Land Use Policy, Institutional Design, and the Responsiveness of Representative Government

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Abstract
We study how features of local political institutions affect the responsiveness of local governments to changing social, economic, and political circumstances. We develop a theory of institutional responsiveness that allows us to understand the capacity of local governments to respond to changing preferences for public policies. We then describe a two-stage empirical model that captures many of the insights of the theory. We use this empirical model to test hypotheses about changing preferences for land use policies in a sample of California cities. The model first specifies demand for land use restrictions as a function of local demographic, geographic, and economic factors. We interpret the predicted value from this regression as a community’s “baseline” policy, independent of (actually, averaging over) the effects of specific institutions. We then estimate the marginal effect of institutional characteristics on policy outcomes. Our analyses have important implications for our understanding of political stability. They help us understand when existing local political institutions will have the capacity to adapt to changing policy preferences, and when advocates of policy change will have no option but to change the political institutions themselves. As such, our research has important implications for understanding the trade-offs between institutional design, stability, responsiveness, and change.

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I. Introduction

One of the great and enduring debates in political economy is over the stability of political institutions. An important strand of this research was motivated by the challenge of reconciling the powerful theoretical insights of Schofield (1978), McKelvey (1976), Plott (1967), and others concerning the indeterminacy of social choice processes, with the apparent stability of observed political outcomes. On one side of the debate are Shepsle (1979), North (1990), and others who see institutions as capable of limiting the set of possible outcomes of social choice processes. On the other side of the debate are Riker (1961, 1982), and others who see institutions as little more than the manifestation of preferences and hence as no more stable than those preferences themselves. Research by these and other scholars has provided important insight into how and why institutions are adopted, how they shape political, economic, and social outcomes, and how they evolve.

In this research, we study one aspect of institutional change and stability. Specifically, we assess the capacity of existing political institutions to respond to changing social, economic, and political circumstances. When institutions are more responsive (i.e., when they produce policy outcomes that reflect the changing preferences of the median or some other important group of voters), political actors can achieve their policy goals within an existing institutional regime. When institutions are less responsive, some actors may prefer to circumvent status quo institutions and replace them with new ones. Our research attempts to isolate the factors that make institutions more or less responsive to demands for policy change. As such, it provides an empirical basis for assessing theoretical claims about the nature of institutions and the sources of their stability (or lack thereof).

We study political responsiveness in the context of an important contemporary policy area: land use policy. In recent years, many communities across the country have
experienced dramatic population growth. This growth creates enticing opportunities as it allows communities to expand their revenue bases, develop new programs, and possibly enhance their regional political clout. However, growth and development also create daunting political challenges as they create new pressures on physical infrastructure, the local environment and natural resources; change the distribution of power and wealth within a community; and threaten to upset a community’s accustomed way of life. Even in cities that are growing at a moderate pace, casual observation reveals that land use and growth management policies dominate the political agendas of virtually all city councils and county boards. Local governments, confronted with these new demands, respond in varying ways. Understanding the sources of this variation provides the analytic leverage for isolating the impact of political institutions on policy responsiveness.

In the next section, we develop a theory of institutional responsiveness. In our theory, features of local political institutions affect the match between preferences and policy. We describe the theory’s basic premises and summarize the insights it produces. In section three, we describe our empirical research design and motivate the application of our model to the case of land use policy. We also identify a number of empirically testable hypotheses that follow from the model’s conclusions. In section four, we present our empirical results. In section five, we conclude by considering the implications of our research for our understanding of institutional change.

II. Theory of Institutional Responsiveness

Institutions are creatures of politics: they are created by political actors seeking to achieve particular political goals. These goals are many and varied. They may include shifting a society’s distribution of wealth or political power; stacking the deck in favor of particular policy outcomes; creating political or economic stability; reacting to crisis or
scandal; advancing a particular ideology; or glorifying a group of individuals. They may reflect the efforts of a cohesive group of reformers or they may represent a compromise between conflicting interests. Changes in political institutions may be dramatic or incremental. They may come about by peaceful or violent means.

Whatever the initial motivations, all political institutions, once created, advantage some interests relative to others in the political process. In other words, we expect the design of political institutions to reflect the attempts by their designers to achieve particular ends. When actors create institutions with the primary goal of achieving political stability, for example, we expect the institutions they create to contain features designed to make radical policy change difficult. When actors create institutions with the primary goal of redistributing wealth, we expect the institutions to allow limited opportunities for wealth-holders to block or change policy. And as long as political institutions outlive the immediate circumstances of their creation, these features of political institutions will continue to shape policy long into the future.

For the purposes of this study, we limit our focus to the types of political institutions that characterize American local governments. American local governments display substantial variation in institutional design, making them excellent candidates for studying the general theoretical problems that relate to the causes and (in our case) consequences of institutional choice. American local governments are also an important but understudied class of political institutions in their own right, and are responsible for formulating and implementing a range of policies that directly impact American citizens in important ways. Despite our limited focus, however, we believe that many of the insights we draw about local political institutions also apply to other levels of government and perhaps other democratic political systems. We consider some of those implications in the concluding section.
Given our interest in institutional responsiveness and stability in American local government, we consider two aspects of institutional design. First, we consider the degree of *procedural complexity*. We argue that procedural complexity is a primary determinant of how resistant institutions are to pressures for policy change. At one extreme are institutional arrangements that create high barriers for policy advocates. These include systems that involve many actors, for example, federal systems with multiple and overlapping jurisdictions across levels of government; systems that involve many political actors across branches or within a single branch of a given level of government; and systems with provisions for extensive public input and participation. Also included are systems with complicated administrative or parliamentary requirements. Policy advocates in systems characterized by a high degree of procedural complexity must expend substantial resources to overcome these barriers. To the extent that few interests possess or are willing to expend these resources, we expect a high degree of procedural complexity to result in less policy change, ceteris paribus. At the other extreme are systems with a low degree of procedural complexity. These systems are characterized by centralization of decision-making authority, few actors, few formal steps, and relatively simple procedures. Policy advocates in systems characterized by a low degree of procedural complexity require fewer resources to overcome barriers in the policy process, and hence we expect, ceteris paribus, more frequent policy change.

A second important aspect of institutional design is the degree of *procedural majoritarianism*. This aspect of design tells us, for a given level of procedural complexity, what kinds of interests can most easily change policy. Are political institutions in a given community designed to benefit broad-based majoritarian interests or do they benefit narrower non-majoritarian interests? Features of institutions that advantage broad-based interests may include majority (or supermajority) vote
requirements; direct democracy and other electoral system characteristics that empower electoral majorities; and campaign finance restrictions that limit large individual and corporate contributions. These features mean that broad-based interests can use the resources they tend to have in abundance (i.e., numbers) to access the political system and ultimately to change policy. Institutional features that advantage narrower interests are those that concentrate power and/or require more concentrated resources for political access, agenda control, and policy change. These may include seniority systems, committee systems, lenient campaign finance laws, and incumbency (see Sinclair 2000; Roberts 1990; Sheplse and Weingast 1987, 1984; Riker 1982 on the non-majoritarian effects of these institutions in the US Congress). All democratic governments contain some mix of majoritarian and non-majoritarian institutional features. The question in a given community is the net effect of these elements.

These two aspects of institutional design – procedural complexity and majoritarianism – are the building blocks of our theory of institutional responsiveness. Naturally, there is some overlap between these two concepts, and we expect that some specific features of institutional design will affect both the complexity and the policy bias of a community’s political process. Nevertheless, we believe that each captures an important and distinctive dimension of institutional design. Furthermore, the analytic power of the two concepts becomes even more evident when we consider their interactive consequences. Table 1 illustrates the interaction between majoritarianism and procedural complexity. The four cells describe the types of policy outcomes we would expect to dominate each set of institutional arrangements.

**Table 1: Institutional Design and Dominant Policy Outcomes**
By conservative majoritarianism, we mean policy outcomes that are biased in favor of groups with broad-based support but that are quite resistant to change. A contemporary example of a conservative majoritarian policy is social security, which accrues benefits to the vast majority of elderly Americans and which boasts incredibly strong political resilience. By progressive majoritarianism, we mean policy outcomes that are biased in favor of broad-based groups but that are more subject to frequent change. An example of a progressive majoritarian policy is a middle-class tax break, which benefits large groups of voters but which is often short in duration. An example of a conservative non-majoritarian policy is a veteran’s benefit, which is received by a small group of beneficiaries but which is extremely resilient to change. An example of a progressive non-majoritarian policy is an extension of welfare benefits, which is similarly narrowly targeted but which is more subject to frequent change. As these examples show, a given political system (in this case, the US federal government) may produce all four types of policies. The question is whether differences (or changes) in political institutions affect the mix of policy outcomes across these two dimensions.
III. Research Design

Our theory of institutional responsiveness provides a framework for understanding how features of institutions affect government responsiveness to different sorts of preference change. The theory forces us to recognize that a given system may respond differently to changes in the preferences of different types of interests. It also shows that similar interests may be able to achieve very different policy outcomes under different institutional arrangements. As a tool for directing empirical work, however, the general theory is somewhat limited since there are many variables that may be difficult to measure. We choose an empirical application that is both substantively important and that allows further simplifications of the theoretical model. Specifically, our application of the theory to the area of local land use policy allows us to make a number of important conceptual simplifications along two dimensions: preference change and status quo institutions.

Preferences

In the theoretical model, there are no restrictions on the source, magnitude, direction, and intensity of preference change. Social and economic dynamics may change demand for policy by large or small groups of citizens; by organized or unorganized interests; by political insiders or outsiders. Advocates of policy change may press for more spending on a given policy or less; more or less regulation or government intervention; change in a liberal or conservative direction; etc. Indeed, the range of possible preference change under the theoretical model is as vast as the diversity of opinion itself.

From the perspective of empirical measurement and analysis, this generality creates serious problems since it requires detailed measurement of interest group
preferences at two points in time (i.e., baseline preferences and preference change). Our focus on land use policy allows us to make two simplifications about preference change that we believe are both substantively justifiable and that make empirical analysis possible.

The first assumption deals with baseline preferences. We start with the assumption that all communities begin with a preference for promoting growth. This assumption derives from a view of growth politics that has dominated the urban politics literature for several decades, that is, the view of the urban growth machine (Molotch 1976). The growth machine view holds that local business interests profit from the increasing intensification of land use in their communities. Since these elites have the resources and commonality of interests necessary to overcome collective action dilemmas, they are the most prominent and powerful actors in local politics. This political strength of pro-growth interests, combined with the asymmetric relationship that exists between geographically fixed municipal governments (who depend upon local wealth to fund service provision) and mobile capital, generally leads cities to enact pro-growth policies (Peterson 1981). As a result, the traditional process of making land-use decisions in representative institutions is believed to have a strong pro-development bias.¹

Empirically, the growth machine assumption seems to largely resonate with observation, as we observe few serious discussions of limiting growth in American cities prior to the 1970s and 1980s. As a locality matures, some of the negative aspects of growth may begin to outweigh the benefits, for example when infrastructure begins to strain, when traffic begins to snarl, when suburbs begin to eat up surrounding farmland

¹ We note the parallels between the growth machine model and the stylized Tiebout model of local government competition. While both deal with the consequences of competition between municipal governments for mobile capital, the Tiebout model is more general in that it allows for preferences that would favor either more or less growth. Molotch and others writing in the growth machine tradition argue that all or most communities will favor more growth.
and open space. At some point, enough people are affected by the costs of development that the balance of preferences tips in favor of slow growth. Thus, in our empirical analysis, we assume that all cities begin with a common preference for more development. The question then becomes how institutions respond when preferences in some communities shift in favor of less growth.

Our second simplification deals with the nature of preference change. Under the rubric of “land use policy” falls a wide range of public policy issues. Some land use policies are designed to actively promote growth, others to selectively promote it, others to selectively limit it, and still others to dramatically slow or halt growth altogether. Some land use policies deal with commercial development, others with residential development. Some are direct, explicitly allowing or restricting particular uses of real property, while others are indirect, managing growth by such means as capping sewer capacity. In many communities, the set of land use policies reflects the multiple goals and diverse interests of the community.

We limit our focus to preferences for a particular class of land use policies, specifically those that are designed to slow or limit new residential development. This focus simplifies our analysis in two important ways. First, it allows us to study a set of policies that, given our assumption of an initial baseline preference for increased growth, all attempt to move policy outcomes in a single direction. In other words, it greatly simplifies our operationalization of “policy change” to mean “increase limits on growth.” Second, it narrows our focus to policies that are generally majoritarian in their bases of support. Unlike policies designed to manage commercial growth, which may attract diverse coalitions of supporters and opponents from across the residential and business interests in a community, policies to slow residential growth tend to draw their support
from current residents (see Fischel 2001). We therefore focus on institutional features that make policy more or less responsive to majoritarian preferences.

**Status quo institutions**

The theoretical model is also somewhat vague about institutions, precisely which institutions are responsible for policy responsiveness. In this research, we limit our analysis to institutions at the local level (i.e., cities). We acknowledge that most local government policies (and indeed, policies produced by state and federal governments as well) result from complex interactions across levels of government. Localities receive money and directives from other levels of government; they interact with other local communities in formal and informal ways; and their policies often affect, and are themselves affected by, policies in neighboring communities. The area of land use is no exception. While American local governments have much discretion in determining the details of how land within its borders can be used, state and federal actors share power over land use as well, particularly in the areas of safety, environmental protection, and discrimination. However, these policies tend to provide broad and general guidelines, with the details about what activities are appropriate on a given piece of land, how the interests of property owners are to be balanced against the interests of the broader community, and how neighbors are to be compensated, largely left to local governments. In addition, many land use policies are effectively decided not by city councils or other legislative bodies, but rather in the executive branch or the courts, where rulings in property rights cases can have sweeping implications for a wide range of activities involving the use of real property (Durkee et al. 1990). Finally, in a number of communities, interest groups have begun to use existing direct democracy institutions in place of legislative institutions to make some land use decisions. In most states, citizens
are allowed to qualify and vote on local ballot initiatives. These initiatives can have important direct or indirect implications for land use policy.

Nevertheless, many of the most important land use decisions that affect the character of a community and the well-being of its residents are made by city councils and their staffs. Thus, we limit our focus to land use decisions that are made primarily by local government (i.e., city council) actors. In the current analysis, this includes requirements for fiscal impact statements, urban growth boundaries, and moratoriums. In future analyses, we intend to extend the set of policies.

**Summary**

Our research design allows us to consider what happens when a community experiences a broad-based increase in preferences to slow residential development. We posit that communities with institutions characterized by procedural simplicity and majoritarian processes will adopt land management policies that are more reflective of citizen preferences than communities with more complex institutions and non-majoritarian processes. We express these expectations as empirically testable hypotheses below.

**Hypotheses**

We develop and test the following hypotheses:

\( H_1 \) - Procedural Complexity: Cities with councils that are highly professionalized and highly institutionalized will be less responsive to majority preferences. Cities with more players in the policy formation process and with strong mayoral powers will also be less responsive to majority preferences.
We hypothesize that a number of institutional features will affect a city government’s procedural complexity, and hence the responsiveness of institutions to changing preferences. In our empirical analyses, we focus on features of institutions that result in city councils that have many actors, and that are relatively professionalized and institutionalized.

**Professionalization:** research on state legislatures (esp. Squire 1992), and to some extent on local legislatures, demonstrates that one of the primary factors that differentiates legislative behavior across institutions is the degree of legislative professionalization. From the perspective of understanding policy responsiveness, we argue that more professionalized legislatures are likely to be characterized by a high degree of procedural complexity. In these legislatures/councils, professionals and experts dominate the policy process, creating procedures that may be (deliberately) inaccessible to political outsiders. Our measures of professionalization include whether council members are paid, whether council members are subject to legislative term limits (professionalized councils will not be subject to term limits), and the percent of incumbents who run for re-election. We hypothesize that each of these variables will be negatively related to policy responsiveness.

**Institutionalization:** along similar lines, we argue that more highly institutionalized legislatures will be characterized by a high degree of procedural complexity. We measure institutionalization as the number of years since incorporation and whether the city uses standing committees. We expect to observe a natural accumulation of bureaucratic institutions over time, since bureaucratic dynamics make processes and procedures difficult to eliminate once they are established. As such, we expect cities that have been in existence longer to be more highly institutionalized and procedurally complex. Standing committees contribute to procedural complexity by increasing the number of
actors involved in policy formulation, and the participation of standing committees implies additional steps in the policy process. We thus hypothesize that years since incorporation and the use of standing committees will be negatively related to policy responsiveness.

**Large Councils:** we argue that cities with more council members in the policy formation process will be characterized by a greater degree of procedural complexity. We expect that as the size of the council increases, the transactions costs of legislating will be higher (due to greater collective action problems), thereby making it more difficult for the council to legislate. Another way to think about the effect of size is that it increases the number of actors a policy advocate needs to mobilize in order to change policy. Thus, we hypothesize that the size of the council should be negatively related to policy responsiveness.

**Mayoral Power:** we argue that procedural complexity increases with the presence of a strong mayor. In some cities, mayors possess the formal authority to veto council-passed ordinances. Research on national-level institutions in both comparative and American politics has shown that it is more difficult to make changes to the status quo as the number of veto players in the legislative process increases (Cameron 2000, Cox and McCubbins 2000). Thus we expect that the existence of mayoral veto power will be negatively related to policy responsiveness.

**H2 - Majoritarianism:** Cities with at-large elections, independently elected mayors, citizen boards, and short terms for elected officials will be more responsive to majority preferences.

A second set of institutional features affect the degree to which city governments are responsive to majoritarian preferences. We hypothesize that cities with at-large elections,
independently elected mayors, citizen boards, and short terms for elected officials will be more responsive to majority preferences.

**At-large elections:** research in urban politics has shown that at-large elections for city council tend to under-represent racial and ethnic minorities (Welch 1990; Engstrom and McDonald 1981; Davidson and Korbel 1981; Karnig and Welch 1980, 1982; McManus 1978). Indeed, this alleged bias against minorities in at-large elections, in conjunction with directives under the Voting Rights Act, has led many cities to replace at-large elections with district or ward elections (Welch 1990). By the same logic, to the extent that at-large elections under-represent minorities, we expect them to better reflect the preferences of the majority of the electorate. In the context of slow-growth policies, this means a greater responsiveness to slow-growth preferences. We therefore hypothesize that policies in cities with at-large elections will be positively related to responsiveness to majority preferences.

**Independently elected mayor:** in many cities the mayor is selected from among the city council (by her fellow council members) and functions as little more than a figurehead. Under these circumstances, the mayor is likely to reflect the preferences of council members and have few formal powers. However, in other cities, she is independently elected by the citizenry. We argue that an independently elected mayor is likely to have an electoral mandate separate from that of the council. This mandate, like the mandates of council members elected at-large, is likely to reflect the preferences of the majority of the citywide electorate. We therefore hypothesize that under these circumstances, an independently elected mayor will better represent the majority preference in the electorate.

**Citizen boards:** cities vary widely in the degree of formal opportunities for citizen participation in the policy process. We hypothesize that cities that make active use of
citizen boards and other forms of grass-roots participation will be more responsive to broad-based majority preferences.

**Length of Term**: we hypothesize that when elected officials serve shorter terms, policy will be more responsive to majority interests. Frequent elections give voters more opportunities to replace unresponsive politicians and to register their approval or disapproval of city hall.

**H3 – Fit Between Institutions and Preferences**: Charter cities will be more responsive to majority preferences.

We finally consider the overall fit between a community’s political institutions and policy preferences. We compare two types of cities: general law and charter. In California, general law cities derive their power from the state legislature and their powers and structure are specified by state Government Code (California Cities, Towns and Counties 1999). All municipalities begin as general law cities with five council members elected at-large and a mayor who is selected from the council. Once elected, the council can make changes in the municipality’s political structure as long as those changes are allowed under state law (Martin 1998). Additionally, after incorporation a municipality can also opt to become a charter city. This requires that a charter (constitution) establishing the organization of the basic law of the city be drafted by either the council or an independently elected charter commission (consisting of fifteen members) and then approved by the voters during an election. Charter cities have substantial discretion in designing their own political institutions and the state legislature appears to have less control over these cities than those established by general law. However, amending a charter is a difficult task, requiring voter consent (see Cal Gov’t Code § 34450-61.5). We hypothesize that political institutions in charter cities will be more responsive to majority
preferences than those found in general law cities. The logic behind this argument is fairly simple: charter cities are allowed to design their representative institutions in a manner that best suits residents whereas general law cities have institutions imposed upon them in a cookie-cutter fashion.

IV. Empirical Analysis of Institutional Choice

Our empirical analysis tests the hypotheses developed in the preceding section. We test our model with data from a sample of approximately 300 California municipalities. This sample includes those cities that responded to a 1996 survey by the International City/County Management Association (ICMA). This survey serves as the source of data for all of our institutional variables. This results in a sample of cities that closely approximates a random sample of California cities in terms of size, density, region, and population characteristics. However, because our sample only includes California municipalities, almost all of the cities have reform political institutions.\(^2\)

The empirical analysis proceeds in two steps. First, we estimate a baseline model of demand for slow-growth policies. We posit demand to be a function of several geographic, demographic, and economic characteristics of a city. While a fully developed theory of demand for slow-growth policy is beyond the scope of the current analysis, we include a number of variables that we expect to be related to demand. Specifically, these include distance to the ocean (measured in miles plus a dummy variable for places more than ten miles from the coast), percent farmland, density, percent white, percent college educated, percent white-collar, percent elderly, median age, percent of households with kids, total population (logged), population growth 1980-1990, population growth 1990-

\(^2\) However, there is still substantive variation in political institutions between cities.
2000, median income, median home price, housing units per capita, percent seasonal housing, vacancy rate, and total number of firms. We represent this demand equation as equation (1).

\[
\text{Policy} = \beta_{10} + \beta_{11}(\text{geography}) + \beta_{12}(\text{demographics}) + \beta_{13}(\text{economics}) + u_1
\]  

(1)

Our dependent variable is an ordinal variable measuring the degree of restrictiveness in a city’s residential development policies. This variable is scored zero if a community has no formal growth restrictions, one if its most restrictive policy is a fiscal impact statement, scored two if it has an urban growth boundary, and scored three if it has a growth moratorium. While this scale may not be strictly interval, we believe it is quite reasonable to argue that it is, indeed, ordinal, with each policy representing successively more restrictive limits on growth. We estimate equation (1) as an ordered probit, and interpret the estimates resulting from this estimation as the determinants of slow-growth policy, independent of the effects of institutions on policy responsiveness.\(^3\)

We take the predicted value from equation (1) as our estimates of baseline demand for slow-growth policy. Table 2 reports the estimates of equation (1).

**Table 2 Here**

We see that a number of the variables are significant. The restrictiveness of policy increases, on average, in cities that are closer to the ocean, that are more rural and that are less densely populated. Policy is more restrictive in communities that have fewer racial minorities, that have more highly educated residents, that have more white-collar jobs, and that have older populations. Total size and recent population growth are associated with more restrictive policies, although higher income and home prices are not. Cities

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\(^3\) To test for the robustness of our results, we also estimated the model as a linear regression (not reported here). While our dependent variable is clearly not measured continuously, and hence violates the assumptions of the linear regression estimator, we find that OLS regression produces qualitatively similar results.
with higher shares of seasonal units have more restrictive policies, while those with
deeper vacancy rates have less restrictive policies. Finally, we find more restrictive
policies where the business interests are stronger. Finally, given the modest overall fit of
the model, we are considering more complete specifications for future analyses. We also
recognize that many of these factors may be causally related to policy in the opposite
direction, that is, are (at least partially) the results of slow-growth policies rather a strictly
the causes.

In the second stage, we then estimate a model of policy responsiveness. This
estimation allows us to test our hypotheses about the effects of institutions on
responsiveness. The dependent variable is the (linear) predicted value from the first stage
estimation of the demand equation. Use of this predicted value makes interpretation of
the estimated effects a bit complicated, however. We interpret positive coefficients to
indicate that a given institution resulted in more restrictive policy (i.e., greater
responsiveness to slow-growth interests) than predicted by the baseline demand equation.
We interpret negative coefficients to indicate that a given institution resulted in less
restrictive policy (i.e., less responsiveness to slow-growth interests). We believe that this
interpretation follows from our assumptions about the nature of preferences for land use
policy.

The independent variables we use to estimate $H_1$ are a dummy variable if council
members are paid, a dummy variable for legislative term limits, a measure of the percent
of incumbents who ran for re-election in the election immediately preceding the survey
date (usually 1994), number of years since incorporation, a dummy variable for the use of

\[ 4 \text{ We also estimated the model using the residual from a least squares regression of equation (1) as our}
\text{dependent variable. The results of this estimation were qualitatively similar to those reported here, in terms}
\text{of signs of the estimated effects, but almost none of the effects were statistically significant. We will pursue}
\text{this model in the future.} \]
standing committees, the number of seats on the council, a dummy variable for independently elected mayors, and a dummy for mayoral veto authority. To estimate H2, we include a measure of the percent of city council seats filled in at-large elections, the number of citizen boards used, and the number of years in a mayoral term (we did not include a similar measure for council members because there is little variation in the length of council terms). To estimate H3, we include a dummy variable scored one for charter cities and scored zero for general law cities. We formalize these relationships in equation (2) and summarize our hypotheses and report the results of our estimation in table 3. We estimate this model using OLS regression.

\[
\text{Responsiveness} = \beta_{20} + \beta_{21}(\text{complexity}) + \beta_{22}(\text{majoritarian}) + \beta_{23}(\text{fit}) + u_2
\] (2)

Columns two and three of table 3 reports the results of our estimation of equation (2). We first consider the set of variables measuring aspects of procedural complexity. We see that several of these variables are in the hypothesized direction and are statistically significant. All of our professionalization variables are significant and two are in the hypothesized direction. Specifically, we find that term limited councils and those with fewer incumbents running are more responsive to slow-growth preferences. There is less support for our institutionalization variables. In fact, neither is in the hypothesized direction, and one is significant. The variable measuring council size is positive and significant, and the dummy variable for mayoral veto is also positive. Support for our hypotheses about procedural majoritarianism is stronger. We find that all of the variables in this set are significant and in the hypothesized direction. Land use policy is more responsive to slow growth interests when the council has a greater percentage of seats elected at-large and when the mayor is independently elected. Greater use of citizen boards and shorter mayoral terms are also associated with more
responsiveness to slow-growth interests. Finally, we find that being a charter city, as opposed to a general law city is not related to responsiveness. The overall fit of this first estimation is modest (adjusted $R^2=.18$).

Table 3 Here

To summarize our empirical results, we find that a number of institutional characteristics affect policy outcomes, above and beyond the level of demand for restrictive land use policy predicted by a community’s geographic, demographic, and economic characteristics alone. We interpret these differences as the effects of institutions in responding, or not responding, to changing preferences for slow-growth policies. In this analysis, we find the greatest support for our hypotheses concerning professionalization, at-large representation, and direct citizen participation. Future analyses will test the robustness of these effects to more complete model specifications.

Conclusions and Implications

We conclude that features of local political institutions systematically affect the responsiveness of policy outcomes to preferences in the community. These institutions affect the degree of procedural complexity and procedural majoritarianism in a community, and hence affect the ability of groups with different characteristics to influence policy outcomes. In this research, we focus on policies supported by broad-based majoritarian interests. We find that institutional features that increase procedural complexity lower the degree of policy responsiveness (i.e., they are associated with greater divergence between estimated preferences and outcomes), as do features that lower procedural majoritarianism.

These empirical results have important implications for our understanding of institutional stability. In communities where institutions produce more responsive
policies, interest groups can work within the existing institutional framework to pursue policy change. In other communities, institutions insulate elected representatives from public pressures, and hence force groups to replace one set of unresponsive institutions with others they believe will be more responsive to their policy preferences.

We believe our research provides important new insight into the debate over the nature of political institutions and the sources of their stability. Our analysis forces us to recognize that the stability of institutions is a direct function of specific features of the institutions themselves. When institutions are able to respond to changing preferences, they are more stable – interest groups can pursue policy change through the existing institutional framework. When institutions are less responsive, groups may need to resort to more drastic measures by replacing some of the existing institutions. Hence, institutional stability is endogenous to the political process in a given community.
Table 2: Estimated Demand for Slow Growth Policies, CA Communities
DV=Index of Policy Restrictiveness
Model=Ordered Probit
**p<.05; *p<.10, Standard errors in parentheses

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<th>β</th>
<th>s.e.</th>
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<td>.0031</td>
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<td>Distance&gt;10miles</td>
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<td>.209</td>
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<td>%Agriculture</td>
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<td>.00004</td>
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<td>%White Collar</td>
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<td>%Old</td>
<td>0.022**</td>
<td>.011</td>
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<tr>
<td>Median Age</td>
<td>-0.057*</td>
<td>.030</td>
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<tr>
<td>%With Kids</td>
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<td>lnPop</td>
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<tr>
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<td>.003</td>
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<td>Popgrowth 1980-90</td>
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<td>Median Income</td>
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<td>.00002</td>
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<td>%Seasonal</td>
<td>0.162**</td>
<td>.048</td>
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<tr>
<td>Vacancy rate</td>
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<td>.042</td>
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<tr>
<td>Housing units per capita</td>
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<td>Total Firms</td>
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<tr>
<td>Cut 2</td>
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<td>Cut 3</td>
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<td>Pseudo R²</td>
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Table 3: Determinants of Local Policy Responsiveness, CA Communities
DV=Predicted Policy (xb), from Table 2 estimates
Model=OLS
**p<.05; *p<.10, Standard errors in parentheses

<table>
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<tr>
<th>Independent Variable</th>
<th>β</th>
<th>s.e.</th>
<th>Hypothesis</th>
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<td>Council Paid</td>
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<td># of Citizen Boards</td>
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<td>Charter</td>
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R^2:.18
N:240
References


