# **Touro College Jacob D. Fuchsberg Law Center**

From the SelectedWorks of Michael E Lewyn

Fall 2017

## Planetizen blog posts September-December 2017

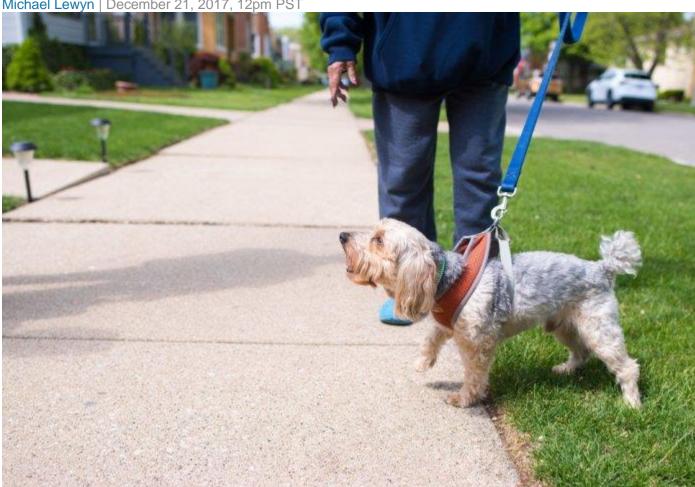
Michael Lewyn



## **Eyes on the Street**

The concept of "eyes on the street" is relevant to a wide variety of neighborhoods, not just the low-rise urban areas that Jane Jacobs wrote about.

Michael Lewyn | December 21, 2017, 12pm PST



Page Light Studios Shutterstock

Jane Jacobs wrote that urban neighborhoods were safer when there were "eyes on the street": that is, residents and shopkeepers who are naturally drawn to the life of the street, and who, in the course of their activities, monitor the street. Where there are no "eyes on the street" urban spaces are deserted and, thus, less likely to be safe.

When I think of "eyes on the street" I normally think of low-rise urban neighborhoods like New York's West Village (where Jacobs lived for many years). But this doesn't mean that eyes on the street exist only in such neighborhoods. For example, I live in New York's Murray Hill, an area with many low-rise buildings but also many 10-20 story doorman buildings. Often, the doormen and staff of these buildings stand in front of the building, taking in street life and providing eyes on the street.

Eyes on the street can even exists in more suburban contexts. When I was in Houston's River Oaks (a rich, low-density, in-town neighborhood) I saw people walking in front yards, and lots of home repair and landscaping trucks parked in front of the sidewalks, thus providing a small number of eyes on the street. On the other hand, in the equally affluent area where my mother lives, hardly anyone walks. Why is River Oaks different?

In my mother's area, the absence of sidewalks discourages walking, long driveways make it easy for workers to park far from the street, and the streets have no space for on-street parking. (For an example, go to Google Street View and look at 4099 Randall Mill Road in Atlanta). The long driveways are, I think, partially related to Atlanta's hilly terrain, but also related to the municipal code, which requires 60-foot setbacks in the lowest density zones (AtlantaCode, sec. 16-04.008).

By contrast, in some River Oaks blocks,\* there is just enough street space for onstreet parking, and driveways are smaller so workers park on the street. (For an example, look at 3238 Avalon Place in Houston.) If I read Houston's code correctly, Houston houses need only be 25 feet from the street, so driveways can be short (see HoustonCode, 42-156(a)).

So even in a suburban context, there can be a smattering of "eyes on the street," as long as zoning codes and street design rules facilitate on-street parking.

\*Though not all. Other River Oaks blocks had huge yards, and workers' vehicles were invisible.

#### No, Your City Is Not Overcrowded

One common argument against new housing (especially in Manhattan) is that the city is "overcrowded."



Allison Meier

#### flickr

In Manhattan (where I live), one common argument against building any new housing is that the city is "overcrowded" and needs fewer people. This argument is not possible to disprove, since "overcrowding" is a subjective concept: my idea of crowding is your idea of energetic. Having said that, the "overcrowding argument" against new housing is based on a questionable assumption: the idea that if you don't build housing, people will just magically disappear from New York and other cities, causing the city to turn into some sort of small-town paradise.

In fact, when people are priced out of Manhattan, they react in a variety of ways. First of all, the very poorest become homeless and sleep or beg on this streets. This makes the streets even more crowded: in addition to dodging other pedestrians, we have to dodge people who are lying down in the street. Some of them sleep in the subways, making the subways more crowded.

Other people who leave Manhattan move to New York's outer boroughs or to its suburbs. Do they reduce crowding? Not if they work in Manhattan. If they take public transportation, they make the subways and commuter trains more crowded than if they could walk or bike to Manhattan jobs. If they drive, they not

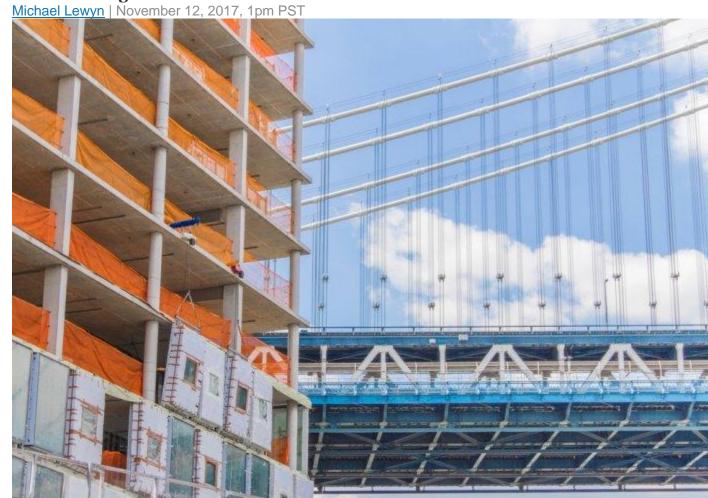
only increase traffic congestion but create more automobile-related pollution. If they don't work in Manhattan, they create congestion somewhere else.

Still others move to other metropolitan areas. Do they reduce New York's crowding? I guess so, but at a heavy cost. When a New Yorker moves to a new city, he or she makes that new city a little more crowded. And if the mover drives to work (as most non-New Yorkers do), he or she creates more pollution of various types than would be the case if the mover stayed in New York and rode a subway to work. If the mover's household gets more housing space, they have more space to heat and cool and decorate, increasing their carbon footprint. And if they moves to a less temperate climate (such as the Deep South or the upper Midwest) that person will create more heating and cooling, thus increasing greenhouse gas emissions. (On the other hand, households who move to southern California often reduce their carbon footprint by using heating and air conditioning less, even if they drive more than New Yorkers.)

Moreover, New York's current level of crowding is hardly unprecedented. Manhattan is actually less populous than it was for the first half of the 20th century: in 1910, Manhattan had <u>2.3 million</u> people, almost 50 percent more than its current population. Parts of Hong Kong still are far more dense than Manhattan: the Mong Kok district has <u>340,000 people per square mile</u>, about five times Manhattan's current density and about three times Manhattan's 1910 density.

# **High Rents: Are Construction Costs the Culprit?**

Rejecting the common argument that cities can never be affordable because of high construction costs.



Andrew tenBrink Shutterstock

I have argued numerous times on *Planetizen* that increased housing supply would reduce rents. I recently read one counterargument that I had not fully addressed before: the claim that no amount of new housing will ever bring down urban rents because housing in high-cost, high-wage cities is expensive to build.\* This argument rests on two assumptions: (1) that construction costs are the primary reason some cities are more expensive than others, and (2) if new housing is expensive, the median citywide rent will be equally expensive. I find neither assumption to be persuasive.

Admittedly, expensive cities do tend to have higher construction costs than more affordable costs—but this gap is far more modest than the gap in housing costs

between high-cost and low-cost cities. For example, a <u>study</u> by the design firm EVStudio showed that the construction costs for a small apartment building in New York City were only about 30 percent higher than the costs of a similar building in Kansas City (\$232 per square feet in New York, \$181 in Kansas City). But rents in New York are far more than 30 percent higher; I pay about \$5 per square foot for my Manhattan apartment, but paid just over \$1 per square foot for a roughly comparable apartment in Kansas City (i.e., a doorman building in a fashionable intown neighborhood).

Similarly, the Lincoln Institute's land price <u>database</u> reveals that regional differences in construction costs lag behind differences in land costs: for example, construction costs in San Francisco are only about 60 percent higher than construction costs in Kansas City, but the median San Francisco-area house costs seven times as much due to differences in land costs. Thus, construction costs are *not* the main reason some cities are more expensive than others.\*\*

Moreover, the suggestion that high construction costs for new buildings mean high rents for everyone seems to me to be based on the assumption that most people live in those new buildings. In a newly built suburb, this argument might make sense. But in most urban cores, the overwhelming majority of housing was built long ago: for example, in Manhattan only 1.2 percent of housing was built after 2010. So even if a new building rents for \$4000 per month, it does not logically follow that the median citywide rent will be \$4,000 per month.

In fact, it seems to me that new housing, no matter how expensive, may bring down the cost of older housing. Here's why: even an expensive new building takes away demand from the city's older buildings. For example, suppose that San Franciscans built half a million new housing units. No matter how expensive those units would be, that would be half a million fewer occupants for the city's existing housing stock. Such a collapse of demand would presumably cause rents to go down, or at least to increase less rapidly than usual. In fact, nothing like this has happened: for example, San Francisco has added 38,000 new jobs in recent years but only 4,000 housing units. Similarly, New York City has added half a million new jobs since 2000 and only 200,000 housing units.

In sum, new buildings in New York and San Francisco are more expensive than new buildings in Kansas City. But even though this is the case, more new buildings may mean lower rent for older buildings.

- \*A more moderate version of this claim focuses on high-rises; it seems to me that everything I write below applies with equal force to both high- and low-rise buildings.
- \*\*A more sophisticated anti-housing argument is that new housing will increase housing prices by increasing land prices. I have addressed that argument in <a href="mailto:this">this</a> March post.

## **Do Bus-Only Cities Have More Bus Riders?**

Does light rail increase or decrease transit ridership? This article compares "bus only" metro areas to those which have recently built light rail lines.

Michael Lewyn | October 31, 2017, 2pm PDT



Jeramey Jannene

As many commentators have noted, bus ridership has decreased in a wide variety of cities in recent years. Some suggest that new light rail has contributed to this decline by cannibalizing local bus service.

One way to resolve this dispute is to compare the largest bus only regions to those which have recently adopted rail. I decided to take a small step in this direction by comparing the largest "bus only" transit systems to the transit systems with the newest light rail service (in particular, those without light rail in 1996).\* My "bus city" sample was comprised of cities with over 7 million bus boardings for the first half of 2017 and no significant\*\* municipal rail service: Tucson, Albany (NY), Rochester, Detroit, Cincinnati, Columbus (OH), Las Vegas, San Antonio, and Milwaukee. If these cities had benefited from the absence of rail service. I would have expected bus ridership to stay stable between 2014 and 2017, or decrease less than the national average. Between the first half of 2014 and the first half of 2017, national bus ridership decreased from 2.61 billion to 2.38 billion, or about 9 percent. (Ridership data is available at the American Public Transit Association ridership data site.)

My results were quite mixed. Ridership was stable in Albany and Columbus during this period (as well as Detroit, where ridership declined by less than 5 percent). But in the other cities, ridership declined quite a bit. In Cincinnati, San Antonio, Tuscon, and Rochester, ridership decreased by between 10 and 20 percent between the first half of 2014 and the first half of 2017. In Milwaukee, ridership decreased from 20.2 billion to 15.9 billion trips, a decline of over 20 percent.

So how did the newest light rail cities compare? I found only half a dozen light rail regions with no light rail at all in 1996: Salt Lake City, Charlotte, Phoenix, Minneapolis, Houston and Norfolk. The results for bus ridership, standing alone, were comparable to those in the major "bus only" regions. In two (Salt Lake City and Houston), bus ridership was stable or went up slightly between 2014 and 2017. In the rest, ridership decreased by about 10-20 percent.

What about overall transit ridership—that is, bus and rail combined? By this measure, 2014-17 ridership increased modestly (by under 10 percent) in Minneapolis as well as Salt Lake City and Houston. In Phoenix and Charlotte, ridership decreased by about 5-10 percent (from 26.7 million to 25.3 million in Phoenix, 12 million to 11 million in Charlotte) and decreased by over 10 percent only in Norfolk(from 7.9 million to 6.6 million).

On balance, it seems to me that the "best" bus-only cities did almost as well as the "best" new rail cities—ridership in the "best" bus only city increased by about 1 percent, while total transit ridership in the "best" bus/rail city, Houston, increased by about 7 percent (from 40 million to 43 million trips). However, transit ridership decreased by over 10 percent in only one rail city, Norfolk, while decreasing by over 10 percent in five out of eight bus-only cities.

I also tried to take a more long run view, comparing 2017 results to those for the first half of 2007. Among the bus-only regions, ridership actually rose significantly in Columbus (from 7.3 million to 9.0) and Albany (from 6.3 million to 8.1). Ridership was fairly stable in Las Vegas (which had no 2014 statistics) and Rochester, declined by about 10 percent in San Antonio (from 19.9 billion to 18.1 million) and Tuscon (from 8.7 million to 7.8 million) and declined by over 30 percent in Milwaukee (from 25.3 million to 15.9 million) and Detroit (from 19.5 million to 11.4 million). In sum, a few bus-only transit systems did very well, but the majority were either stable or lost riders.

What about transit systems with newly adopted light rail service? Similarly, total 2007-17 transit ridership rose in some and declined in others. In Charlotte, overall transit ridership (bus and light rail combined) rose from 8.8 million in the first half of 2007 to 10.8 million a decade later, an increase of slightly over 20

percent. In Phoenix, ridership rose from 21.9 million to 25.3 million. In Minneapolis, ridership rose from 36.6 million to 40.4 million. But ridership declined in Houston and Norfolk, in both cases by about 10 percent (7.5 million to 6.6 million in Norfolk and 48.4 to 43 million in Houston).

So the best bus-only systems did very well over the long run, but it seems that the average bus-plus-rail transit system did a little better than the average bus-only system, and that some bus-only systems suffered horrendous ridership losses. What can we get from this?

First, it doesn't seem that adding light rail harmed overall transit ridership; transit ridership seems to have increased more frequently in regions with new, small light rail systems than in regions that rely solely on buses. But the small size of many new light rail systems, combined with the small number of cities involved, makes it difficult to make precise conclusions.

Second, it seems that bus-only transit systems are more volatile; they seem to have greater ridership increases and greater ridership losses than "bus plus rail" transit systems. If the political climate is hostile to transit, a bus-only system can deteriorate far more rapidly than a rail system, perhaps because cutting back bus routes is technically and politically easier than destroying a train system.

So it seems to me that on balance transit riders are better served when rail is added to the menu. However, when these additions are worth the cost is a topic I leave to other commentators.

\*I note that a more detailed study might also look at systems like Denver and Dallas, which had a small amount of light rail service in 1996 and have expanded their rail massively in recent years. I also note that I have ignored commuter rail; commuter rail tends to serve longer-distance commuters and is thus not as comparable to local bus service as light rail.

\*\*By "significant" I mean serving a wide variety of neighborhoods—thus, not including downtown-only systems like Detroit's People Mover, or the Las Vegas train that serves a portion of the Las Vegas "Strip."

### The Problem With Externalities

By defining "externalities" as impacts of private conduct, economists and lawyers bias public discussion in favor of government regulation.

Michael Lewyn | October 16, 2017, 7am PDT

Marcin Wasilewski

#### Shutterstock

Some years ago, I was writing an <u>article</u> criticizing minimum parking requirements. I originally wanted to refer to these rules as "externalities": that is, the consequence of an activity that is experienced by persons other than the beneficiaries of that activity. My argument was going to be: just as private polluters create externalities that harm the general public, these regulations increase pollution and thus also create externalities.

But at least one of the people who gave me pre-publication feedback disagreed with my terminology: he suggested that the impact of government regulation was not an externality, because by definition an externality must involve a consensual market transaction.

Leaving aside the question of whether my friend was technically correct, it seems to me that this distinction itself may have negative impacts upon public policy. The purpose of zoning (and many other forms of government regulation) is to limit the harm to the public from negative externalities. So if zoning prevents externalities but never creates externalities, then one might think that more government regulation is usually desirable. Thus, the common definition of externalities as "results of private conduct" biases decision makers in favor of government regulation.

But this way of framing the issue leads to absurd results, because obviously government regulation can create harm to the public that outweigh the harms caused by the externalities that the regulation prevents. So to solve this problem, we should redefine externalities to include the results of regulation.

It could be argued that the two types of harm are not comparable: private market transactions are usually designed to aid a limited set of parties (such as producers and consumers of the same product) while government regulation is designed to aid the public as a whole.

But this claim is not always accurate: government regulation is often designed to benefit a small group. For example, politicians might enact restrictive zoning in response to neighborhood fears about the perceived externalities caused by new housing or new commerce. Thus, such regulations are like a market transaction in that they benefit politicians and the neighborhood, rather than the city as a whole. If such regulations harm the city as a whole by increasing housing prices or increasing the negative side effects of low density\* they start to look a lot like an externality-creating market transaction: group A (politicians) makes a deal with group B (neighborhood). Both A and B benefit, just as in a market transaction. But group C (people who now cannot afford neighborhood B, or even afford other neighborhoods if citywide housing costs rise) suffer. Similarly, if the city widens residential and commercial streets to facilitate fast car traffic, group A (the city) has satisfied group B (speeders) at the expense of other groups, such as non-drivers who use those streets.

\*Such as car dependence when density is too low to support high transit ridership, and the pollution and ill health caused thereby.

# The Urban Revival Is (Probably) Not Over

Critiquing Richard Florida's claim that "the urban revival is over."

Michael Lewyn | September 28, 2017, 8am PDT

Punit Sharma photography Shutterstock

A few weeks ago, Richard Florida <u>wrote</u> in the *New York Times* that the "urban tide has crested." In support of this claim, he cites the <u>Brookings</u> Institution's compilation of data discussing 2016 Census estimates.

But if you look more closely at the data (at Table 1 in the Brookings article), it tells a more modest tale. First, it shows that the overwhelming majority of central cities are still growing: in 50-plus metro areas examined, *only 13 central cities* lost population. If you had told your average scholar in 1980 that 80 percent of central cities would be gaining population a few decades later, he or she probably would have suggested psychiatric help. In the 20 largest metro areas, central cities declined in only three—Chicago, plus the always-declining St. Louis

and Detroit. Even long-suffering Snow Belt cities like Cincinnati and Philadelphia gained population.

So where's the decline? For five years in a row, Census estimates claimed that central cities actually grew faster than their suburbs—a rather unusual result if true, given that many suburbs have lots of undeveloped land. But in 2016, major cities grew by 0.82 percent in 2015-16, while their suburbs grew by 0.89 percent. Around this trivial difference, Florida spins a tale of urban decline.

Moreover, the entire argument spins around highly questionable data: yearly Census population estimates. But these estimates have not always been very reliable. For example, the 2010 Census count <a href="mailto:showed">showed</a> that Atlanta had 120,000 fewer people than claimed by the 2009 Census estimate—about a 20 percent difference. Thus, there is no reason to believe that this year's Census estimates are accurate enough to show whether any city's population increased or decreased over the last year.

At this point, I am tempted to declare that the urban revival is here to stay. But I am reluctant to do so for one reason: 2010 Census results often showed that the 2009 Census estimates overestimated urban population. Although Atlanta's overestimate was an extreme case, <u>most</u> central cities were less populous than the 2009 estimates suggested. If this pattern continues in the 2020 Census,\* we may find that some cities that mid-decade data says are growing were actually declining, and that some other cities are growing less rapidly than many people now believe.

<sup>\*</sup>Assuming the 2020 Census itself receives enough money to be reliable-something that is <u>a bit uncertain</u> right now.