From The Atlantic
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What's the Matter With San Francisco?

The city's devastating affordability crisis has an unlikely villain—its famed progressive politics.

GABRIEL METCALF | Jul 23, 2015 | 818 Comments

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I moved to San Francisco for its radical politics. Lots of people did, for generations. Maybe it was like moving to Los Angeles if you wanted to be a movie star: If you wanted to be part of the grand project of reconstructing the American Left in the petri dish of a single city, San Francisco beckoned.

The quirky, counter-cultural San Francisco so many of us fell in love with is almost gone now, destroyed by high housing costs. We've lost not only the politics, but all kinds of cultural experimentation that just doesn't thrive in

places that are expensive.

We are watching the old San Francisco slip away before our eyes. Every time a housing unit becomes vacant, it goes on the market at a price so high that no organizer, writer, teacher, activist or artist could dream of affording it. Trying things that don't have monetary potential just isn't possible anymore.

How did we get here?

There are lots of reasons San Francisco became so progressive in the first place. The city had a radical labor movement going back to the 19th century. It nurtured a literary and artistic bohemia. It was tolerant of kooks and outcasts. Its various racial and ethnic groups figured out how to get along. In the 1970s, the embrace of identity politics grew to incorporate gays and lesbians, and the city reveled in its diversity, with groups claiming distinct neighborhoods as their own in a modern twist on the tradition of ethnic urban enclaves.

Progressive San Francisco had a fatal, Shakespearean flaw that would prove to be its undoing.

At its apex, progressive San Francisco accomplished amazing things. It invented new models of delivering affordable housing and health care. It invested deeply in public space, from parks to bike lanes. It adopted a transit-first policy. It pioneered all kinds of equal rights for the LGBTQ community. It did its best to create a high-tax, high-service public sector that could generate the funds to provide a more generous social safety net, at a time when the national government was moving in the other direction. At times, it felt like San Francisco was working toward a form of social democracy in one city, proving to the rest of the country that a more European-style economic model could thrive within the confines of the United States.

It was also a haven for people from all over the world: Refugees from Central American wars, migrants from Asia and Latin America in search of a better life,

gays and lesbians from across the country. A large chunk of the population moved here as adults; San Francisco was a consciously chosen destination.

But progressive San Francisco had a fatal, Shakespearean flaw that would prove to be its undoing: It decided early on to be against new buildings. It decided that new development, with the exception of publicly subsidized affordable housing, was not welcome.

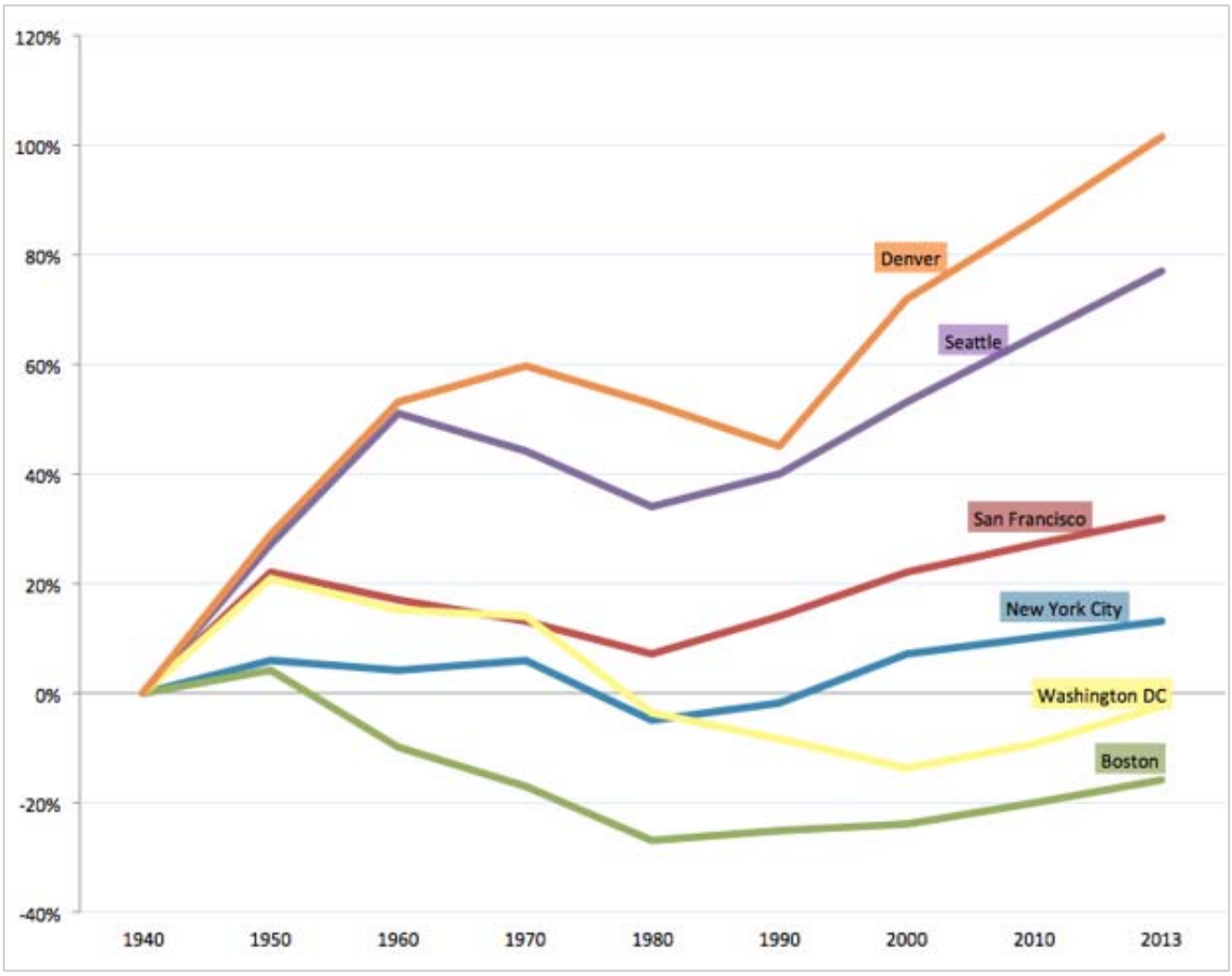
At the outset, let's say the late 1960s, this stance seemed logical, even urgent. The previous era of city building had brought terrible projects of urban destruction: bulldozing black neighborhoods, ramming freeways through cities, building foreboding public housing towers. Across the country the movement to roll back modernist urban planning took on a preservationist bent: Since the bad guys were trying to destroy the city, the good guys needed to defend it from change.

But somewhere between 1970 and 2000, the context changed. It was, in fact, one of the most profound cultural and demographic shifts in American history: after years of suburban migration, people started moving to cities again.

For decades, starting in the mid-1940s, virtually every major city in America lost population as families moved to the suburbs. For all the reasons we know so well—racism and white flight, the attempt to escape the influence of organized labor, or simply the desire for more space and the lure of single-family home ownership—both jobs and people moved out of central cities into the suburban periphery. Disinvestment was the defining urban problem which generations of liberal activists and politicians tried to solve.

But starting around 1980, New York and San Francisco, along with many other cities, began to grow in population again. This was not predicted or expected by most urban theorists of the time, but it was dramatic, and it has continued. Between 1980 and 2014, Boston grew by 16 percent, New York by 20 percent, San Francisco by 23 percent and Seattle by 35 percent. Denver started its turnaround later, but follows the same pattern.

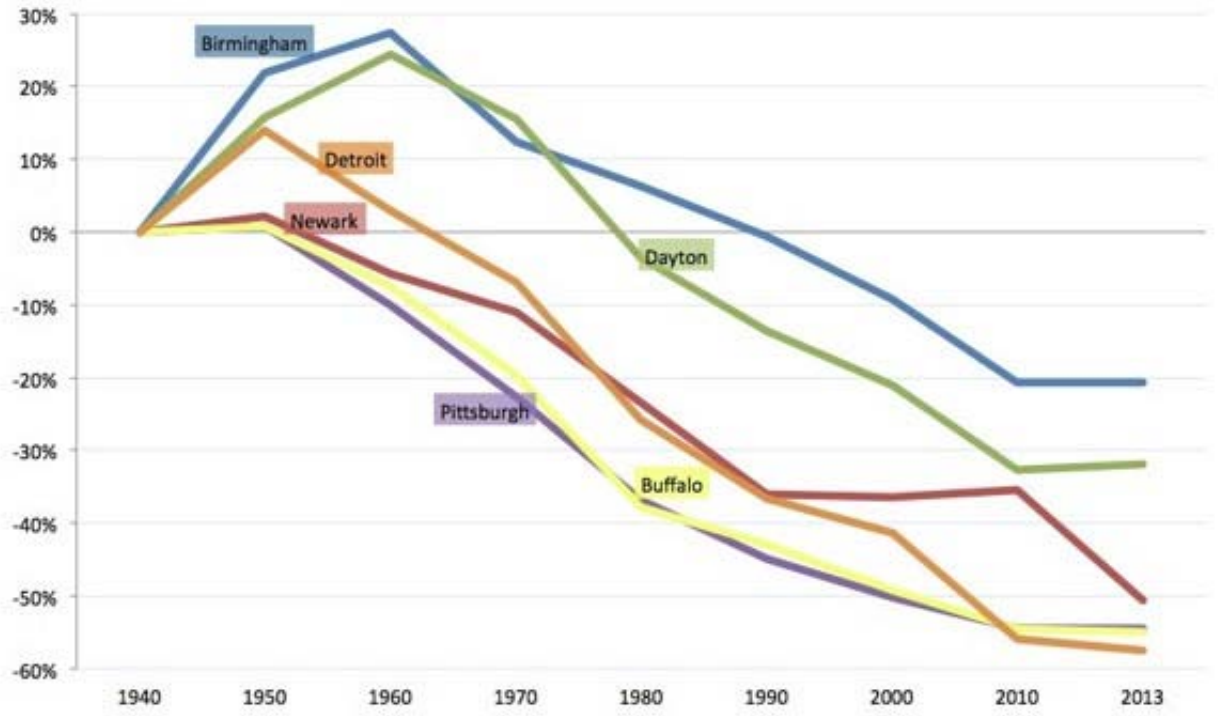
After Decades of Decline, Some U.S. Cities Saw Population Growth



This graph shows the change in city population relative to the base year of 1940.
(SOURCE: SPUR analysis drawn from U.S. Census data.)

Not all cities have turned around their population losses. Many of the places that are called "Rust Belt" cities have continued to shrink.

Not All U.S. Cities Have Affordability Challenges



This graph shows the change in city population relative to the base year of 1940. (SOURCE: SPUR analysis drawn from U.S. Census data.)

But for cities like San Francisco that now have 35 years of growth behind them, the urban problems of today are utterly different from what they were a generation or two ago. Instead of disinvestment, blight and stagnation, we are dealing with the problems of rapid change and the stresses of growth: congestion and, most especially, high housing costs.

When more people want to live in a city, it drives up the cost of housing—unless a commensurate amount of places to live are added. By the early 1990s it was clear that San Francisco had a fateful choice to make: Reverse course on its development attitudes, or watch America's rekindled desire for city life overwhelm the openness and diversity that had made the city so special.

When San Francisco should have been building at least 5,000 new housing units a year to deal with the growing demand to live here, it instead averaged only about 1,500 a year over the course of several decades. In a world where we have the ability to control the supply of housing locally, but people still have the freedom to move where they want, all of this has played out in predictable ways.

Many cities faced the same set of dilemmas. But San Francisco's challenge has been harder for the reason that our regional economy has been so strong. Regardless of what happened inside the city limits, we have had the most powerful engine of job creation in the country just a half hour to the south (a commute time that increases with economic growth). Over time, many of Silicon Valley's workers have come to call San Francisco home. Moreover, in contrast to New York, San Francisco does not have a massive network of regional public transit connecting hundreds of different high-density, walkable communities to the city. In fact, neighborhoods that foster urban life and convenience are tremendously scarce in the Bay Area. All of this means the pressure on San Francisco has proven to be even greater than other cities in the country.

Regardless of these realities, most San Francisco progressives chose to stick with their familiar stance of opposing new development, positioning themselves as defenders of the city's physical character. Instead of forming a pro-growth coalition with business and labor, most of the San Francisco Left made an enduring alliance with home-owning NIMBYs. It became one of the peculiar features of San Francisco that exclusionary housing politics got labeled "progressive." (Organized labor remained a major political force throughout this time period, and has allied with both pro-growth and anti-growth forces, depending on the issue.) Over the years, these anti-development sentiments were translated into restrictive zoning, the most cumbersome planning and building approval process in the country, and all kinds of laws and rules that make it uniquely difficult, time-consuming, and expensive to add housing in San Francisco.

A real state sign is seen near a row of homes in the Haight Ashbury neighborhood in San Francisco. (REUTERS/Robert Galbraith)

It's our own version of *What's the Matter With Kansas?*—the 2005 book in which Thomas Frank tries to explain how working-class Americans came to vote for right wing politicians against their own economic self-interest. In San Francisco's case, many tenants came to vote against new development in an attempt to show their disdain for monied interests. The problem is that this stance happens to result in very expensive rents in the long run.

As the city got more and more expensive, progressive housing policy shifted gradually to a sad, rearguard movement to protect the people already here from being displaced. No longer would San Francisco even try to remain open as a refuge for immigrants and radicals from around the world. The San Francisco Left could never come to terms with its central contradiction of being against the creation of more "places" that would give new people the chance to live in the city. Once San Francisco was no longer open to freaks and dissidents, immigrants and refugees, because it was deemed to be "full," it could no longer fulfill its progressive values, could no longer do anything for the people who weren't already here.

San Francisco will most likely stay liberal for a long time. The richest cities in the United States—New York, Chicago, Los Angeles, Seattle, Boston, Washington, D.C.—vote blue, just like San Francisco does. The tolerant culture of city life finds more affinity with the Democratic Party. But this city once had the ambition to be more than that. It wanted to push the envelope beyond anything that had been achieved in this country, to embrace ideas that would be politically impossible anywhere else.

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Observers from around the country shake their heads at San Francisco's approach to housing. But no one made San Francisco the most expensive place in the country on purpose. That's the tragedy. It was simply the unintended consequence of so many people wanting to live here, coupled with local policies that made it impossible for the amount of housing to grow enough to absorb the demand.

We'll never know what would have happened if we had acted in the 1980s or 1990s, or even the 2000s, to change course—if we'd realized that our 1970s land use policies were turning San Francisco into a gated city that made it increasingly closed to newcomers.

Let me say very clearly here that making it possible to add large amounts of housing supply in San Francisco would never have been enough by itself. A comprehensive agenda for affordability requires additional investments in subsidies for affordable housing. Given the realities of economic inequality, there are large numbers of people who would never be able to afford market rate housing, even in a better-functioning market. [See SPUR's complete set of ideas to make San Francisco more affordable.] In addition, while my focus here has been on San Francisco's own housing politics, many smaller Bay Area cities

and towns have been even worse actors. A regional solution, in which all cities do their part to accommodate regional population growth, would be far more effective than trying to solve our affordability problems inside the boundaries of a handful of cities. But San Francisco has been part of the problem too, when it could have been a very big part of the solution. Our suburban communities never claimed to be progressive, never wanted to be a refuge for people from all over the world seeking cultural tolerance or an opportunity for a better life.

Soon after arriving here twenty years ago, I realized that my own politics did not match those of most San Francisco progressives. But I still have a lot of sympathy for many of their aims. I don't think it's fair to accuse anti-growth politics in San Francisco of being just a screen for homeowner interests. (Although I have certainly had neighborhood activists proudly tell me they oppose development in order to maintain the high values of their homes). I think the progressive anti-growth sentiment is earnest; it's people honestly trying to protect their city from unwanted change. It just happens to have backfired.

I know that the San Francisco I came here for was only a brief moment in the life of the city, and I know that cities are always changing. I also know that something new is emerging, and I plan to be here to find out what it is. Perhaps we are witnessing the birth of a new hybrid culture, drawing on aspects of the city's earlier radicalism and a youth culture focused on business innovation—a fusion of the counter culture and Silicon Valley.

I see both ambition and idealism in the new generation, and it's very possible that the culture being created in San Francisco today is going to be great, too. But this new version of San Francisco needs a revived reform agenda that grapples with the realities of now: a generational reinvestment in public transit, to make up for decades of under-investment in regional mobility; the introduction of widely-available ladders of economic advancement that will enable more people to participate in our incredible economy; and more than anything, an embrace of new building within the city. Let's celebrate the heritage of San Francisco's progressive tradition. But let's learn from our past mistakes.

About the Author

Gabriel Metcalf is president of the urban planning and policy think tank, SPUR.

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