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The Cost of Environmental Protection: A Review

IAN BALL

Since the early 1900's, the coastal zone has been subjected to increasing development pressures in the face of ineffective and indifferent land-use control efforts by local governments. Most of the metropolitan centers in the United States are located in coastal zones; over half the nation's population, nearly 140,000,000 people, live in counties bordering the Atlantic and Pacific Oceans and the Great Lake shores. Land conversion and population settlement have led to extensive degradation of estuaries and marshlands; more than one-half million acres (7%) of the fish and wildlife estuaries in the United States were dredged and filled during the 1950 to 1970 period alone. After nearly a decade of debate, in 1972 Congress passed the Coastal Zone Management Act, designed to protect and manage the fragile and diminishing coastal environment. This legislation is primarily a mandate to the coastal states to develop and implement their own particular coastal zone management programs. In response, many coastal states, in an effort to obtain federal funding under the Act, have employed an interim permit procedure, shifting responsibility for land-use decisions to increasingly higher governmental levels and from private to public control.

Dan Richardson's study is "an attempt to analyze present regulatory procedures in the New Jersey coastal zone, with an emphasis on the cost of these procedures to residential developers and housing consumers." Specifically, twenty-one residential developments in a coastal township were monitored from acquisition of land to final approval of the development proposal, and the costs of regulatory approvals, consulting engineering, legal, and governmental fees, as well as holding costs incurred by the developer, were itemized. The costs of the regulatory process were then broken down according to costs incurred during the local regulatory process and those costs resulting from state intervention in that process.

Richardson's study is an interesting and unusual effort, for two reasons. First, as the federal legislation now stands, the effectiveness of the coastal zone management program hinges directly upon the ability of states to

translate the legislative mandate into operational programs which go beyond mere formal coordination. This will require state offices to confront the issue not only in terms of what regulatory mechanisms to use, but also what impact these mechanisms will have beyond a particular administrative jurisdiction. Since state land use regulation is a relatively recent phenomenon, research which examines the impact of state regulation on local administrative procedures is scarce. In most environmental and land use studies, the problem is given cursory review by citing formal statutory provisions, and then ignored. Richardson seeks to provide insight into the impact of state permit processes for major facilities and to examine these processes in light of the overall operation of national land-use programs. For this alone, his study is a welcome addition to a meager existing bibliography.

Second, the impact of federal and state environmental regulations on development costs has been and continues to be, a major political issue. The fear of substantially increasing building costs at a time when housing costs are already beyond the reach of most would-be home buyers has caused many state legislatures to defeat stronger statewide environmental protection measures. The issue is largely unanswered, because empirical studies which examine the specific impact of development controls on housing costs are extremely rare. For example, Bergman's NSF-sponsored study entitled "Development Controls and Housing Costs: A Policy Guide to Research" (1975) reported only twelve such studies in this field. Of these, few examined the costs associated with either the subdivision process or state permit-review process. Richardson, by examining both state permit review and its impact on housing costs, has sought to provide a clearer understanding of one aspect of the regulatory process and to broaden public understanding of the regulatory process as a whole.

Richardson's findings are brief and to the point. Insofar as state review of development permits in the coastal zone is concerned, state entrance in the review process has added little in the way of time needed for subdivision review and approval. Previously, a twenty-two month local platting sequence was followed. By employing a concurrent state and local review strategy, the review process was extended to no more than twenty-four months. Notwithstanding the two-month addition as a result of state requirements, local government reviews have retained both their administrative and procedural integrity. Multifamily site plan review was extended from nineteen to twenty-three months. As for costs, the total costs of state intervention in the land conversion process were approximately \$135 per unit for single-family developments and \$125 per unit for multifamily developments. These costs could vary substantially, according to how early or late the state chose to intervene in the development review process.

Richardson does not attempt to make an exhaustive study of the subject. His book is short, less than 150 pages of text, and he limits the discussion to a narrowly defined problem. His discussion of the effect of state intervention upon review time, for example, does little to explain why the effects occurred. Related issues, such as the relationship between the review procedure employed by a local government and the substance of state environmental policy are not mentioned at all, although one can be used to

direct the other. In sum, much of his material is descriptive, and no conclusive resolution of the issues is attempted. However, his study is useful for analyzing the impact of new techniques of land use control on environmental and urban growth problems. His conclusions in particular provide an array of alternative procedural arrangements which broaden the choices available to state and local administrators and officials.

The Cost of Environmental Protection, Dan K. Richardson. Center for Urban Policy Research. New Brunswick, 1976.