

## Is the Ineffectiveness of Florida's Growth Management Act a Blessing or a Curse?

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### **Background**

Florida's 1985 Growth Management Act was designed to deal with problems that many Floridians perceived were the result of the state's rapid population growth, including inadequate infrastructure to support growth, environmental degradation, affordable housing, and decaying downtown areas resulting from people fleeing the central cities for the suburbs. Despite the wide range of problems blamed on growth, many Floridians supported growth management largely because they hoped new laws could help relieve the increasing traffic congestion that came with growth. After well over a decade of experience with Florida's Growth Management Act, both the supporters and the opponents of growth management would agree that it has been less effective than originally anticipated. In my DeVoe Moore Center *Policy Brief* issue #9, I discussed some reasons why growth management has been less effective than people expected, and why Florida's Growth Management Act has been less effective than growth management efforts in Oregon. In this *Policy Brief*, I suggest that if Florida's growth management efforts had been more effective, Floridians would be worse off in a number of ways. The ineffectiveness of growth management has probably been more of a blessing than a curse to Floridians.

### **Blessing, or Curse?**

Growth management works primarily by restricting people's opportunities to develop their property. It prevents some people from developing their property as they prefer, but it does not allow anybody to do anything with their property that they could not have done in the absence of growth management restrictions. The restrictiveness of growth management in Florida has not been as great as growth management's proponents expected, or as its opponents feared. The flexibility that has allowed growth to continue in Florida has brought with it some benefits, or has prevented some costs that come along with more restrictive growth policies. Consider the impact of growth management on some of the issues that concern Floridians.

### *Traffic Congestion*

One of the issues that created widespread support for growth management was traffic congestion. Proponents of growth management pointed to the Act's

"concurrency" requirement that would prevent development from taking place without adequate infrastructure – including roads – to support it. But the goal of urban infill works to increase traffic congestion. By trying to put more people where congestion is already the greatest, traffic will have to get worse in those areas. Urban sprawl relieves traffic congestion by creating new development where traffic is not as congested. If everyone lived in the new suburbs and worked in the central city, sprawl would make traffic congestion worse, but jobs, shopping, and other commercial activities tend to follow people to the suburbs, allowing urban sprawl to relieve traffic congestion.

### *Affordable Housing*

Economists know that the price of housing, like the price of anything else, is determined by the forces of supply and demand. If the supply of housing increases relative to the demand, housing will become more affordable. If the supply of housing does not keep up with demand, housing prices will rise. Growth management policies work by discouraging development, and in so doing reduce the supply of housing. This causes housing to be less affordable, so the more effective growth management is, the higher will be housing prices.

One goal of Florida's Growth Management Act is to provide affordable housing, and some affordable housing proponents hold the mistaken belief that the planning process can require the construction of affordable housing. Cheap housing can be built, but affordable housing will always be a function of supply and demand. If housing is scarce, even the smallest and most cheaply-constructed housing will sell or rent for a premium. However, if the housing supply is plentiful, high-quality accommodations can be affordable. One of the things that has kept housing in Florida relatively affordable is the ineffectiveness of Florida's growth management policies, and in places where growth management has been most restrictive, housing prices have been pushed up. The more restrictive growth management policies are, the less affordable will be housing.

### *Environmental Quality*

Florida's greatest assets are the many environmental amenities around the state, and the goal

of preserving those amenities is widely supported. The best way to further environmental preservation is to place those environmental amenities off limits to development. Florida's land use planning process is a relatively ineffective way of doing this, because it never designates areas to be permanently preserved; it creates a land-use map that is open to amendment as often as twice a year. The preservation of Florida's environmental amenities must be viewed as separate from the growth management process that determines when particular parcels of land can be developed.

By promoting urban infill and discouraging urban sprawl, Florida's growth management policies degrade environmental quality in those locations that affect the most people. Air and water pollution are worse in more densely-populated areas, and by pursuing policies that try to put more people in areas that are already the most polluted exposes more people to higher levels of pollution. Urban sprawl relieves pollution by creating residences in less-polluted areas, and by creating lower-density central cities so that pollution levels there can fall where most people already live.

Urban sprawl relieves pollution in other ways too. While people may have to drive further to get to some destinations, cars moving at highway speeds create much less pollution than those idling in traffic jams. If urban sprawl moves some traffic out of already-congested areas, it can lower total air pollution. Furthermore, in high-density development, there is often no place for pollutants to escape. Suburban yards can absorb rainwater, whereas urban areas that have a greater percentage of paved areas create pollution from run-off. Trees and other vegetation are more plentiful in lower-density development, allowing the local environment to absorb more pollution rather than subjecting residents to it, or having it run off into neighboring areas. In several ways, the ineffectiveness of Florida's growth management policies has been beneficial to the environment, especially in the areas where most people live.

#### *Quality of Life*

While some Floridians want to live in areas of

higher population density and enjoy an urban lifestyle, others prefer a single-family detached home with a yard in a quiet neighborhood. If Florida's growth management policies had worked more as they were originally intended, housing prices would be higher and some people would be priced out of the lifestyle they would prefer. The factors that have caused Florida's growth management policies to be ineffective at containing urban sprawl have allowed Floridians lifestyle choices that might otherwise have been beyond their means.

#### *Costs of Growth Management*

Despite the ineffectiveness of Florida's growth management policies to constrain growth, Florida's policies do impose costs on Floridians in the form of more uncertainties and time delays on development projects, which add to development costs. In addition, the difficulty of development in Florida has kept some businesses from expanding in Florida, or relocating to the state. As I described in my earlier *Policy Brief #9*, ineffective does not mean costless.

#### *Conclusion*

Florida's growth management policies have been less effective than both the proponents and the opponents of growth management anticipated when Florida's Growth Management Act was passed in 1985. This has not necessarily been a bad thing for Florida, however. Stripped of all the details, growth management works by restricting the ability of people to develop their property as they most prefer, which raises the price of housing and creates more congestion in the areas that are already most congested. Because Florida's growth management policies have been relatively ineffective, Florida's citizens enjoy better environmental quality, less traffic congestion, and more affordable housing. Nevertheless, growth management still imposes costs on Floridians, raises housing and construction costs, and alters growth patterns in some undesirable ways.

**Randall Holcombe** is DeVoe Moore Professor of Economics at Florida State University. Evidence supporting the discussion on environmental quality, traffic congestion, and affordable housing can be found in Randall G. Holcombe and Samuel R. Staley, *Smarter Growth: Market-Based Strategies for Land-Use Planning in the 21st Century* (Greenwood Press, 2001).

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