

#### San Francisco: A Case Study

Since 2010 new jobs in San Francisco have outpaced additional homes by a ratio of eight to one. Critics tend to blame the most visible side of the equation. Anti- gentrification activists have shot at tech-workers' commuter buses with pellet guns and vandalised the whizzy electric scooters dotting the pavements. But they pay too little attention to the supply side. They limit the height and density of new buildings and give local residents, often property owners, the ability to severely delay new development. Most of the city's land area, particularly the posh western bits, is zoned for single-family homes, which now comprise one-third of its housing stock. Almost all the city's land faces height limits of 40 feet, or about three storeys. The result is a city where rents are sky-high but buildings are not.



"Well I'll be darned! Accordin' to this here zoning law, this town is *plenty* big enough for both of us!"



#### NIMBYism

- Homeownership is an investment, with the underlying assumption that property values over long periods of time will increase ad infinitem.
  - This assumption is the bedrock of American communities, as homeownership is proven to be highly correlated to involvement in the community
  - $\circ$  It is also what makes buying a home such an integral part of the American dream
  - But protection of investment is what led to discriminatory housing policies, prominent in the mid-20th century, which are self-fulfilling prophecies about black neighbors decreasing property value (perception becomes reality)
- NIMBY: Not in my backyard. This is a phrase used to describe any neighborhood movement against proposed changes, but often directed at liberals who vote social programs, but that might alleviate poverty, but don't want socio-economically mixed neighborhoods because it would decrease property value.
  - Although there is irony in progressive NIMBYers, they can often be joined by an unlikely coalition of people of every color, class, and political stripe because once you are in the neighborhood, maintaining property value is a top priority



- NIBMYers will do whatever it takes to prevent more building and development. Why? Because the more crowded a place, the less desirable it is, especially if it is inundated with affordable housing/subsidized living
  - $\circ$  Tall buildings obstruct the view and make a neighborhood feel less residential
- In SF, a 75-unit complex in the Mission district is being held up by an investigation into whether a laundromat qualifies as a historic site. A 150-unit housing project for pensioners, with 20% of flats set aside for the formerly homeless, was nixed after fierce opposition from locals in the prosperous Forest Hill neighbourhood. City councillors use the process as a negotiating tactic to extract fees and taxes from developers.
- "There's regulatory capture and artificial scarcity all across the city," says Laura Clark of YIMBY Action, a local pressure group. (YIMBY: Yes in my backyard)
- In 2018, a bill was proposed (SB 827) to ameliorate the housing shortage. The one mayoral candidate who was not oppositional to the bill, London Breed, wanted to cut bureaucratic delays and slash building times in half.
  - Though she grew up in public housing and until recently lived with a flatmate, Ms Breed has come under attack for being too cosy with developers (or "real-estate speculators" as left critics vilify them)—and with the right. When her campaign wooed Republican voters by circulating an endorsement letter from George Shultz, a former secretary of state under Ronald Reagan, many left-wing activists were outraged.
  - Ms. Breed was a Democrat, as were her two opponents, but on this issue she was more traditionally Republican on this issue, which paid off well for her, as she won the 2018 election

#### Gentrification and Surrounding Myths

- This is not just a problem with San Fran. As the economy shifts more and more from manufacturing to innovation based, cities all over the country are dealing with growing pains.
- How to deal with an influx of people you weren't expecting can greatly affect a city's future.
- The fear behind gentrification is that it does not make people better off, it just allows the professional class to displace those already living in a community when they decide the city has become hip, thereby just moving around poverty rather than making the citizens of the city more prosperous
  - For an awesome play on how neighborhoods change with the times, check out Lin Manuel Miranda's first masterpiece, *In the Heights*



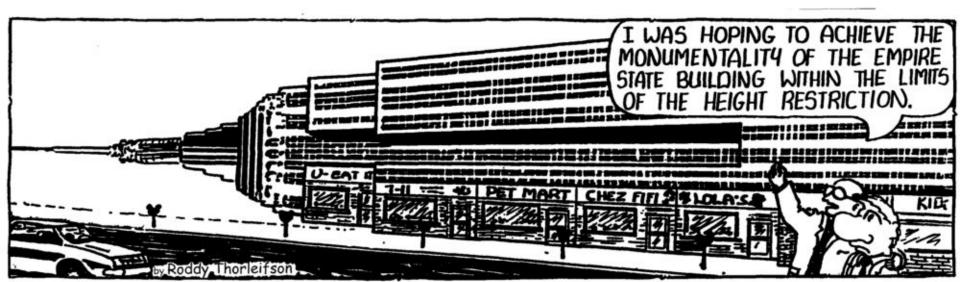
"We were gonna build a tree house, but with the cost, noise issues and zoning concerns, can you just take us to the mall?"

#### Gentrification and Surrounding Myths

- Winners of gentrification:
  - Property owners: Gentrification makes property values skyrocket. Sometimes property owners are land speculators, who may not even live in that city, though property owners in communities being gentrified are also often working or middle class
  - Low-skilled workers: In hot spots for gentrification like San Fran, Washington DC, and Boston, low wage workers earn about 40% more than worse off cities like Detroit
    - In the most booming cities, high school grads make more than college grads do in a more average city
  - Business owners, large and small: The professional class is willing to pay much more for haircuts, movies, food, and all sorts of services
  - Entrepreneurs: Whether you are looking to start a new firm in an emerging industry that has become popular in the city or you are starting up an artisanal hipster chocolate factory, the more white collar the workers and inhabitants of the city, the better off you are
- Losers of gentrification:
  - Renters: Some, who can no longer afford their housing, must move to a different neighborhood or even city. For those who can afford to stay, they will still see rising rents. Fortunately, some of that will be counteracted with the rise in quality of life and wages that typically accompany gentrification

### Other Cities Undergoing Growing Pains

- The geography of jobs is shifting the tectonic plates of American cities, as some cities suffer from tremendous brain drain and others can't build up/expand out fast enough
  - For more information on the geographic implications of the changing nature of work, check out *The New Geography of Jobs* by Enrico Moretti
- List of the fastest growing American cities from the Census



# Other Options to Combat Demand for Housing

- Sprawl!
  - Instead of letting your city grow up, why not let it grow out? A great example of this would be Dallas.
  - Some problems with sprawl:
    - Commuting times are not ideal
    - More people all commuting to the same place means way more congestion, which can lead to excess pollution
    - One partial solution to this may be amazing public transportation to nearby suburbs

#### Dallas: one of America's least walkable cities





## Questions

Disclaimer: These are much more questions aimed to get you to talk to your parents or do some independent research than our typical discussion questions

- Do you know what do zoning laws look like in your nearest city?
  - Try looking it up or contacting your mayor/city council!
  - Do you have affordable housing units? How has your community reacted to new building projects?
    - Side note: The two biggest political topics in my small town as of late have been building a large, several story parking garage in the center of town and building a large, bougie apartment complex that many argue looks out of place in our ~village~
- What do you think is the answer for Silicon Valley, where people routinely have to spend hours in commute?
- South Bend has been trying to get more professional workers and firms to move into town. Would this cause gentrification? Would this be a bad thing?
  - On the whole, would people in South Bend benefit from an influx of people and businesses after many decades of losing population? If so, would this influx have to be gradual and planned? How might a city go about doing that while not tempering the growth it desires?
- What are the implication zoning laws have on education and public school district lines? The more people you can fit in a space (aka if you got rid of the most restrictive zoning laws and allowed people to build up), the more economically diverse a school district would be.
  - There is probably a sweet spot between bringing in poorer kids to a richer district, so they might benefit from that environment and bringing in so many poor kids that the whole school starts performing worse. Where do you think that sweet spot is? Do you think it exists?