Regional Impact of Zoning: A Suggested Approach

Judicial consideration of the impact of zoning beyond local political boundaries has been gaining gradual acceptance in the courts and has received the nearly unanimous approval of the commentators. Given the failure of effective legislative action to overcome the strictly local orientation of present zoning and planning law, and the rapidly growing process of metropolitanization, this development is not surprising. It is merely the product of the realization that local political boundaries arbitrarily disrupt the market for land in a metropolis of interdependent communities. This integration of the interests of the larger geographical area with traditional zoning analysis is, however, fraught with uncertainty. The constitutional standard for judicial review of a local zoning ordinance is that it bear a reasonable relation to the public health, safety, morals or general welfare. The precise manner in which regional interests are to be employed in the delineation of this standard is largely an open question.

Highlighting this problem is the recent Pennsylvania Supreme Court case of National Land & Inv. Co. v. Kohn, affirming a lower court holding that four-acre minimum lot size zoning in Easttown Township in suburban Philadelphia was unconstitutional. In determining the constitutionality of


3 A survey of attempts to provide regional solution to metropolitan planning problems is contained in Harr, Regionalism and Realism in Land-Use Planning, 105 U. Pa. L. Rev. 515 (1957). The author concludes that these attempts have been politically infeasible and have resulted in largely advisory bodies lacking sufficient enforcement powers. The adoption of regional planning has been left to optional cooperation between individual municipalities. Id. at 520-23. There exist, however, two notable exceptions to this prevailing situation. One is the Hawaiian state planning commission, which provides a comprehensive state-wide plan for controlling land use. This plan is binding upon the local communities whose local zoning powers are carried out in accordance therewith. For a discussion of the Hawaiian situation, see U.S. Dep't of Agriculture, A Place to Live 499-508 (1963). The other exception is the Municipality of Metropolitan Toronto Act, 2 Eliz. 2, c. 73 (Ont. 1953), which provides for a metropolitan "official plan" that prevails over local planning schemes. For studies on the problems and accomplishments in Toronto, see generally Milner, The Metropolitan Toronto Plan, 105 U. Pa. L. Rev. 570 (1957); Spelt, The Development of the Toronto Conurbation, 13 Buffal L. Rev. 557 (1964).


the zoning ordinance, the court made the typical inquiries into the alleged justifications for the ordinance and the economic loss imposed upon the protesting landowner. It also stressed, however, “the township’s responsibility to those who do not yet live in the township but who are part, or may become part, of the population expansion of the suburbs,” concluding that Easttown Township could not “stand in the way of the natural forces which send our growing population into hitherto undeveloped areas in search of a comfortable place to live.” While this decision thus brings Pennsylvania into accord with those jurisdictions ascribing weight to regional considerations, the case is cloudy on what role these considerations play. This Comment attempts to formulate a basis for their recognition by the courts and their optimal judicial implementation.

To some the Kohn decision represented a significant departure, pos-

7 Much of the discussion in Kohn dealt with the procedural questions of exhaustion of remedies, standing and proper parties. Id. at 508-18, 215 A.2d at 601-05. While beyond the scope of this treatment, these questions pose several interesting problems. See Krasnowiecki, Ownership and Development of Land 521-26 (1965).

8 The ordinance was justified on the basis of (1) inadequate sewage, water and traffic facilities, (2) preservation of historical sites and homes, (3) preservation of the character of the neighborhood, and (4) preservation of open space. 419 Pa. at 524-30, 215 A.2d at 608-11. The first two were rejected for largely evidentiary reasons. The third was the most important in the court’s view, but was found insufficient to justify the adverse impact of the zoning upon the demand for residential land. The fourth was found to be an invalid objective of zoning, for if successful it would serve to deprive the property owner of property without compensation. Success in maintaining the open space depended upon the landowner being unable to sell his land because there was no market for it at four-acre minimums. This last point demonstrates the distinction between the police power and the power of eminent domain, since the court recognized that eminent domain could have been invoked by the municipality to preserve open space. 419 Pa. at 529, 215 A.2d at 610-11.

9 The value of the land as it was previously zoned at a one-acre minimum lot size was $260,000, and it was $175,000 at the present four-acre minimum. 419 Pa. at 524, 215 A.2d at 608. The constitutionality of the one-acre minimum in Easttown was upheld in Bilbar Constr. Co. v. Board of Adjustment, 393 Pa. 62, 141 A.2d 851 (1958), where the court reversed on rehearing its earlier holding of unconstitutionality. For a study of the Bilbar case before rehearing which agrees with the court’s original decision, see Comment, 106 U. Pa. L. Rv. 292 (1957).

Some state courts, through interpretation of state due process clauses, have undercut the deference paid to state legislatures by the Supreme Court in the area of economic due process. See Barrett, Bruton & Honnold, Cases on Constitutional Law 962-63 (1963). In Pennsylvania, Art. 1, § 10 of the state constitution provides in part:

. . . [P]rivate property [shall not] be taken or applied to public use, without authority of law and without just compensation being first made or secured.

This clause has been interpreted similarly to the federal due process clause, in that zoning is constitutional when necessary for the preservation of the public health, safety, morals or general welfare. See Appeal of Lord, 368 Pa. 261, 81 A.2d 533 (1951). Thus, although the Kohn decision may not be justified under the fourteenth amendment as presently interpreted, the state court could still rely upon the state constitution to retain control over local zoning ordinances.

10 419 Pa. at 532, 215 A.2d at 612.

11 See note 12 infra; Philadelphia Bulletin, Nov. 11, 1965, p. 35, col. 1:

This is surely a landmark decision in the no-man's-land which separates human and property rights. It is surely a new concept that suburban areas must yield their way of life in response to population pressures from the city. It would seem to say that if those who live in, and own, Easttown Township do not wish it to become another King of Prussia, or another Upper Darby, they are powerless to prevent it.
sibly politically motivated,12 from existing law. However, the sensitivity expressed in Kohn for regional considerations has existed, in embryonic form at least, as long as modern zoning law itself. In the landmark case of Village of Euclid v. Ambler Realty Co.,13 the United States Supreme Court, considering a comprehensive zoning ordinance which totally excluded industry from a Cleveland suburb, remarked:

[T]he village, though physically a suburb of Cleveland, is politically a separate municipality, with powers of its own and authority to govern itself as it sees fit within the limits of the organic law of its creation and the State and Federal Constitutions. . . . It is not meant by this, however, to exclude the possibility of cases where the general public interest would so far outweigh the interest of the municipality that the municipality would not be allowed to stand in the way.14

The Pennsylvania court, moreover, in a case upholding a one-acre minimum ordinance in Easttown,15 declared that "minimum lot areas may not be ordained so large as to be exclusionary in effect and, thereby, serve a private rather than the public interest."16

While the policy behind such statements may be appealing, their legal basis is unclear. One looks with doubt upon the decisions of local bodies, apt to be parochial or representative of vested interests, when these decisions affect outsiders adversely. The issue remains whether this doubt can be translated into a foundation for legal action. Those outside the locality have no direct means of redress, being forced to rely on whatever pressure they can exert through the state legislature.17 The prevailing state statutory framework discloses no basis upon which to consider the outsider. Consideration of regional interests by local zoning authorities is not statutorily required.18

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12 See Suburban & Wayne Times, Nov. 18, 1965, p. 2, cols. 1-2:
The [Kohn] court could have decided, on legal grounds, that Easttown had unjustly zoned the property, but instead, issued a sociological ukase, following in the steps of the U.S. Supreme Court. As with the parent body, the State Court has thumbed its nose at Constitutions while eyeing the political returns.

13 272 U.S. 365 (1926).

14 Id. at 389-90.


16 Id. at 75, 141 A.2d at 858.

17 That is, they do not vote at the local level, nor do they have standing to contest legally the validity of the zoning. Rather, the representation of their interests must await the legal action of a local landowner willing to sell and able to show economic loss occasioned by the low density zoning.

18 The reference in Kohn, 419 Pa. at 531, 215 A.2d at 612, to PA. STAT. ANN. tit. 53, § 67003 (1957), which the court interprets to mean that area surrounding a community is relevant to a consideration of the validity of a local ordinance, is misleading. The section refers to the "character of the district." (Emphasis added.) The preceding section reads: "[T]he supervisors may divide the township into districts . . . ." Without further statutory clarification, it would seem that the "district" referred to in both sections is the same, so that land use beyond the municipal boundaries is not statutorily relevant to the cited section.
Zoning Enabling Act,\textsuperscript{19} which provides that a local legislature may zone for the purpose, among others, “of promoting . . . the general welfare of the community.”\textsuperscript{20}

Yet one can argue that to be valid as a police regulation, the ordinance must bear a reasonable relation to the “general welfare” of the State. Since the relevant “general welfare” which limits exercise of the state police power is the general welfare of the state, and since the state delegation of its police power must be at least as limited as the power itself, then the local exercise of the police power must be similarly limited. Thus, a local exercise of the police power must bear a reasonable relation to the general welfare of the state. It is not only permissible but necessary for a court to go beyond the words of the enabling act and consider the elements forming this broader general welfare. In this expanded sense, general welfare would certainly encompass regional demand for high density land and how it is affected by local ordinances.\textsuperscript{21}

Perhaps the most persuasive argument for affording recognition of regional interests is a negative one. The alternative of doing so would be socially unrealistic and undesirable, and in the end self-defeating. That rejection of regional interests as valid matters of judicial concern would be self-defeating is demonstrated by the impact such treatment would have upon market conditions. A stabilization of supply of subdivided land in the face of a rising regional demand for such land would markedly increase its price, creating an increasing differential between the price of the land zoned at the low density and the price at a higher density. The economic loss thus occasioned by the landowner would at some point become so great that the courts would eventually be forced to retreat.\textsuperscript{22}

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\item \textsuperscript{19} U.S. DEPT OF COMMERCE, STANDARD STATE ZONING ENABLING ACT (rev. ed. 1926).
\item \textsuperscript{20} Id. § 1. (Emphasis added); see, e.g., PA. STAT. ANN. tit. 53, § 67001 (1957); DEL. CODE ANN. tit. 22, § 301 (1953).
\item \textsuperscript{21} Buttressing this argument is the fact that the outsiders excluded by low density zoning are denied access to political means of affecting change at the local level. Consideration of non-local interests being constitutionally required, the situation is somewhat analogous to federal cases prohibiting discriminatory restrictions on interstate commerce. The Supreme Court has stated that restrictions on interstate commerce principally affecting out of state residents are not subject to the usual political influences which impinge upon the state legislative process. See, e.g., South Carolina Highway Dep’t v. Barnwell Bros., 303 U.S. 177, 184 n.2 (1938). In the commerce clause cases, outsiders have standing to contest the validity of the legislative action; in the zoning area, those adversely affected must depend upon the local landowner who is challenging the ordinance upon due process grounds to represent their interests. This lack of standing, however, should not prevent the court from considering such interests. Cf. Barrows v. Jackson, 346 U.S. 249, 255 (1953).
\item \textsuperscript{22} A somewhat related argument to support the \textit{Kohn} analysis is a broad construction of the term “community” in the enabling act to include that potential future “community” which is adversely affected by the zoning. Compare the quote from \textit{Kohn} at note 10 supra.
\item It is assumed that the courts would implement this retreat through the “taking” approach. When the economic loss suffered by the protesting land owner became sufficiently great, the court would decide that the local zoning ordinance constituted a “taking” and was therefore unconstitutional. This “taking” principle is the constitutional limit upon the exercise of the police power, and is to be distinguished from
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demand for local land would make itself felt eventually, the question becomes whether it is preferable to forego explicit consideration of the regional situation, or to accept and build upon the rationale of Kohn.

There are two techniques through which a court could give tacit effect to the regional interests producing increased demand. One approach would be to constrict the limits of the "general welfare," by a per se exclusion of zoning below a certain level of density. Under present law, density zoning is supportable under the rubric of "maintaining the character of the neighborhood." This approach essentially allows local government to aid in the maintenance of both property values and the aesthetic quality of local land. It is also arguable that density zoning is justified under the section of the Zoning Enabling Act which provides that the local body may zone to "provide adequate light and air; to prevent the overcrowding of land; [and] to avoid undue concentration of population. . . ." This statutory argument, however, is not persuasive, for density is not necessarily tied to population size, and there are other means, such as regulating the issuance of building permits, which are just as effective and much more flexible. In providing for "adequate light and air" there is little to distinguish, for example, between four-acre and one-acre lots. Thus in a case such as Kohn the municipality's best argument, and the one which would have to be rejected by the court were it to adopt the per se approach, is that based upon community interest in maintaining the "character of the neighborhood."

Rejection of considerations based upon maintenance of the character of the neighborhood would be unfortunate. There is a "general welfare" imbedded in maintaining the value of land at its present use and the appealing surroundings which have induced homeowners to settle in the community. Secondly, the point of per se invalidity is not likely to be at an acreage less than one acre, after which a community's interest in density control becomes considerably more important. This being so, the per se approach does not answer what happens with density restrictions below this point, as the demand for even higher density land increases. More-

the "just compensation" limitation upon the power of eminent domain. When a taking is declared, the zoning authority may still employ the police power by rezoning, or may proceed by means of eminent domain. See Krasniewiecki, op. cit. supra note 7, at 479-82.

23 It is notable that the Kohn court explicitly rejected this treatment of the question. 419 Pa. at 523 n.22, 215 A.2d at 608 n.22.


26 See Haar, supra note 2, at 1061.


28 It is assumed that there are no additional justifications for low density zoning advanced by the municipality that are valid under the police power in the interests of the public health or safety. Should such justifications exist in any particular case, an exception would have to be made along these lines to the per se invalidity of the minimum acreage.
over, the presumptive approach provides no basis for distinguishing the validity of density zoning which has an adverse impact upon outside interests from that which does not. Thus tacit recognition of regional demand for local land through the per se approach would be an overreaction to such demand.

There is another alternative to giving explicit effect to regional interests which affords a way to judge the validity of all densities and a partial solution to the danger of overreaction. To distinguish between density zoning which is harmful and that which is not, the courts could measure its validity according to the economic loss suffered by the local landowner desiring to sell. For each density differential, i.e., the differential between the present and the landowner's proposed density, the court could recognize a degree of economic loss at which the lower density would fall to the higher. To the extent that it accepts the validity of density zoning absent a certain level of economic loss, this approach is inconsistent with the per se approach, which is unwilling to recognize the validity of density zoning beyond a certain point. The fact that this economic differential approach does not explicitly recognize regional demand for local land may not, however, affect the extent to which this approach gives vent to such demand. Rather, this technique can easily give more importance to such demand than is warranted.

The preferable approach is to weigh the local community's interest in balanced growth, the maintenance of a desirable residential neighborhood and the provision of adequate municipal facilities against the region's interest in higher density land. This can be attained by explicit consideration of two factors which enter into determination of the regional impact of a local zoning ordinance: the comprehensive planning scheme of the locality and the planning of the other communities in the same regional area. These two factors are crucial concerns of a court using a "regional" approach. By considering them, a court can give weight to the good faith efforts of a community to deal with regional problems. The validity of density zoning centers about its effect upon regional demand for higher density land. If one community has opened its gates to this demand, while others similarly situated have not, the question arises whether in fact that community is still exerting an adverse pressure upon the metropolitan area, or whether that pressure is present, despite local efforts, because other communities have refused to make any concession to regional interests. If it is the latter situation, the local community which has partially accommodated the regional demand should not be made to bear the burden of metropolitan expansion disproportionately.

29 The sustainable price differentials would most likely increase as the zoning became less restrictive. This is due to the obviously greater general welfare in preserving, for example, a one-half acre minimum as opposed to a one-quarter acre minimum than in preserving a ten-acre minimum as opposed to a five-acre minimum.

30 See text accompanying note 32 infra.
As a further estimate of the degree to which local zoning is in fact adversely affecting regional demand, a court may also look beyond local boundaries to ascertain whether a demand for high density land is being rationally focused on the best supply of such land. If a demand has irrationally chosen local restricted land over nonrestricted land elsewhere, the local community's planning scheme should not be upset by this demand which can be satisfied elsewhere with no disturbance.

Thus under the regional approach there will be four distinct situations facing the court: (1) where the local zoning and the zoning of similarly situated communities are the same with respect to the degree of accommodation of regional demand—here there is no reason for favoring the local community, and if the demand is sufficient the low density should not be sustained; (2) where the local community fails to show accommodation of higher density interests comparable to that of other communities similarly situated—since the local zoning would fall in the preceding situation, it would fall here a fortiori; (3) where the local community has accommodated higher density demand and other communities have not—here the local zoning should be allowed to stand and the regional demand for higher density land use be forced to look elsewhere; (4) where, aside from considerations of the communities' relative accommodation of regional demand, local land is restricted and the high density land desired is available elsewhere for development—in this case the restrictive local zoning should be allowed to stand if the high density demand can be met by the available supply, the use of which causes no disruption with local planning schemes.

As long as a court incorporates these regional considerations into its review of a local zoning ordinance, it can otherwise depend upon the economic loss of the individual landowner, as in the economic differential approach, to determine the point at which density zoning should be invalidated. Although it is obvious that the approach which includes these additional regional considerations will be difficult to administer, the equitable treatment of local and regional interests it promotes is worth the difficulty of application.

The discussion above, admittedly, has assumed a rather simple model of the regional situation with respect to demand for residential land. It is

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31 The land market is atypical in that it is not atomistic. The decision to develop certain land often reflects considerations other than pure supply and demand: (1) builders are often geared to production and marketing of only one type of housing, for example, row homes, ranch homes, etc., and wish to construct the type of housing with which they are most familiar—this factor may result in a proposed use for the land by a developer having no relation to optimum land use and may result in the developer inaccurately representing market influences; (2) “snob appeal,” i.e., a desire to settle in residential areas for socio-economic reasons, may inflate land prices; and (3) the developer is limited to those parcels available for sale—the seller's reasons for entering into the transaction may bear no relation to the present market price for land. See generally GRIGSBY, HOUSING MARKETS AND PUBLIC POLICY (1963).

32 Cf. Valley View Village, Inc. v. Proffet, 221 F.2d 412 (6th Cir. 1955), where the court held that an ordinance creating a completely residential incorporated village was not unconstitutional when the village had looked to the surrounding area and found adequate provisions for non-residential uses.

33 See text accompanying note 29 supra.
dependent upon a network of communities at least somewhat similar in their susceptibility to this demand, whereas in practice it may be extremely difficult to compare local planning schemes with an eye to measuring their relative accommodation of regional pressures. This analysis does not disregard, moreover, the danger of involving the court in issues which best lend themselves to legislative treatment.\textsuperscript{34}

One example suffices to demonstrate the potential difficulties a court might encounter under the regional approach. Suppose there is four-acre zoning in Township A and one-acre zoning in neighboring Township B which the developers have not developed. A developer challenges the zoning in Township A and, when told of the one-acre zoning in the neighboring township, argues that the land zoned for one acre is totally unfit for development. Here the court is faced with the possibility of cynical resistance on the part of the neighboring community,\textsuperscript{35} and finds it necessary to determine the marketability of the alternative development sites. The analogous situation is met when a community says that it has accommodated its share of regional demand for high density land, and the developer answers that the community must do more because the local land in dispute is the only land which is fit for development at the proposed density.

The necessity for making these complex planning determinations is perhaps the most difficult aspect of the regional approach.\textsuperscript{36} Given the advantages of this approach, the best solution is to devise a fair procedure for the introduction of the relevant evidence. The community could be made to assert as a defense its accommodation of regional demand or the availability of unrestricted land outside its borders. Once these defenses are introduced, the community should be given the burden of proof upon the question of accommodation and the developer the burden of proof on the showing that non-local unrestricted land is unfit for development. This approach utilizes the greater planning experience and access to relevant

\textsuperscript{34}This is not to say, however, that merely because a subject might be better dealt with by the legislature, a court should for that reason refuse to act on the matter other than in accordance with clear precedent. See \textsc{Mishkin} \& \textsc{Morris}, \textsc{On Law in Courts} 116-24 (1965).

\textsuperscript{35}One rather extreme example would be a municipality that zoned its local swamp or city dump for one-acre minimum residential housing to fulfill its "accommodation" of regional demand for such land. A more realistic example would be a township containing both four and one-acre zoning. The four-acre areas could be located closest to available schools, transportation facilities, municipal utilities and the like, while the one-acre areas would be so placed as to be economically infeasible for higher density development.

\textsuperscript{36}See also Haar, \textit{Regionalism and Realism in Land-Use Planning}, 105 U. Pa. L. Rev. 515, 530 (1957): The limitations of the adversary process and the specialization of courts evoke serious doubts as to judicial competence in deciding the proper regional allocation of land resources. Indeed, the court may find itself interjected into the troubling and difficult aspects of metropolitan relations and becoming the center of controversy between the white collar, upper-middle-class suburb and the increasing minority group, lower-income people of the central city. For serious racial and class cleavages are involved in the movement of slum dwellers to the suburban fringe.
information which the local government possesses.\textsuperscript{37} This information will be necessary to demonstrate that the relative accommodation of neighboring municipalities is insufficient. When neither municipality's zoning need fall, because one has made an apparent attempt to accommodate high density land, the burden is placed on the developer to show that the ordinance is unreasonable.

Perhaps the inherent difficulty involved in considering the regional land market will make the regional approach useful only in extreme cases. The regional approach nonetheless offers a logical framework for the integration of regional interests in a review of local restrictive zoning, without the social and doctrinal disadvantages which other approaches would entail. Those cases in which it could be employed would promote an equitable weighing of local and regional interests.

It is also possible that the implementation of the regional approach by the courts would encourage local communities to provide for rising demand for higher density land, in hope of thereby gaining the support of the courts should their planning schemes be later challenged. This would be a welcome result, for the planning function is by nature better suited to the legislature. The necessity for the local community to look at the planning schemes of other communities which are similarly situated, if it is to be assured of a successful defense of its planning scheme in the face of rising regional demand, may well induce closer cooperation between communities toward a more rational division of land uses over a larger geographical area. Moreover, court insistence upon the importance of regional interests might lessen local political resistance to land planning on a metropolitan level.\textsuperscript{38} Such an effect is at least more likely than in the situation where suburban communities, by restrictive zoning, can effectively isolate themselves from metropolitan pressure.

\textsuperscript{37} As to the availability of the zoning and planning schemes of municipalities, see Pa. H. 1807, §§ 502, 608-09, Sess. of 1966, which would require the filing of such information by municipalities with a county planning agency.

\textsuperscript{38} Suburban communities have traditionally been the most consistent opponents of positive policy making at the metropolitan level. For a study of the reasons behind traditional local resistance to policy planning on the metropolitan level, in the context of the Philadelphia metropolitan area, see WILLIAMS, SUBURBAN DIFFERENCES AND METROPOLITAN POLICIES 187-210 (1965).