

What Happens Next - 07.03.2022

Excerpts From the Archives: Greatest Hits on Urbanization

Larry Bernstein:

I want to now go back to our What Happens Next archive and enjoy excerpts of my favorite discussions about urbanization. We are going to begin with Howard Husock from AEI who discussed his book *The Poor Side of Town*, Howard please tell us about it.

Howard Husock:

My book is about the history and future of affordable housing.

We once had the formula for low income, affordable housing, which served healthy communities. Bronzeville in Chicago, Black Bottom in Detroit, Dorchester in Boston, East Harlem in New York, there were poor, good neighborhoods with landlords who lived in the same buildings as their tenants with small shops, churches and synagogues nearby and the mutual aid institutions that characterize healthy communities.

There was more to the slums than abject poverty. Hundreds of thousands of families lived normal lives. They worked, paid rent, fed their children, had hopes and dreams for the future. And crucially poverty was not a life sentence.

We chose to demolish what were labeled slums that drove me to write my book, *The Poor Side of Town and Why We Need It*. I blame a movement that began with Jacob Riis. Riis was a very celebrated author of a book *How the Other Half Lives* about 19th Century New York housing tenements on the lower East Side and was New York's leading police reporter. He was trained as a sensationalist and his approach to housing was aimed at images that shocked. He sparked a movement predicated on the idea that the private market fails the poor and must be replaced by government.

He germinated the idea of public housing, as championed by two New York Women, Edith Abbott Wood and Catherine Bauer. Both believed that the private housing market would fail. Both would join the Roosevelt administration and the National Housing Act in 1937 would become the vehicle for slum clearance. Small shops and community institutions were swept away and replaced by The Projects. Planned communities without streets, stores or businesses.

Today we're ignoring a fundamental question: Why shouldn't poor neighborhoods also be good neighborhoods? They were in the past. We adopted draconian zoning laws which mandate exclusively single-family districts and mandating larger lots for such homes. This is a recipe for unaffordability.

We need to relax zoning laws to permit two and three family homes, smaller shops and businesses on ground floors. Government has distorted housing markets. It should get out of the business altogether.

Jane Jacobs reminded us, it's the spontaneous plans of thousands of builders and businesses that are superior to the housing planners. We need all sides of town, a full spectrum of housing types including a poor side of town.

Larry Bernstein:

Thanks Howard. How does public housing make poverty a life sentence?

Howard Husock:

Public housing's biggest problem is this. You cannot own anything there. It's all owned by the government.

We all invest in our houses. We make it impossible for poor people to do it. African Americans were particularly disadvantaged by this, because they came to the northern cities at the same time public housing was sprouting.

Larry Bernstein:

People used to refer to the Tenement as the "urban log cabin." What does this phrase mean?

Howard Husock:

I love this phrase. It's so meaningful to me. It's Abe Lincoln. It's the ground floor before you get to the next better neighborhood, as opposed to a life sentence. There's no doubt that if you make it impossible to run a rooming house because it's too dense, you won't have any rooming houses and you'll have homeless guys on the street, which we have here in New York now.

Larry Bernstein:

How do we get back to having high-density housing?

Howard Husock:

Have to fight this battle, community board by community board all across this country. We have to get the idea that dense housing areas are actually desirable. They have a high walkability index.

The housing affordability formula is simple. As many units as you can have on the same amount of land, more units for the same square footage of lands. One acre zoning that's going to be an expensive house. Five 1200 square foot houses on the same lot, it's not as expensive. Levittown, the ultimate post-war suburb, derided by the socialists as little boxes.

The houses were 750 square feet and people were dying to move out of Brooklyn to get there.

Larry Bernstein:

What is your favorite Jane Jacobs insight?

Howard Husock:

New ideas need old buildings. We have to accept that change.

We need planning and zoning boards that embrace the advent of class C from class A and then facilitate the revitalization that can finally occur. Whole cities. The Buffalos, the St.Louises, the Detroits. They all need to learn this lesson.

Larry Bernstein:

Should there be zoning for exclusive residential living?

Howard Husock:

They segregate the commercial, residential and industrial. If you look at old urban neighborhoods, there would be a commercial bakery, but then the bakery also sold day old goods on the ground floor and next door was a clothing store. And guys lived upstairs. All of that is illegal in most cities today. But in the neighborhoods where it persisted, people are dying to move in there. We're mandating neighborhoods that people dislike. That is crazy.

Larry Bernstein:

How do you explain the success of fast-growing Southern cities?

Howard Husock:

Houston has no zoning. The Texas cities are permitting the housing market to respond to increased demand, there is a small homes movement, which is growing. Durham, North Carolina has it, Houston has it, you have closely adjacent townhouses where you can get a lot more homes on the same lot size.

Larry Bernstein:

I end each episode on a note of optimism. Howard, what are you optimistic about?

Howard Husock:

I'm optimistic that there's more communities adopting less restrictive zoning. Minneapolis abolished single family zoning. The thousands of volunteer Americans who make decisions will take in this idea that the physical environment influences our behavior and gives us different options about how to live.

Let's have a comeback of the two-family house so people can afford to buy because they rent the upstairs out to somebody else. Commonsense ideas that I hope local officials, under pressure from the electorate. will start to make better choices. that's the theme of my book. The Poor Side of Town and Why We Need It and I believe in it.

Larry Bernstein:

Thanks Howard, our next guest from the What Happens Next Archive is Mitchell Schwarz who spoke last April about the insidious effects of NIMBY, Not in My Backyard.

Mitchell Schwarz:

The phenomenon of NIMBY-ism goes back to the early 1960's and battles for local control over neighborhoods under siege by urban renewal.

Over time, the battle for local control over neighborhoods, NIMBY-ism, burned most brightly in upper-class districts. An apartment building on or near a single-family street, a chain or franchise replacing a mom-and-pop store, greater density, traffic congestion, and introduction of unwanted outsiders.

Improvements to a neighborhood are also out of favor: bike lanes, improved transit lines, better landscaped streets, cafes, yoga studios. Why? Because these accessories signal an influx of gentrifiers. The more educated and affluent, usually white and Asian folks, whose presence will lead to the exodus of black and Latino residents who cannot afford the new housing.

Larry Bernstein:

Ed Glaeser pointed out that California used to allow residential real estate construction. California was the fastest growing state with average home prices. Today, there is little building because of zoning and other governmental impediments to building. Real estate prices are now very high and there is migration out of the state. Did the laws change to block new construction?

Mitchell Schwarz:

People arrive in California, it's beautiful, and they want it to stay the way it was. This is the case with a lot of people in San Francisco and Berkeley. And, Oakland, increasingly.

California had a bill passed in 1972, CEQUA, the California Environmental Quality Act, which mandates environmental review for a whole range of projects.

CEQUA is wielded by the anti-growth forces, to stop development or to scale it back by lengthening the process or by making it so difficult that people give up altogether.

People are like, "Let's scale it back. Let's go slower. Let's preserve the neighborhood character. We like it things the way it is."

Larry Bernstein:

New Topic: Professional Sports Teams. In the 1970s, sports teams were expanding to California and the SF MSA is the second largest in the state. I am sure Oakland rolled out the red carpet for these teams.

Mitchell Schwarzer:

Around 1970, we had four professional teams. We had hockey, the Warriors, the A's and the Raiders. There's no city of around 400,000 people that had four major league teams. There's none that had three. Oakland was uniquely successful in building the Coliseum arena. That was the the coup. The old philanthropic elite, Henry J Kaiser, Steven Bechtel and others were behind it. We used to have that old philanthropy in Oakland, we don't anymore. And we've lost the teams.

Larry Bernstein:

Are other institutions packing up for San Francisco?

Michell Schwarzer:

My college, California College of the Arts is moving to San Francisco and abandoning the Oakland campus. After a hundred years in Oakland, they're leaving because of that allure of San Francisco.

Larry Bernstein:

Universities rarely move, what is the back story?

Mitchell Schwarzer:

The school was founded in Berkeley. It moved to with the Oakland campus in 1923. And in the '80s, they started design and architecture programs, graphic design, industrial architecture, etc. And they did it in San Francisco campus. The Oakland campus, which was more Fine Arts has been atrophying. And I think the board shifted from the East Bay to the West.

Being in San Francisco, near Pinterest and Adobe. They decided to consolidate everything in San Francisco and, and leave Oakland behind because there isn't the money there.

With CCA, my school leaving and the Raiders and Warriors leaving, the Oakland Tribune folded. We're becoming the residential and office suburb of the West Side of the Bay. We don't have our own wealthy individuals who back things, and all these things are part of a sad institutional decline in the East Bay.

Larry Bernstein:

Next Topic: Museums and cultural institutions. In your book you discuss how the White elite got run out of town, what happened?

Mitchell Schwarzer:

The Bechtels and Kaisers banded together in the '50s for a state of the art museum. Downtown, right on the edge of the lake, and they built this extraordinary building. And it was a real triumph for Oakland to have this museum. But it comes at that period when the demographics are changing and, it's still a white institution serving the affluent whites, and it makes tremendous efforts to be a multicultural museum, for all of Oakland.

The last great project was the Oakland Ballet and Oakland Symphony. They took an old movie palace and turned into a concert hall. And it failed. The Oakland Symphony didn't make it. And the ballet, it's dark most nights.

Larry Bernstein:

Our next guest is Edward Glaeser who is the departmental chair of the Economics Department at Harvard. Ed spoke on What Happens Next to discuss his new book Survival of the City: Living and Thriving in an Age of Isolation. This excerpt is from the What Happens Next archive and I chose it because he beautifully articulates urban problems and potential solutions. Ed please begin your six minute presentation.

Edward Glaeser:

For most of my adult life, cities were triumphant. They became safer, became far more prosperous, and it really seemed as if the future was assuredly as urban as it could possibly be.

In March of 2020 because of COVID-19, we saw the rapid-fire de-urbanization of the world.

I wrote this book because I was worried about the threat of remote work, meaning that people abandon offices, abandon face-to-face contact, and abandon cities. It has never been easier for businesses and firms to uproot themselves and go somewhere else. The tendency of particularly those on the left in cities to see the rich as a piggy bank that can just be cashed anytime you want, to see firms as being something that are a problem rather than a solution to a city's needs, that's deeply worrisome to me.

The book begins by tracing thousands of years in which there has been a dance between death and urban life. From the plague of Athens that slew Pericles, to the plague that derailed the Emperor Justinian's attempt to bring the Pax Romana back to the Mediterranean world. Those plagues were fairly devastating to the civilizations that they struck. By contrast, for most of the past 650 years, our urban worlds have been quite resilient to pandemic.

In the 19th century, first yellow fever, and then cholera struck down our cities. And these didn't stop urbanization from occurring. In fact, our cities rallied. Our cities built the sewers and aqueducts that enabled them to become much safer, to continue to grow without people dying. The process of pragmatic collaboration is exactly what we need now.

The impact of every natural disaster is mediated by the strength of civil society when it strikes. America's cities were much less robust in 2020 than they were in 2001 when the terrorists struck the Twin Towers because cities appear to have been doing a very poor job of taking care of their poor citizens, of making sure that the police treat everyone with decency, and of providing affordable housing for everyone.

The book is a cry for a pragmatic agenda of making our cities effective at doing what cities are always supposed to be. They're supposed to be places where poor people can turn into middle class or rich adults. And that has been happening too rarely.

We need to actually take effective government more seriously. The right answer is not more government or less government, but better government. This requires actually finding out what works.

In the case of upward mobility, schools are our primary channel. And here, I think we have to admit that we don't know what works. One of the things that we emphasize over and over in this book is that you need to have the humility to learn to effectively change the quality of government, to effectively fight pandemic. For all the fanfare of No Child Left Behind or Race To the Top, they didn't really solve the problem of America as a whole under-educating its children.

So, I think we have to recognize that we need to have something more like an Apollo Program than a Marshall Plan where we don't just spend, but we recognize that we've got to learn what works here.

I am fundamentally optimistic about the future of the city. There's so much to like about learning from one another when we're close to one another. That type of learning that has been powering urban miracles since Socrates and Plato bickered on an Athenian street corner. And I believe that the age of urban miracles is not gone, and the cities will continue to create the collaborative change of invention that have powered humanity's greatest hits for millennia.

Larry Bernstein:

Thanks Ed. In reading the Wall Street Journal review of your book, they focus heavily on land use. This is a topic that's near and dear to your heart. Can you give us a little background

about the errors in government policy that have limited land use for new construction of homes and effectively driven up the price of real estate, particularly for young people?

Edward Glaeser:

We used to be following standard common law traditions, that if you owned a plot of land, you could pretty much do what you wanted with that land, including building on it. Right? And gradually we ate away with that.

In the East Coast, great swaths of whole neighborhoods are now allocated to historic preservation districts in which basically nothing can be changed in those areas. In the West, an environmental justification is often given. The irony about that often is that these alleged environmental reasons actually are somewhat counterproductive, environmentally. There's a lot to like about dense construction, close to city centers, in terms of being good for the environment in terms of reducing carbon emissions, because you have less driving, in terms of people's living typically in smaller houses, if you build up urban areas.

So small local organizations have basically figured out how to use the tools of local government to shut new building down.

Larry Bernstein:

Why does it matter if people are not moving to cities anymore? They can just move to places like Texas that have cheaper housing.

Edward Glaeser:

Well, I think we should worry about Americans not moving to places that are more productive anymore.

We have migrations driven often by the availability of inexpensive housing. I'm glad that that inexpensive housing is available, there's a lot to like about Texas, for goodness sakes, but it seems problematic when Silicon Valley, New York, Boston, places which by most observable measures, some of the most productive places on the planet, they don't allow growth, and the country as a whole suffers in terms of its productivity, because of it.

Larry Bernstein:

Let's switch topics now. How have we traditionally designed our cities?

Edward Glaeser:

We have always built our urban spaces around the transportation technology that was dominant in that era. Our oldest cities are walking cities with narrow streets, and often winding paths. Our 19th century cities are built around various forms of wheeled transport, street cars, then elevated railroads that enabled cities to stretch much further, but still meant

you had to walk from wherever that the train, or the streetcar drop you off to your final destination. In the 20th century, the car was completely dominant, and for totally understandable reasons, we radically rebuilt our urban spaces around the car.

Larry Bernstein:

Why are the wealthy under such attack by progressives right now, and what can be done to encourage these individuals to stick around and encourage the growth of the cities?

Edward Glaeser:

That was one of the things that motivated the book, was this deep worry about the fact that cities seemed to have forgotten that the rich and businesses are mobile, and they've only become more mobile thanks to Zoom, thanks to remote work.

I think the reason why this comes up is a real frustration with the pace of progressive change by many people on the left and an understandable frustration with the inequality of American society and the lack of upward mobility in cities. Cities have always been unequal places. It was Plato who wrote 2400 years ago that every city with whatever size, in reality is two cities, one, a city of the rich, the other, the city of the poor, and they are perpetually at war with one another.

Urban inequality is not something that cities should be ashamed of. Cities attract the rich by being relatively pleasant places to be rich, and they attract the poor by being relatively tolerable places to be poor. That's not something that's an urban problem. Those are urban assets. But that level of inequality is only tolerable if cities are continuing to do their historic job of turning poor children into rich adults.

That combines with frustration at the police, frustration about the high cost of living and frustration with national politics as well. Local politics seems like an outlet, but if you want to tax the rich and give to the poor, the right level of government to do that is the federal government because it's much harder to run away from America than it is to run away from Chicago.

You really should not be using local government to redistribute. You should be using local government to try and solve the core tasks of local government.

If you do decide that this is something where the real goal is to demonize the wealthy and treat them poorly, then they will leave, and cities will be much the worse for it.

Larry Bernstein:

Someone that you hold dear to your heart is the urbanist Jane Jacobs. What about her work do you think has most relevance today?

Edward Glaeser:

It's her observing the ballet of the sidewalk, understanding the ways that people who live in cities interact with the streets around them, understanding the strange and unpredictable things that happen in cities and how things that look inefficient in cities actually produce sort of remarkable long run benefits.. There's always something inefficient about being in the office relative to being home and at Zoom. But surprising things happen at the office that enable us to learn more from each other and to have more fun. And I think that's part of what she was recognizing was that cities, despite their seeming inefficiencies had hidden strengths that led to long run creativity and long run vitality.

Larry Bernstein:

We end each session on a note of optimism. What are you optimistic about as it relates to your topic, broadly defined to be the economics of cities?

Edward Glaeser:

Cities have shown a remarkable ability to survive much worse than this. And I think that the value of information rich environments that promote some degree of opportunity for young people who are outsiders, the demand for those spaces is not going to go away. And cities provide the space in which we can really make our future, in which we can learn from people around us. And that completely makes me optimistic.

Larry Bernstein:

Ed, thank you very much.