

**URBAN AGRICULTURE --  
Interim Highest and Best Use**

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Here in the United States considerable public attention is finally being paid to the enormous amount of land being parceled out to a relatively small number of higher income households whose parents a generation ago participated in the building of what are now called "inner ring suburbs." Large lot zoning in the suburbs remains the norm, if under attack by the adoption of "smart growth" regulations at the state level. In the meantime, there is little relief from the daily loss in time and resources consumed as people commute from home to wherever and back. Roads and highways are jammed with automobile traffic going in all directions from early in the morning until late at night.

Statistics tell us that personal wealth in the United States is highly concentrated. That is clearly true. At the same time, the number of households with incomes high enough and liquid assets sufficient to purchase a home selling for \$300,000 or more is also huge by historical standards. Millions of people are living their dream, owning an asset that is a visible demonstration of their financial success and a wealth-building asset. Constructing such a house in most established neighborhoods would be considered by financial institutions as an "over-improvement," the cost to construct not always reflected in the market value of the property if resold. Of course, every metropolitan area has older neighborhoods that have remained enclaves for the very well-to-do, although large landed estates are increasingly acquired by developers who subdivide excess acreage into building lots. Fewer are the number of riding stables within eyesight of downtown skyscrapers.

The first stage of out-migration from cities occurred after the Second World War at a time of dramatic change in the nation's population demographics. War created a full employment society and a great migration of rural poor to the cities to work in the wartime industries. Despite inflation, working people saved at a level never before experienced. Banks were flush with assets to lend, and the postwar boom in new family formations created an enormous potential demand for housing not yet available. The U.S. Congress responded with legislation that made it possible for people to obtain long-term mortgage financing from the banks, repayment guaranteed by the Federal Housing Administration under a special insurance policy paid for by the homeowner. The cities were already overcrowded, so developers started building in the adjacent communities. Federal funding of new highway construction added additional fuel to the fire, and soon new housing subdivisions arose where these highways intersected. Two-lane roads were expanded into four lane divided highways. Building and maintaining roads became a major

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component of local, state and federal expenditures.

Fast forward to 2001. The oldest cities in the United States (with the exception of New York City, the point of entry for many immigrants every year) have much lower populations than they had at their peak in the late 1950s. Manufacturing companies closed down or moved elsewhere in search of less expensive land on which to construct modern facilities. They were also attracted to a regions where workers were not unionized and local government imposed fewer taxes on profits. The buildings they left behind, if still standing, are likely to be vacant, vandalized and partially burned out by arson. Nothing new has been constructed, in many cases, because the land was left poisoned by toxic chemicals, and the clean-up costs are so large that a profitable enterprise is not possible without huge public subsidies. The companies responsible for the poisons may or may not have been in violation of laws in effect at the time. Many no longer exist and their owners are no longer living. There is no one to bring to court from whom damages might be obtained. Taxing the remaining residents and businesses to clean-up the problems only contributes to the exodus.

As businesses departed, those who could left in search of employment. Housing that was already at the end of its normal life cycle was turned over to investors who divided homes into small apartments to maximize rental cash flow while making minimum repairs, or was sold to households with lower incomes who could not keep up with the replacement of deteriorating roofs, heaters, plumbing and other essential systems. The Federal government in collaboration with local civic leaders hastened the process of abandonment by massive demolitions under the guise of "urban renewal." People who could not afford to leave were moved to high rise apartment buildings constructed in parts of the city where there was the least organized resistance and political influence. People were provided with housing. They no longer lived in neighborhoods. There were few shops or stores or employment opportunities. The interaction and interdependence that make for community were destroyed.

Beginning in the 1970s a modest rebirth of some city neighborhoods began. A sizeable minority of the new generation of mostly college-educated professionals, earning higher incomes and disenchanted with the suburban lifestyle chosen by their parents returned to the cities as "urban pioneers." They worked for the financial service companies, insurance and law firms, and they brought consumer spending to the central city. Stately old town homes were readily available and remained affordable for some years. Developers responded by constructing new condominium buildings, and when this market was largely satisfied entered the competition for purchasing older homes that could be substan-

tially renovated and sold to the new arrivals. On the plus side, crumbling buildings in historic neighborhoods, damaged by decades or even centuries of haphazard changes and neglect were brought back to their original beauty. Thus began the process that has come to be known as "gentrification." Properties returned to owner-occupants who could afford to maintain them - and pay rising property taxes. Lower income owners sold out and moved on in search of less expensive housing. Renters did the same. They went to neighborhoods less likely to become gentrified but which were already suffering from overcrowding and a housing stock in even worse condition. There the poor have aged in place, with few options and still few opportunities to improve their economic condition. Some of their children rose above their circumstances, doors opened for them, and they departed.

Into some of the declining neighborhoods came new arrivals - Hispanics from Puerto Rico and other parts of Latin America, and Asians. Their arrival was not altogether welcomed by existing residents. The ideal of the melting pot has not really materialized in this country. Someone described what we have built as more of a salad bowl. We increasingly work with one another and even live in the same neighborhoods but our social interaction with people of other races and ethnic backgrounds is minimal. But, despite the not infrequent conflict - even violence - the arrival of people stopped the hemorrhaging in neighborhoods still clinging to survival. Even so, a large number of formerly working-class neighborhoods lost most of their population. As elderly residents died or were forced by health concerns to leave, their homes too often remained vacant. There was no resale or rental market because no one wanted to live there. Block after block of vacant properties have been leveled and the land cleared.

In many urban neighborhoods, vacant lots have been used for illegal dumping because there is little or no governmental response. For police there are more pressing problems. Resident complaints are registered and filed away because government just does not have the resources for prevention. Some neighborhoods groups have had success in getting control of vacant lots and turning them into community gardens or monitored playgrounds. The perpetrators simply move on to more fertile ground, so to speak.

In recent years, some enterprising people have realized that if they can gain legal title to the numerous small lots that once contained attached houses, warehouses or factories, and aggregate them into one larger parcel, the land might be profitably developed - for agriculture.

Without manufacturing, many residential neighborhoods will not be viable communities for decades to come. The downtown business districts do not have enough  
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employment to support all of the people who need employment. And, the reality is that a large percentage of the jobs that do exist are held by people who live in the suburbs. Land that no one else wants all of a sudden becomes a financially viable location for raising cash crops for sale to restaurants and area grocery stores or establishing a nursery for trees, shrubbery and (in specially-constructed buildings) decorative plants for the city's homes and office buildings. Agriculture and horticulture are beginning to provide employment for people in the city who never thought of where they lived as a part of nature.

Clearly, under the circumstances, bringing this land into agricultural production is the highest and best use in the market. What would happen to this industry if cities decided tomorrow to begin taxing location rent at something approaching full value, while exempting property improvements? We are certain to see the downtown and adjacent neighborhoods experience a boom in new construction and property renovation. Increased employment opportunities will bring more residents into the economy, and the cities will have more public revenue to invest in schools, libraries, parks, recreation centers and other public amenities. I will end my comments here and invite GroundSwell readers to offer your thoughts on how development would proceed. What is happening in your town or city?