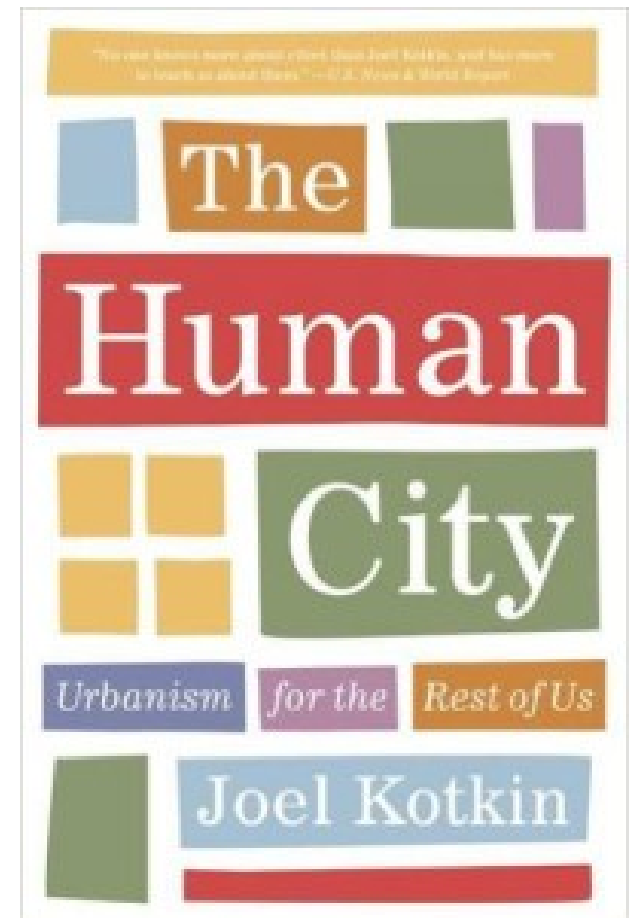
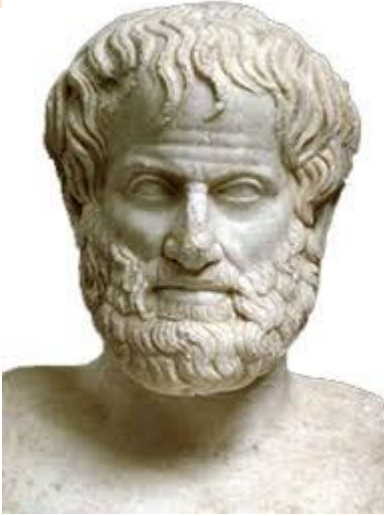




# ***LIVABLE CALIFORNIA***

PRESENTATION BY JOEL KOTKIN,  
CHAPMAN UNIVERSITY APRIL 18, 2020

# *What is a City for?*



“a city comes into being for the sake of life, but exists for the sake of living well.” --  
-Aristotle

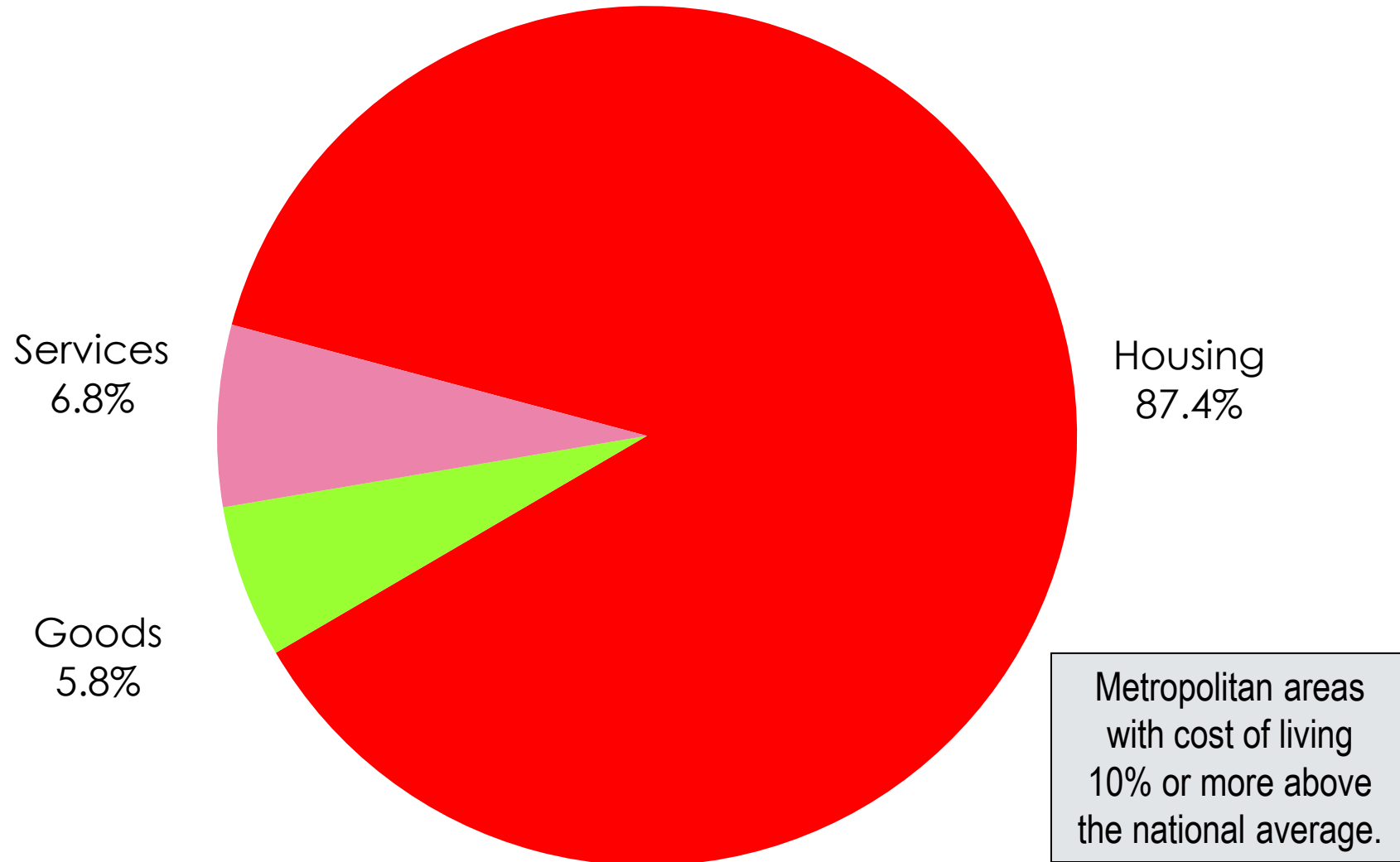


# ***The Challenge of California Feudalism: Distorting the Property market and the economy***

- Concentration of property in a few hands
- Politics dominated by theology or ideology
- Lack of Upward mobility
- Decline of middle class
- Stagnation and poverty widespread
- The crux of the issue: low wages and high prices
- Will Covid make it worse?

# Housing Share of Excess Costs of Living

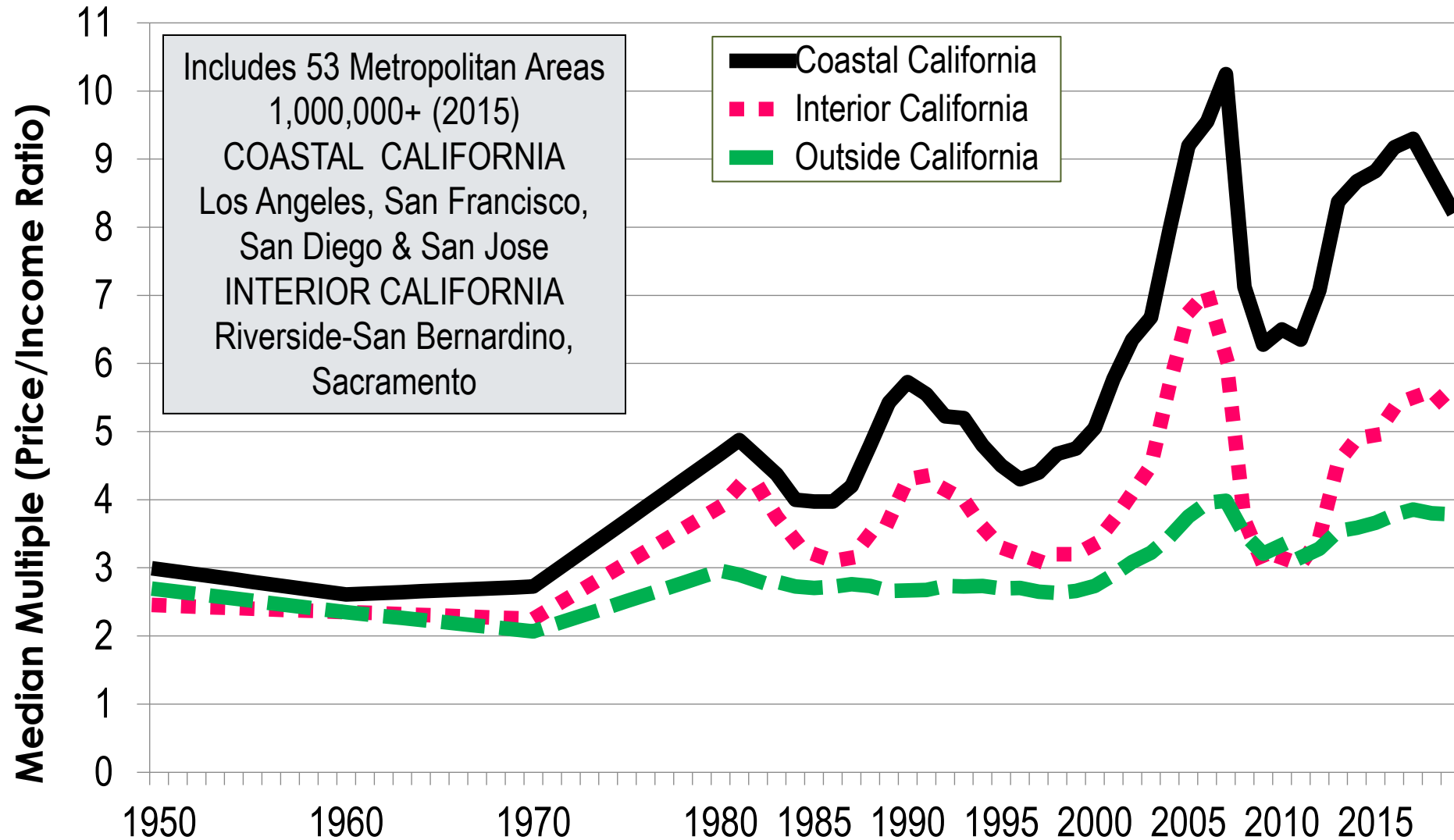
## MOST EXPENSIVE UNITED STATES MARKETS: 2017



Estimated from Bureau of Economic Analysis & American Community Survey Data

# California & the United States Compared

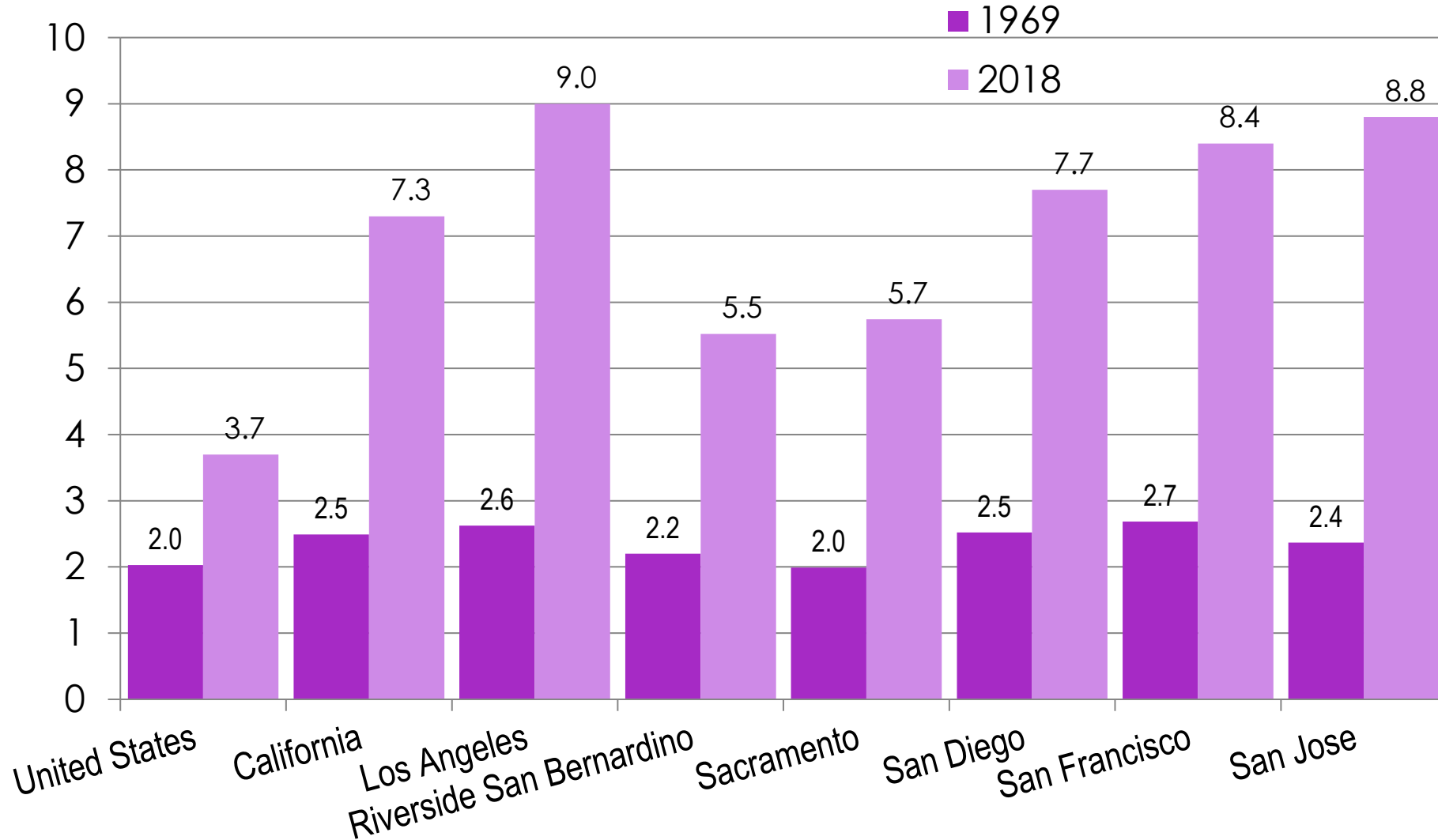
MIDDLE-INCOME HOUSING AFFORDABILITY: 1950-2019



Derived from Census Bureau, Harvard University and Demographia.

# Change in House Values v. Income

## MEDIAN MULTIPLE: 1969-2018

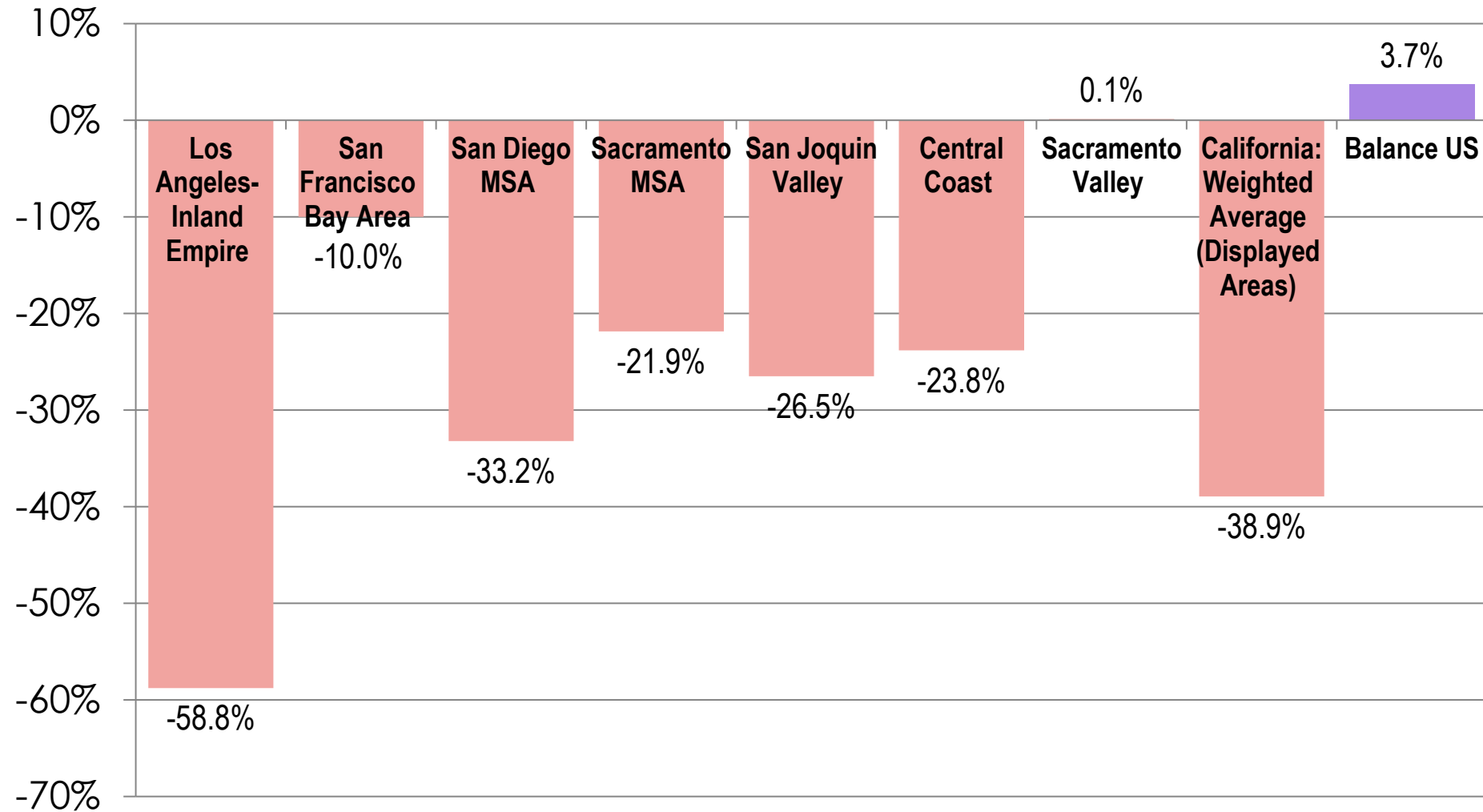


Derived from US Census, 1970 & American Community Survey, 2018.

**Figure 6**

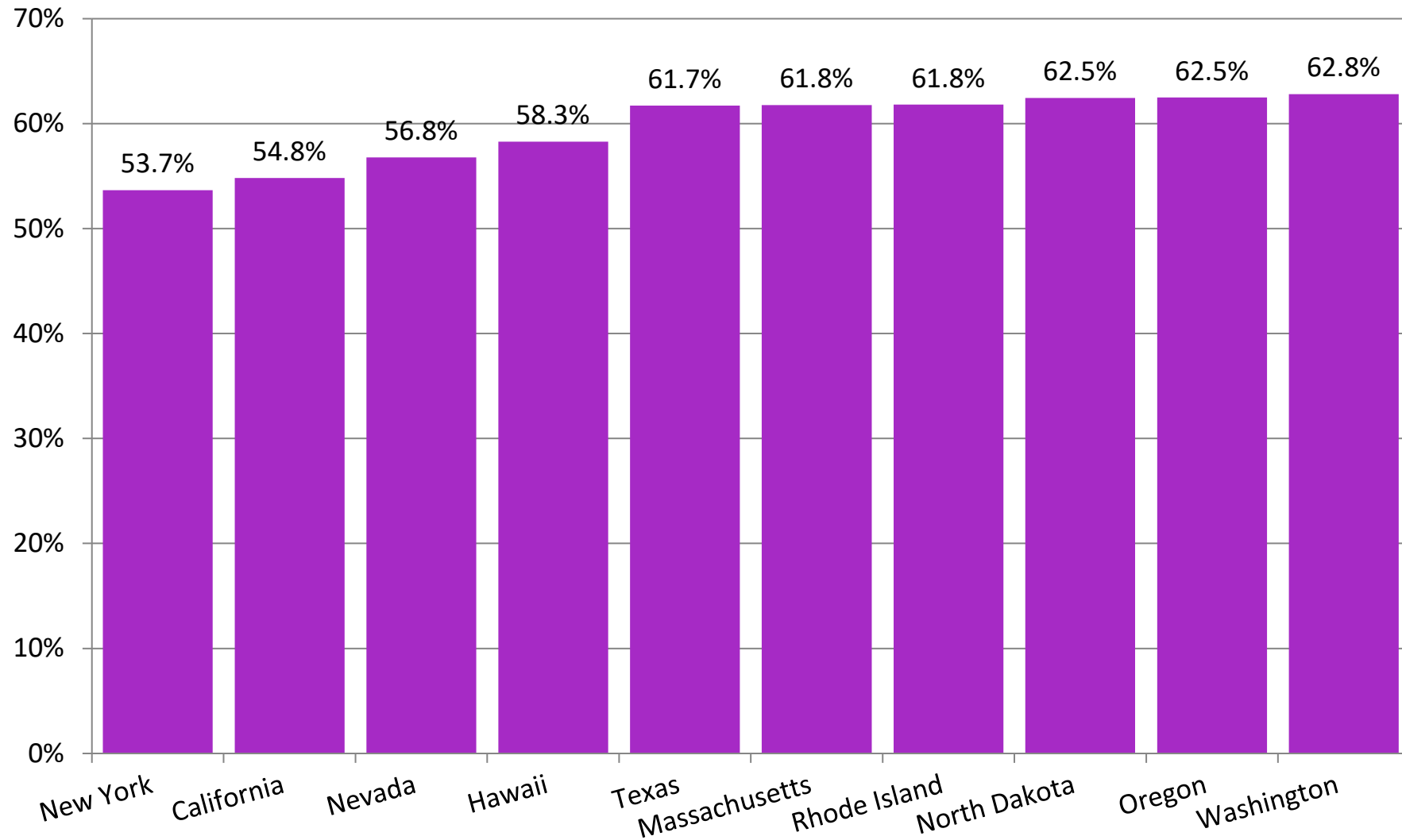
# Change In Percent of Population Able To Afford Median- Priced Home In 2018 Compared to 2000

## California Regions, Compared to U.S



Source: Derived from NAHB Wells Fargo Housing Opportunity Index

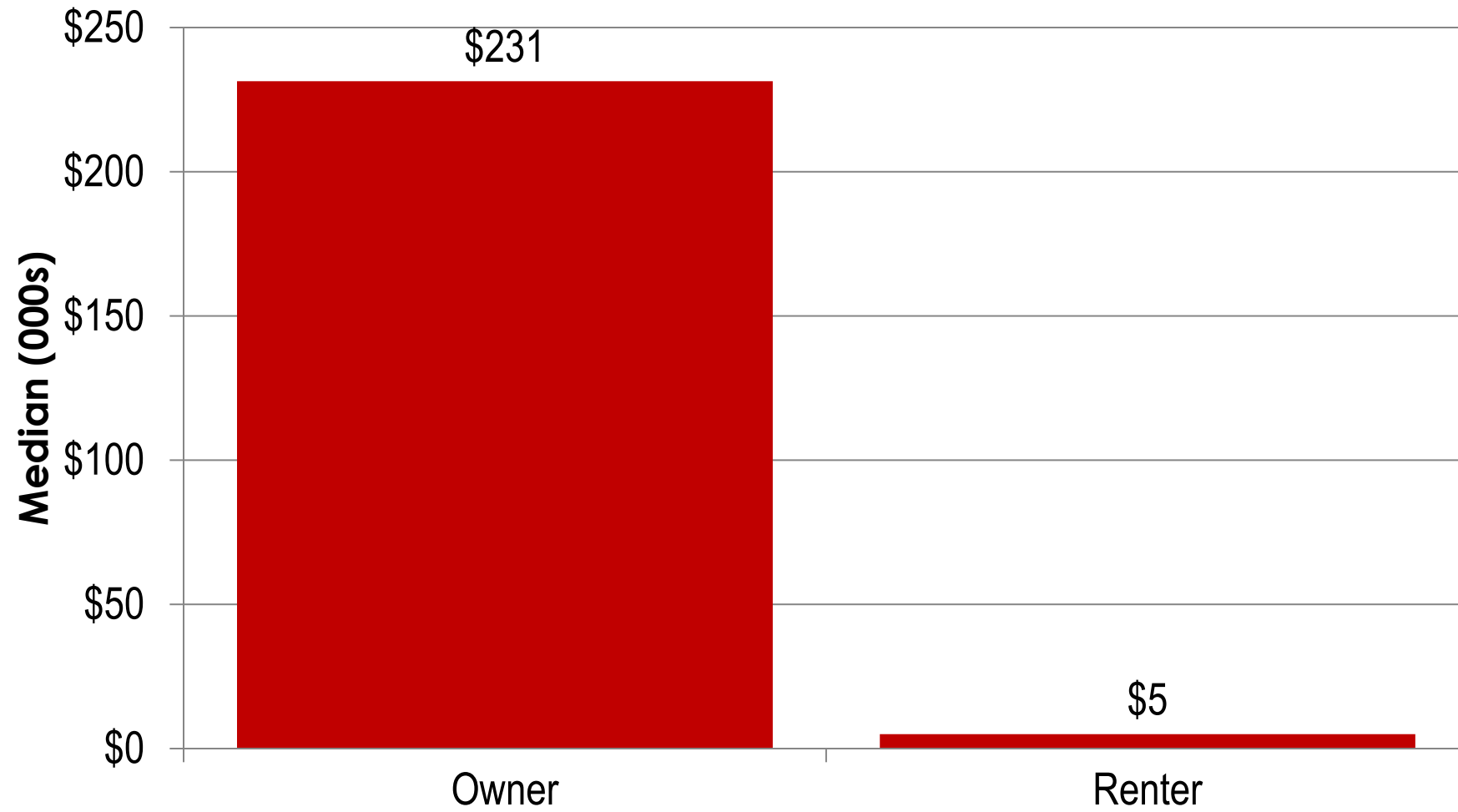
# Lowest Homeownership Rates By State - 2018



Source: American Community Survey, U.S. Census Bureau

# Household Net Worth by Housing Tenure

## 2016

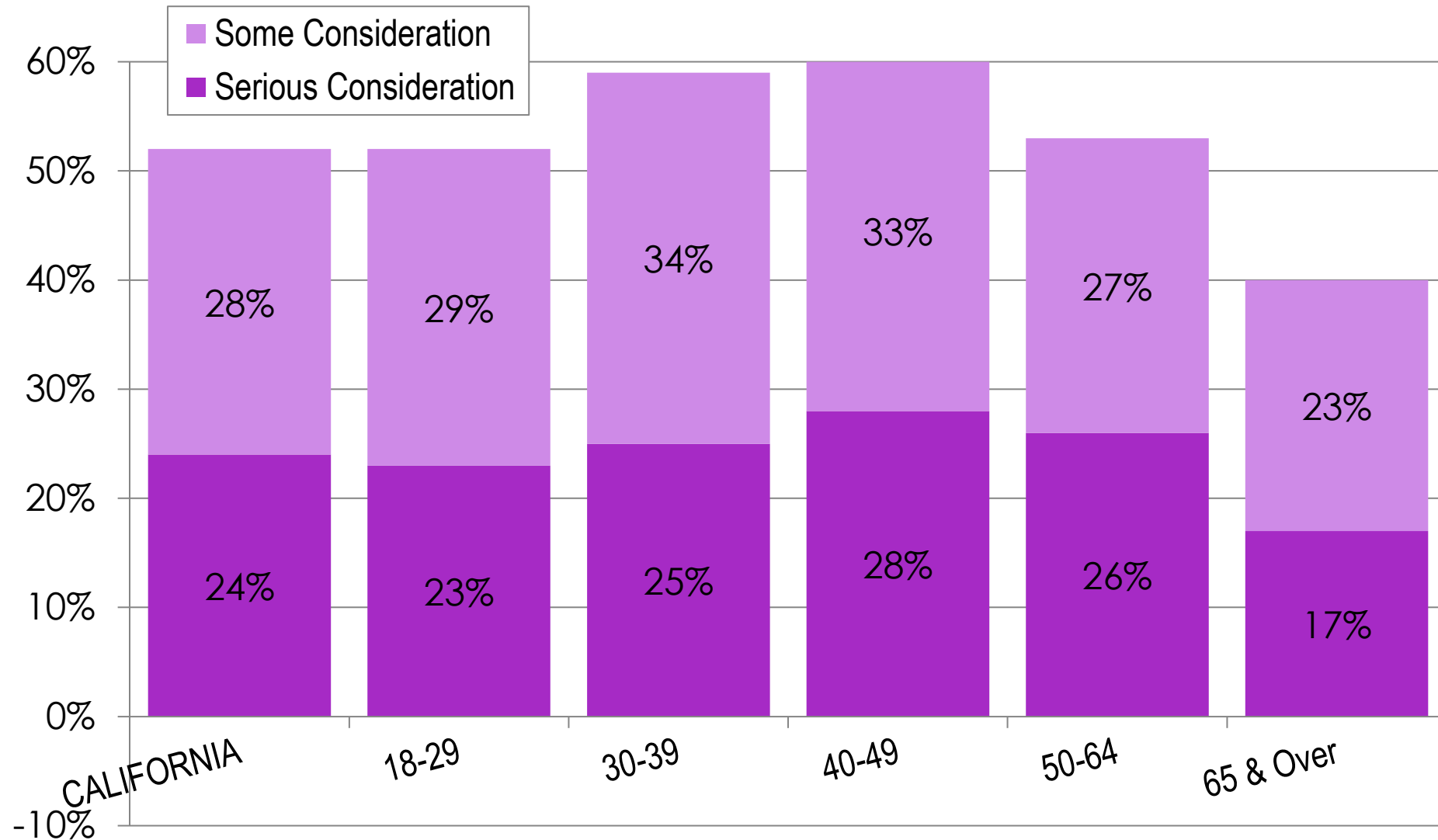


Source: Federal Reserve *Survey of Consumer Finances*

**Figure 9**

# Considering Moving Out of California?

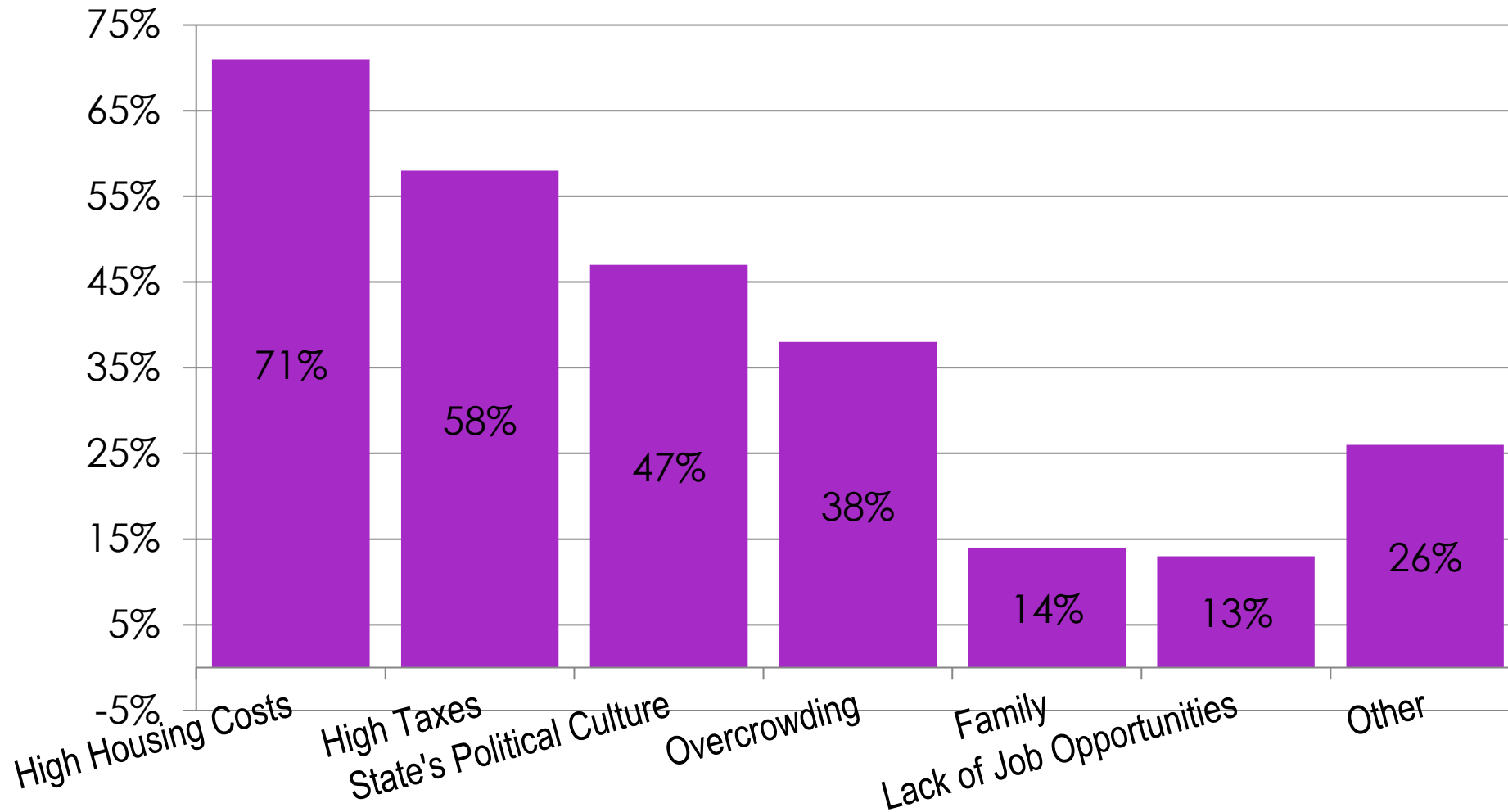
REGISTERED VOTERS BY AGE: SEPTEMBER 2019



Source: UC Berkeley IGS Poll

# Why do Californians Want to Leave?

## REGISTERED VOTERS BY ETHNICITY: SEPTEMBER 2019

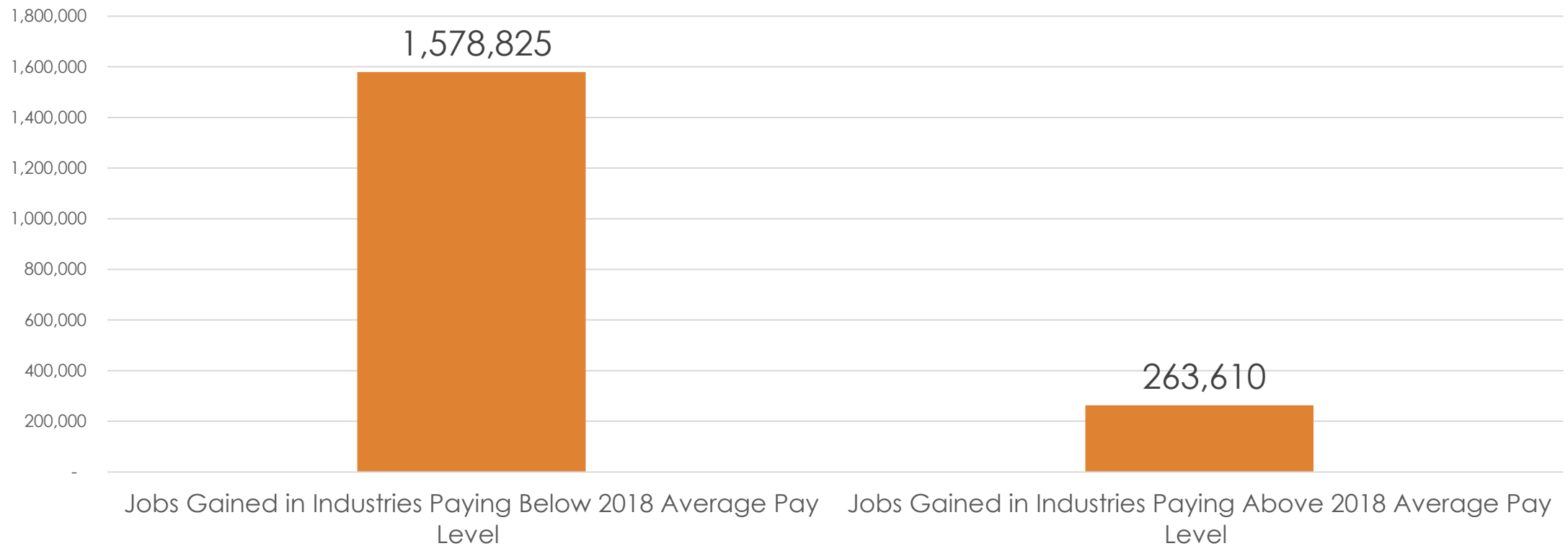


Source: UC Berkeley IPSOS Poll

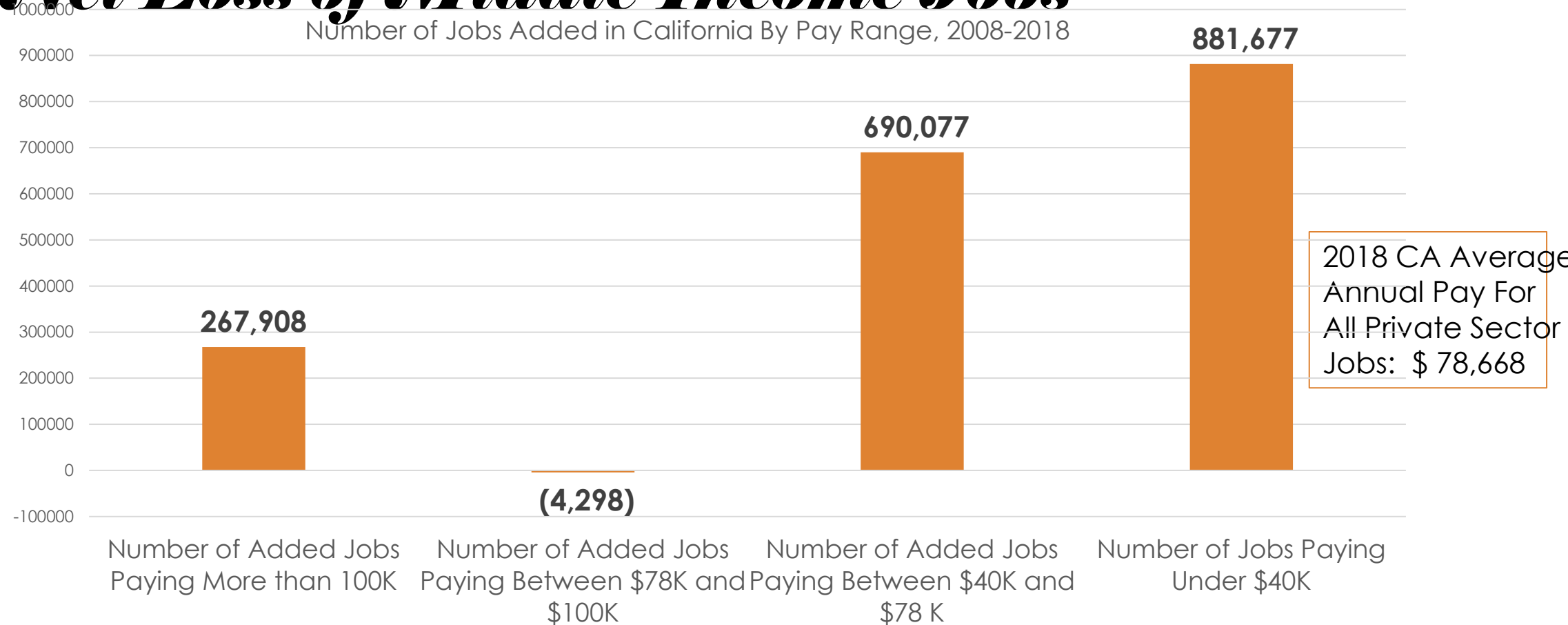
**Figure 11**

# ***In the Decade from 2008 to 2018 5 Times More Below-Average Paying Jobs Were Created Than Above Average Jobs In California***

California Jobs Created 2008-2018 Above and Below Average Annual Pay Level  
Source: U.S. Census

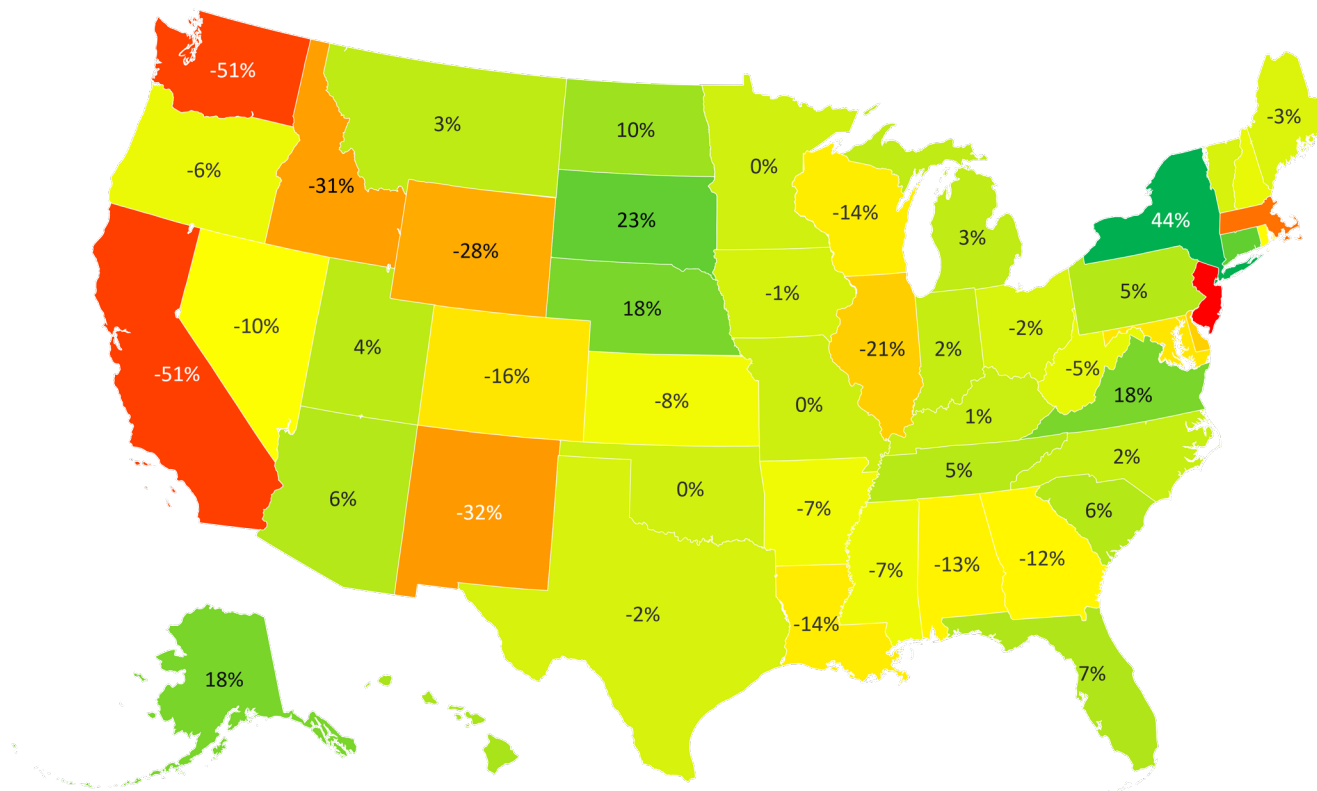


- *86% of the Jobs Added Were Under The Average Pay*
- *48% Pay Under \$40,000*
- *Net Loss of Middle-Income Jobs*



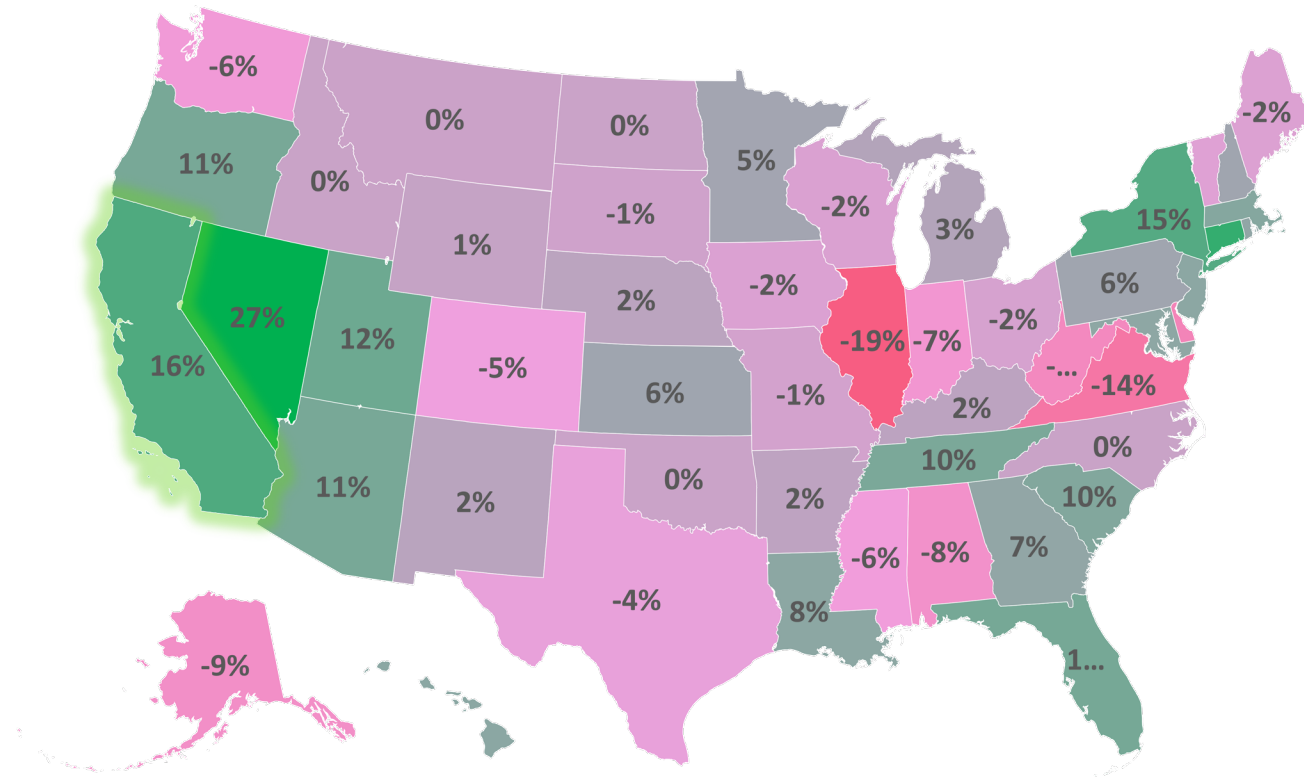
# ***Above Average Paying, Mid-Skilled Job Creation By State – Percent Change In Past Decade***

Percent Change in Above Average Wage, Mid-Skilled Private Sector Jobs By State  
2008-2018



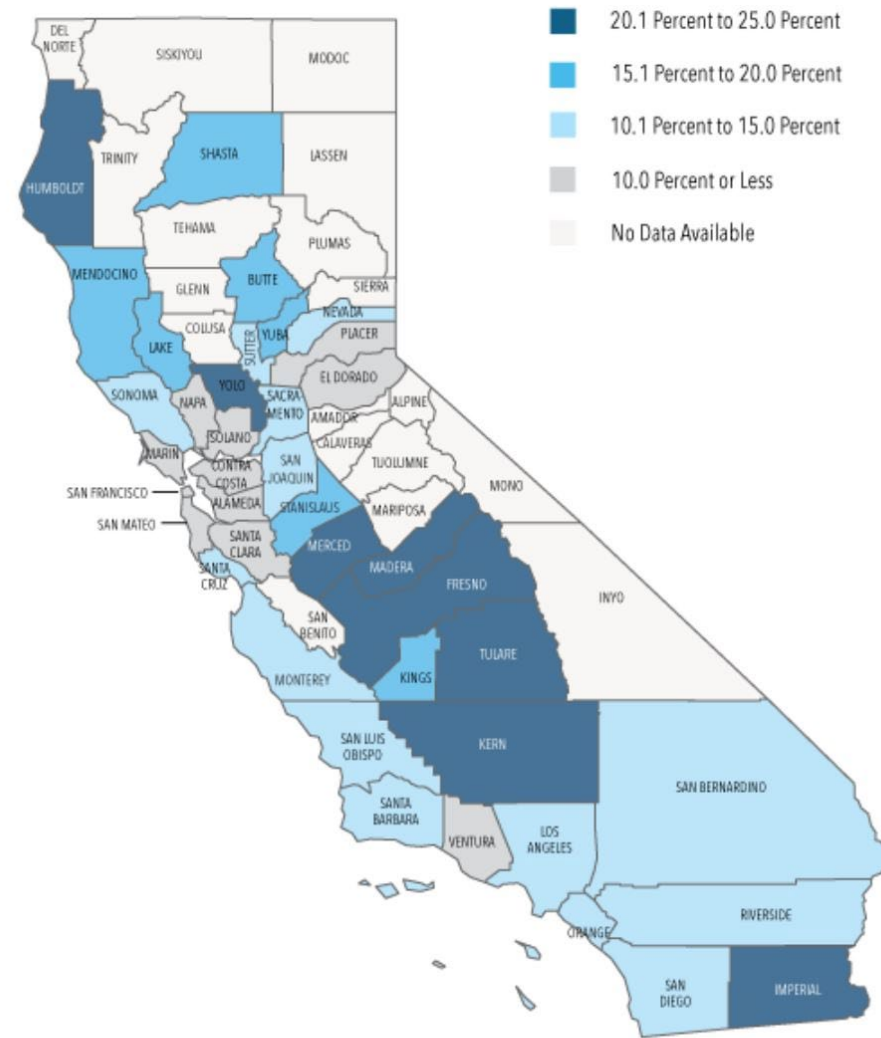
# *California Has Been Among The Leaders In Creating Low Paying (under \$40K) Jobs*

Percent Change In Low Paying Jobs by State  
2008-2018



## Poverty Rates Are High in Many California Counties

Percentage of People Living in Poverty in 2018 Based on the Official Poverty Measure



Note: Data are not available for 18 of California's 58 counties.  
Source: US Census Bureau, American Community Survey



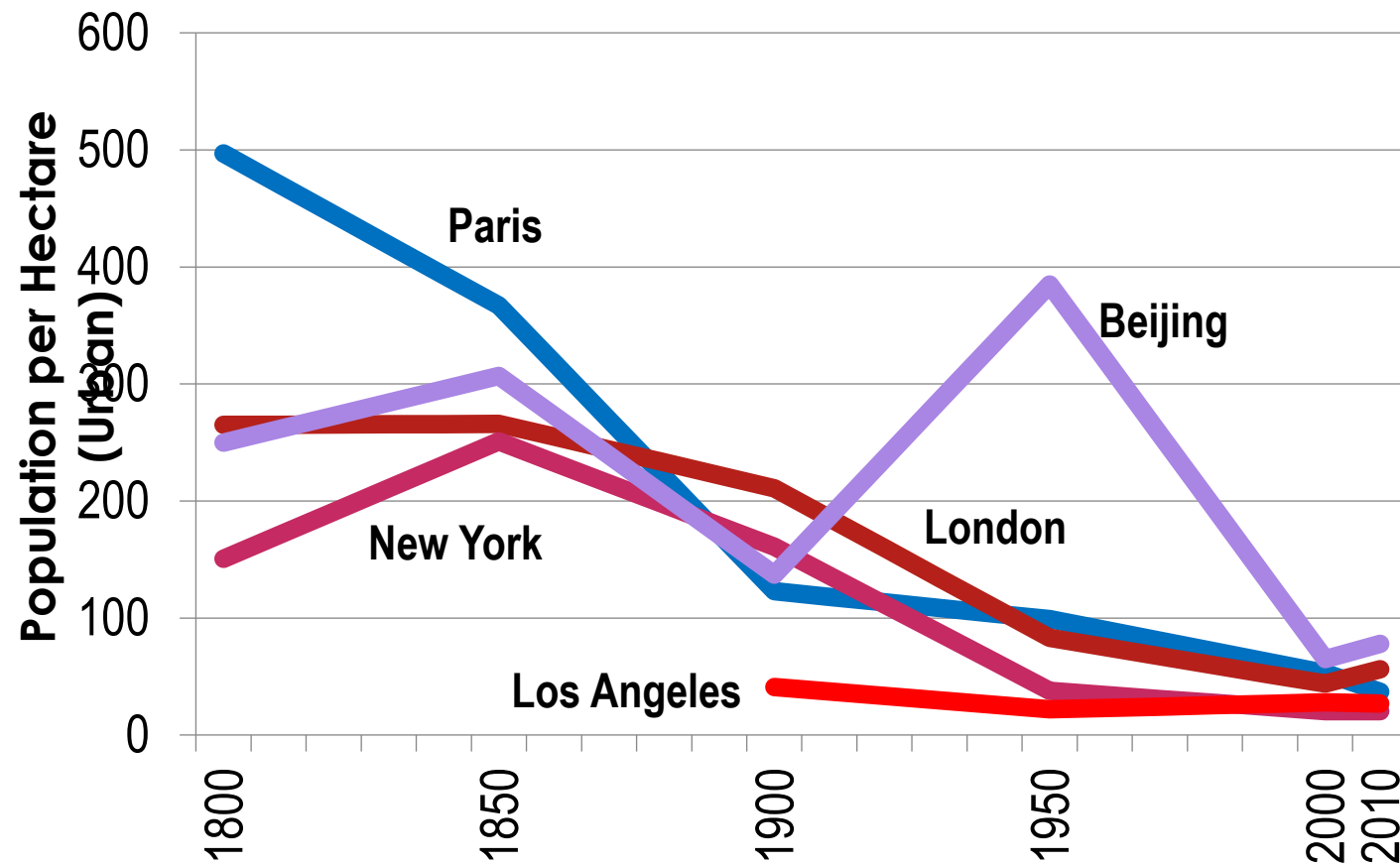
California Budget  
& Policy Center  
*Independent Analysis. Shared Prosperity.*

# ***The Big Shift is On***

- Large movement to suburbs and affordable cities
- Demographic factors
- Economic factors
- Social/environmental factors

# Urban Footprint Densities: 1800-2010

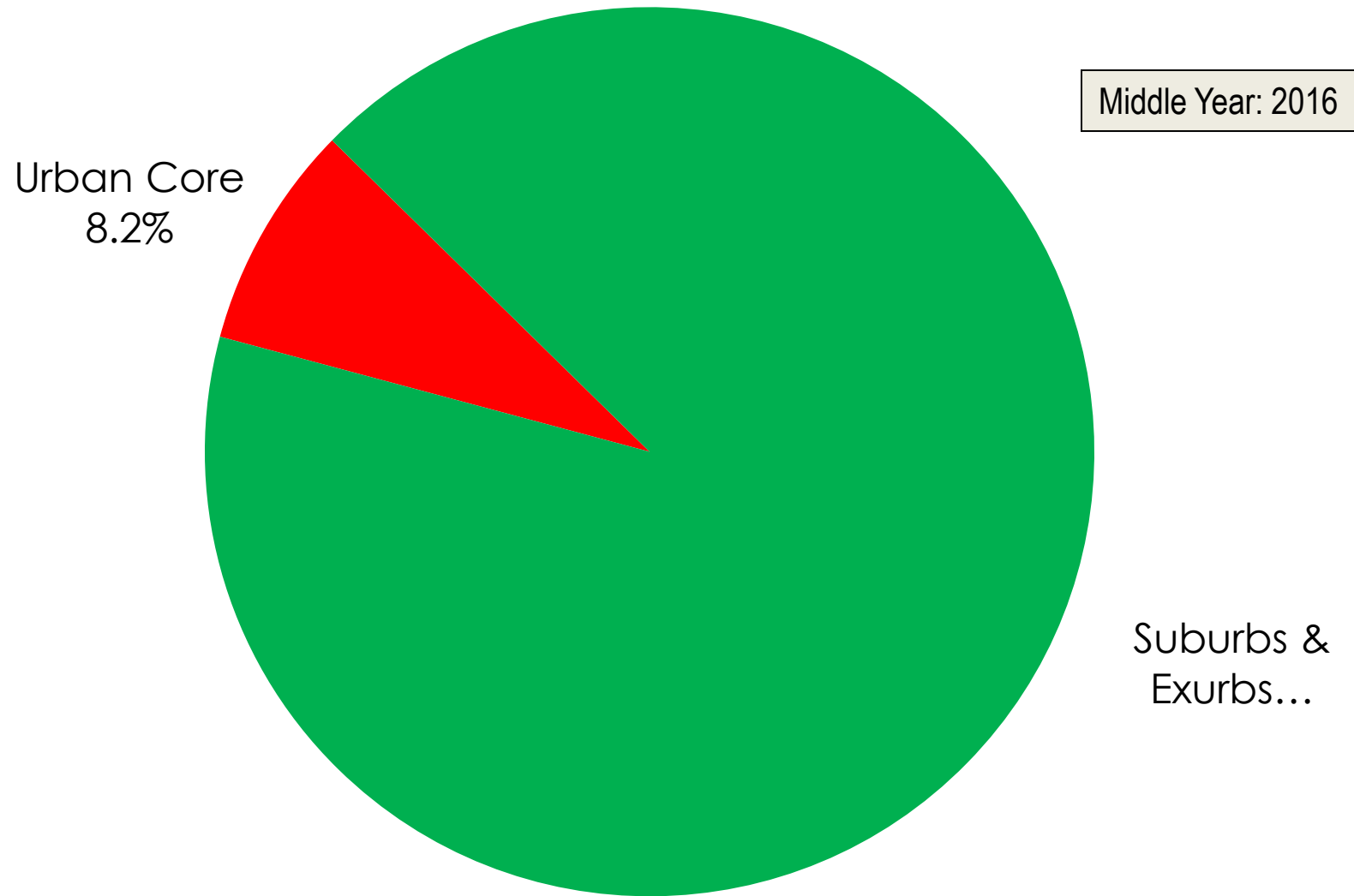
PARIS, LONDON, NEW YORK, BEIJING & LOS ANGELES



Angel et al and Demographia.

# Urban Core, Suburban & Exurban Growth

MAJOR METROPOLITAN AREAS: 2010 TO 2014/2018

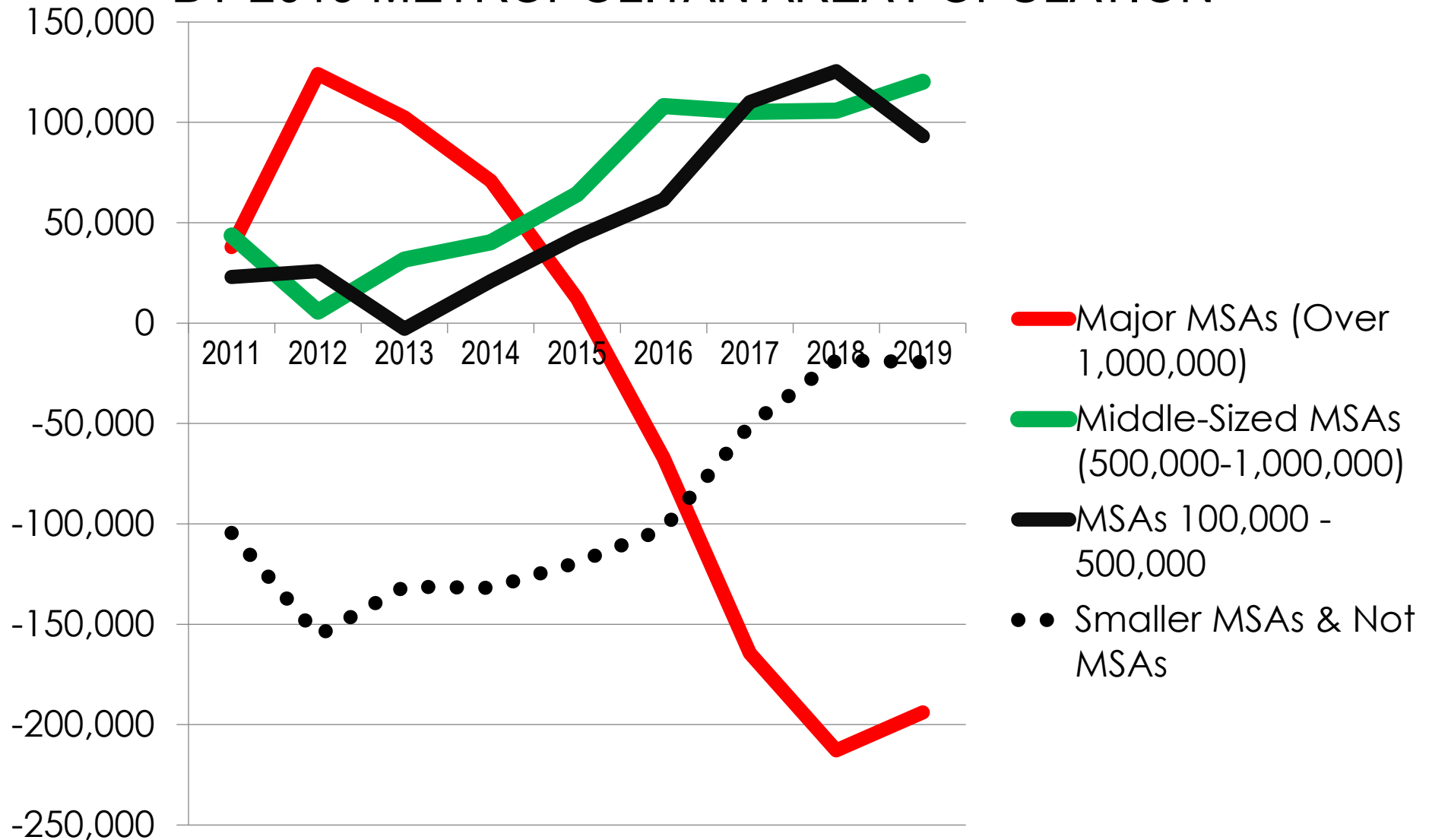


Derived from American Community Survey, 2014/2018 & City Sector Model

**Figure 19**

# Net Domestic Migration 2010-2019

## BY 2019 METROPOLITAN AREA POPULATION

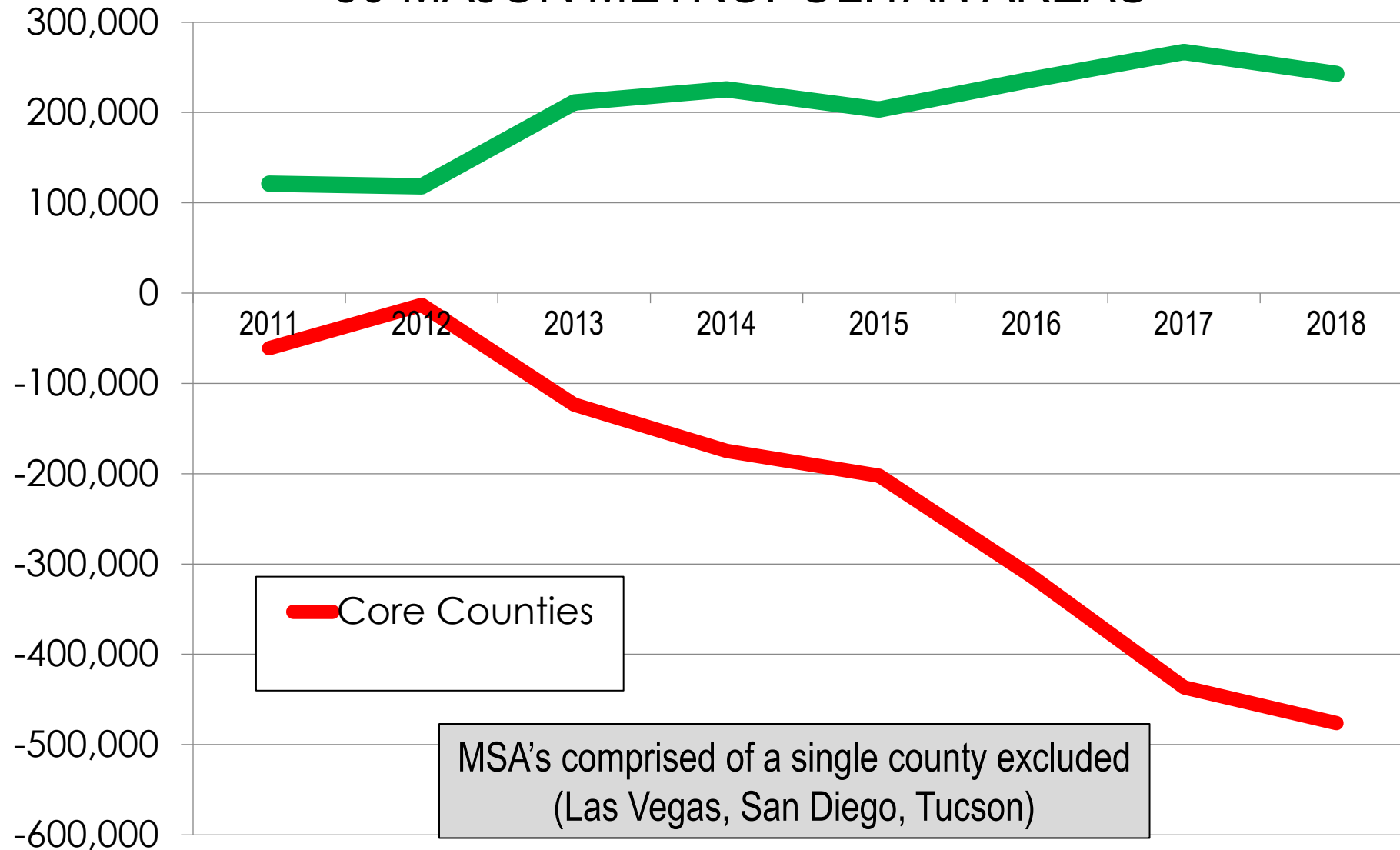


Derived from Census Bureau data

**Figure 20**

# Net Domestic Migration: Core & Suburbs

## 50 MAJOR METROPOLITAN AREAS

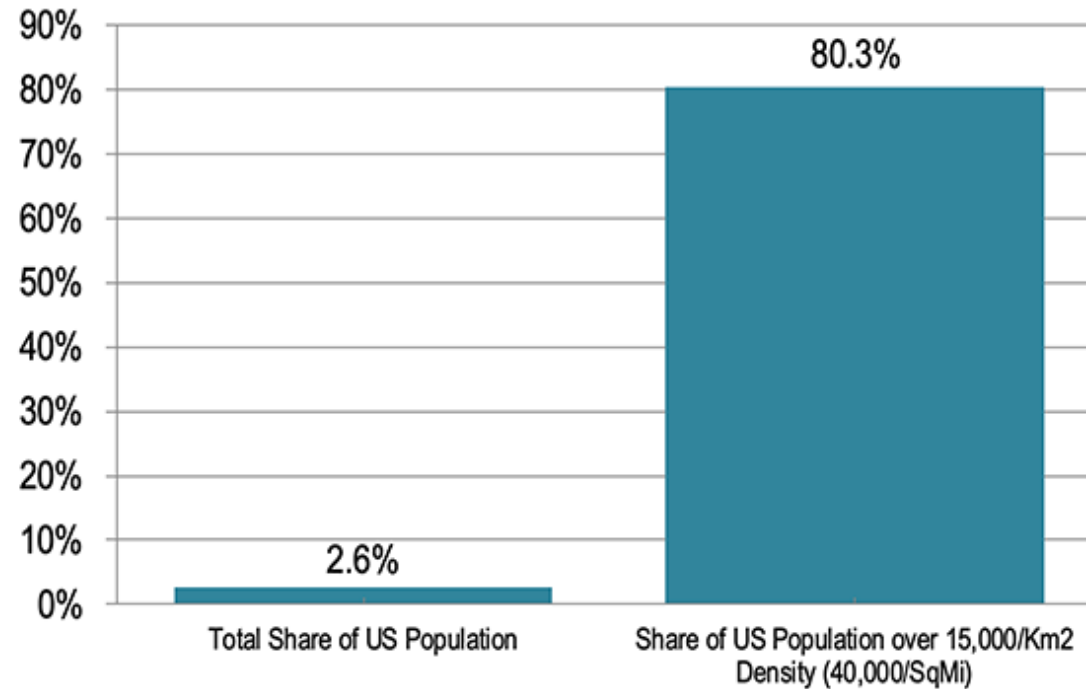


Derived from Census Bureau data

**Figure 21**

# *Center of Covid as well*

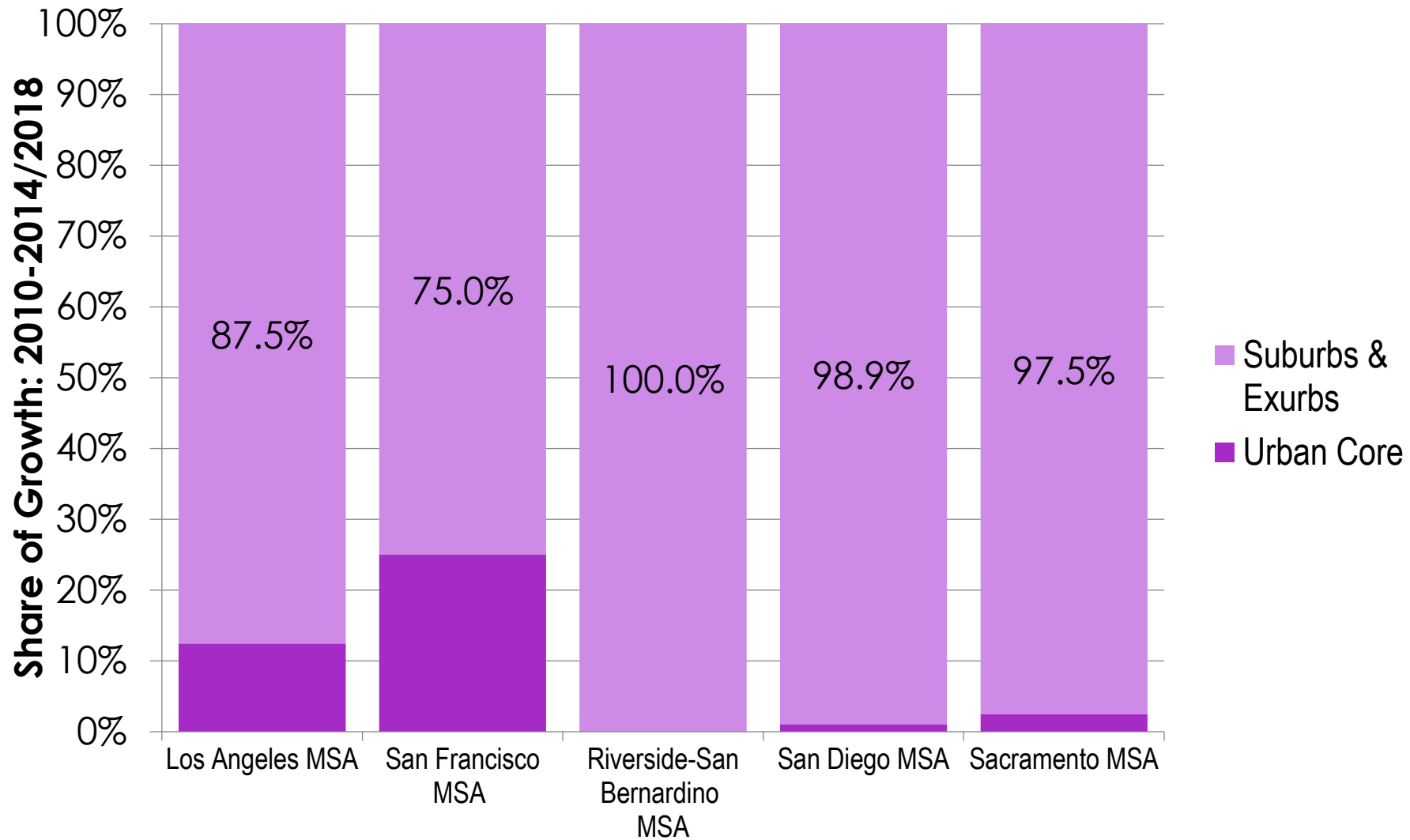
New York City: Share of US Population  
OVERALL AND HIGH DENSITY: 2010



Derived from Census Bureau data

# Suburb/Exurb & Urban Core Growth

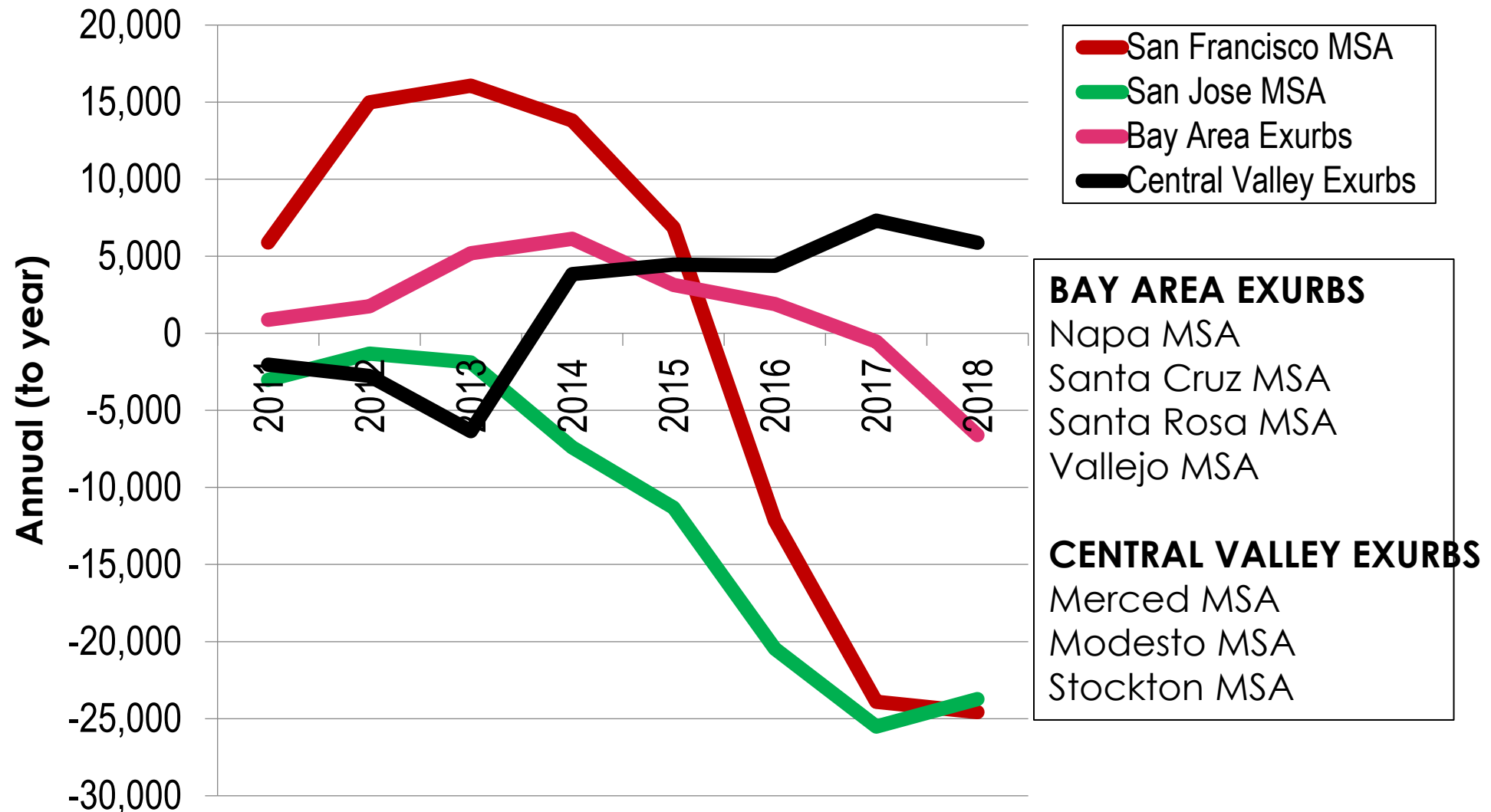
## CALIFORNIA METROPOLITAN AREAS: 2010 TO 2014/2018



Derived from American Community Survey & City Sector Model

# Bay Area CSA: Domestic Migration by MSA

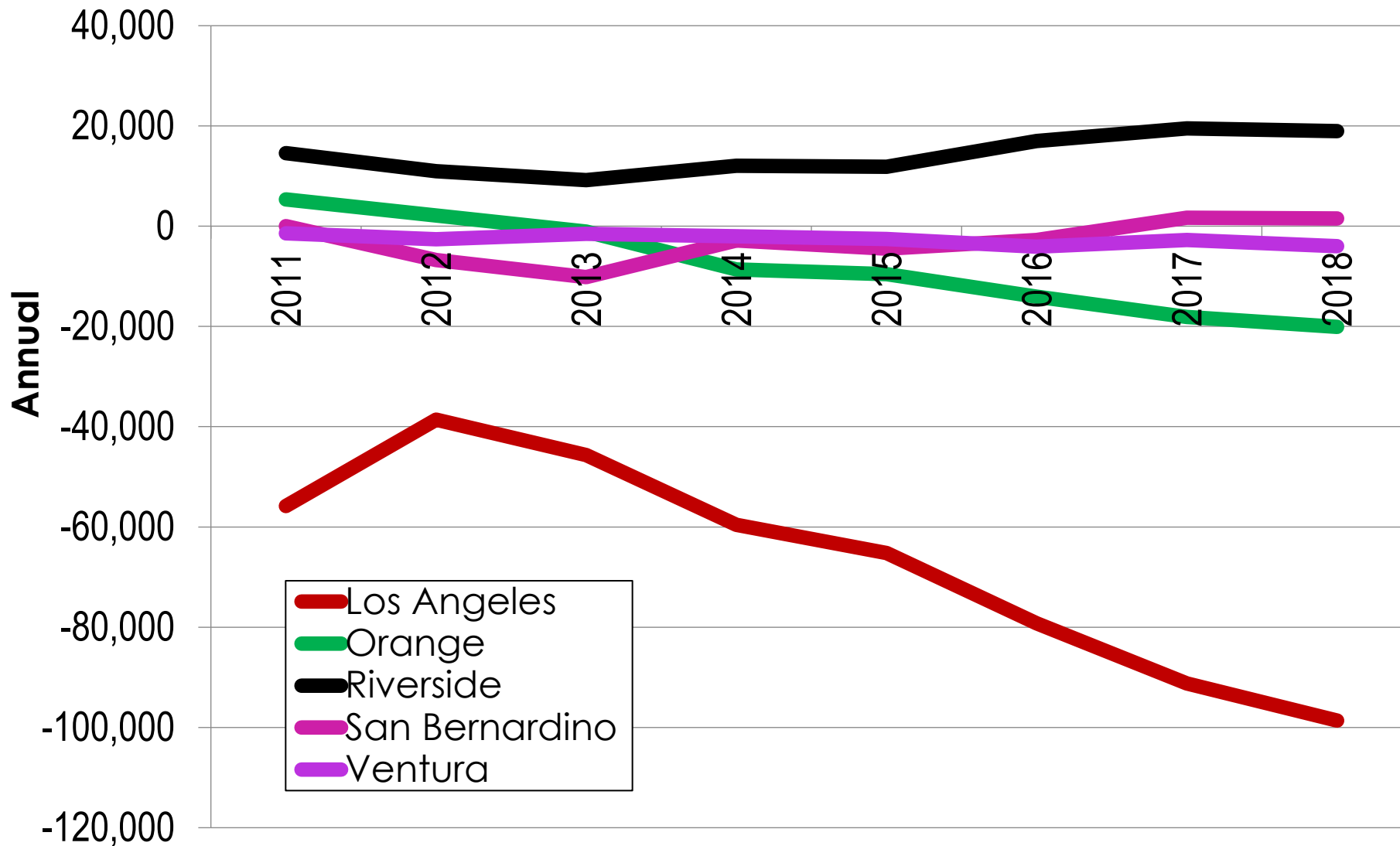
## 2010 TO 2018



Derived from Census Bureau Population Estimates 2018

# Domestic Migration: Los Angeles CSA

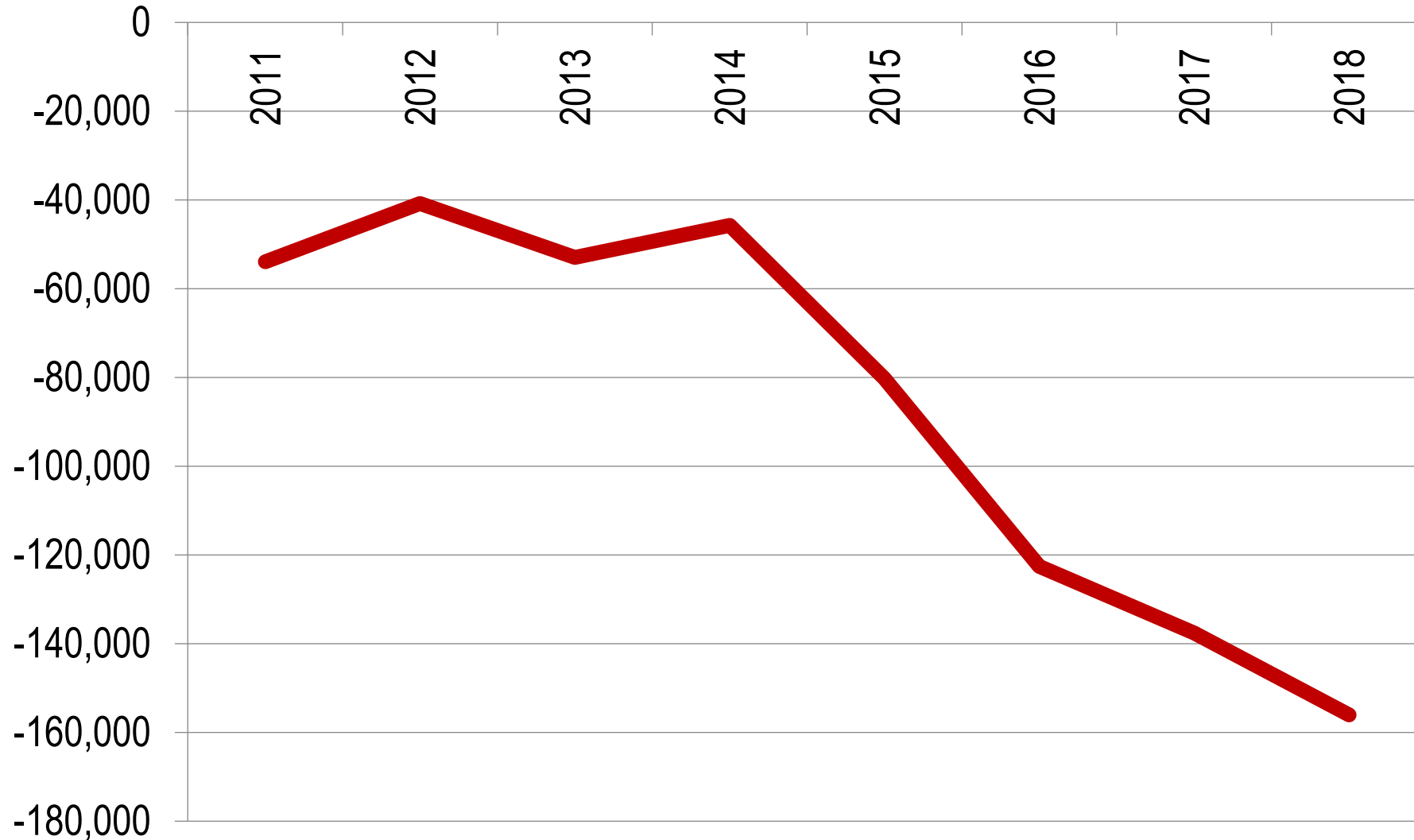
## 2010 TO 2018



Derived from Census Bureau Population Estimates 2018

# Net Domestic Migration: California

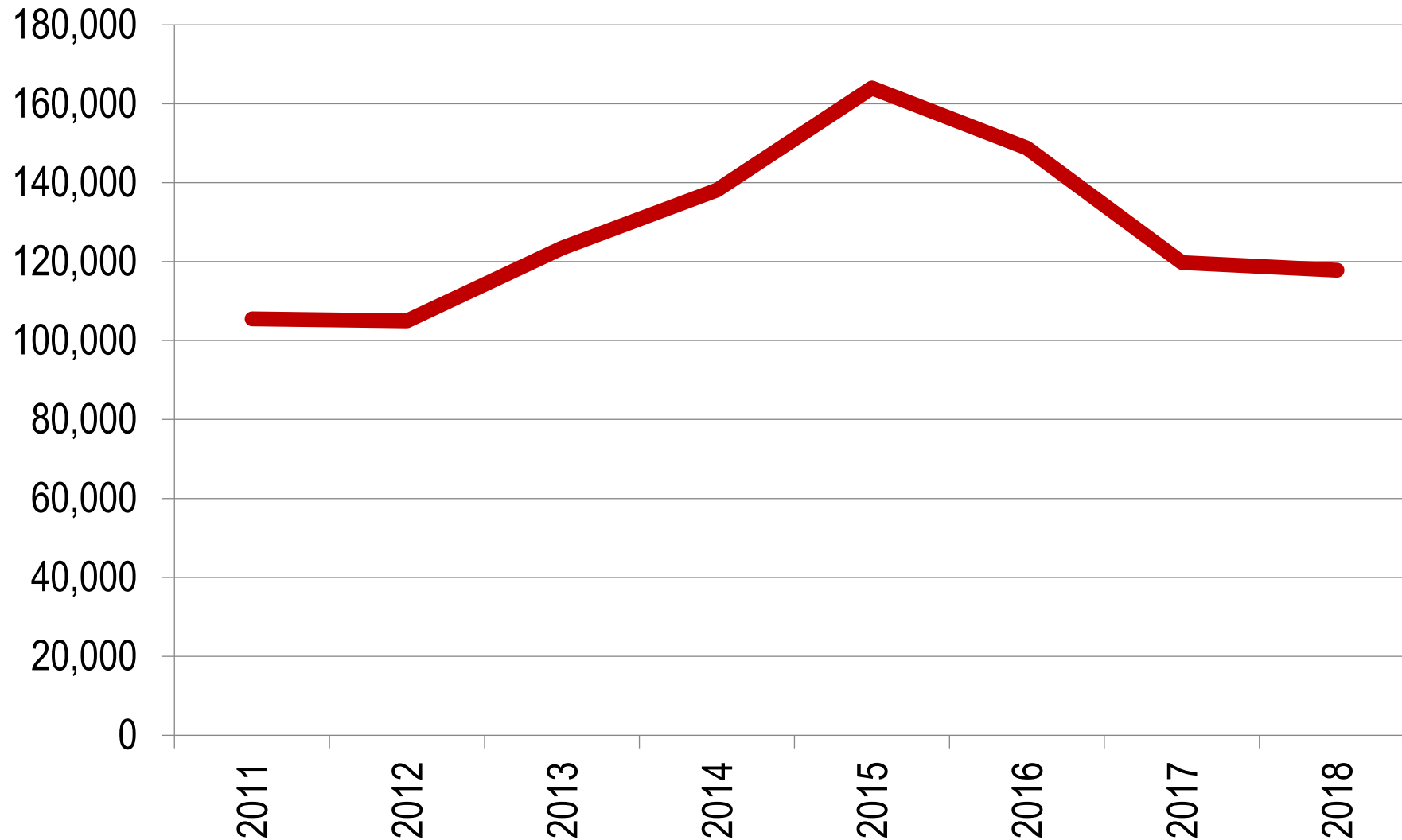
## 2010 TO 2018



Derived from Census Bureau Population Estimates 2018

# International Migration: California

## 2010 TO 2018

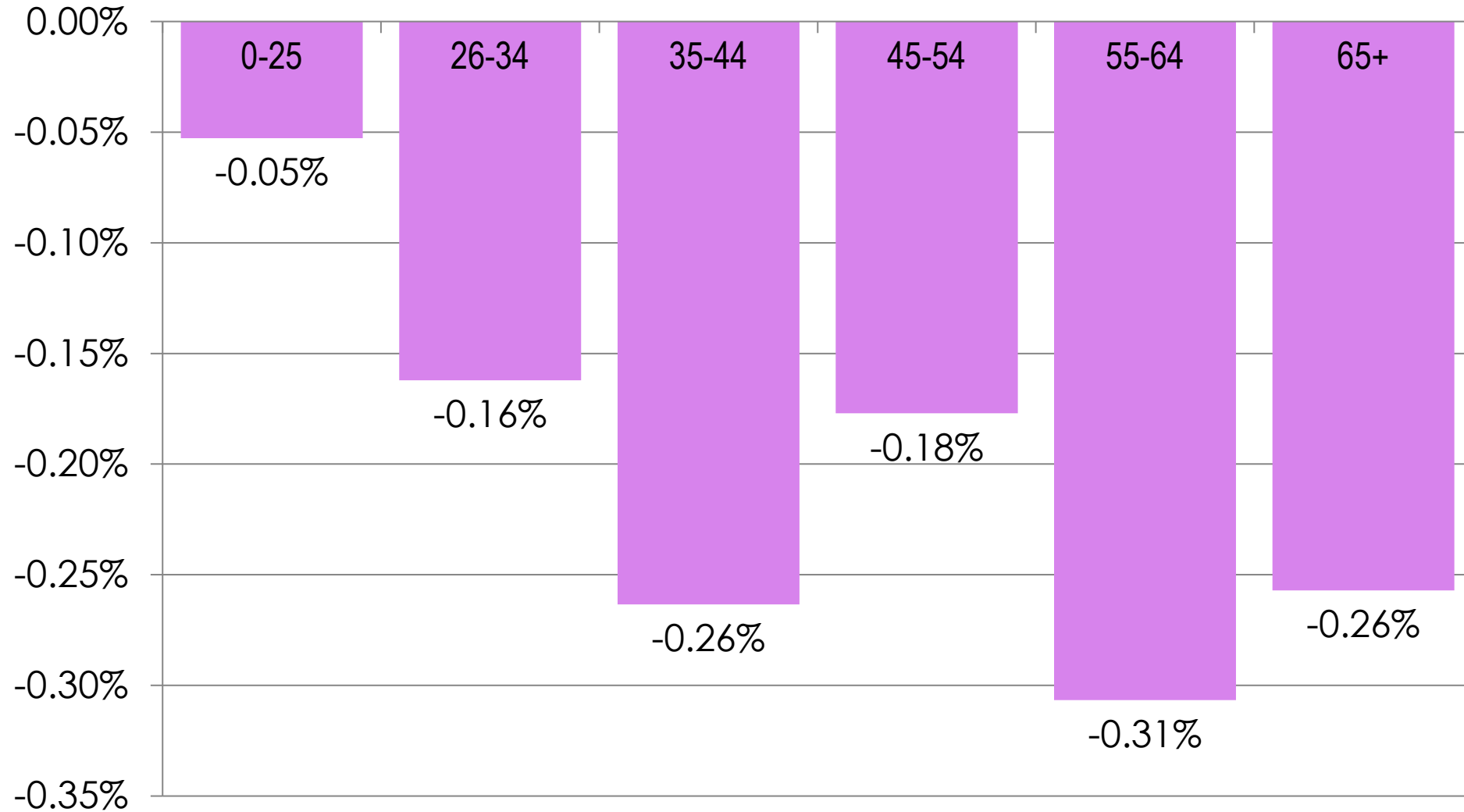


Derived from Census Bureau Population Estimates 2018

**Figure 27**

# California Net Domestic Migration by Age

ANNUAL RATE: 2014-2016

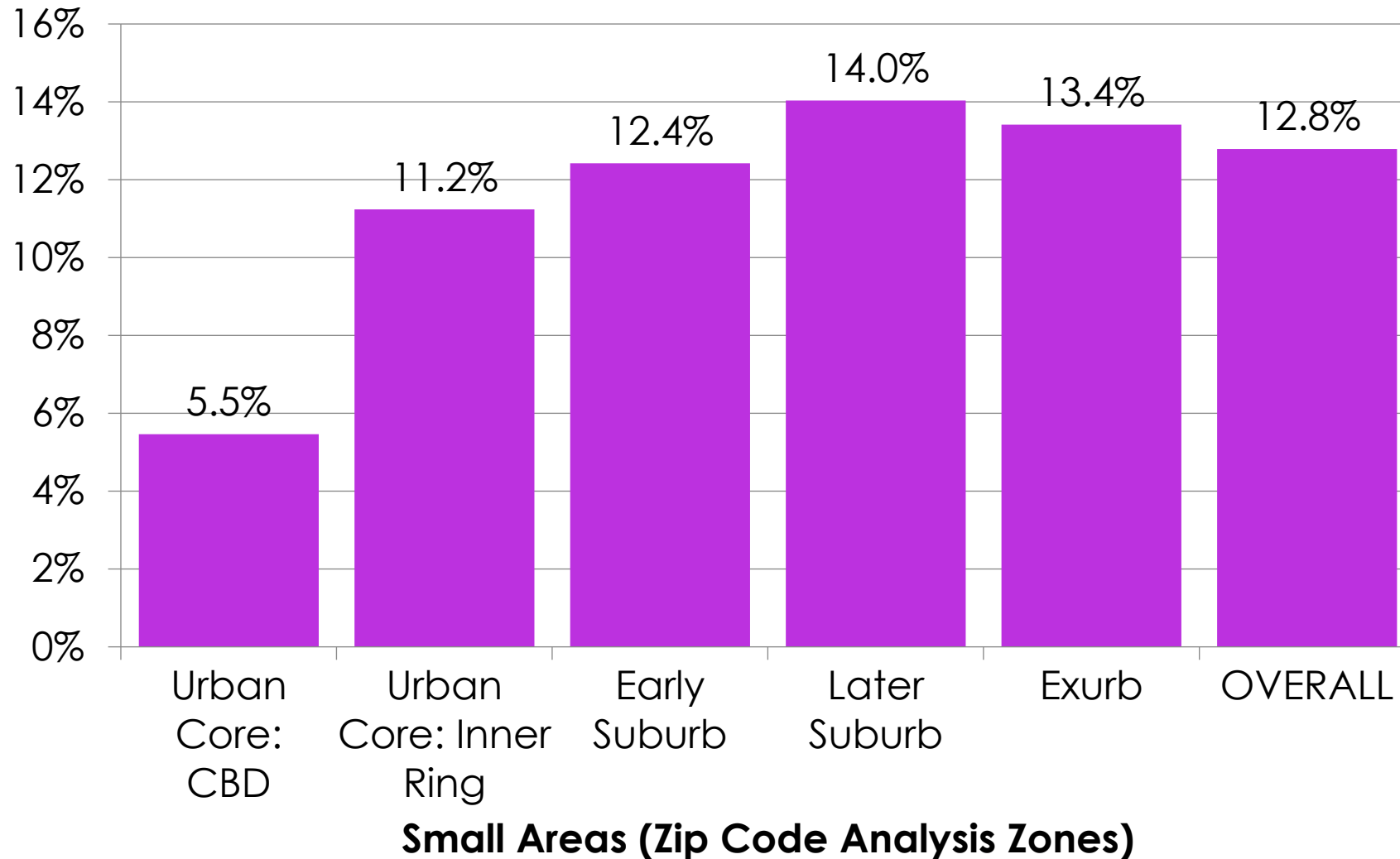


Derived from IRS data (Latest at 2019.11)

**Figure 28**

# Age 5-14 Population % by Urban Sector

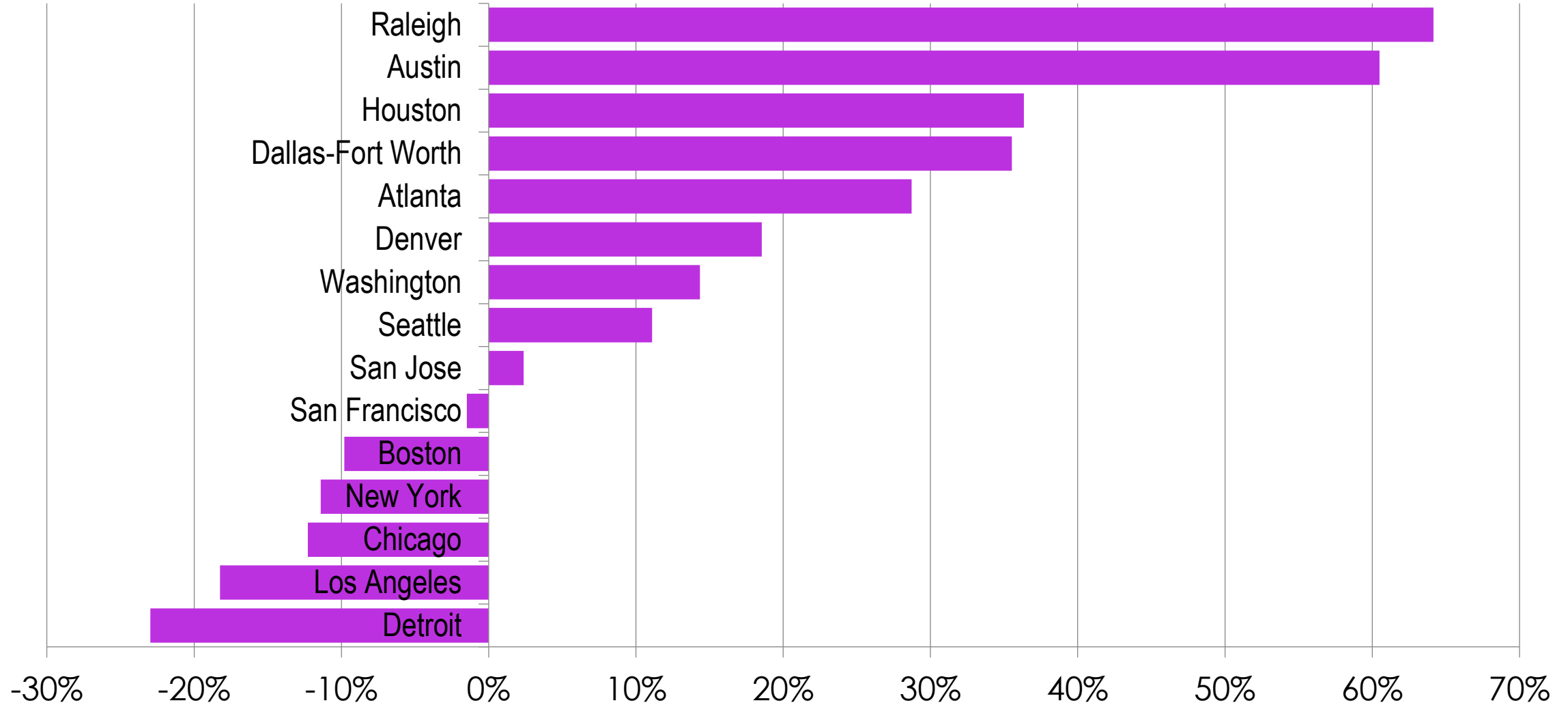
53 MAJOR METROPOLITAN AREAS: 2014-2018 (AVERAGE YEAR: 2016)



Derived from American Community Survey: 2014-2018.

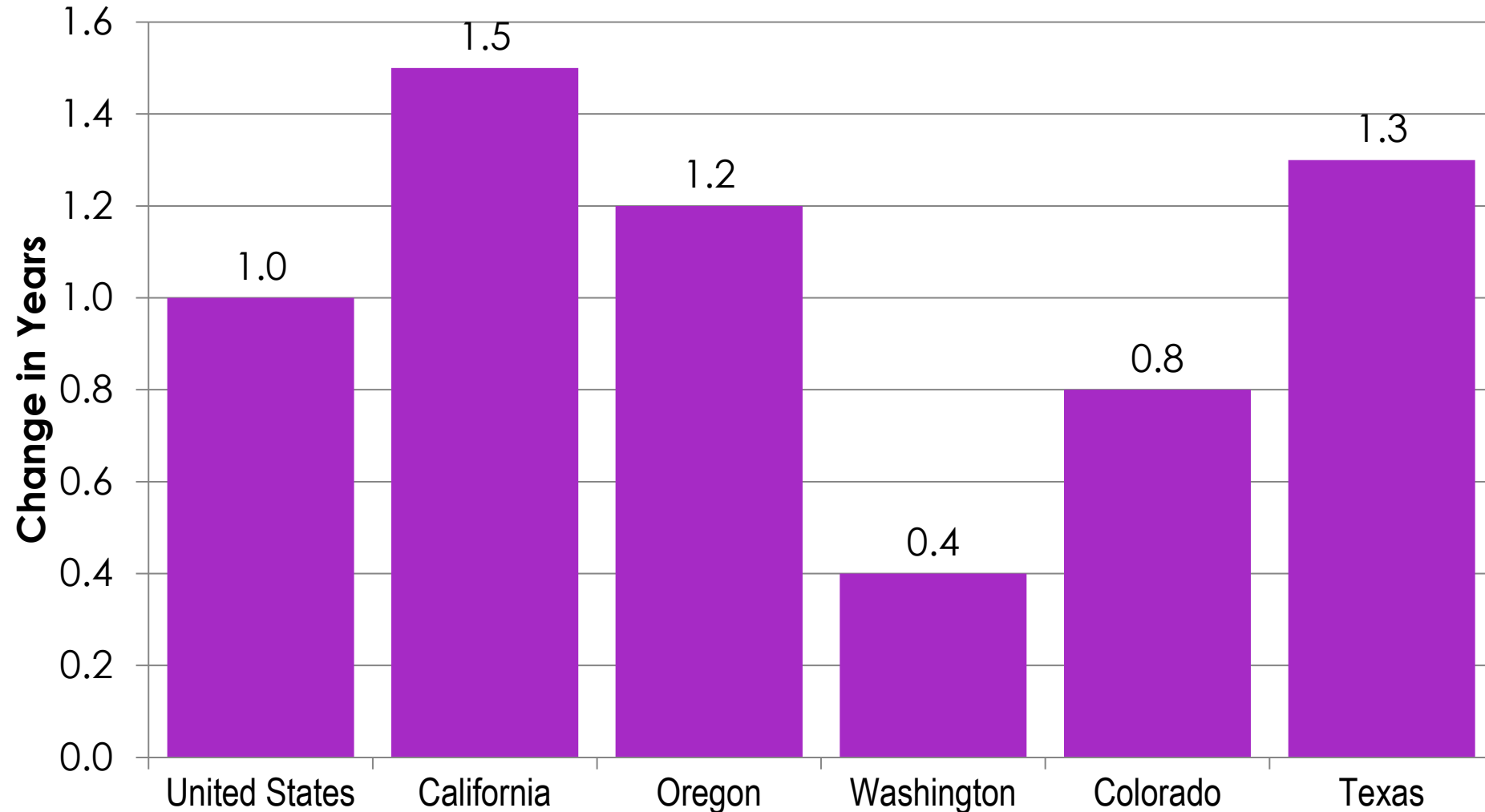
# Change in Child Population (5-14)

## SELECTED METROPOLITAN AREAS: 2000-2018




# Change: California Median Age: 2010-18

## COMPARED TO HIGH DOMESTIC MIGRATION STATES & U.S.



Derived from 2010 Census & American Community Survey 2018

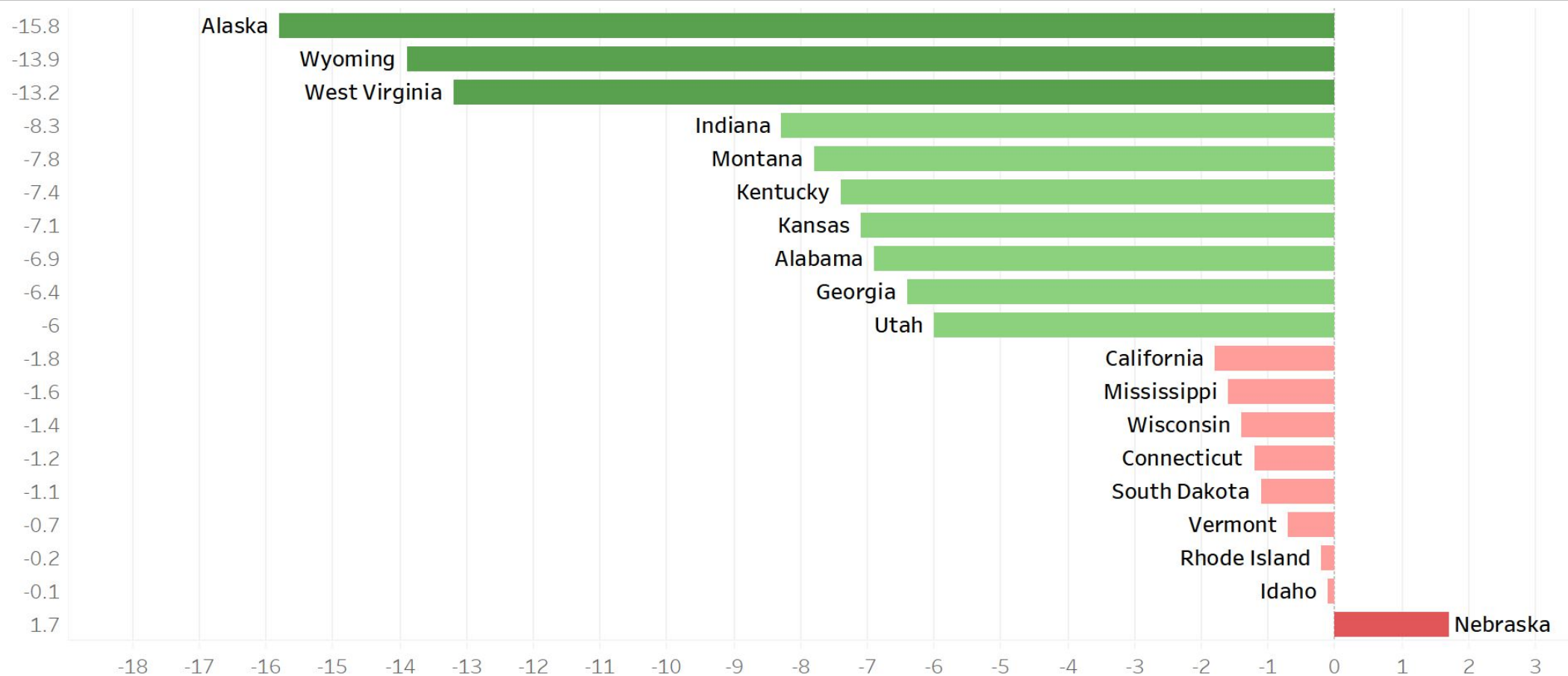
**Figure 31**

The background image is a detailed landscape painting. In the foreground, a person in a dark, hooded cloak stands on a dark, rocky outcrop on the left, looking out over a vast valley. A small waterfall is visible on the cliff edge. In the middle ground, a large, white, walled village or fortress sits atop a prominent, rounded hill. The village has many spires and towers. A winding road or path leads up to the village. The surrounding landscape is a mix of green fields and yellowish-brown patches, possibly representing different types of land use or vegetation. In the background, there are majestic, snow-capped mountains under a cloudy sky. Two birds are seen flying in the upper right portion of the sky.

## ***The Future lies in the Archipelago of Villages: Towards “Smart Sprawl”***

- Housing near jobs
- Emphasis on families but with big appeal to seniors (grandparents)
- Strong role for village shopping streets and markets
- Provision of open space around the village core and housing estates-
- Solving the problem of “sprawl” within the Sprawl

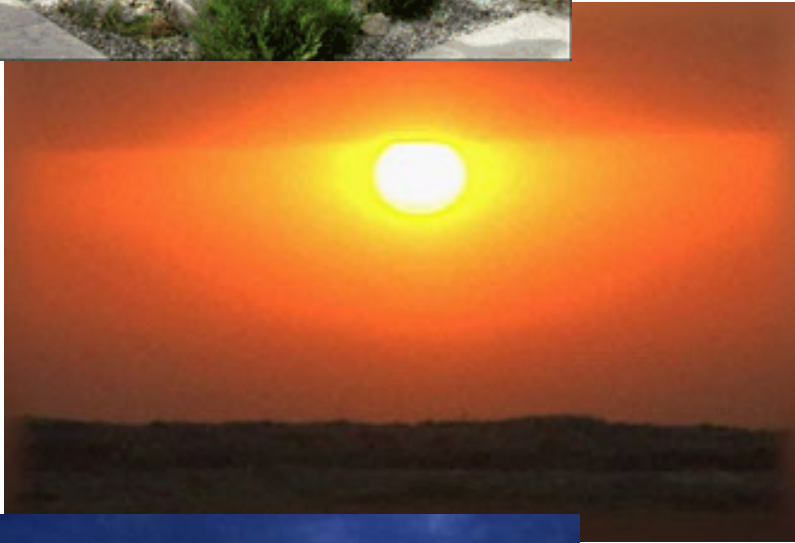
## Per Capita Percent Carbon Dioxide Emissions Change, 2007-2015 - Top and Bottom 10 States:



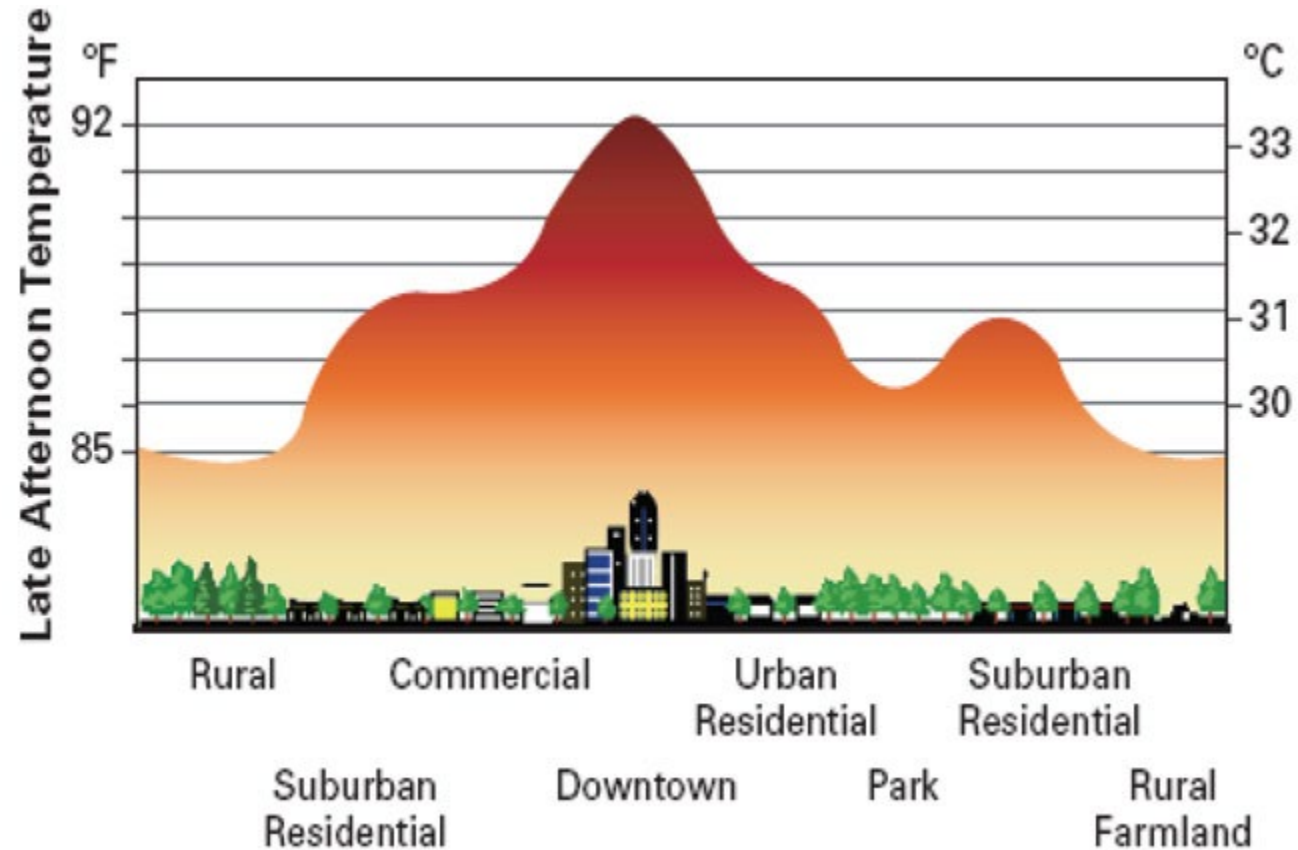


## *Rethinking **Density on Environmental Grounds***

- Low/mid-density using proper design and landscaping may use less water and energy
- Reducing “heat islands” — overdense development in London and Los Angeles can lead to urban centers being 3°C higher than outlying areas
- Learning from mideastern ancient cities like Shiraz in how to design largely low-rise housing to maximize natural cooling and reduce evaporation
- New Technology allows for dispersion to a more sustainable community

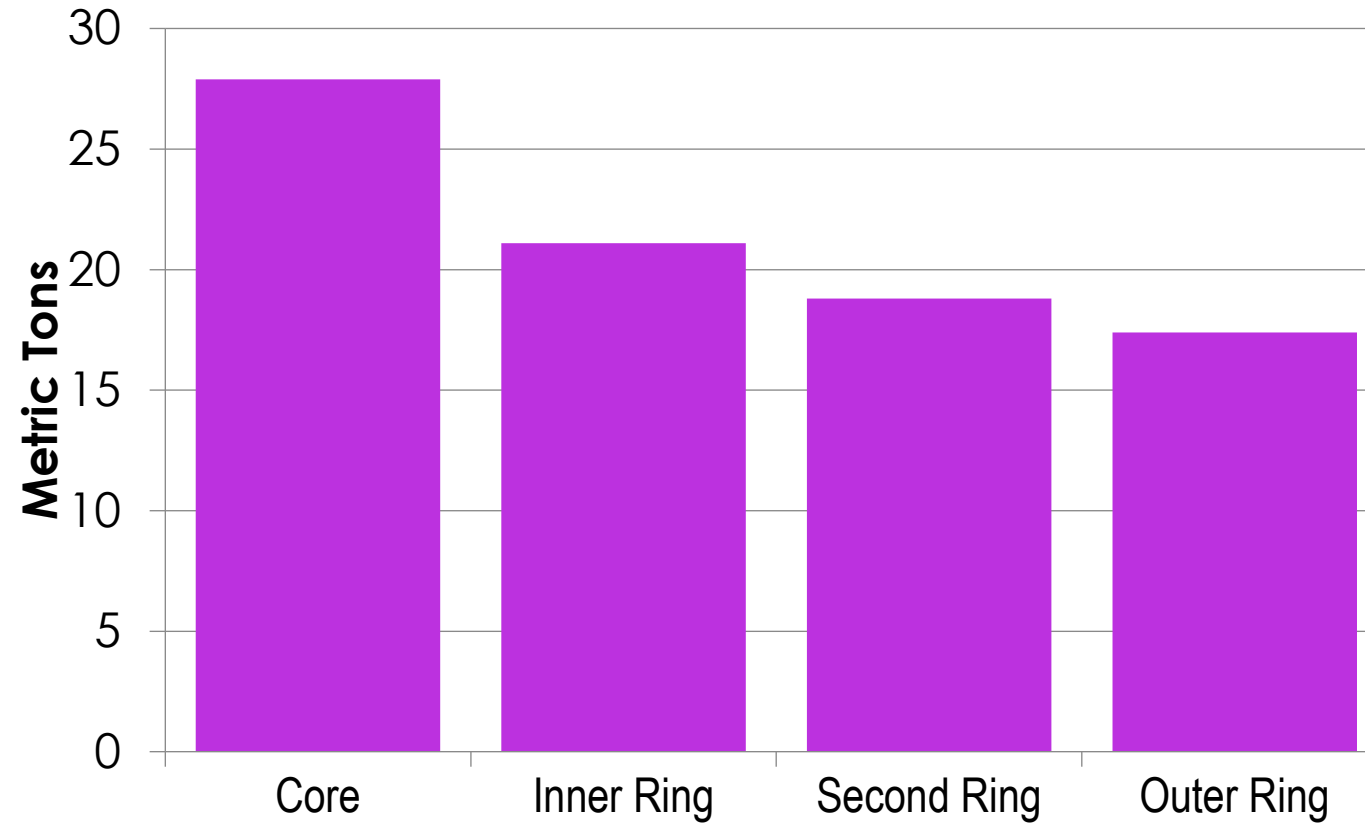


# ***Forgotten Factor: Urban Heat Island***



# CO2 Emissions per Capita: By Sector

## AUSTRALIA 5 LARGE CAPITAL URBAN AREAS



Source: *Housing Form in Australia and Its Impact on Greenhouse Gas Emissions*

# *Telecommuting: A Big Part of the Urban Future*

## Trends in Remote Work Growth



44%

= Growth in **remote work**  
over the last 5 yrs



91%

= Growth in **remote work**  
over the last 10 yrs



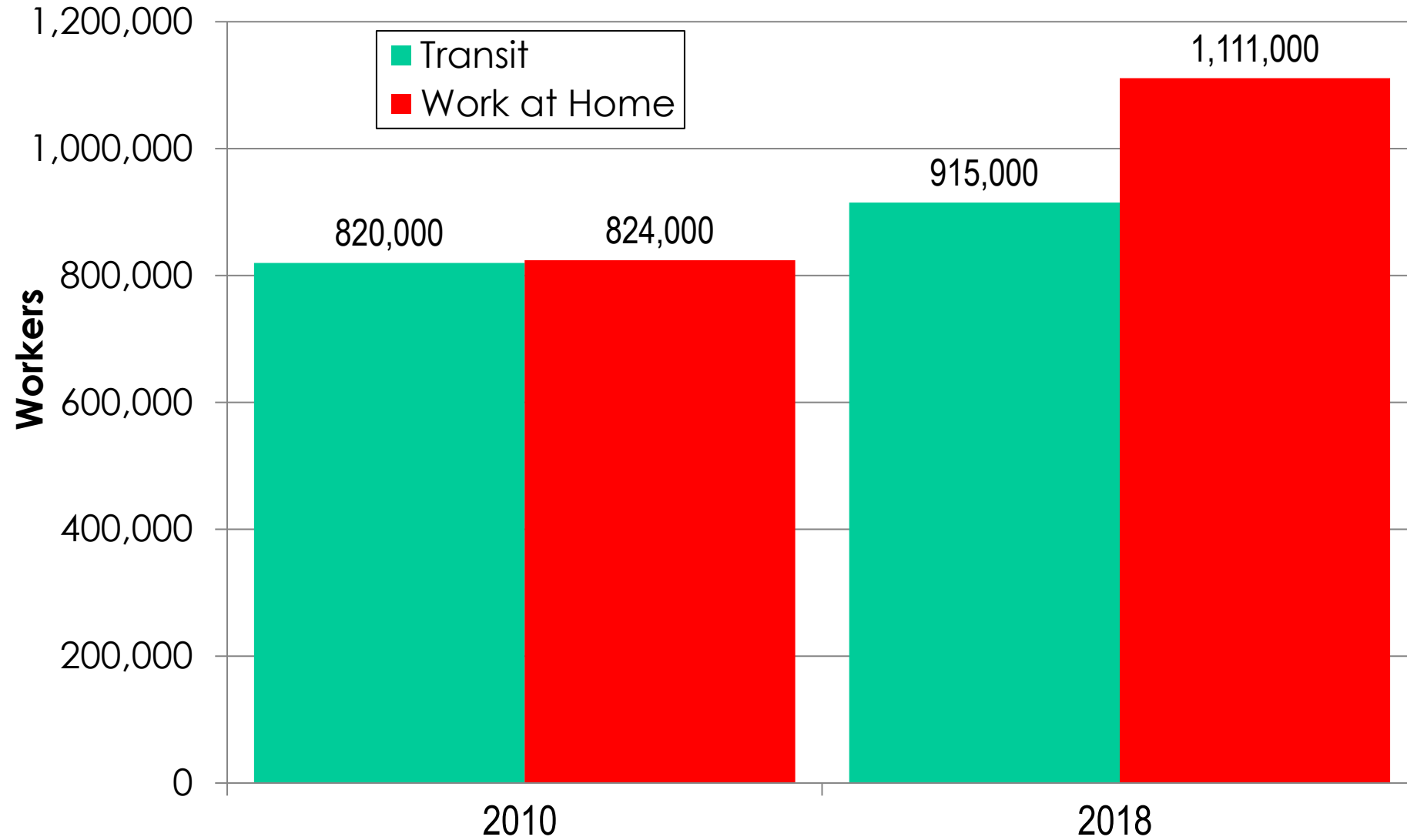
159%

= Growth in **remote work**  
over the last 12 yrs



# Job Access: Transit v. Work at Home

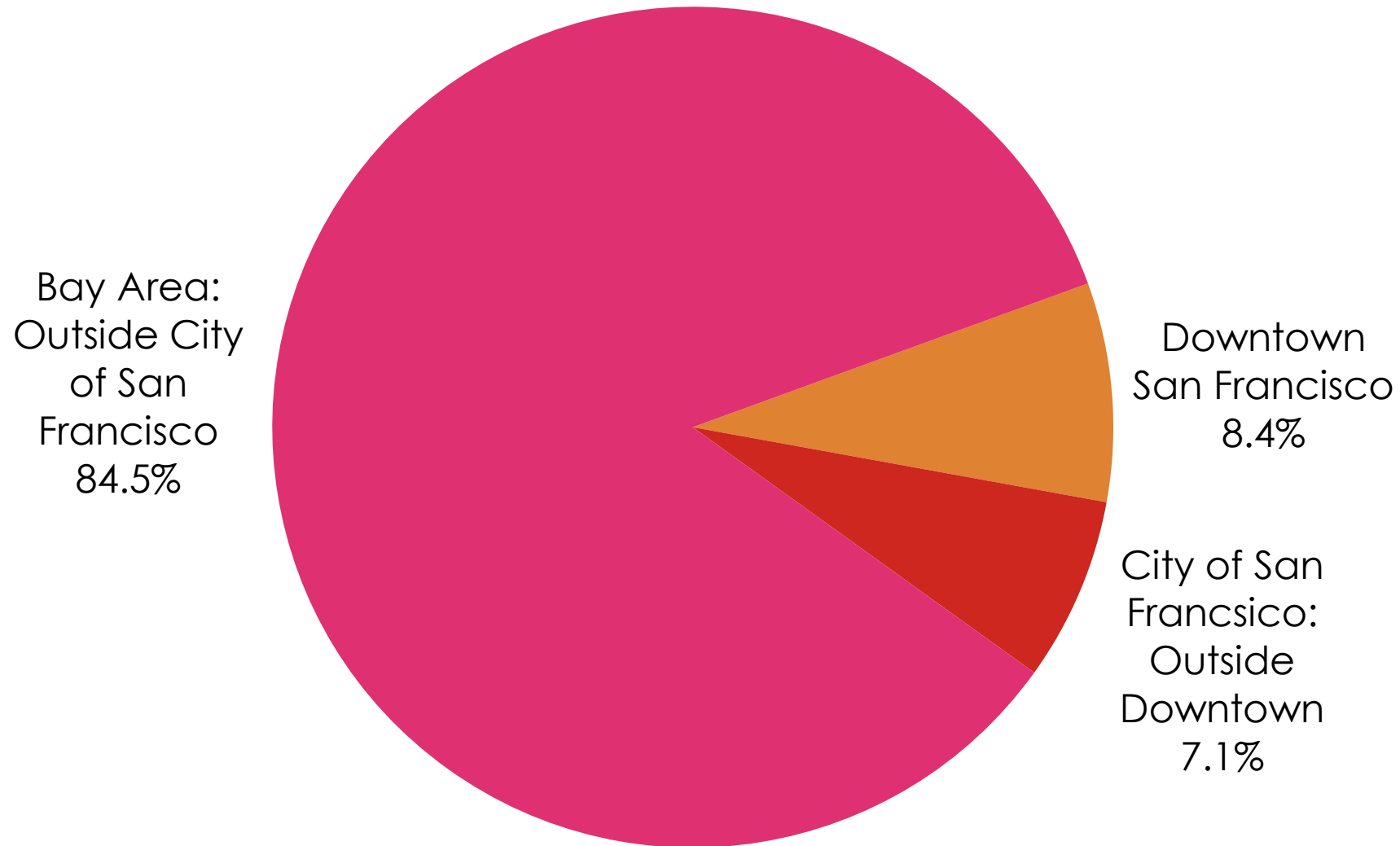
## 2010-2018



Source: American Community Survey

# Bay Area CSA Job Share by Work Location

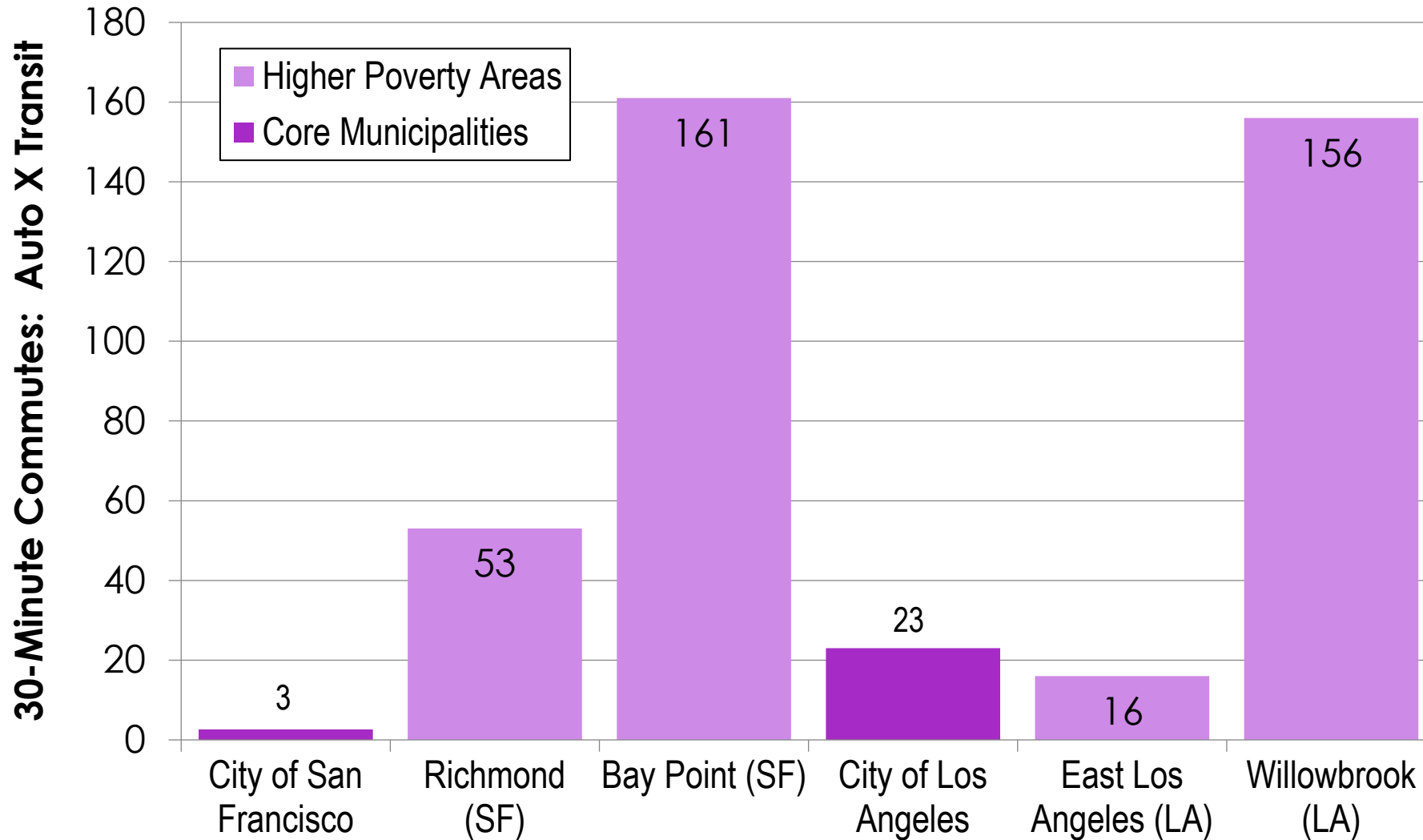
## DOWNTOWN, CITY OF SF & BALANCE: 2012/2016



Derived from CTPP 2012/2016 data (American Community Survey)

# Auto 30 Minute Commutes Times Transit

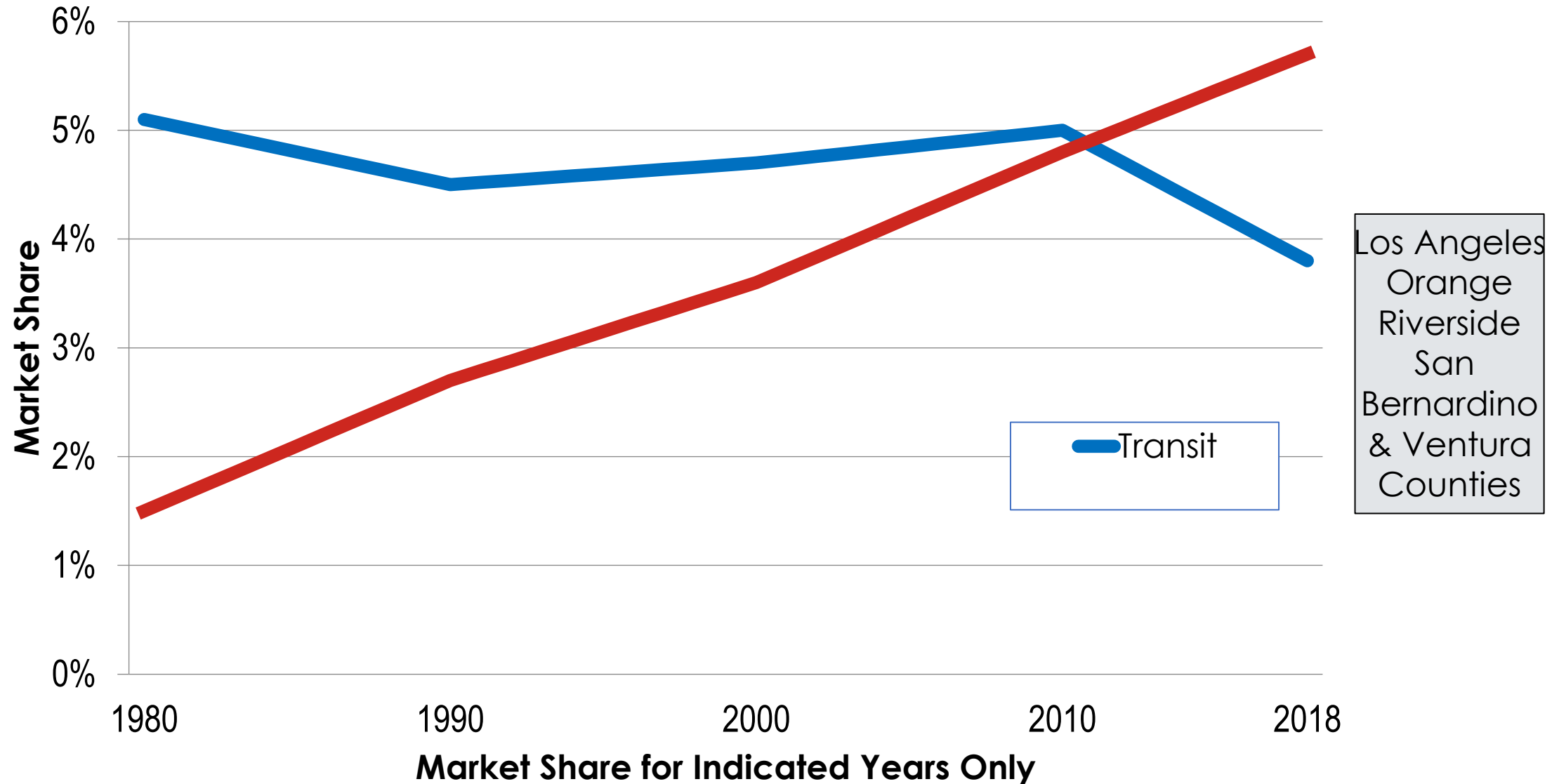
## SAN FRANCISCO & LOS ANGELES METROPOLITAN AREAS



Derived from American Community Survey

# Los Angeles CSA Commuting

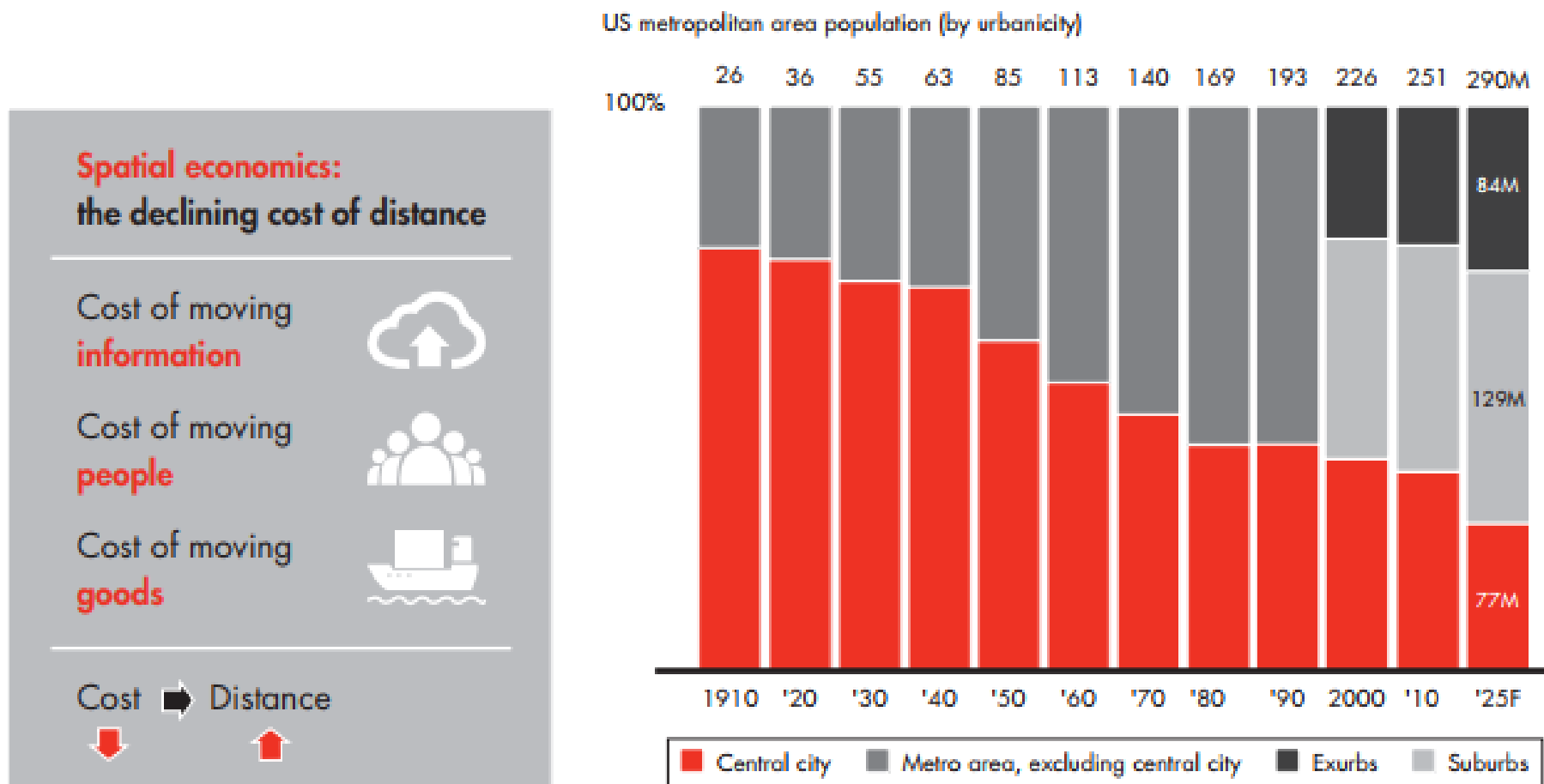
## TRANSIT & WORK AT HOME SHARE: 1980-2018



Derived from Census Bureau data

# More Decentralization is Likely

FROM THE BAIN & COMPANY

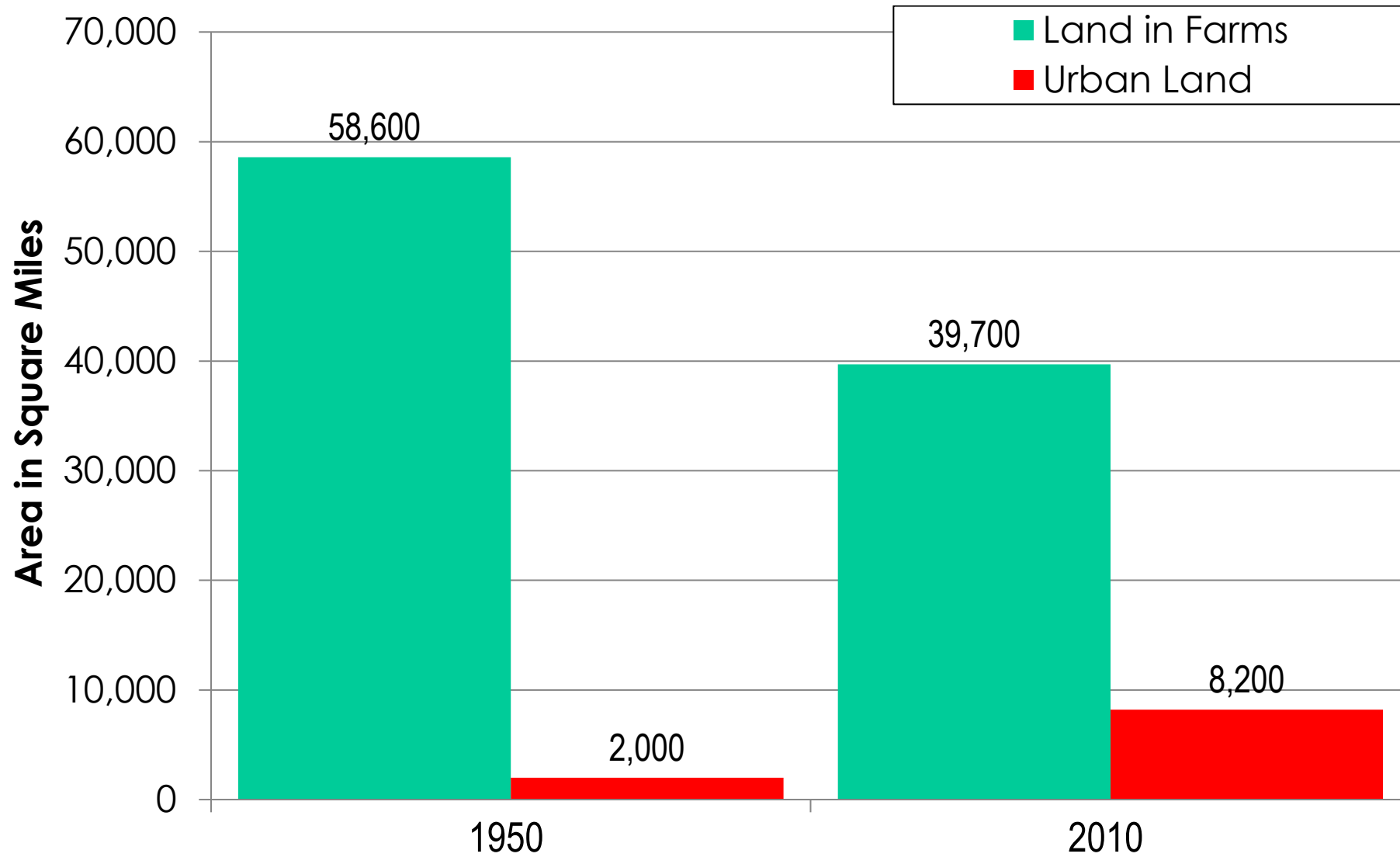


Sources: Demographic Trends in the 20th Century; US Census Bureau; Bain Macro Trends Group analysis, 2016

From Bain & Co. *Spatial Economics: The Declining Cost of Distance* (2014)

# Agricultural & Urban Land: California

## 1950-2010



Derived from US Department of Agriculture data

# ***Policy could try to reverse this process***

- Bias against suburbs and peripheral growth drives housing policy
- State tax policy makes it harder to build on redundant retail
- Government and middle class at loggerheads in terms of aspirations
- Most jobs and people move to suburbs, which the planning community, much of academia and media despises
- The result is ever higher prices and shift of resources to expensive city core as development on periphery is stifled
- Unless we accommodate the aspirations of middle and working class, we could be headed to neo-feudalism --- or socialism