

Mitchell Schwarzer
What Happens Next – 04.24.2022

Mitchell Schwarzer:

The story I'm about to tell is from my book, *Hella Town: Oakland's History of Development and Displacement*. From 2016 to 2018, five arson fires were intentionally set at residential construction sites in Oakland, California and nearby Emeryville. They were lit at a point in the construction process when the rising wood frames had not yet been protected by a sprinkler system.

In late November of 2018, a handyman, Dustin Bellinger, was arrested and eventually sentenced to five years in prison. The fires stopped, but a great deal of damage had been done. Developers had to start over, and the long delay in construction alongside higher insurance and security costs jacked up pricing for the 500 apartments. While most people decried the arsons, some applauded the destruction of what one Twitter user called gross, expensive condos. Smaller acts of vandalism, busting windows or spraying graffiti, the fires were the extreme end of a grassroots-protest-against building market rate housing in a city experiencing a dire housing shortage.

The phenomenon of NIMBY-ism, not in my back yard, go back to the early 1960's and battles for local control over neighborhoods under siege by grandiose plans, 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.

Recent Oakland NIMBY-ism among the poor and working classes too represents a demand for local control over neighborhoods faced with disruptive forces.

New market rate housing is today's principal culprit because many fear the introduction of more affluent residents will supplant those unable to afford Oakland's housing.

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.

This NIMBY-ism aims to keep the remaining poor and working-class of the East Bay unattractive to developers and gentrifiers. Better to have less investment, less improvements, less good services, since they would all lead to rising house prices and the need for people to relocate from Oakland inland toward the Central Valley.

NIMBY-ism for the poor and working classes in Oakland appears committed to keeping the neighborhood torpor going and demanding an increase in the supply of affordable housing

absent those marketplace mechanisms that are central to the nation's system of housing production.

Larry Bernstein:

Your book tells the story of Oakland struggling with deindustrialization, desperate for new investment, young enterprising people, racial integration, and real estate development. Yet, in your opening remarks Oakland is having a renaissance but some people would prefer slum-like conditions to gentrification, economic opportunity, and change.

Mitchell Schwarzer:

Oakland in the early 20th century was a period of great promise. Competition with San Francisco, the East Bay would become the big city in the Bay area not San Francisco; it didn't happen. Oakland prospered, industry came, there was a lot of growth in the second world war, which brought the first large scale migration of non-white people to Oakland. Oakland in 1940 was 94% white.

From 1940 to 1980, Oakland goes from 2.6% to 49% black. They came for the war industries and to get out of the South from Arkansas, Louisiana, and Texas.

The tragedy of the post-war years is the deindustrialization. Ship building, automobile assembly, canneries moved out of town or overseas.

Oakland lost its industrial employment, and a city that's half-black, has high unemployment and the corresponding urban ills.

When Jerry Brown was elected mayor in 1998, Brown's strategy was to bring in affluent residents and revitalize downtown.

It went all too well. Home values have skyrocketed.

I live in in the Oakland foothills, you could have bought it in 1995 for \$250,000, and now they're running over two million. Rents have gone up correspondingly.

The city has become very expensive because of the proximity to San Francisco and Silicon Valley.

A lot of businesses moved from San Francisco to Oakland, including PG&E, Blue Cross, Blue Shield, The Sierra Club, architects and engineering moved to Oakland, because San Francisco was so expensive. Residents were moving to Oakland. I moved in 2002 from San Francisco.

Larry Bernstein:

Your description of Oakland reminds me of the renaissance in Brooklyn, which may be apt since many of my listeners live on the East Coast.

Brooklyn didn't have many new office buildings. It was run-down. There was white flight to Long Island because of poor public schools and crime.

I moved to Brooklyn Heights in 1987 when I graduated college and lived there for five years. It was 2 subway stops to Wall Street and Salomon Brothers, and the rent was much cheaper than the Upper East Side.

Kay Hymowitz spoke on What Happens Next about the gentrification of Brooklyn. This is where young people want to live. Can you imagine if the community had prevented Brooklyn's development? Why would want to celebrate arson of new buildings? Why do you want to stop growth?

Mitchell Schwarzer:

The conundrum is that people who can't afford the new housing in Oakland. They feel they're being pushed out, and there's a lot of anger toward that.

Oakland's inherited political radicalism from Berkeley and San Francisco. You have a strong left-leaning reaction against new development.

Larry Bernstein:

I was at my cousin's wedding last weekend in San Francisco and there was a big homeless problem there. How is it in Oakland?

Mitchell Schwarzer:

Homeless people, they've become omnipresent in the last five years. Tent cities located along transit corridors, under freeways, on top of parks.

Larry Bernstein:

Is there substantial residential construction given the increasing housing demand?

Mitchell Schwarzer.

I read a statistic that for every six jobs that are created in the Bay area, there's only one unit built. Our housing deficit grows and contributes to the rising prices, which make the Bay area the most expensive metropolitan area.

I have friends that can't afford a house in Palo Alto working at Facebook and Rivian.

Once Palo Alto and San Francisco become expensive, the overflow starts to move to the East Bay. Oakland's one of the logical places.

The NIMBY's in the hills don't want denser housing in their neighborhoods, and now the poor residents in the flatlands don't want it because it's going to lead to gentrification.

Larry Bernstein:

Ed Glaeser spoke on What Happens Next. Ed is a professor and Departmental head of the Economics at Harvard. He 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. Why has NIMBY or Not in My Back Yard Become the mantra of the state?

Mitchell Schwarzer:

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:

Howard Husock spoke on What Happens Next regarding his new book The Poor Side of Town. He mentioned the market-based solutions for building large scale affordable working-class bungalows in Oakland in the 1920s with no government interference.

What happened? Why won't locals allow land use in its most efficient way and create denser communities driving down price?

Mitchell Schwarzer:

It's more than zoning. There's not a lot of buildable land. It's not like Houston or Dallas, which just goes on and there's no impediments.

To get to the central valley, you have to cross a couple mountain passes. Then, this whole process of suing and environmental review has lengthened development process considerably.

Larry Bernstein:

Let's talk demographics. As you said in 1940 Oakland was 95% white. By 1990, it was 44% Black 14% Hispanic, 14% Asian and 32% White. And 30 years later despite the dreaded gentrification, the white population has declined to 30%. The African American population has collapsed from 44% to 23% Hispanics have replaced African Americans. Asians are steady around 15% over the period.

Mitchell Schwarzer:

Cities change. They don't stay static. They change based on larger socioeconomic trends.

Larry Bernstein:

I was born in Chicago. Like Oakland, there was a major in migration of African Americans from the South during the 1940s to 1960s. Chicago had been a white city, but after the White Flight to the suburbs, Chicago's population fell in absolute terms. African Americans came to Chicago for jobs, physical safety, and the promise of better education for their children. For many this didn't work out well. Jobs disappeared, crime was high with many homicides, and schools where kids didn't learn.

Blacks are leaving Chicago in droves. For the past 20 years, 10,000 African Americans abandon Chicago annually and 800 are homicide victims. That is 1% of Blacks move away and 1 in 1000 are murdered every year.

Meanwhile Hispanics are moving to Chicago big time. There are now more Hispanics than Blacks in Chicago and given current birth and migration patterns, Chicago will become majority Hispanic in the near future.

The Chicago experience reminds me of Oakland. Similar ongoing black exodus and a Hispanic influx.

Mitchell Schwarzer:

I lived in Chicago for close to five years. I taught at the University of Illinois. The similarities are there. A Black migration out of the city for reasons of safety and better schools and better housing. Oakland schools have underperformed just like Chicago schools.

If the Bay area remains a hot, white-collar economy in 20 years most of Oakland will be affluent. It will transform, like Brooklyn has to a greater degree than Chicago, because I think the forces are so much stronger in New York and the Bay area.

The working class are gonna move out.

Larry Bernstein:

New Topic: Sister Cities. Oakland was the rollover city for San Francisco where land was cheaper, and large swaths were zoned industrial. There are several examples of sister cities foundering. Gary Indiana, Newark, Camden, and East St. Louis each went into long-term decline. Why have sister cities struggled and why is Oakland different?

Mitchell Schwarzer:

Oakland is a combination of Detroit and Marin County in the same city. You don't see that in Gary or Camden or East St. Louis or Newark.

Oakland was acting like the well-to-do suburbs like Montclair, there's a neighborhood. Similar population, similar types of houses, similar types of businesses, it's a kind of combination city. And then you add to that equation Berkeley. None of those other cities have Berkeley right next to them, this intellectual powerhouse city. Innovations in architecture, in environmental policy; these are all Berkeley phenomenon.

Larry Bernstein:

Berkeley is well known for its leftist politics. Does that explain why the Black Panthers organization roots are in Oakland?

Mitchell Schwarzer:

The Black Panthers never would have happened if not for proximity to Berkeley. It was that interaction between the student radicals of Berkeley and Merritt College, which was a community college in North Oakland, became the hotbed.

Larry Bernstein:

Has there been substantial rioting in Oakland?

Mitchell Schwarzer:

Yes, there was. Nothing like the Los Angeles riots. The Los Angeles riots were harrowing. They occurred all over the city, block after block of burning. Each time there were police killings, there would be protests peaceful in the daytime, and then when night came there would start to be breaking windows of banks or stores downtown and graffiti.

The Occupy movement in Oakland in the early 2010s was the most militant. They occupied City Hall Plaza for months and months.

Larry Bernstein:

Next topic is Property Crime. I was in San Francisco last weekend having lunch with a close friend at an outdoor café in the nicest residential area of the city. When my friend found out that I had left my luggage and valuables in the trunk of my rental car, he was panicked. In San Francisco, the local district attorney no longer enforces property crimes and criminals break car windows and take everything with impunity. It is to the point now where nobody leaves anything in the car, and they keep their windows open. Better to let in some rain than risk losing a window.

Has Oakland been ravaged by similar property crimes and a breakdown in civil order?

Mitchell Schwarzer:

There was an article today in the newspaper that certain people were having their mountain bikes stolen in the Hills while they were riding at gunpoint. Oakland has had several TV news crews held up at gunpoint and they stole their cameras and video equipment. Crime is really bad around the Bay Area since mid-pandemic. But the biggest issue is you have overzealous policing, right? Shooting black men all around the country. And the Rudy Giuliani break, no

windows policing philosophy that I can't imagine that coming into play again with the legacy of police brutality.

On the one hand, you've got police brutality on the other hand, you have got criminals operating wantonly.

There's a recall vote for the district attorney. Chesa Boudin the son of one of the Weatherman heirs. He's one of the more left-leaning District attorneys, and he'll likely get recalled. We have an Oakland mayoral race in the fall, and I'm hoping there'll be less tolerance for homeless tents everywhere. We're trapped in this kind of awful position between police brutality and criminals operating too freely.

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:

Transportation. California is the land of the Freeway and Oakland has its fair share. In Chicago, the Eisenhower Expressway cut the West Side in two. City Planning with freeways is complicated. What happened in Oakland?

Mitchell Schwarzer:

"We're the center of the Bay area freeway network. Isn't this amazing?" We have great freeway access, but at the same time, freeways really tore the city into pieces. We built about half of what was proposed.

Larry Bernstein:

Next topic is slum clearance. Howard Husock discussed public policy that cleared neighborhoods in the industrial cities to build retail malls and to integrate white middle class residents with lower income African Americans. We discussed the tragedy of destroying poor neighborhoods. We specifically discussed knocking down a section of Boston. What happened in Oakland?

Mitchell Schwarzer:

In Oakland, like Boston if you look at Government Center and at the West End, was to create a new environment for tourism and white collar and hotels and cultural institutions. Boston ends up with Faneuil Hall and with the New England Aquarium, they basically eliminated poor people from central Boston.

Oakland tried the same thing. They took out 18 blocks right in the heart of Oakland to build a huge shopping mall. Five anchor stores that was the goal and surrounded by office towers. The shopping mall never happened, because it was catering to white women from the hills and suburbs who didn't want to go to downtown Oakland. So, the shopping mall failed, it was a really misguided effort. And of the office towers very few came.

They demolished 50 blocks, for industry and this big urban renewal project called Acorn. And the goal there was similar, we're gonna turn a lower-income Black slum, into a middle-income, mixed-race development that will provide a buffer for downtown, between that and the rest of poor, Black West Oakland, so that downtown can become like downtown San Francisco, this gleaming cultural office white-collar district.

Didn't happen. Didn't work.

The two biggest slum clearances which was Acorn and city center in downtown were unmitigated disasters.

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:

Oakland now has a substantial Asian population. How has that culturally affected the city?

Mitchell Schwarzer:

Chinatown is the model for a 24/7 district downtown. When I moved to Oakland in 1981, it was the only place you'd go at night in downtown, 'cause there were people on the streets. Everywhere else, people went home after 5:00.

And then, with the big migration starting in the late '70s, you started to get Vietnamese, Cambodian, Laos populations. It's been a boon to Oakland.

Larry Bernstein:

I live now in Miami. This town is booming. The cranes are out. I've never seen so much residential building. Yesterday, I heard a lot of noise and I looked over and my neighbor's house was knocked down. Every house on my block will get bulldozed in the next few years. What is happening in Oakland?

Mitchell Schwarzer:

It's not actively pursuing change. Within a mile of my house or more, I don't think there's a new building built in the last 45 years. Not one. Very little commercial building. The affluent NIMBY districts don't want development. They would freak out if you took out four two-story buildings and put up a 20 story high-rise.

Bay Area people talk about how it's the most beautiful place on Earth. And so there's a resistance to change, much stronger than you'd have in Miami or in Texas.

Larry Bernstein:

Florida and Texas are fast growing red states. And California is losing residents is this related?

Mitchell Schwarzer:

It's expensive to do business in California, it's expensive to live in California. It's a less-friendly business climate, and people want it that way. But they're upset, then, that it's so expensive. I lived in the Mission District in San Francisco, they got upset when it started getting affluent, and they couldn't afford it. And they would start decrying the lawyers who came in. And I would say, "you're not a working-class immigrant."

Larry Bernstein:

I end each episode on a note of optimism. What are you optimistic about?

Mitchell Schwarzer:

So many people are just busting to get out and start living again, and I'm optimistic that that's gonna bring positivity that the pandemic has kind of dampened dramatically.

Larry Bernstein:

Miami has been open and partying for over a year now. What is happening in Oakland?

Mitchell Schwarzer:

One of the city's unofficial names has been Oaksterdam. Oakland pioneered the legalization of cannabis.

If you walk around Oakland, you smell cannabis everywhere. And-there are beer gardens and wine bars, so this city likes a good party.