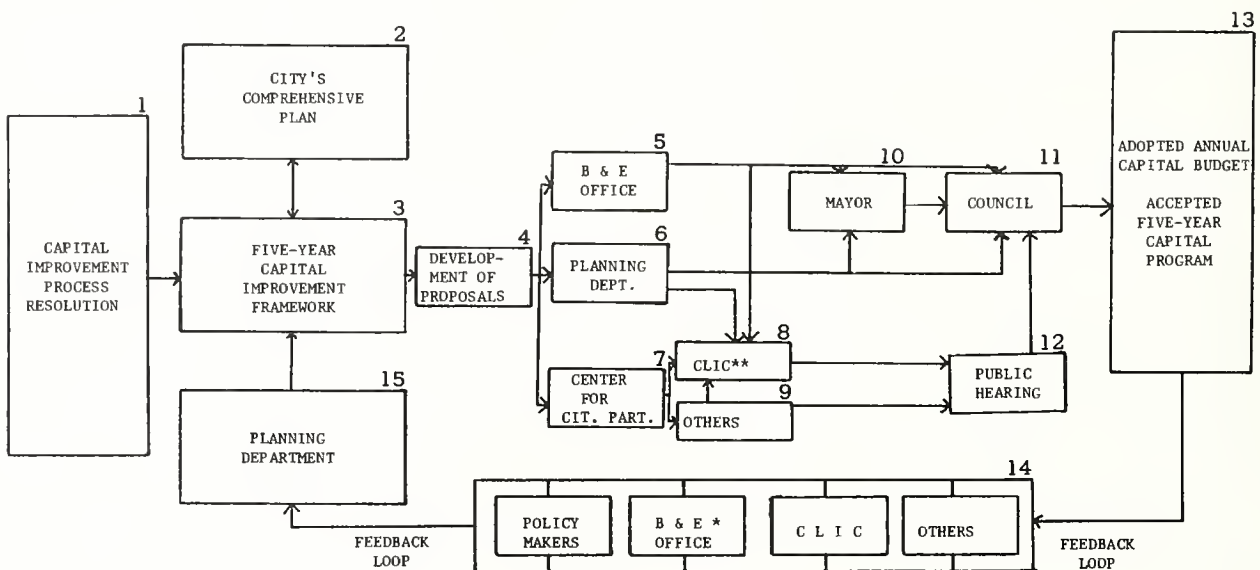
*Janet Hively was the acting director of the Minneapolis Planning Department, and was recently appointed deputy mayor of that city.*

strategy for accomplishing each objective, and a request for specific proposals to implement the strategy;

- criteria which are used to judge budget proposals on the basis of spending priorities, contribution to implementation of the comprehensive plan, and cost effectiveness; and
  - rating forms to apply the weighted criteria to judge budget proposals.
4. Public agencies and non-profit organizations seeking city funds develop proposals for the next year's capital budget (example 1984) and for four additional years (example 1984-1988). Together, the proposals form the basis of the next five-year capital improvement program.
  5. Proposals are filed with the city's Budget and Evaluation Office which comments on those which it believes may have some financial problems.
  6. Copies of proposals are distributed to the Planning Department, which reviews proposals to determine if they conform to the city's comprehensive plan.
  7. Other copies are sent to the Center for Citizen Participation.
  8. The Center passes copies of proposals to the Capital Long-Range Improvements Committee (CLIC), a city-wide advisory organiza-

tion involving more than 100 citizens (appointed by the Mayor and Council) in three task forces organized on a program area basis. CLIC sends its ratings for the annual budget and five-year program to the Mayor and City Council.

9. The Center for Citizen Participation, through its Public Information unit, also informs citizens' organizations about proposed activities that would affect their neighborhoods.
10. The Mayor considers the recommendations of the Planning Department, the Budget and Evaluation Office, CLIC, and others in formulating recommendations for the annual capital budget and five-year program. The Mayor presents his recommendations to the City Council.
11. The City Council considers the recommendations of the Mayor, Planning Department, Budget and Evaluation Office, CLIC, and others in its deliberations.
12. The Council holds an annual public hearing on the budget and five-year capital improvement program. Representatives of CLIC and other interested persons testify at the public hearing.
13. The City Council adopts a capital budget and accepts the five-year capital improvement program as a guide for future capital budget planning.



\* Budget and Evaluation Office

\*\* Capital Long-Range Improvements Committee



14. The "feedback loop" represents a flow of information generated throughout the process by its participants as well as by regular collection of data on the implementation of objectives and community impacts by the Budget and Evaluation Office and the Planning Department.

15. The Planning Department collects information flowing along the feedback loop and develops proposals to revise elements of the process.

Key to this process are the criteria described in the five-year capital improvement framework and applied throughout the process of evaluating budget proposals. The criteria, matched to a point system in a rating form, are defined within three categories:

- spending priorities revised each year by the elected officials to judge proposals across program lines;
- priorities matched to the goals and objectives of the comprehensive plan; and
- cost and effectiveness criteria. The criteria are applied primarily by CLIC, using the Proposal Evaluation Form. Use of the form results in ratings which are not applied directly to funding decisions but instead used as a guide for discussion of decisions.

The main point about the Minneapolis capital improvement process is that it provides a priority framework for budget decisions which is shaped by the city's planning objectives. The process is driven by the comprehensive plan but does not threaten the authority of elected offi-

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WHAT MAKES SENSE TO PLANNERS OFTEN DOESN'T  
MAKE COMMON SENSE OR POLITICAL SENSE

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cials. Although it requires the managers of line agencies to consider planning objectives, it also allows them to present and lobby for alternative agency needs. And finally, the process incorporates review by citizen groups with both city-wide and neighborhood perspectives.

The next step is to incorporate comprehensive planning objectives in the process to determine the operating budget. In Minneapolis, both the the City Planning Department and the Budget and Evaluation Office are working together to achieve that objective.

Every planning objective plays out somewhere along the line in budget decisions made by elected officials or other decision-makers. Efforts made by planners to structure the decision making process so that it will take account of planning objectives while facilitating the work of officials will always pay off.

*Continued from page 46*

The Historic Preservation Fund, established in 1975, is currently doing more about the rural abandonment problem than any other agency, and provides a model for local efforts to save historic farmhouses. The Preservation Fund has been operating successfully for several years as a real estate broker in rural areas, obtaining purchase options on historic buildings and reselling or "revolving" them to new owners under protective covenants. The Fund has rescued dozens of rural properties from neglect and has been successful in tapping the market for historic farmhouses through local, regional, and national advertising.

Because it operates throughout the state, the Preservation Fund can have only limited impact in any given area. It is therefore essential that preservationists and sympathetic planners work to establish county and regional revolving funds focusing on rural properties. The Preservation Fund recently convened a meeting of the state's local revolving funds to establish a statewide organization that can furnish information and assistance to existing and prospective local funds.

A private revolving fund forms the heart of an encouraging rural preservation effort now underway in Edgecombe County. The newly formed Historic Preservation Fund of Edgecombe County has obtained two properties by donation and hired a full-time director. Eventually the Edgecombe Fund hopes to revolve five or six properties in the county each year. If the Edgecombe Fund can meet this goal and sustain it for several years, Edgecombe County will have taken a great step toward reversing the decline of its historic farmsteads. The Edgecombe County Historical Society, which created this revolving fund, is also mounting an education program that includes a quarterly newsletter, close cooperation with the county's agricultural extension agents, and research on the county's place names.

There is much that can be done to prolong the useful life of our state's historic farmsteads, but we do not have the luxury of delaying action for long. If we do nothing, the rural architectural heritage of this traditionally rural state will inevitably disappear -- and much of North Carolina's special identity will vanish along with it.

Editors note: This article is based on a study of historic preservation in rural North Carolina conducted by the North Carolina Division of Archives and History in 1980 and published as Historic Preservation in North Carolina: Problems and Potentials in 1982. Copies of the study are available from the Historic Preservation Society of North Carolina, Inc., 11 S. Blount St., Raleigh, NC 27601, for \$5.00.

# Aesthetics and Zoning No Longer Mutually Exclusive

On May 4, 1982, the North Carolina Supreme Court announced an opinion in the case of State v. Jones 305 N.C. 520, 290 S.E. 2d 675 (1982), that reversed its prohibition of land use regulations that are justified solely upon aesthetic considerations. In doing so, the Court brought the law in North Carolina into accord with the view held by a majority of states that have explicitly ruled on the question.

This paper will address the questions about the scope of the police power to zone property or to otherwise regulate the use of land following the announced policy reversal of the Jones decision. It will not attempt to define "aesthetic." Instead, the paper will simply discuss the cases in which the court addressed the issue of aesthetics explicitly as a basis for the exercise of police power.

In State v. Jones, *supra*, the owner of a Buncombe County junkyard challenged the constitutionality of Buncombe County Ordinance 16401, which requires junkyards and automobile graveyards in any unincorporated area of the county to be screened from view from public roads or residential areas. The ordinance prohibits the operation of a junkyard or automobile graveyard within 100 yards of the center line of any public road, within one-quarter mile of any school, or within any residential area, unless the junkyard or automobile graveyard is entirely surrounded by an opaque fence, or by a wire fence and vegetation.

In upholding the constitutionality of the ordinance, the Court stated that the exercise of the police power in regulating the use of private property -- which is only justified when the regulation is substantially related to the public health, safety, morals, or to the general welfare -- may be justified by exclusively aesthetic considerations.

## History of the Treatment of Aesthetic Regulations in North Carolina

The Jones decision expressly overruled a line of cases holding that regulation based on aesthetic considerations alone was an unconstitutional use of the police power. Following the national trend in both federal and state courts, the North Carolina Supreme Court has recently enlarged the permissible scope of the police power in several rulings. The expansion of the scope of the police power announced in Jones follows this trend, and permits regulations that

were previously invalid because they were based solely on aesthetic considerations.

The Court first considered the question of aesthetics as the basis for police power regulations in Macrae v. City of Fayetteville, 198 N.C. 51, 150 S.E. 810 (1929). The City of Fayetteville enacted an ordinance to prevent the construction of gasoline stations within 250 feet of any residence. In striking down the ordinance, the Court held that "the law does not allow aesthetic taste to control private property, under the guise of the police power."

In Appeal of Parker, 214 N.C. 51, 197 S.E. 706 (1938), the Court refined its view toward aesthetic considerations in land use regulation. In upholding a zoning ordinance that prohibited certain walls within 25 feet of any street in residential districts, the Court stated that "while aesthetic considerations are by no means controlling, it is not inappropriate to give some weight to them in determining the reasonableness of the law under consideration." 214 N.C. 51, 57, 197 S.E. 707, 710 (1938). This was basically the test applied by the Court to aesthetic regulations until the Jones decision.

The Supreme Court first applied the test set out in Parker to junkyard regulations in State v. Brown, 250 N.C. 54, 108 S.E. 2d 74 (1959). The Brown decision invalidated a statute prohibiting junkyards or garbage dumps along state highways, unless the junkyard or garbage dump was concealed from the view of persons on the highway. The Court concluded that the ordinance was enacted solely for aesthetic reasons. Stating that "neither the General Assembly nor a municipality may exercise the police power unless its exercise relates to the public health, safety, morals, or general welfare," the Court took the position that aesthetic considerations alone are insufficient to support the exercise of the police power. The Court repeated the rule set out in Parker, *supra*, that "if a regulation finds a reasonable justification in serving a generally recognized ground for the exercise of that power, the fact that aesthetic considerations play a part in its adoption does not affect its validity." 250 N.C. 54, 59, 108 S.E. 2d 74, 78 (1959).

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The Court has applied the rule set out in Parker and Brown to several types of ordinances in several decisions since Brown. One of these is Little Pep Delmonico Restaurant v. City of Charlotte, 252 N.C. 324, 113 S.E. 2d 422 (1960), in which the Court declared unconstitutional an ordinance which prohibited the maintenance of business signs over sidewalks within a designated district of the city. The Court stated that if it appears that the ordinance is "arbitrary, discriminatory, and based solely on aesthetic considerations, the court will not hesitate to declare the ordinance invalid." 252 N.C. 324, 326, 113 S.E. 2d 422, 424.

As recently as 1970, the North Carolina Supreme Court repeated the rule set out in the Brown case and applied the reasoning to a housing code-urban renewal case. In Horton v. Gullledge, 277 N.C. 353, 177 S.E. 2d 885 (1970), the court referred to the United States Supreme Court holding in Berman v. Parker, 348 U.S. 26 (1954), which ruled that the United States Constitution allows the police power to be exercised for aesthetic purposes. The North Carolina Court noted that the U.S. Supreme Court's interpretation of the Due Process Clause of the federal constitution does not control the corresponding Law of the Land Clause of the North Carolina Constitution. The scope of the police power to regulate land use within a state may be more narrow, due to the interpretation of state constitutions by state courts, than that which is permitted by federal constitutional requirements as interpreted by the U.S. Supreme Court.

Since the Horton decision in 1970, the North Carolina Supreme Court has decided two cases that have indicated its willingness to consider expanding its interpretation of the permissible extent of the police power. These decisions, State v. Vestal, 281 N.C. 517, 189 S.E. 2d 152 (1972) and A-S-P Associates v. City of Raleigh, 298 N.C. 207, 258, S.E. 2d 444 (1978), foreshadowed the policy reversal concerning aesthetic-based regulations of the Jones decision.

In State v. Vestal, supra, the Court struck down an ordinance requiring a fence or an evergreen screen around junkyards. The Court, however, suggested that it may reconsider its position on ordinances based on aesthetic considerations. The state in Vestal contended that the ordinance in question was not based solely or predominantly upon aesthetic considerations, but was based on concern for highway safety. The Court felt that the ordinance bore no reasonable relation to the safety of the travelling public and, therefore, declared it an invalid exercise of the police power. The Court seemed to invite a challenge to the rule set out in Brown prohibiting reasonable regulation that is based solely on aesthetic considerations.

In A-S-P Associates v. City of Raleigh, supra, the Court upheld an ordinance adopting architectural guidelines and design standards to be applied by a Historic District Commission to a historic district created by the City of Raleigh. A-S-P Associates challenged the ordinance as based solely on aesthetic considerations and therefore beyond the scope of permissible police power. The Court ruled to expand the permissible scope of the police power to include the exterior appearance of buildings when the purpose of the regulation is "the preservation of the State's legacy of historically significant structures." 298 N.C. 207, 216, 258, S.E. 2d 444, 450 (1978). The Court noted that "cases dealing with purely aesthetic regulations are distinguishable from those dealing with preservation of a historical area or a historical style of architecture." Id. The Court then pointed out the benefits to the general welfare of historic preservation and the substantial relationship to this purpose of the ordinance in question. While the Court was unprepared to accept purely aesthetic regulation, it did accept regulations focusing on the educational, cultural, and economic value of the appearance of historic neighborhoods.

#### Discussion of the Decision in Jones

With its decision in Jones, the North Carolina Supreme Court ruled that "reasonable regulation based on aesthetic considerations may constitute a valid basis for the exercise of the police power depending on the facts and circumstances in each case." 305 N.C. 520, 530-31, 290 S.E. 2d 675, 681 (1982). The Court was careful



to emphasize that this does "not grant blanket approval of all regulatory schemes based on aesthetic considerations." *Id.* In short, the regulation must be reasonable to be upheld as constitutional. This is a standard constitutional due process or law of the land requirement from which aesthetic regulations are obviously not exempt.

In determining the reasonableness of a regulation, the Court adopted the balancing test which was first announced in *A-S-P Associates v. City of Raleigh*, *supra*, in which the diminution in value of an individual's property is weighed against the corresponding gain to the public from the regulation. Several factors are listed that are to be considered in applying the balancing test, including 1) whether the regulation results in the confiscation of the most substantial part of the value of the property, 2) whether the regulation deprives the property owner of the property's reasonable use, 3) the purpose of the regulation, and 4) the manner in which the regulation attempts to achieve the purpose of the regulation.

The Court in *Jones* provides guidance in determining the acceptability of the purpose of a regulation based on aesthetic considerations. The Court mentions "corollary community benefits" that are to be considered as part of the balancing test. Examples of the corollary benefits that justify an aesthetic regulation are "protection of property values, promotion of tourism, indirect protection of health and safety, preservation of the character and integrity of the community and promotion of the comfort, happiness, and emotional stability of the area residents." *Id.*

The Court also added that "we feel compelled to caution the local legislative bodies charged with the responsibility for and the exercise of the police power in the promulgation of regulations based solely upon aesthetic considerations that this is a matter which should not be delegated by them to subordinate groups or organizations which are not authorized to exercise the police power by the General Assembly." *Id.*

The Court, thus, sets out the factors that courts are to consider in reviewing the validity of an ordinance that previously would have been struck down as beyond the permissible extent of the police power. The Court also stresses that regulations that are aesthetic-based are to be promulgated by bodies of elected officials rather than by appointed commissions or advisory boards.

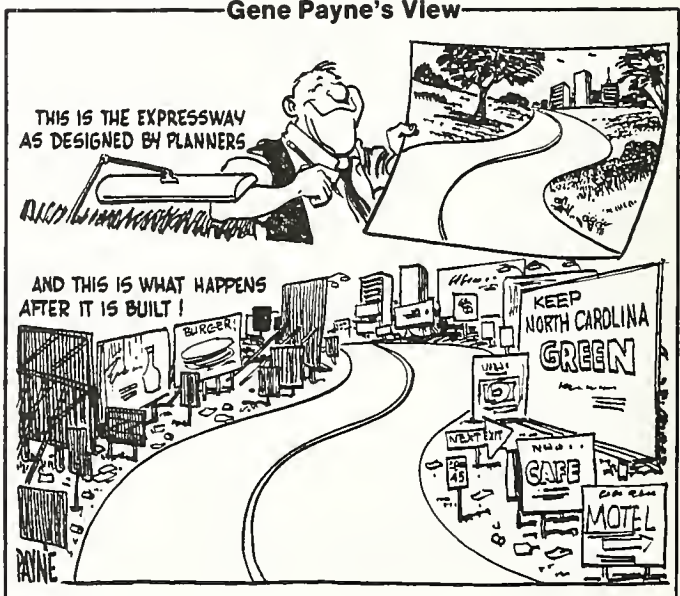
Other than junkyard shielding requirements, this balancing test doesn't provide significant and specific guidance as to what types of regulations the expanded scope of the police power announced in *Jones* will include.

### Status of Aesthetic Considerations in Regulations in Other States

The expansion of the permissible range of the police power in North Carolina to allow regulation based on aesthetic considerations follows the national trend that started with *Berman v. Parker*, 348 U.S. 26 (1954). The U.S. Supreme Court in *Berman* removed any federal constitutional objections to regulations based on aesthetic considerations. More states are finding the reasoning of *Berman* persuasive and have been adopting it in the interpretation of state constitutions.<sup>1</sup> Nineteen jurisdictions now explicitly allow regulations based on aesthetic considerations,<sup>2</sup> with approximately six jurisdictions joining this trend in the past ten years.<sup>3</sup> Eight states expressly prohibit regulations based solely on aesthetics.<sup>4</sup> In other states the question is unresolved or there are no reported cases addressing the question of exclusively aesthetic-based regulation.

No state will hold an ordinance invalid because it is based partially on aesthetic considerations. Often there is no functional difference between states that purport to uphold regulations solely on aesthetic considerations while cautioning that the regulations must be a reasonable use of the police power, and states that purport to invalidate regulations based solely on aesthetic considerations, while upholding regulations based in part on aesthetic concerns. One court may rule that a junkyard regulation is valid solely due to aesthetic considerations in shielding the junkyard while another court will rule that aesthetic concerns along with enhanced public safety or beneficial effects on property values will justify the regulation. In both courts, a regulation related to aesthetics that is considered unreasonable or insufficiently related to the general welfare will be struck down.

### Gene Payne's View





In the Southeast, judicial acceptance of aesthetic considerations as a basis for the exercise of the police power has been mixed. Tennessee, North Carolina, and Georgia will uphold a reasonable regulation based solely on aesthetic considerations. All three states have reversed a more restrictive policy within the last three years.

The Georgia Supreme Court has ruled that "municipalities may enact and enforce reasonable sign ordinances under the general public welfare aspect of its police power, specifically aesthetics." H & H Operations, Inc. v. City of Peachtree City, 248 Ga. 500, 283 S.E. 2d 867 (1981). In an earlier case, Rockdale County v. Mitchell's Used Auto Parts, Inc., 243 Ga. 465, 254 S.E. 2d 846 (1979), the Georgia Court upheld the constitutionality of reasonable junkyard regulations as a traditional police power function without crossing the issue of whether a regulation based solely on aesthetic considerations would be valid.

Tennessee has also recently reinterpreted the permissible scope of the police power in Tennessee to authorize regulations based on aesthetic considerations alone. State v. Smith, 618 S.W. 2d 474 (Tenn. 1981). In a challenge to an ordinance quite similar to the Buncombe County ordinance challenged in State v. Jones, the Tennessee Supreme Court held that "in modern society aesthetic considerations may well constitute a legitimate basis for the exercise of police power, depending upon the facts and circumstances." Id., at 477.

Virginia is the only southeastern state that explicitly prohibits the exercise of the police power for solely aesthetic purposes. The Virginia Court, however, does not completely disregard aesthetic factors in its consideration of the validity of police power regulations. The current rule in Virginia is stated in Kenyon Peck, Inc. v. Kennedy, 210 Va. 60, 168 S.E. 2d 117 (1969). The fact that aesthetics may have played a role in adopting the ordinance did not invalidate the ordinance since the public safety element in the regulation upholds the exercise of the police power.

#### Possible Extent of the Police Power in Land Use Regulation in North Carolina

The important policy question presented by Jones is what type of ordinance is likely to be permissible in North Carolina following the Jones decision. Obviously, reasonable regulations governing junkyard and automobile graveyard establishments will be reviewed favorably.

Also, since the Jones decision, the North Carolina Court of Appeals has upheld an ordinance that prohibits off-premise commercial signs. As noted by the Court of Appeals "the primary purpose of the ordinance is to eliminate



structures which block and detract from the town's scenic beauty." R.O. Givens, Inc. v. Town of Nag's Head, 58 N.C. App. 697, 294 S.E. 2d 388 (1982), appeal dismissed, 307 N.C. 127, 297 S.E. 2d 400 (1982). In determining that the off-premise commercial sign ban was permissible, the Court noted the economic importance of tourism to the municipality and, citing Jones, held that aesthetics constituted a valid basis for the exercise of the police power to prohibit commercial off-premise signs.<sup>5</sup>

Cases from other state supreme courts cited with approval by the North Carolina Supreme Court in the Jones decision provide some influence if a similar challenge is brought in North Carolina. One may speculate that North Carolina courts will look favorably upon such an ordinance.

The Tennessee case State v. Smith, discussed earlier and cited with approval in Jones upheld a state statute prohibiting the establishment of automobile graveyards within 1000 feet of state roadways without a vehicle junkyard concealment control permit.

The final case of significance cited in Jones was a New Jersey decision holding that a municipal ordinance prohibiting the use of "For Sale" signs was unconstitutional; but that to prohibit "Sold" signs in front of houses already purchased was a proper zoning exercise in order to prevent commercial advertising in residential areas since the value of such information was outweighed by the significant government interest in the promotion of aesthetics. Berg Agency v. Township of Maplewood, 163 N.J. Super. 542, 395 A.2d 261 (1978). The burden that the regu-

lation placed on the marketability of the real state was held to outweigh the municipal interest while the home was for sale; however, after the property was sold the owner's interest no longer outweighed the municipal interest.

Regulations that have been held to upheld in other states expressing tests similar to the test enunciated in Jones, while not at all binding on the North Carolina courts, are informative as to the types of regulatory schemes that may be generally acceptable in states that claim to allow regulations that are based solely on aesthetics factors.

New Jersey has upheld an ordinance that restricts the location within a quarry where products and equipment can be stored, on the grounds that the police power includes the ability to regulate unsightly conditions. Dock Watch Hollow Quarry Pit, Inc. v. Township of Warren, 142 N.J. Super. 103, 361 A.2d 12 (App. Div. 1976) affirmed, 74, N.J. 312, 377 A.2d 1201 (1977).

Wisconsin courts have upheld on aesthetic grounds an ordinance that prohibits the storage of junked automobiles within 750 feet of a highway. Racine County v. Plourde, 38 Wis. 2d 403, 157 N.W. 2d 591 (1968). Wisconsin has also upheld a zoning ordinance requiring a finding that the exterior architectural appearance of a proposed structure would not cause substantial depreciation in property value nearby, before a building permit will be issued.

### Conclusion

The decision of the the North Carolina Supreme Court in State v. Jones has the effect of enlarging the permissible scope of the police power in a limited, albeit substantial, range of regulations. The functional effect is to allow local governments to regulate the appearance of junkyards, automobile graveyards and various other obvious eyesores, and to give local governments more latitude in regulating the proliferation of outdoor advertisement structures.

The Court is cautious in its acceptance of aesthetic-based regulation. The opinion indicates that a regulation based on aesthetics is not acceptable if the benefits to the public of the regulation, both direct and corollary, do not outweigh the diminution in an individual's property value. The Court sets out several factors to be considered in applying the balancing test to determine the validity of an aesthetic regulation. These factors include the nature and extent of the damage to an individual property owner, the purpose of the regulation, the regulation's relation to the purpose; plus the corollary benefits of the regulation such as protection of property values, promotion of tourism, and preservation of community character.

### Footnotes

1) For further information, see Bufford, "Beyond the Eye of the Beholder: A New Majority of Jurisdictions Authorize Aesthetic Regulation," 48 University of Missouri at Kansas City Law Review 125 (1980).

2) California, Colorado, Delaware, District of Columbia, Florida, Georgia, Hawaii, Massachusetts, Michigan, Mississippi, Montana, New Jersey, North Carolina, New York, Ohio, Oregon, Utah, and Wisconsin.

3) Georgia, Michigan, Montana, North Carolina, Tennessee, and Utah.

4) Illinois, Maryland, Nebraska, Rhode Island, Texas, Vermont, Pennsylvania, and Virginia.

5) It is important to note the other important considerations in municipal or county sign ordinances. These include consistency requirements with the N.C. Outdoor Advertising Control Act and the Federal Highway Beautification Act, compensation to sign owners, and First Amendment freedom of speech issues. These are each addressed in the Givens case.



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# Can Planners Raise Concern BEFORE The Flood?

To the national news media and many decision-makers, flooding events are catastrophic disasters, characterized by basin-wide flooding, the evacuation of people, and massive property losses. The planner working in urban areas, however, faces a more subtle but equally serious flood hazard, the non-catastrophic urban flood. The United States Water Resources Council has estimated that overflowing rivers and streams and related drainage problems cause significant damage and disruption in almost 3800 cities, with annual losses exceeding \$2 billion. They also forecast that annual public and private flood losses will escalate to \$5 billion by 1985.

Within individual urban centers, increased flood hazards can be related to the widespread urbanization of flood-prone areas and the increasingly impermeable landscape created by highways, roofs, and parking lots. In many cities the results are more localized flooding, particularly in headwater settings. Older neighborhoods which previously suffered only occasionally from overflowing streams find themselves facing increasingly frequent and severe flooding events. Once treated as a nuisance, the flood becomes a threat. For persons living in these areas it is a frustrating experience leading to greater expense for protecting one's property. Moreover, decreasing property values may make it difficult to leave the neighborhood without financial loss.

If planners are expected to mitigate the losses associated with localized urban flooding, it is critical that we understand public reaction and perception of the problem. Without insight into public response and adjustment to these events, it is impossible to develop technically sound and socially acceptable remedial measures.

## Research Framework

Natural hazards research has emphasized the important interplay between the nature of the hazard and the experience, goals, and limitations of the population affected. Specifically, variations in experience and other behavioral characteristics produce significant differences in both the perception of and the response to the hazard.

Several researchers have conceptualized the response to hazard as an economic decision in which the affected individual attempts to minimize economic loss from an extreme natural event

by using the most efficient combination of damage-reducing adjustments. The individual weighs the risks of a hazard occurring and the degree of property or personal damage which might occur against the various adjustments which could be made. For example, if the chances of flooding are high and the costs great, an individual might simply move out of the flood plain. Conversely, if the risks are low and/or the economic costs acceptable, no adjustment to flooding might be taken. There are, of course, a wide array of alternatives between these two extremes.

## Study Design

With these issues in mind, the authors examined community attitudes and perception toward flooding in an urban area which had recently experienced a non-catastrophic flood. The study areas were two established neighborhoods in Charlotte, North Carolina. Both neighborhoods may be classified as lower/middle income or "working class" in character. Most of the residents of one neighborhood were black while the residents of the other were mostly white. Three weeks after the flood, 170 residents were given questionnaires to fill out and mail back to the researchers. Approximately half of the questionnaires were completed and mailed to the researchers.



*Irwin Creek with newly added riprap banks*

*Owen J. Furuseth and Sallie M. Ives are assistant professors in the Department of Geography and Earth Sciences at the University of North Carolina at Charlotte.*

## Findings

The survey results showed that flooding was perceived as one of the most serious problems facing the study areas. While this strong concern is partially inflated by the recent flooding event and probing by the survey, the strength of public anxiety cannot be discounted. A significant portion of the sample were concerned enough to attempt flood-proofing measures. Almost 28 percent of the respondents reported that they had previously taken actions to reduce flood damage. Among the adjustments undertaken were digging ditches, installing drains, constructing berms, laying polyethylene liners beneath structures, installing sump pumps, and reserving areas of their property for flood coverage. The imagination and personal cost associated with measures to reduce flood damage suggests that many property owners were not content with bearing the costs of repeated flooding or waiting for relief by public agencies. A significant number of residents were willing to accept some responsibility for protecting themselves.



The survey results also indicated that the respondents possess a realistic understanding of the reasons for flooding and the financial impact of these events on their property values. The respondents were not fatalistic or naive, but rather recognized that flooding was a controllable natural phenomenon. Surprisingly, a sizeable component of the sample were aware that urban development can aggravate flooding problems. Many property owners (45 percent) also recognized that their property was worth less

### A SIGNIFICANT NUMBER OF PROPERTY OWNERS ARE WILLING TO ASSUME SOME MONETARY COSTS FOR PROTECTING THEIR HOMES AND SAFETY

because of the flooding hazard. Nevertheless, respondents were strongly reluctant to relocate into non-flooding neighborhoods. Almost 60 percent of the sample indicated that urban flooding was not a serious enough hazard to warrant leaving their neighborhood. One may infer that the economic costs of repeated headwater flooding do not outweigh the social costs and adjustment which are associated with relocating out of the neighborhood.

When questioned about public sector activities and policy actions to reduce the frequency and severity of flooding, residents overwhelmingly supported public action. Among those citizens who were familiar with the impact of urban flooding, there was no hesitancy in supporting increased public sector involvement to improve the situation. Interestingly, the most strongly favored adjustment was increased police power regulation to restrict future floodplain development. This alternative was preferred by a larger number of respondents than was the construction of control and protection devices or relief and rehabilitation actions. These data suggest that new public policies to restrict urban development in flood-prone areas would enjoy strong public support among city residents experiencing flooding hazards.

*Continued on page 31*

TABLE 1: COMMUNITY ASSESSMENT OF NEIGHBORHOOD PROBLEMS (PERCENTS)

	Not Important at All	Slightly Important	Somewhat Important	Very Important	Don't Know/ No Response
Poor condition of streets	22.8	12.7	21.5	22.8	19.0
Crime and vandalism	11.4	19.0	19.0	35.4	15.0
Unemployment	22.8	11.4	19.0	24.1	22.8
Unsupervised children, youths	10.1	16.5	16.5	34.2	22.8
Inadequate city services, like garbage pick-up	26.6	16.5	13.9	29.1	13.9
Flooding	6.3	11.4	21.5	44.3	16.5
Poor conditions of some houses	5.1	16.5	22.8	41.8	13.9
Speeding traffic	11.4	8.9	19.0	48.1	12.7
Lack of parks, recreation areas	25.3	10.1	10.1	39.2	15.2
Water, air pollution	11.4	19.0	20.3	30.4	19.0



# State and Local Programs for Flood Hazard Management in the Southeast

Flooding is a serious national problem. It affects every state, over half of the communities, and an estimated seven percent of the land area in the United States. In an effort to slow escalating flood losses and reduce mounting expenditures for structural protective works and flood disaster assistance, federal flood hazard mitigation policy has increasingly stressed the need for a balanced approach to flood problems. Such an approach employs both structural and non-structural measures. While structural measures, such as dams, levees, and channel alterations have a long history of successful application, a number of non-structural measures have drawn increasing attention. They include land use regulations, floodproofing, flood forecasting, flood insurance, and postflood recovery

they have recently experienced a flood. One study found that concern for flooding ranked twelfth among eighteen community problems evaluated by local leaders. Another found that the average flood-prone community in the U.S. devotes less than \$10,000 per year to flood hazard management.

Researchers at the University of North Carolina, Chapel Hill, have found a wide variety of state and local government flood management practices. At the level these include:

- planning and coordination practices, such as water resources planning and reviews of bridge design;
- grants-in-aid to local governments or flood plain occupants for land acquisition and relocation;
- wetlands protection, dam safety, and other regulatory practices;
- public investment in flood control works;
- technical assistance to local governments; and
- post-disaster assistance.

At the local level, practices may include special zoning and subdivision requirements for flood prone properties, dredge and fill requirements, and public information programs.

In terms of the number of state and local practices used to reduce potential flood losses, the southeast as a region is typical of the nation. Within the region, however, there is wide variation. Florida, North Carolina, Tennessee, and Virginia equal or exceed the regional median in total number of state practices and median number of local practices.

The southeast is roughly equivalent to the nation in evaluations of the effectiveness of:

- state programs for the prevention of flood damages;
- local programs for reducing exposure of existing and future development to flood damage; and
- local programs for solving the problems of flood plain occupants.



planning. Most of these non-structural measures cannot be implemented by the federal government acting alone; they require a cooperative effort among federal, state, and local governments.

But flooding does not seem to be of high priority for local and state governments unless

Tennessee and Virginia are evaluated above average for the region on all dimensions of program effectiveness. For all states, local programs to reduce exposure of future development to flood damage are considered the most successful. In only isolated cases are other programs viewed as even somewhat effective.

In some instances, the states with many flood management practices also have effective programs (Tennessee and Virginia). However,

there is no clear relationship between the number of practices used and their effectiveness. States and localities in the southeast are active in addressing flood hazard problems, but they are not always effective in solving these problems.

*Bruce Stiftel is Research Associate and Raymond J. Burby is Assistant Director for Research for the Center for Urban and Regional Studies, UNC-Chapel Hill. Research supported in part by National Science Foundation Grants.*

<u>STATE PRACTICES</u>			<u>LOCAL PRACTICES</u>		
	<u>Number</u>	<u>Evaluation: Prevention of Flood Damages</u>	<u>Median Number</u>	<u>Evaluations: Reducing Exposure of Existing Dev.</u>	<u>Reducing Exposure of Future Dev.</u>
Alabama	13	.44	3.7	.50	.70
Florida	23	.49	6.3	.42	.70
Georgia	14	.20	6.3	.34	.70
Mississippi	16	.45	6.0	.48	.70
N. Carolina	17	.41	6.3	.27	.75
S. Carolina	17	.29	3.6	.09	.70
Tennessee	19	.60	6.4	.42	.80
Virginia	24	.50	6.6	.42	.90
SOUTHEAST (Median)	18	.46	6.3	.39	.75
NATION (Median)	19	.48	6.2	.41	.75

The scale used for these measures is as follows: 1 = very effective; .5 = somewhat effective; 0 = not effective

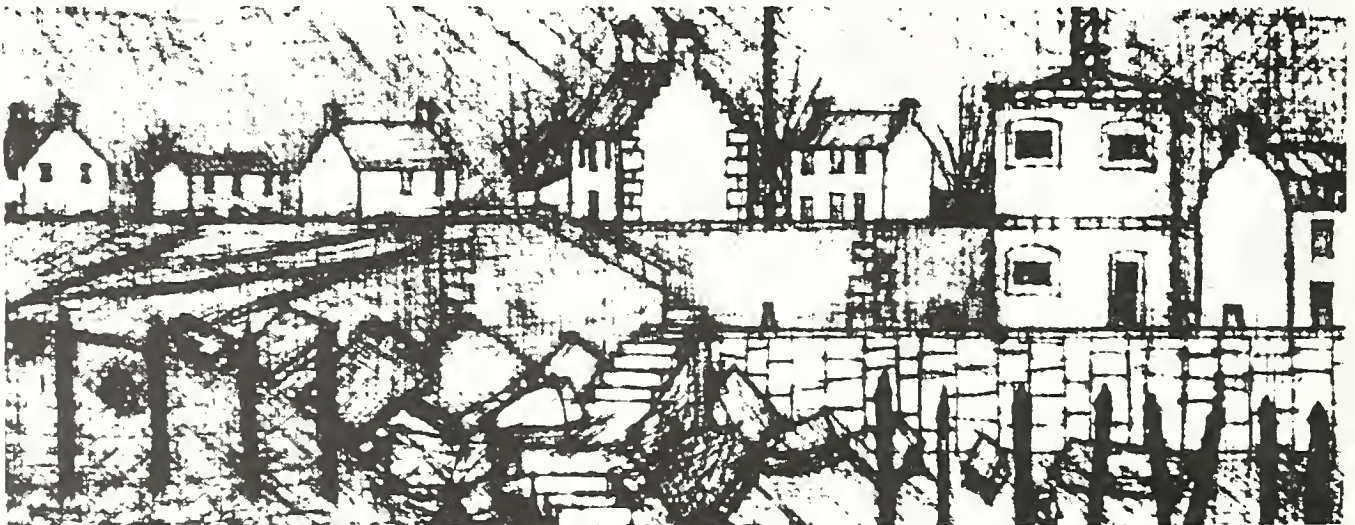




TABLE 2: COMMUNITY ATTITUDES TOWARD FLOODING EVENTS AND GOVERNMENTAL RESPONSIBILITIES (PERCENTS)

	Strongly Disagree	Disagree	Neither Agree or Disagree	Agree	Strongly Agree	Don't Know/ No Response
Because of flooding, my house and land are worth less money.	10.1	16.5	16.5	20.3	25.3	11.4
I wish I could move into another neighborhood where there is no flooding.	8.9	29.1	12.7	16.5	20.3	12.7
I like my neighborhood and would not move just because of some flooding.	5.1	17.7	8.9	43.0	16.5	8.9
A flooding creek is an act of God and so there is nothing to really stop it.	35.4	22.8	8.9	10.1	12.7	10.1
The local government should build dams or lakes to reduce neighborhood flooding in Charlotte.	5.1	5.1	15.2	25.3	36.7	12.7
Charlotte should use zoning and other regulations so that more houses are not built in areas that flood.	3.8	6.3	8.9	30.4	40.5	10.1
The government should provide money to help people repair or replace flood damage.	2.5	10.1	11.4	26.6	35.4	13.9
My house and land are worth more money because of the creek in my neighborhood.	31.1	27.8	19.0	6.3	3.8	11.4

### Conclusions

While the Charlotte survey findings lack direct transferability to other cities, several observations for planners in other communities are appropriate. First, the distress and disruption caused by non-catastrophic floods are a genuine neighborhood issue. While the flooding of streets and structural damage to homes may not warrant extensive attention in the news media, it is a serious concern to the affected neighborhoods. Faced with frequent flood damage, a significant number of property owners are willing to assume some monetary costs for protecting their homes and safety. They are not, however, amenable to measures which would necessitate relocation out of their neighborhood.

Secondly, urban neighborhoods subjected to non-catastrophic flooding present an excellent opportunity for participatory planning. United in their concern for protecting their neighborhood, area residents show a strong orientation toward cooperating with planners to formulate and implement programs to mitigate flood hazards. Perhaps what is needed is greater governmental initiative to contact, mobilize and involve the community.



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# Understanding the Political and Economic Context of Urban Development

During the late sixties, economists, sociologists, urban planners, and other students of urban phenomena increasingly investigated alternative theoretical perspectives from which these phenomena could be examined. This activity was motivated partly by events such as the urban rebellions that signaled that all was not well in the cities of the United States, and partly by dissatisfaction with traditional or "orthodox" approaches to urban phenomena. The dissatisfaction with traditional views stemmed from disagreement with the assumptions on which traditional approaches were based and from the inability to adequately explain the urban situation of the sixties.

Many of the investigations that emerged during this period were based on Marxist analysis. Two topics receiving particular attention were the political economy of urban development and the theory of the state. The state as used here refers to the political organization constituting the basis of civil government and social life.

This paper brings together the literature on the political economy of urban development and the theory of the state that emerged during and after the late sixties. This is done in an effort to determine what these theories can contribute to our understanding of the general context within which planning takes place. Putting both the analysis of urban development and the analysis of the state in the context of the larger political and economic structure of society can provide important insights into urban life by allowing various dimensions and interrelations to be examined.

The discussion in this paper is motivated by the belief that planners, whether employed by the state or by community organizations, who wish to further economic and social justice need to develop a sound awareness of the context in which planning takes place. This involves understanding the ways in which planning fits

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## THE LITERATURE POINTS OUT CONTRADICTIONS AND LIMITS THAT ARE INHERENT IN URBAN DEVELOPMENT IN CAPITALIST SOCIETIES

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within the larger structure of the state apparatus, as well as the role and functions of the state within the larger socio-economic framework. Adopting this broader perspective can enable planners to be more effective by providing them with a better understanding of the forces

at work in the environment in which their skills are applied.

The following two sections review the literature on urban political economy and the state, respectively. These reviews are not intended to be exhaustive; instead, they are intended to present some of the major topics and issues addressed in the literature. The final section attempts to draw the two bodies of literature together and suggests ways in which they can be useful to practicing planners.

### Political Economy of Urban Development

The literature on the political economy of urban development examines two major themes. The first involves the relationship of urban development to the production of goods and services and the relations between workers and owners of capital in capitalist societies.

The second theme involves the process through which the built environment is shaped to meet the requirements of capitalist production and social relations. Although these themes tend to be separated in the literature, when combined they point to important factors that should be considered in attempting to understand urban growth.

The work of Lojkine (1976), Dear and Scott (1981), and Scott (1979) addresses these points. According to Lojkine, the reproduction of advanced capitalist societies requires collective means of consumption and the spatial concentration of the means of production and reproduction.

Collective means of consumption refers to the "totality of material supports of the activities devoted to the reproduction, i.e. maintenance and regeneration, of social labor power," and includes medical, sports, educational, cultural, and public transport facilities. The spatial concentration of the means of production is brought about by the need for cooperation, both within production units and between production units within the larger system of production. Thus, spatial concentration and urban development are closely related to the dynamics of production in capitalist societies.

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Dear and Scott hold that "the economic imperatives of commodity production and exchange," i.e. profit maximization, give rise to cities. Producers initially cluster near raw materials or at transport nodes in order to minimize costs. The concentration of producers is matched by the concentration of workers in residential districts, and this market attracts producers of consumer goods and services.

This growth dynamic, which continues until diminishing returns set in, has two major consequences. First, a hierarchy of centers of different functions and sizes emerges. Second, within each city a spatial system composed of interdependent areas emerges. The system includes: production space, where production and expansion of capital occurs; reproduction space, where labor is regenerated; and circulation space, which ties production and reproduction spaces together.

These spaces combine to form "an intricate land-use pattern expressing the main character of capitalist society." Elsewhere Scott states that it is these land-contingent interrelations, along with the intervention of the urban planning system, that form what he terms "the urban land nexus," which is the "finally unifying idea of the city."

The second approach taken in examining the relationship between urban development and production addresses the influence of urban development on the built environment. According to Harvey (1981), "the urban process implies the creation of a physical infrastructure for production, circulation, exchange, and consump-

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THE IMMOBILE NATURE OF PUBLIC INFRASTRUCTURE  
MEANS THAT MODIFICATIONS TEND TO  
INVOLVE LONG TIME PERIODS OR DEVALUATION

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tion." Advanced forms of capitalist production involve the separation of places of work and places of residence, increasing division of labor between production units, and overall economies of scale obtained through the concentration of activities in urban centers.

Harvey's analysis includes an examination of the ways in which capital flows into the construction of the built environment. Individual capitalists tend to under-invest in the built environment, or the "secondary circuit," relative to both their individual needs and the collective needs of capital. At the same time, they tend to over-invest in the production process, or the "primary circuit."

Investment in the built environment tends to be accomplished by switching capital from the primary circuit to the secondary circuit. This switching is usually done by financial and state institutions with the power to create "fictional capital," i.e. credit. Thus, "the flow of in-



vestment into the built environment depends upon the surpluses of capital and labor and upon mechanisms for pooling the former and putting it to use."

The literature on urban political economy also points out contradictions and limits that are inherent in urban development in capitalist societies. An orderly process of urban development in capitalist societies is limited by the need to finance infrastructure and other collectively used elements of the built environment. Many of these elements are highly capital intensive, highly indivisible, or are not viewed as being profitable within the decision-making calculus of individual producers (i.e. roads, sewers, etc.). But the urban development process is very dependent on these elements for its continued functioning. In many cases, the state intervenes and provides these services.

Harvey points out that this investment is undertaken to create an environment that is efficient and rational in terms of the requirements of capitalist production at a particular point in time. But the drive for increased capital accumulation can cause investment that was once supportive of accumulation to become a barrier to further accumulation, as changes in technology place new demands on the built environment. The immobile nature of public infrastructure means that modifications tend to involve long time periods or devaluation.

The limits inherent in urban development in capitalist societies create a need for collective intervention to allow overall production, and thus the development process continues. Lojkin and Scott offer perspectives on ways in which the state intervenes in the urban development process.

## The State

In recent years the form and functions of the capitalist state have been addressed by a number of theorists. These theorists use the capitalist social and economic structure as a point of departure in analyzing the state. They have tended to focus on only certain aspects of the state, and few have attempted to develop an actual theory of the state.

One of the major issues that is addressed in this literature involves the control of the state. Two major approaches have been put forward. The instrumentalist approach suggests that the state is the instrument of the ruling class, or capital. Capital, because of its eco-

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### DECENTRALIZED STATE STRUCTURES TEND TO MAKE LOCAL GOVERNMENTS VULNERABLE TO DEMANDS OF LOCAL CAPITALISTS FOR SUBSIDIES

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nomic power, is able to manipulate the state in order to promote its class interests. The structuralist approach contends that the structure of capitalist societies determines the form and functions of the state. The result is that state activity tends to favor capital rather than labor. This result occurs without capital having to manipulate the state directly.

Several weaknesses in these approaches have been pointed out (Gold et al., 1975; Esping-Andersen et al., 1976). By concentrating on the control of the state by capital and on the links between capital and the state, the instrumentalist approach tends to neglect the structural limits within which control must be exercised.

Esping-Anderson et al (1976) reject the view that the state functions exclusively as the

instrument of capital. Resistance from the working class prevents the state from serving only this purpose. To the extent that the state can be made to serve the interests of capital, intervention will be restricted to activities that are consistent with capitalist social relations. But the working class is seldom totally neutralized, so the form and functions of the state influence political class struggle by shaping the issues around which struggle takes place.

Friedland et al. (1978) provide an examination of the manner in which the internal structure of the local state acts to ease the contradictions between the state functions of supporting economic growth and promoting political integration. The mediation of these contradictions depends on the degree of decentralization or centralization of government functions among different levels, and the degree of segregation of economic and political functions within urban governments.

Decentralized state structures in areas such as financing, policy making, and implementation tend to make local governments vulnerable to demands of local capitalists for subsidies and resistant to popular demands for expanded services.

Centralized state structures allow governments to be less constrained by the requirements of capital accumulation because decisions directly related to accumulation are made at higher levels of government. Political integration must be obtained in ways that are not disruptive of the accumulation process. This is usually done by attempting to segregate functions addressing economic growth from those addressing political integration and participation.

The agencies addressing political integration functions tend to have limited power and are highly politicized, while the agencies ad-

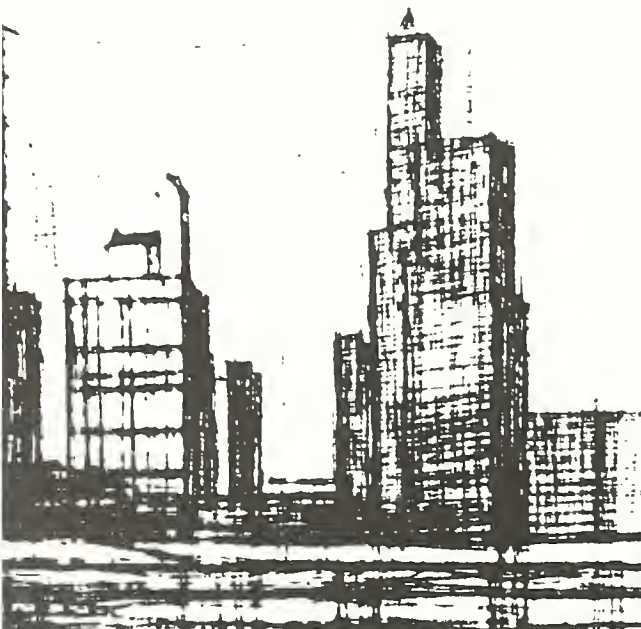
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### THIS LITERATURE PROVIDES INSIGHTS INTO STATE INTERVENTION IN URBAN DEVELOPMENT

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Addressing economic growth are often kept out of the political arena. Separations like this are illustrative of the ways in which the structure of local government acts to mediate the relations between classes and converts class antagonism into conflicting demands placed on the state.

Scott places his analysis of the state within his discussion of the urban land nexus. He states: "Urban planning constitutes a decision-making calculus that seeks to mitigate the deleterious social effects and failures contingent upon the behavioral peculiarities of firms and households in urban space, and to steer urban society forward into collectively rational choices consistent with capitalist social and property relations."





Urban planning constitutes an effort to provide order to the otherwise anarchic process of urban land use determination. Interventions such as urban renewal and zoning can be interpreted in these terms. But state intervention and urban planning are constrained in their scope of operation because they cannot alter the underlying social relations within capitalist societies. This limitation causes them to become "an integral element of the urban problem at large."

#### Urban Political Economy and the State

The neo-Marxist literature examines urban development by placing it within the broader context of capitalist production. The way in which production is organized leads to specific economic and social relations that influence the shape of the built environment and the pace of urban development.

The organization of production also generates conflicting and contradictory requirements for different uses and users of land. Some theorists, such as Lojkin, view urban development as the shaping of the space in which capitalist production takes place. Others, such as Scott, view urban development as more than just the spatial dimension of production and describe it as a dynamic process, resulting from spatial interrelations among the users of urban land. State intervention is required to create and maintain conditions that are supportive of profitable capital accumulation.

Although the literature discussed above is useful in terms of providing a general framework for analyzing urban development and state activity, it does not develop this framework to the extent required for an understanding of urban development and state intervention on the local level. Lojkin and Scott come closest to developing this kind of framework, but even their work is limited in this respect. Important areas that need to be addressed include the ways in which different classes influence urban development, distinctions between different levels of state activity, and a more specific discussion of urban planning as a form of state intervention.

Despite these weaknesses, however, the views presented in the literature can be useful to practicing planners. Probably the most important contribution of this literature is the insight that it provides into the forces underlying state intervention in urban development. Many planners would probably agree that planning takes place in a highly politicized environment, but few have more than an elementary understanding of that environment.

Many are familiar with the most powerful organizations and individuals in their locales, but they often do not understand the economic interests that give rise to the political positions adopted by these organizations and individuals. By realizing the general needs of owners of capital, workers, and the state, planners can be in a better position to anticipate and respond to particular development trends and conflicts in their locales.

This literature is sometimes criticized for not providing more specific guidance for planning practice. While this criticism is warranted to a certain extent, it does not constitute sufficient grounds for the total rejection of this literature by planners. Adopting a broader perspective can potentially improve the effectiveness of planners by enabling them to prepare plans that correspond more closely to the economic and social circumstances of the areas for which their plans are intended. The literature reviewed here provides a point of departure for the development of this type of perspective.

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# Human Services Planning: Familiar Problems New Solutions

In a recent article in the National Journal, Rochelle L. Stanfield, staff correspondent, wrote:

To most thoughtful critics of the New Federalism the President's proposal is neither the perfect solution nor the wrong one, but is a starting place for a comprehensive reconsideration of intergovernmental relationships.

Some may be led to believe that human services are facing the current situation only as a result of the most recent budget consolidations and reductions. However, the debate on the roles for federal, state and local governments and the voluntary sector in providing human services is not new. It was an important concern during the formation of the Republic, in the Roosevelt Administration, during the Nixon Administration, and now under President Reagan.

Human services at the local level are facing a longer term problem than just the actions of the current administration. It is problem that consists at least of: continued reductions in some programs, no real growth in funds for others, inadequate staffing, and community criticism over the effectiveness of local services. These realities will be with us regardless of the national administration.

So far, the majority of the discussions and decisions surrounding the "New Federalism" have been at the federal and state levels. Little activity, except of a reactionary nature, has taken place at the local community level. The human service field at the local level is entering an important era, where different methods will be needed for making the decisions to provide local human services.

For elected officials, administrators, and funding bodies the past two years have been filled with anticipating and monitoring the changes. Finding a way to minimize the budgetary effects has been particularly difficult because some states already faced some form of financial difficulties before the federal budget reductions.

Perhaps the most difficult issue has been the effort of understanding the structural and procedural changes in roles between the state and federal government. This has provided a tug-of-war in many states between the executive and legislative branches of state government, as

the state's role escalated to that of a key actor in distributing funds and making program decisions.

In many instances, the states decided to pass the federal reductions straight through. That is, the states took no action to offset the reductions. The situation is similar for local governments which, for the most part, lack the flexible financial resources to make up for the budget reductions that have already occurred, much less those that are proposed for the future. In addition, escalating demands for relief by taxpayers is having a strong affect on local governments.

A survey recently released by the U.S. Conference of Mayors entitled "Human Services in FY82: Shrinking Resources in Troubled Times" found that 70 percent of the cities felt they were not adequately involved in planning or implementing programming or fund allocation for block grants; 75 percent of the cities felt the pass through of human service funds has been in-

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adequate. To make up for budget cuts 54 percent of the cities were using general revenues; 60 percent reported increased private sector contributions; and 12 percent have tapped into other federal resources. Twenty of the cities indicated they used CDBG (Community Development Block Grant) money to help support human service programs.

The effects of the reductions and changes are also felt by voluntary funding bodies (VFB's) such as foundations and the United Way. Their ability to offset federal and state reductions by expanding their revenue and services is a serious question. It is also debated whether or not the VFB role is to provide these types of services.

As legislation authorizing and appropriating funds for new program efforts has occurred, many divisions and specializations have developed. Leonard M. Greene, President of the Institute for Socioeconomic Studies has stated, "The

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nation's social welfare system is less a system than a series of well-meaning, but often contradictory, programs and dictums." For the last decade, policy planners and program developers have struggled with the answers to fragmentation, contradictions, and problems of duplicate effort. The solutions have been slow in coming.

#### Past Accomplishments

At the turn of the century government performed few services, but the depression and urbanization in the U.S. greatly accelerated the demand for human services, complicating the relationships between federal, state/local govern-

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SUCCESSFUL HUMAN SERVICES PLANNING CANNOT  
BE THE EXCLUSIVE RESPONSIBILITY OF ANY ONE  
INDIVIDUAL OR OF ANY ONE EXISTING AGENCY

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ments and voluntary funding bodies. In a 1982 report, the Advisory Commission on Intergovernmental Relations (ACIR) found that from 1960 to 1981 the number of federal grant-in-aid programs to states increased from 130 to 534.

Federal and state governments created authorizations for special grants in response to the pluralism of American life. The grants provided the means to assist in solving the problems, but through the political process the grants became isolated from each other. The grants were categorical and served only certain persons at certain times with varying degrees of regulations and eligibility requirements.

In many cases each program carried with it separate planning, reporting, and organizational requirements. This proliferation created plans and programs without regard for similar existing programs. This surge of conflicting regulation and program structures created significant barriers for human services planning at the local level.

General systems theory and new management practices affected social welfare administration by stimulating thoughts on how to "make sense" out of the planning and delivery systems. The notion was extended that fragmented programs

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ESCALATING DEMANDS FOR RELIEF BY TAXPAYERS IS  
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could be tailored to fit a pattern which would produce a whole greater than the sum of its parts. This emphasis led to the concepts of integration and coordination/consolidation as a solution for the implementation problems.

From the New Federalism policy of the Nixon and Ford administrations a number of programs were consolidated under Title XX, Community Development Block Grant and the Comprehensive Employment and Training Act.



Functional planning, PPBS (Planned Program Budgeting System) and MBO (Management By Objectives) attempts made an impact and led to the development or adoption of a number of "tools" and "methods" in the effort to improve planning and decision making. Tools such as the Delphi technique, model building, and scheduling techniques like Gantt charts or PERT (Performance Evaluation Review Technique) were utilized. Methodologies for evaluating services and agencies developed, as did the methodology for setting service priorities.

#### Future Direction

To date, local actions have been reactionary. The greatest efforts have been monitoring the recent changes in terms of the net loss of dollars to a local community and finding ways, where possible, to compensate for the losses within the existing management and services framework.

Other efforts have been rekindling interest in "private sector initiatives" on the part of business and churches, especially in smaller metropolitan areas. Efforts such as soup kitchens, food closets, clothes closets, and to a certain extent financial assistance, and housing, have begun.

It is hard to estimate the longevity and continuity of these efforts. Most observers believe many of these newest local initiatives will evaporate when the economic conditions begin to improve. Others believe that the task of providing social services is too large and complex to be done by ad hoc, spontaneous actions and that they act to cause further fragmentation.

However, for policy makers, planners and administrators the recent events afford the respite needed to re-evaluate what has occurred in the past, and examine what is likely to occur in, or to stimulate new organizational changes for the future.

It is safe to assume that as more control is delegated to the state and local levels, and competition between programs is increased, the demand for all aspects of community planning will increase. If only as a result of the political plan for both public and voluntary sectors trying to make decisions with some sense of responsibility, will a demand for planning capabilities increase.

Even though recent events suggest a more involved role for planning, James E. Mills, executive director of the Community Services Planning Council in Sacramento, California states that planning may be jeopardized because there will be a tendency to:

- Cut research, staff development and evaluation activities even further.
- Develop governmentally controlled planning and allocation mechanisms.
- Give highest priority to the protection and enforcement responsibilities of the public sector.
- Protect existing institutions not only from the standpoint of bureaucratic theory, but also in relationship to civil service systems and public employee union pressures.

In light of this situation, Mills presents three questions concerning human services planning.

1. Will the need for planning be recognized?
2. If recognized will planning be employed to merely rationalize difficult political judgements and/or provide a veneer of objectivity to the allocation process?
3. Will planning be funded with adequate resources in an era of scarcity?

In the past, the function of planning, like that of direct services, has been largely categorical, especially in the areas of criminal justice, manpower, and health. Primarily because it was thought that government should adequately meet the needs of persons on a longterm basis, and voluntary organizations should provide supportive services. However, these traditional and established roles by both public and voluntary funding bodies need to be closely ex-

amined. The human services provided by government and those provided by voluntary funding bodies, can no longer afford to exist in a vacuum, as if each were separate and distinct from the other, if we want to be reasonably sure adequate services are being provided.

Local policy makers, planners and administrators should begin to examine ways to build a joint structure and process to handle human services problems for their communities with participation from public and voluntary funding bodies. Successful human services planning cannot be the exclusive responsibility of any one individual or of any one of the existing agencies in the community. In order to be sustained, planning must be built into the total process of the current and future provision of human services. Several cities are currently using a joint structure for inter-governmental problem-solving.

The development of a joint structure between public and voluntary funding bodies will produce an accountable and effective mix of human services available at a level that will benefit local residents on a continuing basis. Such a process can go a long way toward insuring that the limited monetary resources available for a community are used properly.

A joint process could include at minimum: a uniform data base, human service information system, new services or modifications of existing services, specific problem solving, service evaluation/monitoring, and joint participation, for example, in the allocation of Community Development Block Grant and Title XX funds.





## Orange County Organizes to Improve Human Services

An example of the kind of organization that Mr. Guffey is proposing can be found in Orange County, North Carolina. This group, called the Human Services Advisory Commission (HSAC), includes the directors of all the county's public services agencies and the voluntary funding bodies. David Kiel and William Woodward served as consultants to the group during its development stages and during large projects like last years county-wide needs assessment. They presented a paper at the 1981 Urban Affairs Conference at the University of North Carolina describing the development of the HSAC, from which much of the information that follows was taken.

The growth of HSAC has been gradual, and has passed through many stages of development. It all began in 1977 when several human services agencies got together for a conference on the Barriers to Human Services Coordination in Orange County. This was the beginning of a deliberate attempt by the human services agencies and local government to improve the effectiveness and efficiency of the service delivery system in the county. The conference planning committee had nine member agencies, and an ad hoc committee resulting from the conference included 14 agencies.

The ad hoc committee developed a plan for a permanent coordinating council, and the HSAC was established in 1979 with the purpose of advising the county commissioners and initiating coordinating activities. HSAC held a second conference in 1980, and by this time the ranks had swelled to 21 members.

The increase in participation augmented the capacity to handle coordination activities. For example, the 1977 conference produced a large amount of information, but there was no available organization to process and implement the recommendations. The ad hoc committee limited itself to two areas: transportation and funding. By the 1980 conference, the HSAC was able to respond to suggestions in ten diverse topic areas as well as carrying on their previous tasks. The tasks gradually changed from specific projects like designing a joint funding application form to more general and complex tasks like board development and needs assessment.

The breadth of HSAC's role can be seen by looking at the mandate set out for the group by the county commissioners at their endorsement of

the organization in its formal initiation in 1979. HSAC is to:

1. Provide advice to the commissioners and other boards that request help;
2. Promote cost-effective approaches in human services coordination;
3. Promote greater communication and coordination among funders and service providers; and
4. Maximize human service resources in the county.

In order to achieve these goals, the HSAC's membership includes a county commissioner, representatives from three municipal councils, members of two school boards, directors from 16 local agencies, a representative from North Carolina Memorial Hospital, and a board member of the United Fund. The agencies vary from the traditional service providers such as the Department of Social Services and the Department of Health to smaller voluntary groups such as rape crisis, dispute settlement, and women's health counseling. This broad spectrum of representatives from both funding and service providers allows the HSAC to look at every aspect of human services in the county -- from health services to housing codes; from summer nutrition/recreation programs to town-county-United Fund coordination of funding.

As this coordination effort evolved the group acquired a more formal organizational structure. The ad hoc committee functioned with two subcommittees and met once a month to share progress. There were no officers, no official decision-making procedures, and no records of deliberations. The HSAC developed an internal structure of committees, by-laws regulating the membership and decision making process, and keeps regular minutes of its meetings. At each progressive stage of the process of coordination has become more complex, less spontaneous, and requires more resources to manage the system.

One of the biggest tasks undertaken by the HSAC was the county-wide needs assessment that was conducted in the winter of 1982, after care-

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ful planning and preparation during the previous fall. The project involved over 80 citizens who were divided into subcommittees which investigated the existing services and predicted needs of different age groups of the population. The subgroups prioritized needs and suggested improvements. Written reports were presented to the county commissioners in March 1982.

Committees were then established to further investigate some of the priority problems and several proposals for action have been offered to the HSAC. At its March 1983 meeting the HSAC endorsed a proposal to create a new child care agency that would coordinate day care services, solicit funds, coordinate parent education opportunities, and develop special care services. Specific funding for the new service was worked out by the committee, and now the proposal is to go to the county commissioners for their endorsement.

The HSAC has demonstrated that efforts to coordinated services can generate community support, although planned change takes time and considerable organization of all groups; county government, public agencies, and voluntary funding bodies. The HSAC model offers an example for other communities, but no doubt, each group will have to go through its own stages of organizational development in order to create effective coordination, cooperation, control, and change in their local human services system.

For further information see:

Kiel, D. and W. Woodward. "Human Services Coordination in an Urbanizing County: An Action-Research Approach" in Urban Growth and Urban Life. 1981 Proceedings: The Third Annual Urban Affairs Conference of the University of North Carolina.

## Conclusion

Regardless of future changes, the United States human services system will be continually readjusted. Changes in federal policy and financial support for human services will lead to greater interdependence between public and voluntary funding bodies.

Administrators, planners and policy makers may understand why fragmentation exists and agree with some of the attempted methods in coordinating human service delivery systems, but too often the catalyst is absent to generate sustained movement. A joint effort between public and voluntary organizations could provide this needed continuity.

Realistically, it is both risky and difficult to develop a joint effort toward decision making and planning. Understandably, the natural reaction is fear of losing organizational autonomy; but local policy makers and planners have choices to make in the future. One choice can direct us toward establishing a goal for the provision of human services in our communities with a vehicle to implement the goal. Another option is to continue to plan, make decisions, provide services and appropriate funds incrementally for symptoms rather than problems. Without examining the emerging issues of state and local relations, and of new ways to strengthen the local capability to provide services, we will be left in a reactionary posture.





# A Bioeconomic Framework for Economic Development

The basic objectives of Chambers of Commerce and community development organizations can be traced to a single basic theme: every locality wants to get its fair share of economic growth. In the United States it is largely taken for granted that growth is the normal state of affairs. Politicians are elected with a mandate to stimulate and sustain growth. Economists try to explain and predict it. Businesses invest in growth through purchases of capital and more productive technology. Planners work to attract the types of growth needed and desired by their jurisdictions. And citizens do their part through procreation and increasing per capita consumption of goods and services.

It is a tidy operation, and the 1980-1983 recession notwithstanding, economic performance in recent decades has enabled almost everybody to improve their material welfare. From 1960 to 1980, population grew by 26 percent, real per capita income increased 59 percent, and gross national product (GNP) more than doubled. In the same period, the aggregate income distributed to the poorest fifth of the nation's families increased from 4.8 percent to 5.3 percent of total U.S. income. This is an admirable record, and judging from recent trends, the economy is again ready to get back on the growth track. On March 9, 1983, Standard and Poor's Corporation released new economic projections which called for real GNP to increase at an annual rate of five percent during the latter half of 1983.

No doubt, growth has been and will continue to be of vital importance to society for some time to come. Without an expanding economy, individuals, income classes, towns, and regions are set against each other in competition over limited resources. Development options become restricted, and both employment and tax revenues lag. Despite growth's historic function as a safety valve for political tension, is it reasonable to assume that growth will continue indefinitely? Are policy-makers acting responsibly when they assure the public that growth is perpetually sustainable? Can development practitioners deliver the promises of public pronouncements that say "we'll get the economy moving again?"

The answer is no, not if one examines the economic process from the perspective of natural laws instead of the conventional assumptions of man. "Bioeconomics" allows just such a natural perspective. It is a hybrid theory of economic systems which combines principles from biology,

economics, and thermodynamics. Derived largely from the work of economist Nicholas Georgescu-Roegen, bioeconomics is a direct assault on standard assumptions that create expectations of perpetual growth. Bioeconomics particularly challenges the persistent faith in unlimited resources and infinite technological achievement.

Why, one might ask, should we mess with a good thing? Bioeconomics argues that growth is not a good thing if it is based on questionable, unspoken assumptions. Growth of this type ultimately leads to breakdown, instability, and painful dislocation. Growth of this sort may also severely curtail the opportunities available to future generations.

Isn't bioeconomics just another version of the pessimistic, limits-to-growth argument? In fact, bioeconomics does suggest a physical constraint to growth. This constraint need not, however, be a cause for despair. Bioeconomic principles lead one to be more discriminating about the kind and timing of growth. The principles are based on nature rather than the uncertain foundation of human economics. As such, bioeconomics offers more durable guidelines for achieving realistic, sustainable objectives.

Won't candidates for public office and voters resist the notion that slowed growth is inevitable? Generally, yes. Candidates don't often campaign on platforms that suggest lowered expectations, and unemployed workers don't like to be told that factories won't reopen. But considering the chronic unemployment, cyclical instability, and policy ineffectiveness of the last decade, isn't it important to ask whether we're still playing the same economic game as we were ten or twenty years ago?

The rest of this article will show how bioeconomic principles contrast with the assumptions of conventional economics. In addition, some of the themes and criteria that emerge from a bioeconomic view of development will be discussed.

## Energy Basis for Bioeconomics

Because all materials and organisms are composed of energy in some form, bioeconomic

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analysis uses the language of energy. Economic processes are viewed in terms of energy flows and the ability of those flows to perform useful work. The use of energy measurements thus allows comparisons among the natural energy values of different fuels, minerals, goods, and services.

The First and Second Laws of Thermodynamics describe the main quantitative and qualitative distinctions of bioeconomics. The First Law states that the total energy of a closed system is constant. Energy is neither created nor destroyed in the economic process; it is conserved. Even though humans or nature may concentrate or otherwise transform energy, the total energy quantity stays the same.

The Second Law, or Entropy Law, is the real key to bioeconomics. It states that there is a constant tendency for order to turn into disorder. Alternatively, one could say that in a closed thermodynamic system, all matter and energy are constantly and irreversibly deteriorating from an ordered to a disordered condition. Only when energy is added from outside the system can order be increased.

The introduction of relative order and disorder is very important in bioeconomics, for it adds a new, qualitative dimension to the economic process. High-quality matter is ordered. It contains high levels of potential energy stored in an organized structure. When the potential energy is released, it can be used for work. Examples of high-quality energy are coal, grass, and information. All three represent, in essence, concentrated forms of energy. On the other end of the qualitative spectrum is decayed energy. Here one finds coal molecules after combustion, grass following decomposition, and outdated information. In each of these cases order and structure has deteriorated. Total energy is not lost, but it has instead been dispersed and made unavailable for useful work.

#### The Bioeconomic Process

In conventional economics, value is based on utility, scarcity, and the production work done by people during the economic process. People are credited with creating part of the value of goods and services. On the other hand, bioeconomics attributes the primary source of value to the qualitative energy characteristics of goods and services themselves. Something must still have utility in order to have value. However, the bioeconomic measure of that utility is the relative concentration of available energy: the greater the ability of a resource to do work, the greater its value. The earth's terrestrial supply of non-renewable materials is the stock, or capital source, of valuable, high-quality energy. The diffuse flow of energy from the sun and the chain of renewable resources

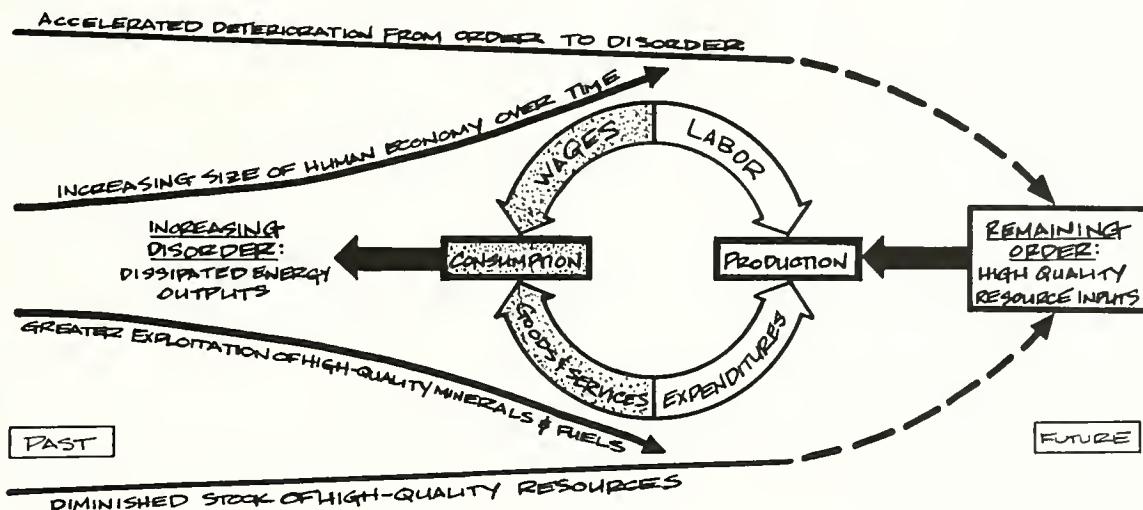
that it drives can be likened to the earth's current income.

The effects of entropy on bioeconomic value are significant. The paragraph above said that value was related to qualitative energy attributes. The higher the energy concentration and consequent ability to perform work, the greater the value. This means that most minerals and fuels have their greatest value at the start of the economic process. The economy actually accelerates the loss of order by increasing the rate of dissipation. Human and nature only increase the structure in selected parts of the system: fossil fuels, a human being, and even a shopping center are made possible through the reordering and concentrating work of natural and economic processes. Potential energy is stored and value increases. However, the total amount of high-quality energy in the system is not increased. No process, when viewed in its entirety, is a "net gainer" of high-quality energy. Thus, despite our efforts to reorder and repackage materials, total bioeconomic value always declines.



The effects of entropy are also seen in the bioeconomic view of exchange. Conventional economics assumes that money and goods flow in a reversible cycle. Resources come in one end; waste is deposited out the other. As exchange takes place, neither the value of the money nor the value of the resources is assumed to change over time. It is as if the natural resources themselves never run out or decline in quality. Bioeconomics shows why this is not the case. The human economy, like any other organism, moves along the path of entropy toward disorder. The movement has only one linear direction and it cannot be reversed. Thus, the value of





stocks and the consequent ability to process flows, is always diminished. In the exchange cycle, a given amount of money buys less and less available energy.

Conventional economics is guided on the aggregate level by the combined principles of neoclassical and Keynesian theory. The maximization of individual satisfaction is assumed to lead to both an optimal allocation of macroeconomic resources and a greater level of consumption. If consumer demand doesn't have enough money behind it to make it effective, as occurred during the Depression, then the public sector can stimulate demand and investment.

Bioeconomics is guided by a biological principle known as the maximum power principle. Simply put, it says that those systems survive which maximize the use of available energies in their work activities. The potential energy contained in society's reservoirs is used most effectively when it is fed-back to collect and store less concentrated energies. For example, a high-quality energy such as coal is wasted if it is not used in an interaction that builds up and replenishes energy stores. Coal-fired electric plants, if used to generate power for a non-feedback purpose such as resistance heat, is not energy-effective. The same power is effective if it is used to mine greater amounts of coal. Thus, the allocation of resources in bioeconomics is based on energy quality (how much work can it do?) and the kind of work being done (will it make the system more competitive?)

Returning to the conventional assumption of perpetual material progress, we are told by standard economists that continued growth in production and consumption (as measured by GNP) is desirable and possible. Another definition

of growth, offered by Howard Odum (1976), is that it is a state of "expanding storages of structures, energy reserves, population, information, and order." The expansion is made possible by producing positive net energy; that is, high-quality inflows have to exceed the outflows used for the following:

- 1) generating new, high-quality resources;
- 2) maintaining or replacing old structures;
- 3) accommodating population increases; and
- 4) compensating for the diminishing returns involved in using greater amounts of energy just to find and process less-accessible resources.

With all these requirements, real growth cannot be assured indefinitely. Like all organisms, an economy reaches a stage where it has difficulty maintaining positive net energy. This is especially true as the finite resource base declines in energy value. In order to survive, the mature economy must learn to live within its means.

It is at this point that conventional economics wheels out its heavy hitter, the principle of unlimited substitutability. This principle claims that society will never exhaust its supply of essential resources because it will always find a substitute. Technology, as the source of increased productivity or as the pioneer of new uses for remaining materials, is considered the agent of perpetual salvation. Following this logic, Thurow (1980) says that finite resources are actually becoming more available to the economy.

From the perspective of bioeconomics, Thurow's talk is reckless and narrow-minded. It does not recognize the importance of energy quality and appropriate use. Consider the use of "unlimited suitability" as an argument for nuclear power. Are the net energy consequences (after taking construction, maintenance, safety, transmission losses, and decommissioning into account) actively considered in public discussion? No! Consider the current faith in solar energy future. How much, and what kind of, finite fuels and minerals will be required to construct, maintain, and replace millions of solar arrays? It is not often discussed. And finally, consider the hope that more efficient recycling will be able to recover increasing amounts of our mineral resources. How much high-quality energy will be needed from other sources just to achieve such unheard-of efficiencies? Probably more than its worth in bioeconomic terms.

Will net energy be increased in any of the uses above? It certainly will not in recycling. Solar energy is at this stage a toss up (Rifkin, 1980). And even if a particular nuclear plant does generate positive net energy, it is important to ask for what purpose the net energy is used. In none of these cases is the total energy of the entire system increased.

#### The Bioeconomic Development Framework

When one applies the language of energy and the principles of bioeconomics to economic development, it becomes possible to envision the entire development process as one would any other living organism. An organism develops through different stages, reaches a peak, and then settles into a mature state. The ability of the organism to thrive throughout the mature stage is dependent upon the choices it makes. As Randall (1981) says: "Societies that choose well increase the possible range of possible choices for their citizens, over the long haul."

Various authors have suggested a number of guiding themes to help development practitioners choose well. William Miernyk (1982) advocates thrift: one should get as much work as possible out of as little energy as possible. Herman Daly (1980) pushes for durability: a planner evaluating a project should ask how long it will last and how efficiently it can be recycled. Howard Odum (1976) says that diversity of energy sources and uses is a way to make systems more stable. David Morris (1982) stresses the importance of local self-reliance in helping areas attain a measure of control over their development futures. Finally, Joseph Schumpeter (1961) is credited with making the important distinction between growth and development. They are not the same. Growth means putting more materials through the system. Development refers in strict terms to innovation, increased effici-

ency, and adaptation. Bioeconomics emphasizes the need for development rather than growth.

What goals and measures are available for use in a bioeconomic framework? To start, planners might consider strategies and projects that reduce the per capita energy consumption of their jurisdiction. Second, practitioners could evaluate the energy and financial costs of projects over their entire life-cycle. Third, projects could be given favorable treatment if they use local renewable resources rather than imported stocks. And fourth, planners could begin to trace the net energy effectiveness of different development alternatives.

These are but a sampling of the bioeconomic concepts that can be applied in addition to current development techniques. On their face, they appear reasonable and even wholesome. However, when applied in practice, bioeconomic themes and criteria may be unsettling for many established interests. Growth assumptions and conventional wisdom have not prepared our society to face anything less than sustained material growth. Bioeconomics offers a rationale, based on natural principles, for beginning the preparations necessary for sustained and sensitive development.

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*Cont. from page 6*

Because of credit difficulties in rural areas, many rural residents look to government-sponsored programs for assistance in financing shelter, particularly those of the Farmers Home Administration. FmHA's programs, notably its Section 502 Home-ownership Loans, offer one potential source of credit for farmhouse rehabilitation. The program has generally been used to finance new construction, however, because many FmHA officials consider rehabilitation more expensive than new construction and feel that past efforts to use the program for existing housing have been subject to abuse. In addition, the 502 program and others that could be used to rehabilitate North Carolina farmhouses have been cut back by the Reagan administration.

A final obstacle to the rehabilitation of old farmhouses may appear once work has begun. Rehabilitation is not always the rosy picture of a completed project that optimistic and evangelistic preservationists are apt to paint. It is a difficult undertaking that can be much harder to estimate and manage than new construction; often it is not appreciably cheaper. Perhaps most seriously, there is a shortage of people with the necessary skills to do sound rehabilitation work.

#### A More Optimistic Future

The problem of farmhouse abandonment may appear overwhelming, but several trends offer the possibility of a brighter future for the old homeplace. The first and most basic of these trends is that people are moving back to North Carolina's rural areas in ever-increasing numbers. Final 1980 census counts show that the Mountains, the Piedmont, and the Coastal Plain are all attracting people from other parts of the country. The reversal of outmigration from the Coastal Plain has been particularly dramatic.

Many of these people are moving to the countryside not in pursuit of better-paying jobs but instead a better quality of life. They possess more education and have attained higher incomes than those who remain in cities. As urban preservation movements in North Carolina and elsewhere have shown, these better-educated professionals are the people who most commonly rehabilitate older homes.

Changing patterns of land use destroy many farmsteads, but they also indicate potential markets for old farmhouses. Two groups of new potential buyers of farmhouses are city dwellers seeking vacation homes and retired people who want to settle permanently in North Carolina.

Historic farmhouses enjoy pleasant settings that make them attractive candidates for use as second or vacation homes. In South Carolina, preservation planners working in the state's regional planning offices report that recreation

is a significant alternative use for plantation houses in their areas. Such homes could serve individual owners or they could become a valuable amenity and focus for a larger development. One example is Kenmore, in Flat Rock near Hendersonville, which has been adapted for use as a golf club-house in a vacation community.

Many of the affluent retired people seeking permanent homes in North Carolina may find restoring an old farmhouse a rewarding pastime. The Historic Preservation Fund of North Carolina, Inc., the statewide preservation revolving fund, advertises historic farmhouses nationally. Responses from such ads include retirees and people who want to buy an old farmhouse for future retirement.



Potential consumers for old farmhouses need not be found solely among newcomers to rural North Carolina. During her 1979 survey of historic buildings in Perquimans County, architectural historian Dru Haley encountered several county natives who had spent the majority of their lives outside the county and who had come back to "fix up the old homeplace" in their retirement. Others who remained in their native counties are taking on retirement rehabilitation projects. Working farm owners and tenants are another group that remained in rural areas who could herald a more optimistic future for old farmhouses. Today's North Carolina farmer is in many respects as professional as his urban executive counterpart; his outlook, and that of his family, is increasingly sophisticated. Many of these professionals are likely to move into town and become "sidewalk farmers," but others may find renovating an old farmhouse a satisfying alternative.

## Preservation Initiatives

These trends offer -- but they do not ensure -- a brighter future for North Carolina's historic farmhouses. Without concerned state and local efforts to take advantage of these trends, most of North Carolina's rural historic architecture will disappear within our lifetimes. The concluding section of this article will consider policies that can address some of the problems described earlier, and will look at a promising rural preservation initiative in Edgecombe County.

Many roots of North Carolina's rural preservation dilemma lie in attitudes: from the skepticism of lending officials toward rehabilitation to the preferences of rural residents for brick ranch houses; from the shortage of rehabilitation skills among contractors to the inexperience of would-be farmhouse owners in filling out credit applications. Education programs can help remove some of these obstacles to farmhouse rehabilitation; in today's climate of government budget cutting at all levels, an emphasis on education may prove to be most productive.

A cornerstone of rural preservation efforts should be close cooperation with the North Carolina Agricultural Extension Service, one of the most influential institutions operating in the state's rural areas. By working with the service, preservationists and sympathetic planners have the opportunity to avoid the pitfall of simply circulating information among themselves. The credibility of the Extension in rural North Carolina cannot be overstated; just as important are the strong local roots of the program in 100 county offices.

State-level education efforts should produce materials that can be used throughout North Carolina. Among the most useful materials could be: a rehabilitation textbook for classes in rural technical institutes, a study of ways to

make old farmhouses more attractive and functionally satisfying for rural families while respecting their architectural integrity, and a local applicants' handbook to assist preservationists in developing effective credit applications for rehabilitation projects.

At the local level, one of the most useful educational projects can be an inventory of farmsteads and other historic buildings by a trained architectural historian. Inventories provide a permanent record of many farmsteads that would otherwise vanish without a trace. The identification and evaluation of historic resources can furnish invaluable guidance for local preservation efforts. Perhaps most important, the full-time presence of a surveyor in the community raises public awareness and appreciation of historic resources, especially if the results of the inventory are later published in an attractive form. Inventories have been completed for much of the state, but some counties where the problems of farmhouse abandonment are most severe remain unsurveyed. The North Carolina Division of Archives and History, which is responsible for compiling the statewide inventory of historic buildings, is giving high priority to assisting rural counties that want to survey their historic resources.

Of course, state and especially local initiatives must move beyond educational efforts to stem the tide of farmhouse abandonment. As shown earlier, the lack of credit is a major obstacle to farmhouse rehabilitation; the state could help alleviate the credit problem by establishing a below-market interest rate loan program for farmhouse rehabilitation with funds from the issue of tax-exempt bonds by the North Carolina Housing Finance Agency. The potential for setting up a rehabilitation loan fund administered by the Historic Preservation Fund of North Carolina, Inc., the private revolving fund that operates throughout the state, should also be examined.

*Continued on page 21*

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## Book Reviews

MUNICIPAL GOVERNMENT IN NORTH CAROLINA • FROM  
CURRITUCK TO CALABASH • MEGATRENDS



MUNICIPAL  
GOVERNMENT IN  
NORTH CAROLINA

edited by David M. Lawrence  
and Warren J. Wicker  
UNC - Chapel Hill  
Institute of Government, 1982.

CAROL SHAW

What is the most prevalent form of municipal government in North Carolina? Which North Carolina statute allows cities to budget and expend revenues? Must municipal budgets be balanced? Can cities levy property taxes for mass transit or public housing? The answers to these and other questions can be easily found in Municipal Government in North Carolina. The book is edited by David M. Lawrence and Warren J. Wicker, professors of Public Law and Government at the Institute of Government, and it is intended to be a reference guide to North Carolina city government. In addition, it offers a framework for administrative organization of cities and towns.

Twenty-three chapters written by Institute of Government faculty and other experts make Municipal Government in North Carolina a complete reference guide to city government in this state. The book discusses every aspect of municipal government, including such topics as fiscal control and cash management, property taxation, community development, and planning. None of the essays are intended to be the final word on any subject. For example, the property tax takes fifty pages and should meet the needs of most government officials. But a city attorney or a tax collector will need more information, and the editors fulfill these more specific needs by recommending additional publications as warranted. Since municipalities and counties often work together, an appendix that briefly describes North Carolina county government is also included.

Municipal Government in North Carolina is designed primarily to meet the needs of elected officials and key administrators, but it will be particularly useful for city and county planners. In fact, this valuable reference guide belongs on the bookshelf of every North Carolina planner. Students interested in the inner workings of city government will also find the book extremely useful.



FROM  
CURRITUCK TO CALABASH:  
LIVING WITH NORTH CAROLINA'S  
BARRIER ISLANDS (2nd EDITION)

Orrin H. Pilkey, Jr.,  
William I. Neal, Orrin H. Pilkey, Sr.,  
and Stanley R. Riggs  
Duke University Press, 1982.

JOSEPH W. McLELLAND

In recent years, the North Carolina coastline has undergone massive development. Higher incomes, more leisure, and the absence of major hurricanes have led to widespread, often dangerous construction. The authors of From Currituck to Calabash seek to provide a guide for "proper, limited development" of the North Carolina barrier islands. This volume is the first of a series entitled Living with the Shore, which will eventually provide guidance to development of the shorelines of all states bordering the oceans and Great Lakes.

The opening sections give a brief lesson in shoreline dynamics accompanied by illustrative diagrams and photographs. Man's attempts to prevent erosion have resulted in various projects such as jetties, groins, and sand replenishment. The long-range effect of these projects is always opposite the intention, and the battered shoreline of New Jersey is vivid proof. The islands are designed to retreat as well as occasionally overwash, processes that pose no problem until a permanent structure is built.

Because barrier islands are so volatile and unsuitable for construction, some guidance is needed to direct the inevitable development to less dangerous sites. What to look for; what to avoid, both natural and man-made; and what not to destroy are all described generally. This is followed by an island-by-island analysis of the North Carolina coast listing "safe", "caution", and "danger" zones which refer to problems or characteristics unique to each location. The text is accompanied by clear fold-out maps for each segment of island. These sections of the book are essential for anyone considering the purchase of a lot, house, condominium, or mobile home on the North Carolina coast.

A section on coastal law, a subject guide to relevant public agencies, and a subject bibliography of 101 references provide the interested reader access to information delving far

deeper into issues of coastal development. Throughout the text, references are made to entries in the bibliography.

This second edition of From Currituck to Calabash gives expanded treatment of the Outer Banks, especially Dare County. The rather brief treatment of this fast-growing region was a weakness of the first edition.

From Currituck to Calabash is well written, reads quickly, and is very easy to understand. Maps, photographs, and diagrams are carefully placed and helpful. The book's value is primarily to prospective property owners on the coast, but the clear explanation of shoreline dynamics and the extensive coverage of the areas can help anyone interested in the development or preservation of the North Carolina coast.



CHRIS BISHOP  
MEGATRENDS  
TEN NEW DIRECTIONS  
TRANSFORMING OUR LIVES

John Naisbitt  
Warner Books, 1982.

City planners constantly search for new information which will help them anticipate and influence the future. Megatrends, written by John Naisbitt, features ten national social trends that are changing American life.

Based upon the premise that the most reliable way to predict the future is to understand the present, Naisbitt and his colleagues studied the United States by reading its local newspapers over a period of twelve years. Naisbitt argues that this content analysis approach is the most effective way to monitor social change because newspapers must print the most current issues and omit the older ones.

The ten trends which were identified are as follows:

1. Industrial Society to Informational Society  
Naisbitt sees this shift to be as major as the shift from an agricultural to an industrial society. Within the past thirty years, there has been a 40 percent increase in those employed in such informational jobs as teachers, lawyers, bankers and technicians.
2. Forced Technology to High Tech/High Touch  
The return to home births and folkcrafts is a response to the need for a balance between technological and spiritual needs.
3. National Economy to World Economy  
The United States is no longer the dominant country in the world economy. Naisbitt recommends that we pursue the newer technologies of electronics and biotechnology

and allow the emerging third world countries to assume our former industrial role.

4. Short Term to Long Term  
Lessons from Japanese management are encouraging American corporations to focus on long-term planning instead of short-term profits.
5. Centralization to Decentralization  
As residents continue to migrate to non-urban areas, political power is becoming more decentralized. There is a marked increase in the power of state government and in regional concerns.
6. Institutional Help to Self Help  
Americans suffer from a great mistrust of institutions which have disillusioned them in the past. As a result, they are turning away from the government, corporations, and the medical profession and are relying on their own initiative.
7. Representative Democracy to Participatory Democracy  
Rather than allowing representatives to serve their constituent interests, Americans are initiating more local referendums and grassroots activity than ever before.
8. Hierarchies to Networking  
Although we continue to believe in hierarchies as a means to structure our lives, they are quickly becoming incompatible with an informational, decentralized society. The new society works best in a network format which depends upon the sharing of ideas and resources.
9. North to South  
While the shift in population and economic activity from northern to southern states is well known, Naisbitt stresses its importance. He cites the trend as a migration to Florida, Texas, and California. Naisbitt asserts that the trend is a manifestation of a national shift from an industrial to an informational society.
10. Either/Or to Multiple Choice Option  
The amount of choice in our personal lives, employment opportunities, and even in foods is unprecedented.

Changes in our national and world economy are encouraging the development of new industries and technology and new lifestyles to complement them. Megatrends provides a framework for intelligent planning and decision-making at a macro level.

*Carol Shaw and Chris Bishop are recent graduates of, and Joseph W. McLelland is a Master's candidate in planning at UNC-Chapel Hill.*



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