

Forbes

SEP 26, 2017 @ 01:55 PM 302

Is The American Urban Revival Over?



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I seek to understand cities. Where they are and where they're going. [FULL BIO](#) ▾

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Victorian houses in San Francisco. Source: Shutterstock

Earlier this month, Richard Florida, perhaps America's foremost and most recognized urbanist, [proclaimed in the New York Times](#) that our nation's urban revival is over. Can it be?

The proclamation comes on the heels of his new book, "[The New Urban Crisis](#)," released last spring. I did [a review of the book](#) shortly after its publishing and noted the intellectual shift in Florida's work.

He became notable some 15 years ago when he published "The Rise of the Creative Class," in which he said our nation's new knowledge-based innovation economy would serve as a catalyst for a broader revival of cities. His book detailed how the seeds for the revival were planted during much of the 1990s; cities were able to turn the tide of decline then and begin a rapid ascent.

Since then, Florida has become quite concerned that the winners of the urban revival over the last 15-20 years — cities like New York, San Francisco, Boston and Washington — have become victims of their own success as they've become high-priced meccas specifically tailored to the needs and wishes of the creative class. Other cities, like Seattle, Atlanta and Denver, have followed a similar track and have the high housing costs to show for it. Worse, however, is that a great number of cities, like Chicago, Philadelphia and Baltimore, have seen glimpses of the urban revival but have also seen deepening inequality as fewer of their residents have been able to attain the economic heights of their creative-class brethren.

Need further evidence that the urban revival is over? While many observers are focusing on *who* might win the Amazon HQ2 derby, some analysts, [including myself](#), are wondering *why* Amazon is proceeding with a second headquarters location. Perhaps Amazon can't grow without negative impacts at its current home in Seattle. Others are stating that [Silicon Valley may be past its peak](#), prompted by its high housing costs and lack of political will to change the dynamics:

While the San Francisco Bay Area boasts one of the world's finest combinations of economy, climate and culture, voters and politicians in the region have resisted permitting increased density and housing to go along with the job growth fostered by the technology industry. While it's possible these political attitudes may change, it's not a bet I would make, and it's also not one that should be made by large companies looking to secure an adequate workforce to support their growth.

Florida makes his assertion on recent demographic data. He notes that a number of large, older cities that added residents for most of this century are now losing residents, and that formerly fast-growth Sun Belt cities are beginning to regain their, well, fast growth:

While many, if not most, large cities grew faster than their suburbs between 2000 and 2015, in the last two years the suburbs outgrew cities in two-thirds of America's large metropolitan areas, according to a [detailed analysis](#) of the latest census data by the demographer William Frey of the Brookings Institution. Fourteen big cities lost population in 2015-16 compared with just five in 2011-12, with Chicago, the nation's third-largest city, hemorrhaging the most people.

Over this same period, the suburbs of Sun Belt cities like Charlotte, N.C.; Orlando and Tampa, Fla.; and Denver gained population. Low-density suburban counties are once again the fastest-growing parts of the nation, according to a [deep dive](#) into America's 3,000-plus counties by the urban

economist Jed Kolko, outpacing the growth rates of dense urban counties by a large measure in 2016, when they posted their fastest growth rates since the housing crisis of 2008.

As for why the tide may be turning for cities, Florida says rising violent crime rates and general high costs of living are the major culprits.

At first blush, I agreed with Florida's premise. The creative-class winners have become victims of their own success; we are witnessing, as Florida said in his recent book, "modern cities as being carved into gilded and virtually gated areas for conspicuous consumption by the super-rich with vast stretches of poverty and disadvantage for the masses nearby." But perhaps it's more accurate to say that the current form of the American urban revival has reached its peak and to go any further would require an assist from all levels of government — if that's what our nation wants.

Our nation has been at this type of crossroads before. Cities today are at a point in history not unlike where suburban development was in the late 1940s and early 1950s. At that time, many American families had shown a strong preference for the kind of suburban development that began to sprout in the 1920s, but slowed during the Great Depression and World War II years. As the lean years receded into the past, most of America's large cities at the time became crowded and unaffordable. The demand for the suburban lifestyle was there, but the supply was not. What was available was unattainable to many.

Enter the government, via direct and indirect means. The G.I Bill offered veterans low-cost mortgages for housing and low-cost loans to start businesses. That stimulated housing construction and business growth. The Interstate Highway Act opened up new areas to development with new fast-moving highways, connecting previously far-flung lands to urban areas. The Housing Act of 1949 increased the authorization of the Federal Housing Administration (FHA) over mortgage insurance, further making more mortgages available to more people. Labor laws, many passed during the New Deal, began insuring the right of employees to organize, and a growth in middle-class wages followed. Together, each of these worked to secure the growth of the American middle class and the suburban development pattern it preferred.

How might government action serve as a direct or indirect catalyst for the next phase of the urban revival? The YIMBY movement is one response that is developing momentum. YIMBYs (an acronym for Yes In My Back Yard) are advocating for increased housing densities, particularly in cities, to assist in driving down housing costs. That would most assuredly be a local government response. I've argued, however, that it could in theory work in some places, but I'd be concerned that allowances for greater housing densities might *increase* economic inequality; housing development could potentially be saturated in the most in-demand areas, creating greater economic and social distance from middle-income and low-income communities.

Richard Florida himself followed up his "urban revival is over" piece with a possible solution. He proposes making [service class jobs into higher-paying, family supporting work](#). Florida notes that service class jobs (food service, personal services and care, hospitality, among others) now comprise about 45 percent of all U.S. jobs, while earning just over \$32,000 per year, compared with nearly \$76,000 per year for creative class jobs. He views this disparity as one of the root problems impacting the further spread of the urban revival.

Again, the urban revival we've witnessed for nearly a generation now isn't exactly over; it's at a crossroads. Is it something that our nation values enough to offer it an assist, as we did with suburban development in the middle of the twentieth century? That's the question we have to ask ourselves first.