What Land Use Decision Makers Need to Know About Economic Development:

At the February New Partners for Smart Growth Conference in San Diego, we heard urban planner Michael Freedman talk about the importance of vital downtown environments to the New Economy. His concept — that a successful economic development program must include the creation of attractive, walkable, compact places for knowledge-based workers to live, work, and play. This message is now being echoed in many unexpected corners.

A recent article in *The Economist* notes that too many local governments still believe that large scale manufacturing is essential to the creation of new jobs and are mistakenly focused on preserving industrial sites and providing old factories with fiscal incentives to keep them from moving offshore. The author warns that the factories of the future “will not be grimey machines manned by men in oily overalls. Most jobs will not be on the factory floor but in the offices nearby, which will be full of designers, engineers, IT specialists, logistics experts, marketing staff and other professionals.” The publication asks, “What types of cities will draw and retain the businesses and skilled employees these new enterprises will rely on?”

A poll by the Knight Foundation offers an answer — In 2010, the Knight Foundation teamed up with Gallup pollsters to survey 43,000 people in 26 cities to study what attracts people to a place and keeps them there. They found that the most important factors that create emotional bonds between people and their community were not jobs but “physical beauty, opportunities for socializing and a city’s openness to all people.” Not surprisingly, The Knight Foundation also found that communities with the highest levels of attachment had the highest rates of gross domestic product growth and the strongest economies.

Next February, the annual New Partners for Smart Growth conference will be held in Kansas City, Missouri, a city that has invested heavily in downtown attractions including a new entertainment district and housing. While we are there, we will be able to view the offices of DSI, a global high-tech software company that is now moving its headquarters from a suburban location to a building in newly revitalized, downtown Kansas City. The employer believes this location will help them recruit the talented, high-tech employees they need. According to Matt McGraw, president and CEO of DSI, “We need younger and more progressive people and we believe it (the downtown location) will be a huge recruiting tool for us.” For more information, go to www.economist.com/node/21553017.

Study Reveals a New Housing Market in California: An important new study by the University of Utah’s Chris Nelson has provided some critical information that is just now beginning to influence regional planning decisions. Nelson took a look at the supply and demand for suburban style, single-family housing and transit-accessible housing, focusing on 4 regions that are home to a majority of Californians – the San Francisco Bay Area, the 6-county Sacramento region, San Diego County, and the region covered by the Southern California Association of Governments.

He concluded that if these regions built nothing but transit-oriented development in the next quarter century, it would still not meet the demand for this type of housing. At the same time, he found a serious oversupply of single-family, suburban homes. Nelson observed, “For the most part, Californians’ preferences mimic those of the nation as a whole, with one glaring exception: Californians consider transit options to be far more important in choosing a place to live than do people in the rest of the nation.”

The results of the study are fairly dramatic. “As many as 9 million households would like the option to live in locations served by public transit, but today only about 1.2 million California households can claim to have it.” On the other side of the equation, the report adds, “Even if no new suburban-style single-family housing is built, there will still be an oversupply of more than two million of these kinds of units in California in 2035.” In California’s four largest metropolitan planning areas (MPOs), which include a majority of the state’s population, current supply of single family homes in the suburbs is 84% higher than what will be needed 23 years from now.

The Chris Nelson study is titled, “The New California Dream: How Demographic and Economic Changes May Shape the Housing Market.” The publication is available through the Urban Land Institute and can be downloaded by going to their web page at www.ULI.org.

Housing Preferences Making a Dramatic Shift: It’s a challenging time for the developers of large tract subdivisions on the urban edge. People’s tastes have changed! Few want to live in a large, suburban neigh-
borhood located on a wide-open greenfield. We have heard repeatedly that both young millennials and older baby boomers (representing over half the U.S. population) are rejecting traditional suburban lifestyles in favor of life in an apartment, condo, loft or townhouse located near a city center. They want to walk to work, shops and restaurants, or use transit.

Now a USA Today analysis has shown that this housing preference shift is significant enough to be documented. Latest Census data show that population growth in fringe counties almost stopped between July 1, 2010 and July 1, 2011, while urban counties at the center of metro areas grew faster than the nation as a whole, accounting for 94% of U.S. growth.

At the same time, a recent poll of Southern California voters conducted by FM3, a public opinion research firm, confirmed that nearly two thirds of respondents (64%) would prefer to live in communities that are pedestrian friendly, rather than in conventional residential communities that require driving to stores and other businesses. Sixty-five percent indicated they would rather live in communities with smaller lots and shorter commute times than in communities with larger houses and longer commutes. Polls in the San Francisco Bay Area have been reflecting similar results.

Emerging Trends in Real Estate, another publication from the Urban Land Institute, notes that existing apartment housing stock cannot meet today’s demand and is the only housing product recommended for today’s investors. However, this document doesn’t completely give up hope that the single-family market on the urban fringe might return in the very distant future. Others, including both developers and academics, are predicting that this shift is not a temporary thing – suburban life is no longer the American dream.

European City reduces crime by making streets more walkable: According to a recent BBC report, the Rotterdam Police Department decided to try an experimental project called “The Neighbourhood Takes Charge.” Police encouraged local residents to draw up a list of things that they wanted to see improved to make their community safer and happier. The police then spent 16 hours per week solving the issues that were most important to local taxpayers. This included street cleaning, dog mess, and reducing traffic speeds — all measures that would make the streets more walkable.

The results at the end of two years: drug crimes dropped by 30%, burglary dropped by 22%, vandalism dropped by 31%, theft was down by 11% and violence by 8%.

Smart Growth Network and LGC Look to Gather Ideas For Creating Better Communities for the Future: There are many who feel that in spite of the progress we have made in implementing Smart Growth, we simply are not making it happen fast enough. Working with the Smart Growth Network, the LGC will be bringing ideas forward at the 2013 New Partners conference that we hope will speed the pace of change.

The Smart Growth Network will start the conversation by building a compendium of new and innovative ideas. The organization is looking for short papers that discuss a particular issue that communities will be facing in the next 15 years and how local governments, developers, and nonprofit organizations might best respond. A multidisciplinary review team will select between 20 and 40 papers to publish in a compendium before the 2013 New Partners for Smart Growth Conference. Selected papers will be considered for inclusion in the opening and/or closing plenaries.

The Smart Growth Network will also be using the papers to start a national conversation over 12 to 18 months, using a range of media including webinars, blogs and videos, all addressing the topic of how neighborhoods and regions could be planned, designed, and developed to meet the needs of current and future generations.

Papers are requested that address the following questions: What are the emerging trends in creating strong, healthy, sustainable and livable communities? How can local governments, planners, nonprofit organizations and/or others position themselves to respond to changing times and needs of businesses and residents? What strategies will help communities grow in ways that strengthen the economy, protect the environment, and improve quality of life?

Papers are due on June 30, 2012 — For instructions on how to submit a paper and/or information on the national conversation, go to: www.smartgrowth.org/nationalconversation.