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From the Selected Works of Michael E Lewyn

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## 2015 Planetizen blog posts

Michael Lewyn



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# How to Teach About Sprawl (and Law)

## Describing a seminar on "Sprawl and the Law" at the University of Pittsburgh.

[Michael Lewyn](#) | December 10, 2015, 10am PST

This year, for the first time in several years, I taught a seminar on sprawl and the law. In the past, I had generally taught this course at Florida Coastal School of Law in Jacksonville. Because Jacksonville had been growing rather than shrinking, I [focused](#) primarily on policies that made Sun Belt cities automobile-oriented, such as minimum lot size requirements and wide streets.

By contrast, this year I am visiting at the University of Pittsburgh's law school. Since Pittsburgh has lost more than half its 1950 population, I focused on the decline of the central city (although we did spend a few weeks on urban form at the end of the course). But because I was teaching in a law school, I still had to find ways of addressing legal issues relevant to that question.

After spending the first week defining sprawl and explaining why it is controversial, I focused on one obvious driver of sprawl (pun intended): highways that facilitate suburban development. In addition to discussing the policy issues related to highways, I discussed environmental groups' (mostly unsuccessful) attempts to use the law to limit highway development, such as suits under the National Environmental Policy Act and the "disparate impact" provisions of the civil rights legislation.

Then we discussed public transit—not so much as a means of limiting sprawl, but more as a means of mitigating the negative aspects of sprawl (such as the negative effects of sprawl on the carless poor and disabled). We had a speaker from the local transit agency and a local transit advocacy group, and we learned about Pennsylvania's transit financing system, which restricts local taxation powers and thus makes cities and counties dependent on the largesse of state government. Again, we discussed legal issues related to transit— in particular, litigants' unsuccessful attempts to use the Americans with Disabilities Act and civil rights law to protect transit service (and in one case, to shift transit funding from trains to buses).

Then we discussed land use regulation as a possible remedy for sprawl. We of course discussed growth control measures such as Oregon's urban growth boundaries and constitutional litigation related to growth control. For the first time, we began to discuss land use regulation as a driver of suburbanization—for example, regulations that limit urban housing supply and thus price people out of cities.

Finally, we discussed one area that was especially important to Pittsburgh-education policy. In Pittsburgh, as in many other cities, city schools deter families from living in the urban core. We began by studying a Supreme Court case upholding school district

residency requirements. After reading the case we discussed its negative impact upon the city: it means that parents who prefer suburban schools have to move to the suburbs to get those schools.

We also discussed the results of school desegregation litigation; in the early 1970s, the federal courts required city school districts to create racially balanced schools, but imposed no similar obligations on most suburbs. Because in those days, class and race tended to go together to an even greater extent than is the case today, parents who wanted schools filled with children from middle-class backgrounds could not get what they wanted even if they lived in the richest urban neighborhoods. Needless to say, this made suburban schools more appealing.

Pittsburgh seems to be somewhat less unsuccessful in this regard than some other Rust Belt school districts; there is at least one high school that appears to be able to attract middle-class students. I was disappointed that I was not able to get a speaker on Pittsburgh's desegregation process.

Because we spent more time on city vs. suburb issues than in earlier versions of the seminar, some things got cut back. Because the school was located in an urban neighborhood, I didn't think we needed field trips to urban neighborhoods. (By contrast, in Jacksonville, the city was so dominated by sprawl that I assumed students had little familiarity with walkable areas, so I ran field trips to one or two of the city's more walkable areas.)

So far I have only received rough drafts of most student papers, but the papers seem quite intriguing so far. Paper topics include the relationship between urbanization and war tactics, a novel about Swedish suburbia, public schools in Pittsburgh's poorer suburbs, the fall and rebirth of downtown Dallas, and some local planning issues.

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BLOG POST

## Definitions (of Gentrification) Matter

**Whether gentrification is common depends on how one defines it.**

[Michael Lewyn](#) | December 1, 2015, 5am PST

Much of the discussion of gentrification focuses not on whether gentrification is a good thing, but over its frequency. The answer is: it depends on how you define it.

If you define gentrification as any increase in neighborhood gentrification or affluence, gentrification is widespread. On the other hand, if you define gentrification as radical change (especially radical citywide change) gentrification is quite rare.

One example of the former definition is *Governing* magazine's [study](#), which found that "Nearly 20 percent of neighborhoods with lower incomes and home values have experienced gentrification since 2000, compared to only 9 percent during the 1990s."

According to this study, a census tract is "gentrified" when its percentage of college graduates and home values [increase](#) to a significantly greater extent than the metro area average—in particular, enough so that the tract's level of increase (as opposed to its absolute percentage of college graduates or its absolute home value) was in the top 1/3 of metro area Census tracts.

This means that a very, very poor neighborhood that improves significantly is "gentrified" even if it is still a poor neighborhood by any conceivable criterion. For example, *Governing* described one Census tract on the east side of Kansas City as "gentrified" because the percentage of college-educated residents increased from 8 percent to the still-low level of 14 percent, and because home values increased by 40 percent over a decade. (If you want to get a sense of this area, go on Google Street View to 4200 E. Truman Road and adjoining blocks.)

On the other hand, Lester Rice of Rice University recently wrote that gentrification in Houston is quite rare. He [defines](#) gentrification as a significant racial transition—essentially, when a formerly majority-minority area becomes majority-white. By this very narrow definition, a neighborhood does not gentrify when it goes from working-class white to upper-class white, or from working-class black to upper-class black.

Another factor dividing commentators is whether to ignore "de-gentrification"—that is to say, neighborhoods that become poorer over time. If you focus solely on neighborhoods that become richer, you are likely to emphasize the growth of gentrification. On the other hand, if you weigh gentrifying areas against the number of areas that have become poorer, you may see gentrification as very minor indeed.

For example, the *City Observatory* blog [emphasizes](#) that over the past several decades, de-gentrifying areas have been far more common than gentrifying areas. In Chicago, only seven or eight Census tracts (mostly near downtown) rebounded from having high poverty to low poverty, while dozens of neighborhoods deteriorated. Similarly, my earlier work has de-emphasized gentrification because I was focusing on citywide poverty.

In sum, whether gentrification is a big deal depends on what questions you are asking. Gentrification will seem quite minor if the question you are asking is: "Have cities become playgrounds for the rich (or at least caught up with their suburbs economically)?" That's because, in fact, even the richest central cities are poorer than their suburbs. But you will find quite a bit more gentrification if the question you are more interested in is: "Have any city neighborhoods, anywhere, become richer or better educated?"

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# Where the Candidates Live

**Some presidential candidates favor sprawl, but a surprising number live in cities or inner-ring suburbs.**

Michael Lewyn | November 9, 2015, 9am PST

Since presidential candidates tend to be wealthy, middle-aged heads of households, and wealthy middle-aged families tend to live in sprawl, one might think that most Republican presidential candidates live in sprawl. I was able to find out where most (though not all) candidates live—and although it is true that most of them live in sprawl, this rule has some interesting exceptions.

To be sure, Republican front-runner Ben Carson unquestionably lives in sprawl. He lives in [Upperco](#), a Baltimore outer suburb about 30 miles from downtown. Some parts of Upperco have a Walkscore of 0, and a look at Upperco on Google Street View reveals that streets are few and far between. Every house is very far from everything else. Another religious conservative, Rick Santorum, lives in a [five-acre](#) house with a 0 Walkscore in [Great Falls](#), a wealthy outer suburb of Washington

Another favorite of religious conservatives, former Arkansas governor Mike Huckabee, has left his home state and moved to a beachfront mansion in resort-oriented [Walton County, Florida](#). Although Huckabee's new home is only a few miles from new urbanist favorite Seaside, its Walkscore is 14.\* Although the Huckabee manse seems to be in the middle of nowhere, he can walk half a mile to get a meal or a cup of coffee, if he doesn't mind the absence of sidewalks. Just as Gov. Huckabee's policies occasionally deviate from solid conservatism, his home isn't quite 100 percent sprawl.

On the other hand, Florida's two candidates favor inner ring suburbs. Jeb Bush lives in a [townhouse](#) in downtown Coral Gables, about five miles from downtown Miami. Coral Gables is a older inner-ring suburb with a highly walkable commercial district (the [Miracle Mile](#) area) and satisfactory bus service. Bush's street has a Walkscore of 77. Marco Rubio has spent most of his life in [West Miami](#), a more working-class suburb just west of Coral Gables. Rubio's former West Miami home has a Walkscore of 80, and he lived only five blocks south of the 8 bus, which runs about every 10 or 15 minutes during the day and until 11 pm at night—pretty good by the low standards of Florida. On the negative side, S.W. 8th Street, the nearest commercial street, is a four-lane [stroad](#). (A couple of years ago, Rubio sold the house to move his permanent residence to Washington; I was unable to find out where he lives in Washington.)

Tea Party favorite Ted Cruz prefers urban life. Cruz lives in a condo (Walkscore 75) in [River Oaks](#), Houston's in-town, old money neighborhood. Cruz lives two miles from City Hall, a couple of blocks from numerous bus routes, and 0.3 miles from Whole Foods. On the negative side, the Whole Foods is on a stroad, as one might expect given Houston's reputation for car-oriented design.

Although governors generally live in governor's mansions, Ohio's John Kasich is an exception. He lives in a wooded area in [Genoa Township](#), an outer suburb about 20 miles north of Columbus with a single-digit Walkscore. Similarly, New Jersey's Chris Christie lives in Mendham Township, NJ, a large-lot exurb with a Walkscore of 11. By contrast, Bobby Jindal lives in Louisiana's [governor's mansion](#) just north of downtown Baton Rouge.

Our two tycoon candidates favor very different environments. Carly Fiorina lives in a [gated community](#) about 25 miles south of Washington, in an area that (based on my look at the area on Street View) would probably have a negative Walkscore if such a thing were possible. On the other hand, Donald Trump has numerous residences, but [one of them](#) is just steps from Central Park.

In sum, it appears that the majority of Republican candidates do live in sprawl—but the exceptions are not necessarily the candidates I would have expected. The candidates with the most urban addresses are not always the most moderate.

At this point, you might be saying "So what? Does any of this trivia have any broader lessons?" Actually, yes. The one thing I noticed is that every single candidate either favors a highly walkable area (Walkscore 75+) or in an extremely car dependent area (Walkscore 15 or below). *Not one* of the candidates, as far as I can tell,\*\* lives in the in-between areas (Walkscore 20-75) where most Americans live. If the Republican candidates reflect upper-class Americans generally, this tells us something about American tastes—or at least about the tastes of a certain slice of middle-aged, well-heeled America. Semi-walkable '50s suburbia is what Americans might be willing to settle for if they can't afford anything better—but I doubt it is really most people's "American Dream."

\*In deference to the candidates' privacy, I have tried to avoid mentioning their street address even when I found it out.

\*\*As you might have noticed some candidates are missing. I was unable to find out where Sens. Paul and Graham or Gov. Pataki live.

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# New Research on Gentrification

**Describing the Federal Reserve Bank of Philadelphia's recent study on gentrification in that city.**

Michael Lewyn | October 30, 2015, 5am PDT

This month, the Federal Reserve Bank of Philadelphia came out with a study on "[Gentrification and Residential Mobility in Philadelphia](#)." This paper included some findings about displacement (or the lack thereof) in gentrifying neighborhoods.

The study described 56 Philadelphia census tracts as "gentrifying" based on a variety of criteria. Some of the questions the study sought to answer were:

- Are poorer residents of these tracts more likely to leave these neighborhoods than other city neighborhoods? Persons with the lowest credit scores (the study's surrogate for poverty) were about equally likely to leave gentrifying and non-gentrifying tracts. So if moving equals gentrification-related displacement, it does not seem especially frequent in gentrifying areas. Similarly, longtime residents (those living in the tract for over five years) were actually *less* likely to leave gentrifying tracts than other city neighborhoods.
- Were low-credit-score movers from gentrifying tracts forced into suburbia? A map of movers showed that high-credit-score movers were scattered throughout the region, while almost all low-credit score movers stayed within the city of Philadelphia. So it appears that despite media coverage of suburban poverty, few poor people moved from gentrifying areas to suburbs. (Of course, this pattern may be less true in high-cost central cities like New York and Washington.)
- Did low-scoring movers from gentrifying tracts shift to areas poorer than those gentrifying tracts? The study's answer to that question: No. The average low-score mover moved from a census tract with a median household income of \$33,000 to one with a median income of \$44,000. When intercity movers are excluded, this gap is narrower; even so, the movers wound up in areas with about a 10 percent higher median income than that of their former home (from \$32,000 to \$35,600). On the other hand, the "receiving" neighborhoods had lower home values than the gentrifying tracts, and fairly similar crime rates, and movers from some neighborhoods were less likely to move to richer areas. (Postscript: I also should have noted that intracity low-credit-score movers from non-gentrifying tracts improved their neighborhood status to a greater extent than those from gentrifying tracts; the average mover in this category left an area with a median income of just over \$26,000 and moved to an area with a median income of almost \$32,000- a 20 percent increase but still a lower median income, I note, than the movers from gentrifying tracts. This point seems to have created some confusion among readers: because movers from gentrifying tracts improved neighborhood quality to a *lesser degree* than movers from nongentrifying tracts, readers may have believed that movers from gentrifying tracts were objectively worse off than they had been had they not moved.)

In sum, it appears that at least in Philadelphia, many gentrification-related stereotypes are not consistently true. Low-credit score residents of gentrifying tracts were not especially mobile, nor did they always move to poorer areas when they did move.

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# Supply, Demand, and Housing Prices, Part 2

## Rebutting arguments against the law of supply and demand.

Michael Lewyn | October 27, 2015, 5am PDT

Throughout the United States, rents (and in some cases housing prices) have been skyrocketing over the past several years. Under the economic law of supply and demand, one\* obvious answer to this crisis is: expand supply (by which I mean, eliminate zoning regulations that prevent landowners from building more apartments.) The latter argument, of course, has met a lot of resistance from a variety of quarters. Some months ago, I critiqued what I called "[supply and demand denialism](#)."

But since then, I've heard a variety of interesting new arguments on this point, which I would like to address in this blog post.

Argument 1: "Where land costs are high, housing costs will always be expensive." I am not persuaded by this argument, for two reasons. First, the cost of land is not the same as the cost of housing. For example, suppose that the cost of land costs \$5 million per acre. Does that mean that no housing unit can cost less than \$5 million? Yes, if the government only allows one housing unit to be built. But if government allows ten housing units to be built, the landowner can sell each for \$500,000 and break even. And if the government allows 100 housing units to be built, the landowner can sell each for \$50,000 and break even. So if people were allowed to build more housing units, the price of housing would come down—high land costs or no high land costs.

Second, as long as some land is zoned for uses other than housing, the supply of land is not static, and, thus, the cost of land is not static. Government could zone additional land for mixed uses (or just for housing), effectively creating more land.

Argument 2: "Greedy developers build only for rich people."\*\* But this argument begs the question: why is it that developers build only for rich people in New York but build for middle-class people in Pittsburgh or Indianapolis? Are the developers any less greedy there? Of course not! High housing costs mean that developers can get more money for their housing in New York. So this argument creates a vicious circle: government regulation causes a housing shortage, causing high housing costs, causing developers to charge more for new housing, causing citizens to use this very fact as a reason not to allow new housing, causing the housing shortage to get even worse.

More importantly, most housing units aren't new units. When I lived in Manhattan, I lived in a gentrifying zip code (10018) with high rents and newer housing than many other neighborhoods. But even there, my last Zillow.com search found that only 9 of 47 available rentals were built before 2000. So rather than asking "why are new units more expensive?", perhaps we should be asking "why are older units so expensive?"



It seems to me that when the number of new units is restricted, only the most affluent renters can afford them. This in turn means that the upper middle class and the "ordinary rich" are then forced into the older unit market. They bid up the price of older units, forcing up the price of older units. By contrast, if more new units were permitted, the "ordinary rich" and the upper middle class could afford them, making older units more affordable for everyone else. To put it another way, if there were more newer units on the market, the aging walk-ups that now cost \$2000 a month might cost, say, \$1500 or \$1000 per month or even less.

A variation of this argument is that "greedy developers only build condos." I'm not sure I find this persuasive because condominiums and apartments aren't completely separate markets. Condos can sometimes be rented, and condos and rental units compete with each other because if condos are abundant enough and cheap enough, people who would otherwise rent buy condos (thus causing less price pressure on rentals, causing rents to become cheaper). So I'm not sure whether this argument changes the underlying economic rules.

A third argument that I mentioned, but did not address as fully as I could have, is the claim that new housing raises housing costs by making a neighborhood more desirable. This argument assumes that gentrification follows new housing, rather than vice versa. Although more research on this issue would be useful, it seems to me that the reverse is often the case: historic neighborhoods throughout the country have been gentrifying over the last decade or two,<sup>\*\*\*</sup> and new housing follows the gentrification when zoning permits it. For example, in Greenpoint (one of Brooklyn's most rapidly gentrifying areas) about half of all housing was built before 1950, while newer areas on Brooklyn's outskirts are not doing so well.

In sum, it seems to me that, in a world with less zoning, fewer density regulations, and more building, rents would eventually stop exploding—and that neither land costs nor the existence of rich people necessarily prevents that.

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\*But not the only one. Another alternative is to build huge amounts of public housing- perhaps not a bad idea. But given the dismal reputation of public housing, the unusually high tax levels of some of the most expensive cities, and the high level of taxophobia in the United States, I cannot imagine this happening anytime soon.

\*\*Not dissimilar to "greedy developers only build for rich foreigners," critiqued [here](#).

\*\*\*See generally William Lucy's book "Tomorrow's Cities, Tomorrow's Suburbs" (pre-1940 neighborhoods experiencing greater income gains than postwar suburbs).

# Good Congestion and Bad

**The phrase "traffic congestion" can be misleading; some reductions in traffic speed are less harmful than others.**

Michael Lewyn | October 13, 2015, 6am PDT

There has been much debate in planning circles (including *Planetizen's* own [blogs](#)) about how to measure traffic congestion. The most widely cited measurement, the Texas Transportation Institute's [Urban Mobility Scorecard](#), compares automobile traffic speeds to "free flow" speeds (that is, auto speeds in the absence of significant traffic). By this definition, a road is congested if people drive 40 miles per hour on a road where they could be driving 50 miles per hour.

But not all "congestion" is equally noxious. For example, suppose people drive 20 mph on a two-lane urban street where the free-flow speed is 40 mph. In such a situation, drivers lose a few seconds here and there, but traffic might flow fairly evenly. Here, lower speeds actually benefit the public in a variety of ways. Slower speeds mean that accidents (both between cars and between cars and pedestrians) are less likely to lead to death or significant bodily injury. A pedestrian hit by a car going 40 mph has more than an 80 percent chance of death, while one hit by a car going 20 mph has about a [5 percent](#) chance of death. Similarly, streets designed to accommodate slower traffic tend to be less dangerous [for drivers](#), because it is more dangerous, other things being equal, for a car to be hit by a fast-moving object than by a slow-moving object. Moreover, drivers are only slightly inconvenienced by slower speeds where the lower-speed street is part of an urban grid; in such places, the congestion is easy to avoid, because a driver can easily switch to another street.

By contrast, imagine the stereotypical [traffic jam](#): bumper-to-bumper traffic on an interstate highway. This form of congestion is more irritating to drivers for two reasons. First, drivers have no alternative route, and thus feel more helpless. Second, "stop and go" traffic is less predictable than slow, even traffic; if I am stuck on I-75 going 5 mph, I have no idea when I will reach my destination. Finally, highway congestion lacks the public benefit caused by "congestion" on a traditional street: since there are generally no pedestrians on interstate highways, slow speeds on such highways do nothing to protect pedestrians. Even on an arterial street with sidewalks, a traffic jam creates only small safety benefits because traffic can rapidly go from 5 mph to 50 mph and back again.

In sum, stop-and-go interstate highway congestion is the worst form of congestion, low speeds on an urban grid actually create public benefits. So to measure congestion appropriately, we should focus on the former.

A postscript: other than criticizing how congestion is measured, does any of this have any practical application for government policymakers? It seems to me that my ideas cut against the common idea that "congestion" justifies turning neighborhood streets into speedways.

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# The Economics of Rent Control

**A simple explanation of why strict rent control reduces housing supply, and why moderate rent control does so to a much lesser extent.**

Michael Lewyn | September 21, 2015, 8am PDT

Economists oppose rent control almost as unanimously as climate scientists oppose attempts to deny the reality of climate change. [93 percent](#) of economists (including liberals like [Paul Krugman](#)) agree that ceilings on rents reduce the quantity and quality of housing. And economists' views seem borne out by experience: most major cities with rent control (such as New York and San Francisco) tend to have very high rents, indicating that rent control is perhaps not functioning as effectively as its creators had wished. And yet urban planners and citizen activists are much more closely divided. What do they not understand?

To understand the risks of rent control, imagine the strictest possible policy. Government freezes rents forever, prohibiting any landlord from increasing rents. As the costs of labor and utilities increase, landlords realize they are losing money by continuing to be landlords. So eventually landlords start to abandon property; if they cannot legally do so by converting apartments to condominiums, they do so illegally by letting property decay until a suspicious fire wipes out the landlords' problem. No new apartments replace these housing units, because no one will invest in housing if they can't make a profit by doing so. Eventually, renter-dominated areas turn into wastelands, like the South Bronx in the 1970s.

Of course, no city has ever enacted such a strict policy. A more plausible form of rent control treats landlords as public utilities: government could limit rent increases rather than freezing rents, by providing that a landlord could increase rents by only a certain amount this year (say, the costs of increased landlord expenses). In this scenario, landlords will not abandon property as rapidly as in the first scenario. Nevertheless, this policy will still cap housing supply; even if existing landlords are less likely to jump ship, new landlords will be unlikely to enter the market. Here's why: rental housing competes with other, non-regulated investments. That is to say: if I have money that I could invest in (a) a business where my profits were capped by government (e.g. rental housing in this scenario) or (b) a business where government wants people to make huge profits (e.g., the stock market, single-family housing), I would, other things being equal, choose to invest in (b). In this scenario, rent control creates [housing shortages](#), much as Soviet centralized planning created shortages of consumer goods.

Having said that, in reality rent control is not quite as toxic as in my hypothetical scenarios. In the United States, most cities with rent control do not regulate quite as intensively as in my hypotheticals; for example, in New York only [older units](#) are covered. Such "moderate rent control" does not reduce housing supply as much as would universal rent control, because it only caps rents in a limited slice of the market.

On the other hand, this means that "moderate rent control" also doesn't do much very much good—rents in New York are in fact sky-high for most people other than longtime residents. In other words, moderate rent control doesn't control rents very much. So what's the point?

Defenders of rent control point out that the correlation between rent control and housing supply is incomplete; for example, places that have removed rent control (such as Boston) have not always experienced construction booms, while highly regulated New York built lots of new housing in the 1950s. But this is to be expected from the above discussion of moderate rent control: if rent control is too weak to actually reduce rents, it is also going to be too weak to restrain supply as much as a policy that *did* reduce rents.

And where rent control is relatively weak, it is just one factor affecting the supply of new housing: for example, zoning laws generally treat apartments as an undesirable use, and thus may restrain housing supply far more aggressively than moderate rent control. Conversely, if government allows lots of new housing construction, new housing will be built as long as rent control is not so strict as to prevent it. Similarly, if government subsidizes new housing or builds new housing itself, the positive results of such construction may be more important than the effects of moderate rent control.

In sum, the difference between strict rent control and moderate rent control is like the difference between smoking two packs of cigarettes a day and smoking two cigarettes a day. Smoking two packs of cigarettes a day, like strict rent control, is likely to create toxic results. Smoking two cigarettes a day, like moderate rent control, is far less harmful though still not ideal.

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BLOG POST

## What HUD's Been Up To

**The new "Affirmatively Furthering Fair Housing" rule may impose additional paperwork burdens on local government, but is unlikely to cause major policy changes.**

[Michael Lewyn](#) | September 3, 2015, 11am PDT

There has been some controversy about the federal government's new "Affirmatively Furthering Fair Housing" (AFFH) [rule](#). Supporters hope, and opponents [fear](#), that the rule will integrate lily-white suburbs and eliminate exclusionary zoning. However, there is reason to believe that the rule's impacts will be fairly minor.

The Department of Housing and Urban Development (HUD) which enacted the rule, did so in order to implement sec. 808(d) of the Fair Housing Act, which requires federal

agencies "to administer their programs...relating to housing and urban development...in a manner affirmatively to further" the policies of the Act—in other words, to affirmatively further fair housing.

In the past, HUD has sought to implement this statute by requiring grant recipients (such as local governments and public housing agencies) to draft an analysis of impediments (AI) to fair housing. An AI typically described impediments to racial integration, such as exclusionary zoning and racial disparities in mortgage lending. HUD decided that the AIs were not tremendously successful, because they did not contain enough data and were not adequately linked to other planning documents. (80 Fed. Reg. 42348).

The new rule requires grantees to create a new document called the "Assessment of Fair Housing" (AFH) every five years. The AFH will address a community's barriers to integrated housing, such as "integration and segregation; racially or ethnically concentrated areas of poverty; disparities in access to opportunity, and disproportionate housing needs based on race, color [and other factors]" (80 Fed. Reg. 42355). The AFH will summarize any current litigation, analyze relevant data, and identify major factors limiting housing opportunity. The grant recipient must also set goals for overcoming the effects of these factors. To receive funding from HUD, a grantee must certify that it will affirmatively further fair housing, which means that it must promise to take meaningful actions to further these goals. (80 Fed. Reg. 42316). In other words, the grant recipient has to create paperwork stating: "This is why our city/county/area is more segregated than we would like, and this is what we would like to do about it."

According to HUD, the new rule will impose increased costs of data collection and paperwork upon municipalities, because municipalities must solicit more community participation than under the prior rule. HUD also suggests that the municipalities that have already been taking their AI obligations seriously "may experience a net decrease in administrative burden as a result of the revised process" (80 Fed. Reg. 42349).

The rule does not require any specific policies; instead, it just requires municipalities to describe the status quo, promise to adopt some sort of policy related to fair housing, and to justify those policies to HUD. Thus, it seems to me unlikely (though not impossible) that HUD will actually force significant changes in municipal policy.

In theory, HUD could keep saying no to a municipal AFH until the city or county adopts far-reaching policy changes, or could deny funding on the ground that the city has violated the promises in its AFH. But I doubt that this will occur, for two reasons. First, if HUD has not been using the AI process to remake cities and suburbs, I question whether it will have the willpower to use its new and improved procedural tools much more aggressively. Second, if HUD went to the edges of its authority, it would be risking fights in the courts and fights with Congress.

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# Cities, the Middle Class, and Children

**Joel Kotkin argues that Jane Jacobs's insights are of limited value because cities are no longer useful for middle-class families.**

Michael Lewyn | August 25, 2015, 9am PDT

In a recent article, Joel Kotkin [critiques](#) the work of Jane Jacobs; he points out that Jacobs idealized middle-class city neighborhoods, and suggests that because cities have become dominated by childless rich people, middle-class urbanity "has passed into myth, and... it is never going to come back." He suggests that Americans are "moving out to the suburbs as they enter their 30s and start families" because central cities are only appropriate for "the talented, the young, and childless affluent adults." This claim rests on a couple of assumptions: 1) that cities have little appeal to families and 2) that the only Americans whose preferences are typical are those middle-class families.

The first claim has an element of truth: families do tend to prefer more suburban living environments. But what Kotkin overlooks is that the tide is turning (at least a little). Although American suburbs clearly have more children than cities, the most desirable city neighborhoods are more appealing to parents than was the case a decade ago.

For example, Kotkin writes that Greenwich Village (where Jacobs lived) "today now largely consists of students, wealthy people and pensioners." But according to the [Furman Center's](#) neighborhood-by-neighborhood surveys of New York housing, the percentage of households with children actually *increased* in New York's more desirable urban neighborhoods. For example, in Jacobs's own Greenwich Village, 15.1 percent of all 2013 households had children under 18—lower than in most places to be sure, but higher than in 2000, when only 11.4 percent had children. Similarly, the "households with children" percentage increased from 11.4 percent to 15.1 percent in New York's financial district, from 14.6 percent to 17.8 percent in the Upper West Side, and from 13.3 percent to 16.6 percent in the Upper East Side.

Kotkin sees an America polarized between child-friendly suburbs and child-hostile cities, But in reality, there seems to be a kind of convergence between the city's affluent central neighborhoods and the rest of the city—while the urban core is becoming more child-oriented and outlying areas (especially poorer outlying areas) are becoming less so. The percentage of households with minor children decreased from 38.1 percent to 29.3 percent in Central Harlem, from 40.8 percent to 29.4 percent in Washington Heights/Inwood, and from 38.1 percent to 29.3 percent in East Harlem. Similarly, the "households with children" percentage increased from 25.1 percent to 27.1 percent in affluent Park Slope, while declining in low-income Brownsville and East New York (two parts of Brooklyn especially far from Manhattan). New York is not unique: in Washington, D.C., the number of children increased in the city's most affluent areas and decreased in the city's poorer areas.



Kotkin correctly points out that despite widespread commentary about gentrification, even cities with lots of rich people (such as New York and Chicago) still have plenty of low-income areas. He therefore reasons that cities are perfectly fine for the very rich and the very poor, but not for the middle classes. However, he overstates this trend by relying on some statistics that might not support his case. In particular, he relies on a [Brookings Institution study](#) listing the most and least unequal cities: according to Kotkin, the most compact, walkable cities are the most unequal. However, Kotkin, by comparing central cities alone, misses one relevant fact: most of these compact cities are trapped within their 1950 city limits, while, according to the Brookings study itself, the low-inequality cities are usually "Southern and Western cities with expansive borders, and either include many 'suburban' neighborhoods alongside a traditional urban core, or are themselves overgrown suburbs like Mesa, Arizona and Arlington, Texas." It logically follows that if 46-square-mile San Francisco was compared to the inner 46 miles of Omaha or Oklahoma City, the latter cities might seem somewhat more unequal, and San Francisco might seem less exceptional in comparison.

Despite my quibbles, Kotkin is on to something: it is true that large cities tend to be more unequal than their suburbs. But unlike Kotkin, I don't treat this as an inevitable fact of life. Some cities are too expensive for middle-class families, but that is a result of public policy rather than some force of nature. Because older cities are more likely to be "built out," those cities are less likely to be able to add housing to meet increased demand. So to retain the middle class, a city must go out of its way to encourage new housing. Instead, many cities have [restrictive](#) zoning that artificially limits housing supply, thus causing prices to rise. And when cities attempt to solve this problem, they sometimes do so by trying to build or mandate the creation of low-income housing, which may help the poor more than the middle classes. If cities had less restrictive zoning, perhaps more housing would be available for the middle class.

By contrast, Kotkin believes that cities are inherently undesirable because "[f]amilies in urban apartments today, says Cornell researcher Gary Evans, generally have far weaker networks of neighbors than their suburban counterparts, a generally more stressful home life, and significantly less social support." However, the study that Kotkin [links to](#) says nothing of the sort. Evans does not mention the word "urban" at all. Instead, he claims that the "number of people per room [is] the crucial variable for measuring effects of crowding on children's development." This means that an apartment with one child living in one room is less stressful than one where four children live in two bedrooms. Evans also focuses on noise pollution, such as traffic noise.\*

Kotkin writes that because urban centers are (allegedly) only for the childless, "the central city offers at best only a temporary lifestyle." It appears to me that Kotkin is assuming that "desirability" and "desirability to 35-year olds with small children" are the same thing. This may have been the case in the America of the 1950s. But delayed marriages, an aging society, and plunging birth rates mean that "35-year-olds with small children" are a much smaller group than in the United States of the 1950s. In 1960, almost [half](#) of all households were families with children under 18. Since then, this number has fallen to under 30 percent. In 1960, only 13 percent of households included just one person; that number has more than doubled, to 28 percent. In sum,



thirtysomething families no longer dominate American housing markets, and their preferences no longer need govern the majority of American construction.

\*Kotkin may have been thinking about a portion of the article stating "families living in high-rise housing, as opposed to single-family residences, have fewer relationships with neighbors, resulting in less social support." But since the sentence is in a paragraph that doesn't even mention Evans, it is not clear that this sentence even refers to Evans' research, or to some other research. Moreover, "urban" and "high-rise" are not synonymous, nor are "apartment" and "high-rise."

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BLOG POST

## The Failure of Preservation

**Attempts to limit new construction to preserve neighborhood character are an example of "beggar thy neighbor" politics.**

Michael Lewyn | August 5, 2015, 2pm PDT

In an excellent [blog post](#), Reuben Duarte explained that many big-city zoning disputes involve a conflict of visions: a "preservation camp" favors preserving neighborhood character at all costs, while an "affordability camp" favors construction of new housing in order to make the city more affordable.

Duarte write that the preservation camp's interests "hover around preventing evictions of tenants in long-held residences, but also includes the topics of traffic ("this neighborhood can't support more development, because, traffic!"), parking (replace "traffic" with "parking"), and neighborhood character ("building is too tall or too dense!" "Views!")."

It seems to me that to the extent government uses preservation as a reason to exclude new housing, arguments based on "neighborhood character" fail on their own terms: either because limiting housing supply itself changes neighborhood character, or because it forces less exclusionary places to change their character.

Zoning restrictions designed to limit traffic create the second problem. For example, suppose a city freezes a neighborhood's housing supply in order to limit traffic and parking. Other things being equal, fewer households mean fewer cars. So at first glance, this policy has no losers. But if a city or region is adding households, those new households have to go *somewhere*. And if they don't go to your neighborhood, they go

to another neighborhood, adding cars (and thus traffic/parking problems) to *that* neighborhood.

To make matters worse, if the frozen neighborhood is more pedestrian-friendly than the "housing-receiving" neighborhood, freezing housing increases traffic everywhere. For example, suppose that the housing moratorium occurs in Pedtown, a neighborhood where 40 percent of households have no car, and 60 percent get to work without driving. The average household excluded by the moratorium moves to Sprawlville, a suburb where only 5 percent of the households have no car, and only 10 percent of them get to work without driving. Obviously, the new Sprawlville households are much more likely to drive cars throughout the region to work, thus increasing *regional* traffic and parking problems.

But zoning restrictions may also change the character of the neighborhood allegedly benefitting from them. Suppose a city freezes a neighborhood's housing supply in order to prevent gentrification and the resulting increase in rents. As long as demand is stagnant (for example, in a declining neighborhood) this policy has no real effect: no one will want to build new housing anyhow. But when demand is growing (either because of rising city population or rising city incomes) rents are likely, all else being equal\*, to rise in the absence of new construction. If rising rents lead to more evictions, freezing supply is actually likely to lead to **more** evictions, not fewer evictions. (Of course, I am assuming that the new construction actually increases the neighborhood housing supply, which is not always the case. A new building that merely replaces an old building is obviously more problematic.)\*\*

And if rents rise, that in turn defeats attempts to preserve the intangible "character" of the neighborhood. Even if a neighborhood's housing stock is frozen in amber, its character will be very different if it becomes more expensive. At a minimum, the inhabitants will be richer. And in turn, this reality will affect the age, race, and even religion of the neighborhood's inhabitants, to the extent that some races, ages, and religions have more money than others. If the neighborhood has commercial blocks, the shops may look very different if the neighborhood gets wealthier. For example, a street catering to wealthy 50 year olds will have somewhat different shops than one catering to not-so-wealthy 25 year olds.

Moreover, if housing restrictions in one neighborhood cause new housing to be built elsewhere in a region, the "receiving" neighborhood's character changes. Going back to Pedtown and Sprawlville: if Sprawlville was a rural, sparsely populated suburb in 2000, and zoning restrictions in Pedtown cause dozens of new subdivisions to be built in Sprawlville, obviously Sprawlville will feel very different in 2015. Thus, the restrictions in Pedtown are a classic example of a "beggar thy neighbor" policy—that is, a policy that shifts social harm from one neighborhood to another, rather than actually reducing the harm.

In sum, government sometimes restricts housing to preserve neighborhood character—but if those restrictions keep out new people and raise rents, that neighborhood's

character will still change (albeit in different ways), and shifting populations will change the character of other neighborhoods.

\*One huge caveat: this is not the case where supply creates its own demand: that is, where the new housing is so desirable that it not only commands higher rents than the existing housing supply, but also makes the neighborhood as a whole more popular, thus attracting new people even into the existing units. Certainly, a few neighborhoods have become much more desirable in recent decades (for example, New York's Williamsburg and Greenpoint)—so it could be argued that new housing in Williamsburg and Greenpoint is undesirable because it creates such demand. But this would only be the case if the new housing actually caused the increased demand rather than being a result of the increased demand. Moreover, housing restrictions based on this argument still create the "beggar thy neighbor" problem: if new housing is shifted to another neighborhood or suburb, how do we know that the new housing won't make *that* neighborhood more desirable?

\*\*In addition, government can try to avoid this problem by limiting evictions in other ways—but this seems to me to be a separate issue.

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BLOG POST

## Not Racist—but Similar to Racism

**Low-density zoning is not racist in the narrowest sense of the term—but it does have similar goals to racist housing policies and creates similar problems.**

[Michael Lewyn](#) | July 29, 2015, 2pm PDT

Is zoning racist? After a committee designed to study Seattle's zoning codes [suggested some significant reforms to the city's code](#), Mayor Ed Murray [said](#): "In Seattle, we're also dealing with a pretty horrific history of zoning based on race, and there's residue of that still in place." Even if this remark is factually true, it doesn't mean that today's zoning is racist: low-density zoning exists in black neighborhoods as well as white ones, and opposition to changing such zoning crosses color lines.

But it seems to me that even though zoning is not consistently or intentionally racist, zoning is similar to racist housing discrimination (or "RHD" for short) in a few ways. Both involve a politically influential dominant class (in one case, whites generally; in the other case, homeowners of all colors) who have the votes to impose their will on the political process. In both situations, the dominators use their political power to exclude someone else from its neighborhood; racists usually seek to exclude blacks, while pro-zoning homeowners usually seek to exclude new residents regardless of color (to the extent

that zoning is designed to exclude housing smaller or more compact than the status quo, such as smaller houses or multifamily dwellings).\*

Both RHD and low-density zoning do, on balance, exclude blacks more than whites—though of course RHD does so much more consistently. One purpose of zoning is to raise housing prices (or, as courts and homeowners euphemistically say, "values"). And higher housing prices mean higher rents, which means that everyone has to pay more for less. If you don't have any money, you are obviously going to suffer more from that policy than someone who has plenty of money, since the difference between having a small apartment and sleeping on the street is a bit more significant than the difference between having a 8000-square-foot mansion and a 12,000-square-foot mansion. And since blacks tend to have [less money](#) than whites, on balance blacks are going to suffer a little more than whites from these policies, just as they are going to suffer more from any tax imposed without ability to pay (for example, an increase in bus fares).\*\*

RHD and low-density zoning are motivated by the same concern: fear of change in neighborhood character. Homeowners believe that new housing will change neighborhood character—and even if such housing does not have any tangible negative impact, this of course is the case. A neighborhood with ten houses per acre obviously looks and feels different than a neighborhood with one house per acre.

I suspect that racists similarly believe that an influx of blacks into their neighborhood will lead to crime, poor schools, and of course lower property prices—but even if they didn't believe this, racists might believe that a neighborhood where they have to look at black faces on a regular basis has a different character from one where they don't. Certainly, other forms of illegal discrimination affect neighborhood character: for example, a neighborhood full of Orthodox Jews has a very different character than an equally affluent neighborhood that does not, in that stores will be closed on the Jewish Sabbath and restaurants will comply with traditional Jewish dietary laws.

More importantly, both RHD and low-density zoning are rational for an individual neighborhood but perhaps irrational for a city, region or nation as a whole. A racist in the pre-Fair Housing era no doubt wanted to live in an all-white neighborhood, and even non-racist homeowners might have rationally favored RHD because they did not want to take a chance that integration would lead to unwelcome change. But the widespread adoption of fair housing legislation suggests that many whites did not welcome the nationwide results of rigid segregation.

Low-density zoning is more clearly rational for an individual neighborhood. After all, what homeowner would not like his home to be worth a little more, and what homeowner really wants his neighborhood to change (even in intangible ways)? But if no one liberalizes their zoning enough to accommodate new residents, rents explode, and a city's prospective residents are either priced out of the city or forced to live on the streets.

So what? Why should we care about these similarities? It seems to me that if RHD and zoning have similar results, maybe they should be attacked with similar remedies. RHD was not eliminated by allowing neighborhoods to discriminate a tiny bit less than they

had discriminated in the past or by requiring only a few neighborhoods to cease discrimination. Instead, Congress and state legislatures responded with a meat ax: the Fair Housing Act generally prohibits housing discrimination, and has only a few narrow exemptions. Maybe state legislatures in high-cost states should use a similar meat ax in addressing zoning.

\*As opposed to commercial and industrial enterprises, or houses larger than the neighborhood norm.

\*\*On the other hand, to the extent that higher home prices increase property tax revenue, and property tax revenue means better government services, poorer people (and thus blacks) may get a countervailing benefit from better government services—if the extra revenue goes to services that disproportionately benefit the poor (a very big IF).

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BLOG POST

## Airbnb and Affordable Housing, Part 2

**This post discusses the argument that even if Airbnb affects an extremely small portion of the rental market, it still matters because of the low vacancy rates of some cities.**

Michael Lewyn | July 21, 2015, 9am PDT

A few months ago, I blogged about [the impact of Airbnb on rents](#) for traditional month-to-month or year-to-year tenancies. I suggested that this impact was pretty minimal, reasoning as follows: even in a large city such as Los Angeles, Airbnb units are less than 1 percent of all rental units. So even if every single Airbnb unit would (in the absence of Airbnb) otherwise be part of the traditional rental market, Airbnb is unlikely to increase rents in that market.

The comments (and a [recent \*San Francisco Chronicle\* story](#)) raised an interesting response to my theory: what matters isn't the percentage of all rental units, but the percentage of all rental vacancies or all new housing units. In the words of the *Chronicle* story: "where a typical year sees just 2,000 new units added, a few hundred units off the market makes a significant dent."

But as I thought about the argument, I was less and less persuaded by it. Here's why: first, the number of vacancies is limited to new housing units. San Francisco has just over 236,000 rental housing units. The units other than the new units are not owned by their current owners or occupants forever: rather, they shift around from occupied to

unoccupied as tenants move, and as owner-occupants become landlords or vice versa. So the number of units vacant at any given point in time is a bit higher than the 2000 figure, and the number of units that become vacant at some point over the next year or two will be higher still.

Second, it seems to me that a few hundred units will have little effect upon overall vacancy rates, which in turn means that they will have little effect upon rents. A [recent report by the Furman Center](#) [pdf] (affiliated with New York University) lists rental vacancy rates of eleven cities (p.8). San Francisco has the lowest vacancy rate (2.5 percent) and the highest rent (\$1491). Boston, New York and Los Angeles are in a virtual three-way tie for second lowest vacancy rate (between 3.4 and 3.5 percent). These three cities are numbers 3-5 in rents (p. 10). (Washington is no. 5 in vacancies but no. 2 in rents, perhaps because Washington is a more affluent city).<sup>\*</sup> At the other end of the spectrum, the two cheapest cities, Houston and Dallas, were no. 10 and no. 9 in rental vacancies. In sum, there seems to be a pretty strong correlation between vacancy rates and rental rates. Since the law of supply and demand suggests that a small supply normally leads to high prices for any commodity, I suspect that this correlation indicates a causal relationship.

The Chronicle story states that "at least 350 entire properties listed on Airbnb ...appear to be full-time vacation rentals, bolstering claims by activists that the services remove scarce housing from the city's limited inventory." So what would San Francisco's vacancy rate be if these 350 Airbnb units were used for traditional year-to-year rentals instead of shorter tenancies? According to the Furman Center report, there are just over 236,000 rental units in San Francisco (p.40) which means that (assuming the 2.5 percent vacancy rate mentioned above) there are about 5900 rental vacancies. According to the *Chronicle* story, Airbnb takes 350 rental units off the traditional rental market by turning them into short-term tenancies. So if government compelled those owners to turn their units into year-to-year tenancies, there would perhaps be 6250 rental vacancies. So the rental vacancy rate would be...2.64 percent, still significantly *lower* than those paragons of affordability New York and Los Angeles. So if the effect of the 350 units upon vacancy rates is that small, it seems to me that their effect upon rents will be that small.

One broader point is what the entire discussion shows about the growth of government regulation of housing. Government uses zoning to artificially constrict the supply of housing (or, in politician speak, "protect neighborhoods from overdevelopment"). This in turn causes a housing shortage which leads to higher rents. The higher rents in turn lead to additional government regulation, such as rent control, inclusionary zoning, or (in the case of Airbnb) efforts to prevent property owners from shifting property from the traditional rental market from other markets. In sum, government regulation of housing feeds upon itself.

<sup>\*</sup>The median household income for Washington's renters was just over \$46,000, about \$5-6,000 higher than the comparable figures for Boston and New York.

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# Are Foreigners to Blame for High Housing Prices?

**One common argument against allowing new housing in popular cities is that as long as rich foreigners use up the housing supply prices will never go down.**

Michael Lewyn | July 14, 2015, 12pm PDT

Every so often I read an argument that says something like this: "There's no way that rents can ever go down in expensive cities like New York and San Francisco, because rich foreigners are buying up everything, and as a result demand is essentially infinite. So there's really no reason to allow new apartments because the foreigners will just buy them all."

This argument could certainly be true in theory: for example, if an entire city were so expensive that only wealthy foreign investors could afford to live there. But it doesn't seem to fit the social reality of the expensive city I am most familiar with (New York).

If demand was essentially infinite, there would be some evidence of this fact other than high real estate prices. For example, if New York was growing faster than any city in the United States, there might be a credible argument that new demand is truly insatiable. In fact, many low-cost cities are growing far more rapidly than New York and yet have cheaper rents. Between 2000 and 2010, Austin and Raleigh (both of which are far cheaper than New York) grew by 20 and 46 percent, respectively, while New York grew by less than 10 percent.

It could be argued that New York is dissimilar to other high-growth cities, because the number of wealthy foreigners is so huge that it makes New York a high-growth city. For example, if New York had to accommodate not only half a million new residents per decade but also three million wealthy foreigners seeking second homes, its housing-consuming population would have grown by about 45 percent over the past decade, about the same level of population increase as Raleigh. But are there really that many wealthy foreigners in the New York housing market?

I suspect not. According to a *New York Times* [article](#) about the evils of foreign investment in New York housing, "About \$8 billion is spent each year for New York City residences that cost more than \$5 million each." Using the magic of long division, I calculate that even if each residence cost only \$5 million and not a penny more, there would be 1600 such residences. In fact, some residences cost far more, so the actual number of super-expensive residences is lower (and of course, the number of such residences purchased by foreigners is lower still). In a city with 8 million people (and thus a few million households), a thousand or so really rich people seems to be like a drop in the bucket, even if their wealth does give them disproportionate influence and notoriety.



Moreover, it seems to me that if New York was really flooded with millions of foreign billionaires, housing prices would be even more expensive than they are. During my last year in New York (2013-14), I lived in a 448-square-foot studio in Midtown and paid \$2330 a month in rent (The same apartment would [cost](#) \$2680 today). This rent is very expensive by the standards of Planet Earth—but by the standards of Planet Foreign Billionaire Oligarch (FBO), it is nothing. What self-respecting FBO lives in a 450 square foot studio? And what self-respecting FBO pays less than \$3000 in rent? I don't know how much FBOs make, but I'm guessing that the median FBO income was at least \$10 million per year (1 percent interest of \$1 billion in wealth)—which means that any self-respecting FBO should be able to afford \$60,000 per month (the price of the most expensive New York apartment I found on [zillow.com](#)).

And I wasn't even living in the neighborhood's cheap housing: had I chosen to live in a walkup, I could have paid around \$1700-1800 per month—not exactly billionaire rents. And in the supposedly [oligarch-ridden](#) Upper East Side, rents are even [cheaper](#).

And these non-FBO-friendly rents are in the nice parts of Manhattan; rents are even cheaper in most of the outer boroughs. Thus, it is pretty clear that to live in New York (even in the nice parts of Manhattan) you don't have to be a FBO.

In sum, the overwhelming majority of people who are living in, and bidding up the price of, New York real estate are not FBOs. There is no reason, other than government regulation (and the technical difficulties of building housing in a city that is already "built out") why supply could not rise to meet demand more effectively.

Having said that, there is two grains of truth in the "insatiable demand" argument: first, even if New York only has a thousand FBOs, it has lots of domestic rich people- not just billionaires, but "ordinary" people earning in the high six figures, people who cannot afford to pay \$60,000 per month but can afford to pay \$5,000. The more rich people a city has, the more money that will be used to bid up real estate prices- which in turn means the city has to work harder to keep supply growing.

Second, even if an adequate building supply keeps rents down, it might be that no *politically feasible* policies will increase supply enough to restrain rents. But as readers of this blog are probably aware by now, "policies I favor" and "politically feasible policies" are two concepts that rarely intersect.

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# The Case Against Jaywalking Laws, Part 2

**Laws designed to keep pedestrians off streets are not merely useless, but create a variety of social harms.**

Michael Lewyn | July 1, 2015, 9am PDT

Some months ago, I [wrote](#) that laws against so-called "jaywalking" (that is, crossing in places other than crosswalks or where traffic lights encourage pedestrians to cross) fail to promote safety, because traffic lights are inadequate guides to safety. When crossing midblock, a pedestrian need only watch out for traffic coming in one direction—right toward her. By contrast, when crossing at a light, a pedestrian may be in less danger from cars coming straight at him, but may be attacked by cars making left and right turns. Moreover, it is not at all clear that jaywalking is a major cause of pedestrian fatalities; although most crashes do occur outside intersections, these crashes often occur in places where there is no easily available crosswalk. According to traffic writer [Tom Vanderbilt](#), "While jaywalking is often cited as a cause of pedestrian accidents, less than 20 percent of fatalities occurred where a pedestrian was crossing outside an easily available crosswalk." And even where a pedestrian is jaywalking, a crash may be caused primarily by driver misconduct.

However, my article did not fully address the social harms caused by these laws. I did mention that to the extent these laws discourage walking, they increase traffic danger, because more cars mean more potential crashes.

But even if this was not the case, the social benefits of jaywalking laws might be outweighed from their costs. In particular, jaywalking laws are harmful from a public health perspective, a social equity perspective, and a libertarian perspective.

The public health costs from increased driving have been [amply discussed](#) in smart growth literature. But just to summarize the key issue, when we drive instead of walk, we create two major types of public health risks. First, we harm ourselves. Less walking means less exercise, which means an elevated risk of many diseases; for example, the risk of type 2 diabetes is 31 percent [lower](#) for participants who engaged in regular moderate-intensity physical activity such as walking. Second, people who drive more and walk less endanger the rest of society. Even leaving aside the risks of climate change, particulate matter and other pollutants emitted from motor vehicles create significant costs. For example, one study found that particulate matter emitted from motor vehicles creates \$211.6 million of health care costs in Auckland, New Zealand alone. So to the extent jaywalking laws reduce walking, they create increased risks of harm for both their intended beneficiaries and for society as a whole.

From a social equity perspective, jaywalking laws disproportionately harm the poor in two ways. First, poverty-level households are less likely to own cars than the average

household, which means they walk more and thus are more likely to be ticketed. 20.4% of all poor people live in households with no access to a car, more than [twice](#) the national average. In urban areas, these percentages are higher: for example, in New Orleans, 46.7 percent of the poor live in such households, including the majority of the black poor.

Second, even if all Americans walked equally, jaywalking fines would harm poor pedestrians more than everyone else because these fines tend to be quite large (often in the \$100-200 range) and are unrelated to ability to pay. This is especially true in cities where fines can lead to other legal consequences. For example, Ferguson, Missouri is notorious for its aggressive use of fines. If a Ferguson resident is fined and is more than a few minutes late\* for a court date, she is arrested and charged additional fines totaling at least \$170 (\$120 for the main fine plus a \$50 fee for an arrest warrant) and if she cannot afford to pay her fines she is imprisoned until the next court session. Because the relevant local court is in session three days per month, this unlucky resident may spend weeks in a local jail—for which privilege she is fined yet again!

Finally, such laws make no sense from a libertarian perspective. The ordinary (albeit oft-violated) norm of American public policy is that people should be at liberty when they are not harming others; for example, we allow smoking because smoking primarily harms only the smoker. Despite the fact that smoking creates indirect health consequences such as health care costs that affect society as a whole, society treats smoking more leniently than walking.

Where jaywalking laws are not enforced, these laws may not do much harm. But to the extent these laws are actually enforced, they create pollution and disease by reducing walking, and redistribute money from poor pedestrians to not-so-poor local governments.

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\*Technically, the resident must be absent from court for these additional fines to apply. However, courtroom doors close just five minutes after a court session starts, according to a [recent](#) Harvard Law Review article.

# Light Rail Doesn't Always Mean Fewer Buses

**Cities that have recently adopted light rail sometimes actually add bus riders.**

Michael Lewyn | June 4, 2015, 2pm PDT

One common argument against new rail service is that rail cannibalizes bus ridership. One version of this argument is that riders of new light rail systems are nearly always former bus riders, so that any increase in rail ridership comes at the expense of bus ridership. A second version is that the costs of rail make it impossible for a region to maintain a first class bus system.

If the first claim was correct, regions that introduced new light rail would be the most likely regions to have reduced bus ridership. A new post at [City Observatory](#) suggests that the correlation between new rail and reduced ridership is pretty modest. Daniel Hertz, one of our nation's most interesting urban planning bloggers, has assembled data on bus ridership and service trends since 2000, including information from 39 urbanized areas with over 1 million people. His data shows that nine regions have experienced bus ridership losses of over 20 percent (Baltimore, Atlanta, Dallas, Cincinnati, Houston, Cleveland, Detroit, Milwaukee, San Jose). Four of these cities (Baltimore, Dallas, Houston, San Jose) have built significant new rail in the past couple of decades. But five other cities in America's Bus Ridership Dishonor Roll either lack significant rail service or (in the case of Cleveland) have primarily pre-2000 rail systems. By contrast, 30 other regions have experienced either ridership gains or more modest ridership losses: 13 of these regions have added new rail service, and 16 have not.\* In other words, about one-fourth of the new rail cities (4 of 17) have suffered major ridership losses, and also about one-fourth of the other cities (5 of 22). Thus, the association between rail and reduced ridership is either nonexistent or fairly modest.

The association between new rail and bus service cuts is even weaker. Since 2000, six urbanized areas (Cleveland, Milwaukee, Pittsburgh, Detroit, San Jose, Houston) have reduced bus service, measured by route-miles, by over 20 percent. Only two of these regions (San Jose and Houston) have significant new light rail systems. (Two more, Cleveland and Pittsburgh, are "legacy rail" cities with significant but older rail systems).

What about more modest bus service cuts? I counted 17 cities that have added significant rail service since 2000. 10 of them have reduced bus route-miles to some extent, and 7 of them have added route-miles. By contrast, 5 of the 12 cities with no (or almost no) rail service have reduced bus service, as have 7 of the 10 "legacy rail" cities. Thus, new rail cities are more likely to have reduced service than "no rail" cities, but less likely than "legacy rail" cities. This suggests that the correlation between light rail and reduced bus service is pretty weak, if not nonexistent.

Moreover, some cities with new light rail have significantly increased both bus service and bus ridership. Charlotte is no. 1 in both; since 2000, ridership has increased by 80 percent and bus service by 65 percent. Phoenix, another new rail city, is no. 3 in ridership increases and no. 2 in service increases; both have increased by 57 percent since 2000. So even if new rail cities are more likely than other cities to reduce bus service, it does not appear that new rail cities consistently do so.

The examples of Charlotte and Phoenix also discredit the "empty bus" myth: the idea that increased bus service won't lead to increased bus ridership, because of Americans' alleged cultural aversion to buses. In fact, bus ridership grew by over 20 percent between 2000 and 2013 in seven major regions (Tampa, Charlotte, Phoenix, Miami, Jacksonville, Providence, Orlando)—and in all of them, by an odd coincidence, bus service increased. Bus service increased in 18 major regions, and ridership increased in 13 of them. On the other hand, bus service declined in 21 regions, and bus ridership decreased in 17 of them. (Interestingly, three of the four cities where bus ridership increased despite reduced bus service were cities with new rail- Seattle, Salt Lake City, and Los Angeles.) In sum, bus ridership usually increases in regions where bus service increases, and goes down when ridership goes down. So if you want more bus riders, add more buses.

It could be argued that falling ridership leads to service cuts rather than vice versa. If this were the case, places with drops in ridership in one year would have reduced service in the following year. Hertz shows, however, that this is rarely the case, and that the correlation between ridership declines and future service cuts is weak. He asserts that just 3 percent in year-to-year variation in service cuts is explained by prior-year bus ridership.

In sum, it appears that (1) at least some cities that have built more rail have also added bus service and (2) cities that have done so have usually experienced higher bus ridership.

\*My list of "new rail" cities includes the following cities: San Diego, Portland, Salt Lake City, Seattle, Los Angeles, San Jose, Houston, Dallas, Austin, Baltimore, St. Louis, Sacramento, Riverside, Denver, Minneapolis, Phoenix, Charlotte. In the "no new rail" category I counted cities that, as of 2013, had (a) no rail (b) rail limited to a downtown streetcar/people mover or (c) a small number of commuter rail stops (Detroit, Kansas City, Milwaukee, Cincinnati, Memphis, Indianapolis, Columbus, San Antonio, Providence, Jacksonville, Orlando, Tampa) as well as "legacy rail" cities whose system was almost entirely built out by 2000 (Cleveland, Pittsburgh, New York, San Francisco, Chicago, Boston, Atlanta, and Washington). Since some of the latter cities did add capacity in the 2000s and most of my new rail cities had pre-2000 rail stops, I realize that one could reasonably categorize some of "legacy cities" as "new rail" cities, and vice versa. I note that Orlando has commuter rail but its system [began in 2014](#) and thus is too new to have any easily measurable effects on buses.

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# Do Millennials Opt for Cities or Suburbs? Yes.

**Recent stories claiming that millennials either (a) prefer cities to suburbs or (b) prefer suburbs to cities both have some basis in reality.**

Michael Lewyn | June 1, 2015, 12pm PDT

Over the past year or so I've seen numerous articles and blog posts asserting that millennials are [moving](#) to cities in large numbers, while other articles and blog posts assert that millennials [prefer](#) suburbs to cities.

So do millennials prefer cities or suburbs? The right answer is "yes." On the one hand, it [appears to me](#) that millennials are more likely to favor city life than 20- and 30-somethings of 30 years ago. Thus, in a sense it is true that millennials favor cities. On the other hand, it is equally true that most millennials live the same kind of commuting lives as their parents, living in suburbs (or suburb-like areas that are technically within city limits) and [driving to work](#).

How can both propositions be true? Let's imagine a simple hypothetical. Suppose that there are 1,750 recent college graduates in metropolitan Townsville. Two hundred and fifty of them live downtown, 600 of them live in the city outside downtown, and 900 of them live in suburbia. Let us further suppose that this small region has 500 downtown residents, 3,000 city residents, and 8,000 suburbanites (not counting the above-mentioned millennials).

The 250 new graduates who move downtown have caused downtown's population to increase considerably, from 500 to 750. Thus, one plausible headline could be: *Millennials Cause Downtown Population to Increase by 50 Percent*. Even though only about 15 percent of the graduates favor downtown, downtown's preexisting population is so small that just a few hundred new residents will make the downtown considerably more populated.

Similarly, the new graduates have caused the total urban population to increase from 3,500 (500 downtown, 3,000 in the rest of the city) to 4,350 (3,500 plus the 250 new downtown residents plus the 600 new non-downtown residents). So another completely true headline could be: *Millennials Cause City Population to Increase By Over 20 Percent*.

But nevertheless, the majority of recent graduates (900 of the 1,750) live in the suburbs. Thus, the headline *College Graduates Mostly Move to Suburbs* would be just as true as the first two headlines. But even so, the graduates would be more likely to live in the city than the rest of the population; only 51 percent of them live in suburbia, as opposed to about 70 percent of the region's other inhabitants.



So even if a minority of millennials (or any other group) choose city living, that group can create a considerable increase in urban population. And if urban housing supply is not rising rapidly enough to accommodate this increase, prices may rise more rapidly in desirable urban neighborhoods than in suburbs- a fact which may explain why housing costs are rising [more rapidly](#) in urban neighborhoods and other walkable areas.

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BLOG POST

## When States Should Blow the Whistle

**States regulate local governments too much in some areas, but not enough in others.**

[Michael Lewyn](#) | May 11, 2015, 6am PDT

Generally, states limit local governments' means of raising tax revenue. Both [Democratic](#) and [Republican](#) governors consider it their duty to micromanage the property tax rates of local governments, and local governments can rarely institute a new type of tax without state consent. On the other hand, local governments tend to have free rein in land use matters; even relatively activist state governments tend to allow cities to choke off housing supply without state interference. Is this really the right way to do things?

Just as we ask ourselves, "When does the state have any business interfering with individual rights?", we should also ask ourselves, "When does the state have any business interfering with a municipal government?" And just as states are most likely to get involved where an individual hurts other individuals, a state should be most willing to get involved where a city's action affects people living outside the city—for example, the "tragedy of the commons" situation where a policy is rational for each individual city, but is not rational for the region as a whole.

Applying this principle, I am not sure why states should limit municipal taxing powers. When a city raises taxes, it only hurts itself, because it takes the risk that people will flee that city in search of less restrictive cities. And if several cities and towns in a region raise taxes, such tax increases become even less rational for a town that refuses to raise taxes, since that town can gain residents by being a tax haven.

By contrast, environmental issues are especially well suited for state (and for that matter, federal) regulation, because one city's policies might harm residents of nearby municipalities. For example, suppose that a suburb allows unlimited development of wetlands within its borders. If the absence of wetlands [causes](#) increased flooding, the resulting damage may cross municipal borders and harm residents of nearby towns. Or



if a suburb decides to build high-speed [stroads](#) and starve public transit so that its jobs are inaccessible by public transit, reverse commuters in other municipalities will have to drive to reach those jobs, causing pollution not just in the suburb in question, but also in their own neighborhoods. Thus, states should be responsible for wetlands regulation, and should perhaps play some rule in ensuring that suburban employment centers are transit-accessible.

What about zoning? It might, at first glance, seem that a community that chooses to radically limit new construction (as, for example, San Francisco has a [habit](#) of doing) only harms itself. But zoning might be a "tragedy of the commons" situation—where if each individual municipality does what is best for its existing citizens, it harms not just itself, but also the entire region. From the standpoint of an individual municipality's homeowners, restrictive zoning makes sense: constricting the housing supply raises property values, avoids the perceived [externalities](#) caused by new residents, and keeps out poor people who can't afford to pay for the town's houses. By contrast, a town that fails to play the game of exclusion has lower property values and attracts more poor people, thus causing the town to have a smaller tax base and worse schools, thus making the town less desirable in all kinds of ways. So if enough cities overuse their power to zone, every other town in the region is forced to do the same or face ruin.

But when every town engages in restrictive zoning, housing prices throughout the region explode; the poor sleep on the streets, while the middle class moves to cheaper regions. In fact, the national economy may suffer: if an expensive region is one of the nation's more productive regions, that region's [loss of talent](#) may diminish national economic output by making it harder for businesses to attract non-wealthy employees.

In such situations, zoning becomes an all or nothing game: the only way for the state to prevent the regional and national harms resulting from high housing prices is to limit everyone's capacity to zone.

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BLOG POST

## How to Lead a Walking Tour

**Leading a walking tour of your neighborhood can be easy if you focus on the basic differences between types of neighborhoods.**

[Michael Lewyn](#) | May 4, 2015, 6am PDT

Today, I led my first [Jane's Walk](#). Jane's Walk (named after Jane Jacobs) is an international movement of walking tours, usually held in the first week of May. In case some of you are thinking of getting involved next year, I am writing to show how you can lead a walk without an enormous amount of research.

I chose to lead a walk in [Brookside](#), my current neighborhood in Kansas City, Missouri (where I am finishing up a one-year visitorship at the [University of Missouri at Kansas City's school of law](#)). Since I haven't lived in Kansas City long enough to be an expert on neighborhood history, I chose to focus on Brookside as an example of a streetcar suburb—that is, a neighborhood, usually built between 1900 and 1930, that is more walkable than postwar suburbia but not quite as dense as urban parts of New York or Chicago. I hoped to show how Brookside differs both from more downtowns and from sprawling suburbs.

I began in the neighborhood's richest residential blocks; I pointed out one major difference between these blocks and newer suburbs. Brookside has a grid of short, interconnected streets; north-south streets are about 400 feet long, one-third the length of some suburban streets. (East-west streets are somewhat longer). As a result, pedestrians have many different options, and can reach a residential street without having to walk out of their way or spend unnecessary time on a busier street.

By contrast, in a suburb dominated by long blocks and cul-de-sacs, a pedestrian may have to go out of their way to reach a destination. For example, if I am in the 700 block of street X and want to visit the 1100 block of parallel street Y, but the next intersection of X is on the 1300 block, I will have to go several blocks out of my way, walking six blocks (and then somehow backtracking two more), when in Brookside I could have just walked four blocks on X and turned at the intersection. (I should have mentioned, but did not, that street grids are especially useful for bikers, who can avoid the busiest streets more easily than in neighborhoods where regional traffic is forced onto a few major arterials.)

I also noted in passing that Brookside has enormous [street trees](#); to be fair, trees are not unknown in suburbia, but because Brookside is a few decades older than postwar suburbs, its tree canopy is more luxurious.

Then I went to Brookside's commercial area, and noted two major differences between this block and the most extreme examples of postwar sprawl. First, Brookside shops are [right in front of sidewalks](#), so pedestrians don't need to cross through large parking lots in order to get to shops. Second, Brookside has some on-street parking, which benefits pedestrians in two ways: first, parked cars narrow the street and slow traffic. Second, parked cars create a buffer between sidewalks and pedestrians, thus making it easier for pedestrians to cross and harder for cars to jump curbs and kill pedestrians.

Finally, I went to the neighborhood's less luxurious blocks, and pointed out one way in which Brookside is more suburban: the separation of uses. At certain streets, commerce ends abruptly, and single-family homes take its place. By contrast, in a more urban environment, housing (especially multifamily housing) is often on the same block as, and sometimes even right above, businesses.

In sum, to run a successful walk of a streetcar suburb like Brookside, you need only focus on the key differences between such a neighborhood and suburbia (such as grid streets, short blocks, shops in front of sidewalks). If you can add a little history or

culture, so much the better. If you want to try your hand at this next spring, go to the Jane's Walk website ([janeswalk.org](http://janeswalk.org)) and contact the Jane's Walk staff.

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BLOG POST

## Airbnb and Affordable Housing

**Does apartment-sharing reduce regional housing supply? Probably not very much.**

[Michael Lewyn](#) | April 21, 2015, 12pm PDT

Over the past few years, the growth of [Airbnb.com](http://Airbnb.com) has made it much easier for people to rent out rooms in their houses and apartments. Before Airbnb, a traveler who wanted an alternative to hotels (which tend to be (a) quite expensive or (b) located in desolate-looking suburban arterials), would most easily be able to find a room through a temporary listing on [Craigslist](http://Craigslist). However, these travelers had no way of knowing anything about their hosts, and would-be hosts had no way of knowing anything about their renters. By contrast, Airbnb, by providing a forum for hosts to review guests and vice versa, does allow some screening to take place.\*

However, Airbnb has become politically controversial in high-priced, regulation-obsessed cities like Los Angeles and New York. [Hotels](#) and [hotel unions](#) quite understandably see Airbnb as competition in the short-term lodging industry, and wish to regulate it intensively (if not to destroy it). One common anti-Airbnb argument\*\* is that Airbnb, by making short-term lodging more affordable, actually reduces the supply of traditional apartments—that is, apartments leased for a month or more at a time). The argument runs as follows: units that are on Airbnb for a few days at a time would, in the absence of Airbnb, be rented out as traditional apartments. Thus, Airbnb reduces the housing supply and raises rents.

This argument rests on an essentially unprovable claim: that Airbnb units would otherwise be rented out as traditional apartments. More importantly, the argument proves too much. If Airbnb hosts reduce the supply of apartments by *not* using their houses and spare rooms as traditional apartments, why isn't this equally true of hotels who are *not* using their rooms as apartments, or homeowners who are *not* renting out every spare room? And if homeowners and hotels are reducing the rental housing supply, why shouldn't they be forced to rent out their units as traditional apartments?

Finally, the argument rests on the assumption that Airbnb includes a significant share of the rental housing market. For example, LAANE (a [union-affiliated](#) policy organization based in Los Angeles) recently issued a [report](#) claiming that Airbnb takes ,7316 units off the Los Angeles rental market, which “is equivalent to seven years of affordable housing

construction in Los Angeles." But since Los Angeles produces very little "affordable housing" (whatever that term means) this statistic proves nothing.

A better way of understanding Airbnb's impact, if any, on rents is to compare it to the total number of housing units in Los Angeles. There are just over [1.2 million](#) housing units in the city of Los Angeles; thus, Airbnb units are roughly 0.6 percent of the housing market. There are about 700,000 rental units in Los Angeles—so even if *every single* Airbnb unit would otherwise be part of the rental market, Airbnb units would comprise only 1 percent of the rental market. (I very much doubt that this is the case, if only because since some Airbnb units are in privately owned homes and not every part-time Airbnb landlord wants a permanent roommate). Thus, it seems to me that even if every single Airbnb unit would be used as traditional apartments in the absence of Airbnb, its impact on regional housing markets would be small.

\*Though perhaps not much: since the reviews are not anonymous, a host who reviews guests critically (or a guest who reviews hosts critically) may get negative reviews and less business in the future.

\*\*This essay focuses on the relationship of Airbnb and affordable housing; however, I note that Airbnb does raise a variety of other legal and policy concerns unrelated to this little essay.

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BLOG POST

## Libertarian-Friendly Drought Control

**Arid states can both reduce water use and avoid intrusive government by eliminating zoning regulations that mandate or encourage water-wasting lawns.**

[Michael Lewyn](#) | April 9, 2015, 2pm PDT

In response to California's drought, Gov. Jerry Brown recently issued an [executive order](#) proposing a wide variety of water restrictions. For example, paragraph 3 of the order provides that the state Department of Water Resources shall "lead a statewide initiative... to collectively replace 50 million square feet of lawns and ornamental turf with drought tolerant landscapes." In particular, the state will fund "lawn replacement programs in underserved communities." It is not clear from the order whether the state plans to mandate replacement of every square inch of lawn in California, or merely to fund local governments who wish to do so.

This initiative certainly seems to have reasonable goals. In fact, [one-third](#) of all residential water use involves landscape irrigation of some sort, and it seems to me that

lawn-watering is a wasteful use of water compared to agriculture or bathing or drinking. But cities and states can reduce lawn-watering through means less expensive and coercive than policing individual consumption or even spending taxpayer money on lawn reform.

Some local zoning codes [require](#) homeowners to have lawns or even to water them. A drought-sensitive local government would of course eliminate such restrictions—but since not every local government is equally enlightened, California could both reduce water use and expand homeowners' rights by amending its zoning enabling legislation to prohibit local governments from enacting such restrictions. Statewide legislation would eliminate the primary excuse for lawn-watering regulations: that green lawns maintain property values. If state laws make green lawns scarce, homeowners are less likely to view green lawns as necessary for neighborhood desirability.

But even local governments without such restrictions encourage lawn creation (and thus, lawn-watering) by providing that homes and businesses be set back one or two dozen feet from streets and sidewalks. If you can't build a house next to the sidewalk, you must put something else next to it—and that something is usually either an unsightly parking lot or a lawn.

So government could reduce the number of lawns and expand landowner rights simply by eliminating such "setback" rules and allowing landowners to build next to the street. Building that front the street have no space for lawns, and thus are likely to use less water.

In addition to reducing water consumption by reducing the number of lawns, such "zero lot line" construction would make commercial areas more pedestrian-friendly: setbacks force pedestrians to waste time walking across lawns and parking lots, thus making pedestrian commutes slightly longer and more inconvenient. In addition, setbacks reduce the amount of commerce and housing that can be built on a given plot of land, thus artificially reducing the number of jobs and residences on such land. Fewer jobs and residents per parcel mean less walkability: for example, if a office building is near a train stop, fewer tenants per office building means fewer employees who can walk to the train.\*

Most commentary on California's drought has focused on state control of water use—but in fact, some regulatory reforms can both reduce water use and reduce government intrusiveness.

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\*I note in passing that I addressed the non-water-related harms caused by setback requirements, as well as government justifications for such rules, in [this](#) post.

# Cars Are Expensive (And Other Things the Census Taught Me)

**National tables from the 2013 American Household Survey (AHS) are now public.**

Michael Lewyn | March 31, 2015, 11am PDT

I just learned that national tables from the 2013 American Household Survey (AHS) are public. These [tables](#) contained a variety of information that I thought was at least mildly interesting. To name a few items:

\*Cars are really expensive—even when gas is cheap. The average household spent \$800 per month on car-related costs. (Table S-04C). Only \$200 of this sum was on gasoline—which means that even if gas was free, cars would still cost \$600 per month. About half of household spending was for car payments, 15 percent was for insurance, and the rest was split between parking and maintenance.

\*Single family housing dominates the landscape. 64 percent of all occupied housing units (and 62 percent of units built over the last several years) are detached single-family houses (Table C-01). This is especially true for owner-occupied units: even in central cities, 79 percent of owner-occupied units are detached houses (Table C-01-00).

\*Most single-family housing is not dense enough to support public transit. The average owner occupied housing unit takes up 0.3 acres, as does the average housing unit built in the last several years. Thus, most blocks probably contain about three or four units per acre; basic bus service requires at least [seven units](#) per acre to be economically viable. (Table C-02).

\*Despite public controversy over high-rises, they are far more rare than low-rise apartment buildings. Only 3 percent of housing units (including only 6 percent of central-city rental housing units) are within half a block of a multifamily building with over seven stories; by contrast, 18 percent are within half a block of a multifamily building with one to three stories. (Table S-03, Table C-01-RO). Even among multistory structures in central cities, only 22 percent of buildings even have elevators (Table C-01).

\*Commuting statistics underestimate public transit use. About 17 percent of occupied housing units used public transit to some extent (Table S-04-A), but only a quarter of that group always used transit to get to work or school. The rest used transit for other uses or less frequently. Transit use is especially high among central city renters—41 percent of their households included a transit user (Table S-04-A-RO), as did 1/3 of all poverty-level renters regardless of their location. New construction continues to be more auto-oriented than other housing; in units built over the last four years only 10 percent used transit. Although transit advocates often focus on the concerns of seniors, seniors were actually *less* likely than the general public to use transit: only 12 percent of households headed by someone over 65 used transit.



\*Americans will put up with more hassle to use faster modes of public transit. 80 percent of bus riders walked to a bus stop, and 93 percent lived within a mile of transit. By contrast, only 41 percent of subway/light rail riders lived within a mile of their stop, and only 44 percent walked to a rail stop. (26 percent drove, and the rest took a bus to the train or biked. (Table S-04-B))

\*Many Americans have inadequate pedestrian access to nearby blocks. Only 55 percent of American housing units have sidewalks, including only 49 percent of over-65 householders. However, new construction is actually more likely to have sidewalks—about 60 percent of units built in the last four years have them (Table S-04-C). Only 43 percent of southerners have them, as opposed to 69 percent of westerners (the North and Midwest hover around 60 percent). Bike lanes are still pretty rare; only about 14 percent of units have them.

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BLOG POST

## What Density-Phobia Gets Wrong

**In her article, "What Champions of Urban Density Get Wrong," the Philadelphia Inquirer's Inga Saffron critiques attempts to increase urban population. This post responds to her work.**

Michael Lewyn | March 17, 2015, 2pm PDT

Some prosperous American cities have a housing supply problem: they have made zoning [more and more](#) restrictive over time, thus causing limited housing supply, thus causing escalating housing prices. And because some people fleeing high housing prices move to automobile-dependent suburbs or smaller cities, restrictive urban zoning means more suburbanites with more cars, creating more pollution everywhere.

So one might think that the logical solution is to build more housing in urban areas, especially in the costliest markets. Yet in a recent article, the *Philadelphia Inquirer's* Inga Saffron [wrote](#): "density has to be relative to what already exists ... so neighborhoods can step up density gradually." In other words, don't build too much stuff because...why? Most of her article seems devoted to the evils of tall buildings.

As far as I can tell, there are three myths underlying Saffron's article.

Myth 1: "Beware! The high-rises are coming!" Saffron writes that some unnamed "hard-line" density proponents "assume there is only one way to achieve real density. They use density as a rallying cry to justify the construction of more and bigger high-rises, in both America's thriving cities and its hollowed-out ones."



This claim is a straw man; I don't know of anyone who thinks that the "only" way to create more density is high-rises. Even in dense places such as Manhattan or San Francisco, huge increases in density could occur without skyscrapers. For example, San Francisco has many one- and two-story buildings. If most of those buildings were replaced by four-story buildings, San Francisco could be two or three times as dense, and yet still have no high-rises.

If Saffron was really opposed only to tall buildings, she might argue that cities should seek dramatic increases in density and population by allowing more mid-sized buildings. But her suggestion that only "gradual" increases in density are appropriate implies that she would not like this idea either—so I actually don't understand what Saffron is trying to say. If she was just against high-rises, she'd be for large increases in density that didn't involve high-rises. But if she is against all significant increases in density, then why is she devoting so much space to attacking high-rises?

Myth 2: "If high-rises don't solve everything, they don't solve anything." Saffron correctly points out that South Florida has plenty of high-rises but is not particularly walkable. But all this shows is that high-rises *alone* do not create walkability.

To be walkable, a neighborhood must have the "3 Ds": density, diversity (of land uses) and design (for pedestrians). There are parts of South Florida (most notably Miami Beach's South Beach) where all these elements exist together.

But most of South Florida has at most one of these elements. In many areas, high-rises are only common within a few blocks of the water—so even dense high-rise blocks are islands of density in a low-density sea. Moreover, these high-rises are often separated by huge patches of parking or greenspace, thus reducing density. For example, go to Google Street View and look at 1340 A1A in Pompano Beach; you see will a few high and mid-rise buildings, but the blank spaces between the high-rises are one reason why the town only has 5080 people per square mile, far below the level generally necessary for good public transit service.

Moreover, Pompano Beach lacks diversity of land uses. The [Walkscore](#) of 1340 A1A is 28, indicating that there is almost nothing within walking distance of the high-rises.

Finally, a walkable area must be designed for pedestrians; streets must be narrow, and shops must be in front of the sidewalk rather than being set back behind a football field of parking. Much of South Florida, however, is dominated by multilane, high-speed [stroads](#).

By contrast, a high-rise in a dense area designed around the pedestrian is likely to be pretty walkable. The buildings of Manhattan's Upper West Side are taller than those of Pompano Beach, yet more people get by without cars than in Pompano Beach. Why? Because the overall density of the neighborhood is much higher. Non-high-rise spaces are used for low-rise buildings rather than for parking. The Upper West Side is also designed for pedestrians as well; buildings are behind sidewalks rather than parking lots, and I suspect that on average streets are narrower than in Florida, although some

are still too wide to be truly safe for pedestrians. Thus, the unwalkability of South Florida is not an argument against high-rises in San Francisco or New York.

In sum, high-rises are not sufficient for walkability. But that doesn't mean that they are incompatible with walkability. All else being equal, high-rises should add to walkability by adding density—but even if this is the case, building height is only one of several important factors.

Myth #3: "Cities don't have the infrastructure for more people." Saffron writes that Hudson Yards (a new development in Midtown) is a failure\* because "Midtown's subway platforms and sidewalks are already oppressively crowded at rush hour." This argument, even if persuasive, is completely irrelevant to height: new residents might mean more crowded subways whether they live in rowhouses or whether they live in high-rises. So I'm not sure I understand Saffron: is she really just against height, or is she against density?

Let us assume for the sake of argument that Saffron is really against new urban residents, because new people mean more crowded subways and sidewalks. But this argument is essentially a "beggar thy neighbor" argument: if people are excluded from cities because of fears about traffic (pedestrian or otherwise), they will go somewhere else and create traffic. If they move to suburbs, they will buy cars and use those cars to create traffic jams in the suburbs—and in the cities too if they drive to urban jobs. And when they drive, they will create lots more pollution than if they were crowding the subways and sidewalks. Moreover, if the suburbs they move to are undeveloped, they will require costly, new infrastructure to service them, [possibly imposing](#) even higher costs on the public than new city residents.

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\*I note in passing that since Hudson Yards is so far west that it is (a) not very close to subways and (b) in the least crowded part of midtown Manhattan west of Ninth Avenue, Saffron's claim, even if true, doesn't really seem relevant to Hudson Yards.

# What Property Professors Are Writing About

**A recent property professors' conference discussed a variety of issues of possible interest to planners including tightened home lending standards, municipal policies affecting the homeless, the Fair Housing Act, and inclusionary zoning.**

Michael Lewyn | March 2, 2015, 6am PST

This weekend, I went to a conference held by [Washburn University's law school](#), in which about two dozen property professors discussed their recent scholarship. Although only a few of the papers directly addressed zoning issues, many of them involved issues indirectly related to urban planning.

Most of the professors addressed the foreclosure crisis and its aftermath. Some argued that over the past few years, lending standards have become so restrictive that most borrowers (and especially African-Americans and Hispanics) are unable to purchase homes. For example, many lenders now require 20 percent down payments for home buyers. One professor stated that it would take the typical African-American family 20 years to save that much money.

Based on this comment, I worry that American housing may face a collision between an irresistible force and the immovable object. The irresistible force is ever-more-restrictive zoning rules. When municipalities see a new environmental problem or neighborhood activists complain about "overdevelopment," it is only natural for a city to add a new layer of regulation (which typically reduces the supply and/or increases the cost of housing). However, it is far more difficult to abolish an arguably obsolete regulation, since most homeowners benefit from high housing costs and scarce housing. So over the long run, most cities have become more restrictive, which in turn means that housing has become more scarce and more expensive.

The immovable object is the combination of restrictive lending and stagnant wages. If the economy was booming or lending standards were less conservative, more Americans could afford this newly expensive housing, and supply and demand would thus coincide. But if lending standards continue to exclude many Americans from the housing market, and incomes continue to stagnate, that means that fewer and fewer Americans will be able to purchase our ever-more expensive housing.

Another interesting [paper](#) (by [Marc Roark](#) of Savannah Law School) focused on cities' anti-homeless policies, and suggested that before enacting policies that might negatively affect the homeless (for example, redeveloping an area now used as a "tent city") governments should write some sort of "homeless impact statement" in order to make policymakers consider alternative policies. I wonder whether this policy would create yet another way of delaying infill development, thus exacerbating our affordable housing problems.

Another paper (by [Rigel Oliveri](#) of Missouri) focused on "disparate impact" and the Fair Housing Act. The Supreme Court will soon decide whether this statute justifies challenges to policies that cannot be proven to intentionally harm racial minorities, but that tend to disproportionately harm them. Oliveri pointed out that disparate impact claims almost never succeed in federal court. She proposed that litigants focus on broadening the definition of discriminatory intent, and specifically suggested that a government agency that continues to enforce a policy after becoming aware of its discriminatory impact is guilty of discriminatory intent. Of course, every policy is likely to disproportionately harm some group, so I wonder how many policies would survive a consistent application of this idea. (I look forward to Prof. Oliveri's paper, which will presumably suggest some limiting principles).

A fourth paper (by [Tim Iglesias](#) of the University of San Francisco) discussed inclusionary zoning, and in particular the trade-offs involved in choosing between "pure" inclusionary zoning (that is, requiring new developments to provide subsidized units on the site of the development) and more moderate versions allowing developers to pay for offsite housing (either by building such housing or by paying an "in lieu fee" into a city-operated fund). Pure inclusionary zoning has two advantages. First, it is less vulnerable to legal challenge as an unconstitutional exaction, since the developer is not making payments in exchange for a permit but merely complying with a zoning rule. So paradoxically, the most burdensome form of inclusionary zoning is also the least legally problematic. Second, it is more likely to integrate well-off people with not-so-well-off people. On the other hand, offsite housing is less politically controversial, and may be more economically efficient in certain circumstances (e.g., if the offsite housing is in an area with less expensive land).

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BLOG POST

## Suburban Multifamily: Smart Growth or Smart Sprawl?

**In suburbia, the line between smart growth and conventional sprawl is sometimes a blurry one.**

[Michael Lewyn](#) | February 19, 2015, 5am PST

In a recent article in the [Columbia Journal of Environmental Law](#), law student Paige Pavone criticizes suburban apartments and condominiums as "green sprawl" because they "merely add density to suburban sprawl and exacerbate the very problems smart growth seeks to correct." She explains that without public infrastructure to support walking and biking, these developments merely entice more people into car-dependent

suburbia, and therefore should not be entitled to density bonuses and other incentives that a state might use to encourage smart growth. In particular, she claims that such "High-Density Islands" are cut off from "communities, local governments, nature, public transportation, and sidewalks."

Is this critique fair? Somewhat.

Pavone examined a variety of suburban multifamily developments, but focuses on Reading Woods, in Reading, Massachusetts, a suburb of Boston. She claims that Reading Woods residents "cannot walk to the public library, a bank, or a grocery store" and would have to cross I-95 to reach a chain restaurant. So I decided to look at Reading Woods on Google Street View and see how horrible it is.

First of all, I looked for sidewalks. The main street serving Reading Woods is Jacob Way. Jacob Way generally has sidewalks, as does Augustus Court (the main street serving the part of Reading Woods further away from South). So it seems to me that a resident of Reading Woods can use sidewalks for most visits to South Street and other neighborhood streets. To reach Main Street (the neighborhood's main commercial street) you must walk briefly on South Street, which also has a sidewalk (though it only serves one side of the street, and looks pretty narrow).

By contrast, I have seen multifamily dwellings (especially in the South) that do far less to accommodate pedestrians. For example, if you go to Calibre Brooke Way in Smyrna, Georgia you will see an apartment rental office, and you will see a long driveway leading to apartments—but what you will not see is a sidewalk. The designers of the Calibre Brooke apartments seem to have assumed that every resident would either drive everywhere or be perfectly content to share the driveway with cars. Compared to Calibre Brooke, Reading Woods is downright pedestrian-friendly.

Second, I looked for destinations within walking distance. Even if the residents of Jacob Way have a sidewalk, what can they walk to? Here too, they do better than many suburbanites. The walkscore of Jacob Way is a mediocre 47. Although Reading Woods residents cannot walk to everything, they can walk to quite a few things, even without crossing the highway. The commercial street nearest to Reading Woods is Main Street. Walkscore tells me that on the Jacob Way side of I-95, there are five restaurants on Main Street within a mile of Reading Woods, including a Burger King, a Domino's and a few non-chain restaurants. In addition, there is an ATM, a fruit store, and some other small stores. Of course, there are additional delights for those foolhardy enough to walk under the I-95 underpass.

The part of Main Street closest to Jacob Way seems to me adequate but not great from a pedestrian perspective: there are sidewalks on both sides of the street, and four lanes, more than I would like but fewer than in much of suburbia.

On the negative side, much of Reading's civic equipment is roughly one to two miles away—too far, I suspect, for many people to walk in Massachusetts weather. The nearest full-service grocery stores seem to be just over a mile away, and the public library and City Hall area both almost two miles away.

Third, I looked for public transit. If you can't walk to the public library or city hall, can you take a bus or train there? Reading Woods is 1.3 miles from the Reading commuter train station—walking distance for an able-bodied person in good weather, but not for everyone and not in today's weather conditions. Unfortunately, bus service is Reading Woods's Achilles' heel: the closest bus stop is on the other side of the highway, not significantly closer than the train station, and only runs until 7 pm on weekdays and not at all on Sundays. I can't say that I would like to live there; on the other hand, compared to Kansas City's western suburbs (where buses stop running around 5 pm and rail transit is a pipe dream), Reading Woods does not look so bad.

So do high-density islands such as Reading Woods increase societal walkability, or do they merely add density to suburban sprawl? I think the right answer is a question: "Compared to what?" Compared to the city of Boston or to close-in suburbs like Brookside, Reading Woods is mediocre at best. But compared to the outer suburbs of the South or Midwest, Reading Woods does not look so terrible.

So should government do anything to encourage housing in places like Reading Woods? From a smart growth perspective, Reading Woods is better than some further-out suburbs but still pretty mediocre. Ideally, a wise government would permit enough housing in closer-in communities to sate public demand for apartments affordable to the middle and lower classes.

On the other hand, Boston is a pretty expensive market, and it may not be politically possible to bring down rents without creating new units in places like Reading Woods. So I guess my answer is: "It depends."

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BLOG POST

## Supply and Demand Denialism

**Some progressives deny that the law of supply and demand applies to housing.**

Michael Lewyn | February 10, 2015, 2pm PST

Progressives often argue that conservatives are anti-science because many conservatives deny the reality and seriousness of climate change, and some religious conservatives reject the theory of evolution.

But some people (mostly progressives, it seems to me) are as skeptical of the conventional wisdom of economics as conservatives are of evolutionary biology or climate science. In particular, one basic tenet of economics is the [law of supply and demand](#): if you raise the supply of X enough, the prices go down. If you lower the supply, the prices go up.



But some progressives seem to believe that this law does not apply to housing. For example, an [article](#) some months ago in the *New York Times* (probably the most leftist among major U.S. news sources) quoted an official at an affordable housing advocacy group as follows: "Increasing the supply is not going to increase the number of affordable units; that is a complete and utter fallacy." The *Times* then supplied absolutely no rebuttal or response to this point of view, implicitly treating it as gospel.\* [Similarly](#), numerous leftist housing advocates in San Francisco are supply-and-demand denialists.

In reality, cities where lots of housing gets built tend to have lower housing prices than cities where it is hard to build. (See for example the "Home Prices and New Construction" chart in [this](#) article). So why is denialism so widespread? Denialists make several major arguments.

Argument 1: "There already has been a building boom in New York and San Francisco, and what good has it done?" In reality, expensive cities tend not to have very much new housing at all. For example, one document claimed proudly that the laws of supply and demand did not apply to San Francisco [because](#) there were "2,730 new [housing] units in 2003... and 3,360 new units in 2009."

But that city's population [increased](#) by about 130,000 between 1980 and 2010, which means that *even if* the city had allowed 3,000 new units every year as in 2003 or 2009, and *even if* household sizes and city income had remained constant, housing production would lag behind population growth; there would have been 90,000 new housing units and 130,000 new people. But this was not the case; the same document concedes that 2003, 2008 and 2009 were the "three most productive years of housing development" in the past 45 years.

In fact, [only about 68,000](#) new housing units have been built since 1980. So what *really* happened was that housing supply grew far less rapidly than population, and the tech boom meant that the population had more money to spend (i.e., that demand increased by more than population). The theory of supply and demand suggests higher housing prices, which, of course, is what happened.

Housing construction in other high-cost cities has declined over time. In high-cost Los Angeles, the number of new housing units permitted by government has [nosedived](#) over the past 30 years, from about 6,000 per year in the 1980s to about 1,000-2,000 in the 2010s. Similarly, in Manhattan the city [permitted](#) 11,000 units per year between 1955 and 1964, and less than one-third that many during the 1980s and 1990s. Over the past decade, New York never equaled its 1950s and 1960s level; the number of residential permits in Manhattan [ranged](#) from 903 in 2010 to 9700 in 2008. (The 2004-13 average, if I have calculated correctly, is about 5300 per year- still far below the 1950s peak.)

Argument 2: "demand for urban life as unlimited, and thus no amount of new housing will affect rents." I might take this argument more seriously if population in New York and San Francisco was growing faster than in low-cost cities. In fact, many low-cost cities are growing far more rapidly than New York, and yet have cheaper rents. Between 2000 and 2010, the population of metro Austin grew 37 percent, and that of Raleigh 41

percent. By contrast, the population of metro New York grew 3 percent, and that of San Francisco 5 percent. Even if we look only at urban population, we see higher population growth in low-cost cities: Austin and Raleigh grew by 20 and 46 percent respectively, while New York and San Francisco's urban growth kept pace with metropolitan growth. (Though to be fair, income growth in the latter cities probably means that demand for housing grew more rapidly than 3-5 percent).

Moreover, a surge in new housing can occasionally cause rents to go down even in high-cost cities: in Washington, D.C., a [surge of](#) new construction has caused rent growth to flatten out.

Argument 3: "the problem of high market-rate rents is insoluble, because more building means more density, denser buildings are taller, and taller buildings are inherently more expensive." First of all, it is [sometimes](#) possible to create plenty of density without high-rises: there are plenty of dense, low-rise neighborhoods like NYC's West Village.\*\*

Moreover, height and high costs are not linked so closely as one might think. I concede for the sake of argument that taller buildings may have higher construction costs. However, it seems to me that the cost of land (which is a result of government regulation rather than a result of nature, since government effectively reduces the supply of land by limiting building) is often more significant than the cost of construction.

How so? Because if the cost of building a few extra stories was the major factor governing housing costs, low-rise buildings would be cheap even in high-cost cities, and high-rises would be expensive even in low-rise cities. But in fact, this is not the case. I ran a search for doorman buildings on Craigslist (using "doorman" as a surrogate for "high-rise") in low-cost St. Louis; I found dozens of studios and one-bedrooms for under \$1000, including one for only \$500. By contrast, in San Francisco, the only units available for under \$1000 involved furnished rooms, and the cheapest doorman building cost a little over \$2400. Height may affect cost—but not very much.

One might argue that I should only have looked at newer buildings, since the cost of construction was much lower a few decades ago. Using [streeteasy.com](#), I verified this assertion by looking at studio and one-bedroom units in Manhattan in doorman buildings over 10 stories built after 2010. The cheapest building, in Harlem, was only \$2000 (only \$300 more than in the cheapest new walk-up in Manhattan). This fact suggests that even in New York, a new high-rise building does not have to be super-expensive merely because of its height (even with the added labor cost of a doorman). Instead, the \$2000 building was cheaper because of its location (Harlem)—in other words, because of low demand.

Argument 4: "New housing creates demand which increases prices; thus, new housing can never reduce prices." To be fair, this argument is not silly on a neighborhood-by-neighborhood level: if new construction or renovation of existing housing means that you can live in neighborhood X while living in a nicer place, neighborhood X becomes more popular.

But I am not sure induced demand matters as much on a citywide level; the people moving to neighborhood X will often be likely to be moving from another city neighborhood (thus lowering demand for the latter area). Moreover, the induced demand theory fails to explain why some high-supply markets are actually less expensive than New York or San Francisco. If high supply inevitably led to high demand, then high-growth cities would all be among the most expensive cities—which of course is not the case. (For example, the median studio in Austin rents for [\\$738](#), which doesn't get you very far in New York.)

In sum, the arguments for supply-and-demand denialism simply lack merit. So what? Why does this matter? Just as a place where climate change denialism is rampant is likely to adopt anti-environmental policies, a city pockmarked with supply-and-demand denialism is likely to adopt anti-supply policies such as restrictive zoning and laws that discourage people from becoming landlords (such as laws that make it hard to evict tenants).

\*In fairness, it may be that the person who was being quoted meant "affordable housing" as a technical buzz-word meaning "government-subsidized housing for the poor" rather than in the commonsense meaning of the term (i.e. housing that most people can afford). But in context I don't think that the *Times* reporter understood it that way, nor do I think that most of the *Times*'s readers understood it that way.

\*\*However, I do not think this possibility is a legitimate excuse for height limits. Here's why: building 100 low-rise units will normally require more land than building 100 high-rise units, which in turn means that more homeowners will have to live near apartments, which of course is something that homeowners tend to dislike. As a result, it seems to me that reproducing Greenwich Village may be even more politically impossible than building more high-rises.

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BLOG POST

## More Sensationalism About Gentrification

**Governing's recent study of gentrification systematically exaggerates gentrification in a variety of ways.**

[Michael Lewyn](#) | February 2, 2015, 10am PST

The ordinarily responsible [Governing](#) magazine is running a study of gentrification on its website; the study purports to show high levels of gentrification in some cities. For

example, the study [claims](#) that 29 percent of New York's poor census tracts have gentrified.

But the methodology of this study is a bit suspect. It measures gentrification not by income or poverty, but by two criteria: (1) rising home values and (2) the growth of college graduates. The first method means that if people are growing poorer due to high housing costs, their neighborhood must be growing richer. It seems to me, however, that a neighborhood is not richer just because it is experiencing a housing bubble, or because it did not suffer a housing bust.

To be sure, there is some relationship between housing values and gentrification: other things being equal, higher incomes lead to higher demand lead to higher home prices. But other things are never equal: for example, in a small census tract with only a few houses, one or two condo buildings can skew average values upward.

The second element is also a less than ideal measure. In 1970, only [10 percent](#) of Americans over 25 were college graduates—a percentage that nearly tripled over the following 40 years. Between 2000 and 2010, the percentage of college graduates increased in every single state. As college educations have become more common, I suspect that even the poorest places probably have more college graduates than they did a few decades ago. So if more college graduates=gentrification, one will naturally find gentrification everywhere. (To be fair, Governing used growth in college graduates rather than the raw number of graduates as a measure of gentrification; however, even less than explosive growth qualified census tracts as gentrifying. For example, one Kansas City census tract was classified as "gentrified" although its percentage of college graduates increased from 6 percent all the way up to 11 percent- a level only slightly higher than that of the city's poorest areas. The study described another neighborhood as "gentrified" because the percentage of graduates tripled- overlooking the fact that the percentage increased from 3 percent to a still-dismal 9 percent). Similarly, in Atlanta the dirt-poor [Vine City](#) neighborhood (where the median household income was under \$20,000) was counted as "gentrified".

If gentrification means "more rich people" or "fewer poor people," it seems to me that a more appropriate measure of gentrification should address income: did incomes rise or fall? Did poverty rise or fall? And even if poverty fell, is a neighborhood's poverty rate anywhere close to suburban levels, or did an place with super-high poverty rates merely become a place with high poverty rates?

In addition, it seems to me that any study of gentrification should study *degentrification* as well: that is, to what extent were rising incomes in some urban neighborhoods balanced out by falling incomes and rising poverty in other neighborhoods? I suspect that a study considering this element would yield radically different results.\*

\*In particular the *City Observatory* website contains a [wealth of data](#) (pun intended) on neighborhood poverty.

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# High-Rises and Streetlife

**The common claim that "high-rises kill streetlife" is often incorrect.**

Michael Lewyn | January 23, 2015, 5am PST

One common argument against tall residential buildings is that high-rises reduce a neighborhood's livability by reducing its streetlife. For example, a few months ago I read a [blog post](#) claiming that "people who live in the high floors of a high-rise are less likely to leave their homes." I have lived in elevator buildings for the past couple of years, and can verify from personal experience that high-rise residents leave their homes for the same reasons that homeowners do: to go to work, to get groceries, and to perform all the other little functions that are necessary for a normal life. To be sure, a few people do work at home and get groceries delivered, but the overwhelming majority of people need to leave their homes on a regular basis, whether they live in a single-family house, a small multifamily building, or a high-rise.

Moreover, this argument doesn't seem to be supported by what I have actually seen with my own eyes. New York City neighborhoods like Times Square and the Upper West Side certainly have plenty of elevator buildings, but these places have far more street life than many low-density suburbs or quiet rowhouse neighborhoods. Why? Because even if a few shut-ins are less likely to go outside than in a low-rise neighborhood, any negative results of this phenomenon are outweighed by the positive effects of density. So many people live, work and play near Times Square that its streets are far busier than those of a less dense rowhouse area such as Washington's Capitol Hill (or even of higher-density rowhouse areas such as New York's West Village). By contrast, my current neighborhood in Kansas City is not particularly lively—but my block (dominated by a 10-story building) seems no more lifeless than the street a block away dominated by three-story buildings, or the single-family home blocks west of my building.

In fact, high-rises may sometimes increase street life by increasing the popularity of city life and thereby increasing urban density. The "streetlife" argument against urban high-rises assumes that people who don't live in high-rises would be happy to live in low-rise apartment buildings. In other words, it assumes that consumer preferences are: (1) highrises, (2) lowrises, and (3) suburbia. But some consumers may prefer (1) highrises, (2) suburbia, (3) lowrises, because they are only willing to live in the city if they can get the amenities that come with (1)- for example, doormen to enhance security (which are more common in high-rises than in smaller buildings) or elevators to reduce stress on aging knees and hips. In turn, these consumers are more likely to walk on city streets than if they lived in suburbia, thus increasing urban streetlife. And if they are business owners or executives, they are more likely to place their businesses in the city than if they lived in suburbia, thus causing even more people to walk on city streets.

To the extent that government uses the "streetlife" argument to prohibit or limit high-rise development, this argument has no logical stopping point. If the goal of public policy is to encourage people to leave their homes and use the streets, herding them into smaller buildings won't really do very much, since some people can still be perfectly happy recreating in a rowhouse or single-family house. Instead, cities should make these homes as uninviting as possible; for example, cities could impose maximum apartment sizes instead of minimum sizes, and perhaps abolish all these pesky building codes that make apartments safe and comfortable. The *Sustainable Cities* blog post says that the high-rise "becomes your world, especially those which include a restaurant, market, gym and other amenities." The same could be said of an apartment or house that includes exercise equipment (one's surrogate gym) or a kitchen (one's surrogate restaurant)—so perhaps we should outlaw indoor kitchens or exercise equipment.

To be sure, a neighborhood composed of nothing but high-rise apartments can be monotonous. But the culprit is not the scale of buildings, but their use. A neighborhood with high-rises standing on top of ground-floor retail (such as Broadway on New York's Upper West Side) will typically be far more lively than a block of nothing but apartments (such as West End Avenue a block away).

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BLOG POST

## Atlas Sprawled

**One obstacle to laissez-faire capitalism is capitalists' ability to use government to favor one competitor over another; the history of American street design provides an example.**

Michael Lewyn | January 8, 2015, 2pm PST

Libertarians dream of a laissez-faire capitalist nation, one with minimal government regulation and lots of entrepreneurs. There are many reasons why this goal is difficult to achieve; however, one reason is inherent in capitalism itself. As soon as a business gets large enough to have some spare cash, it might use that spare cash to obtain favors from government.

Of course, I am not the first person to discover this. For example, the plot of Ayn Rand's *Atlas Shrugged* focuses less on the evils of the welfare state than on the efforts of a well-connected steel company (Orren Boyle's Associated Steel) to use government to squash competition from Rearden Steel.

Peter Norton's book *Fighting Traffic* shows how automobile-oriented street rules are at least partially a result of similar special interest manipulation. In the early 1920s, auto



sales suffered because of urban traffic congestion and bad public relations related to the death toll from automobiles running over pedestrians. The auto industry and related groups such as road-builders and tire companies (or as Norton calls these groups, “motordom”) responded in three ways.

First, motordom hijacked the safety issue by blaming the victim. Car companies claimed that pedestrian deaths were the result of something called “jaywalking” (i.e., pedestrians using the streets as they had always used them, rather than waiting for automobile traffic to take its turn). In addition to financing a public relations campaign against jaywalking, motordom encouraged cities to enact anti-jaywalking ordinances.

Second, motordom lobbied government to reconstruct American streets in ways that favored fast car traffic, and even created its own “experts” to lobby city officials. A Los Angeles auto club hired Miller McClintock, a Harvard graduate student, as a consultant. Before being hired by the car lobby, McClintock wrote that widening streets would merely attract more traffic. After going on the motordom payroll, McClintock endorsed wider streets and fining jaywalkers. Car companies then hired McClintock to establish a foundation that taught engineers how to design cities for cars. The motordom-subsidized engineers then went to work in cities throughout the country, creating the sort of streets that infest cities today: wide streets where traffic flows at speeds fatal to pedestrians.

Of course, motordom needed a source of money to build these wider streets—so they urged government to enact gasoline taxes, and to devote gas tax money to widening streets and building new highways.

These motordom-favored streets shut out competing forms of transportation. Wider streets made walking unpleasant and dangerous, and thus discouraged not only walking, but also public transit (since most transit trips usually involve some walking).

New highways opened up new suburbs for development, thus shifting housing beyond the reach of existing streetcars, trains, and buses and forcing then-private transit providers to choose between two unpleasant options: losing revenue as its urban service area lost population, or spending money trying to extend service into suburbia. Today, motordom’s supporters claim that public transit is inefficient—but this inefficiency is largely the result of the motordom-endorsed policies discussed above.

In sum, the history of sprawl is actually a bit similar to the plot of *Atlas Shrugged*: just as Orren Boyle’s Associated Steel used government to smother Rearden Steel, the automobile lobby creatively used government to discourage walking and public transit.

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