



EVE BACHRACH AND JON CHRISTENSEN

What’s the Matter with San Francisco?

We’re not arguing about what really matters

So many columns filled, so much hand wringing, but no one seems to be able to answer: What’s the matter with San Francisco? Reporters have parachuted in from far-flung locales to poke and prod and pass judgment. Residents respond with horror stories from the house-hunting frontlines, dispatched from bus stops blocked by idling private coaches. The city is changing in ways no one seems to understand and growing faster than it can handle, its residents by turns ready for revolt and terrified of change. Some insist there’s nothing to see here, but each week brings a new story declaring that yes, there really is: San Francisco is the most expensive city in the country, San Francisco has its lowest-ever unemployment rate, San Francisco is on the frontlines of a new culture

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war between techies and... well, what's the opposite of a techie when we're all up to our eyeballs in technology?

This question of what's wrong has been asked before of other places, and at least twice of Kansas. Both William Allen White in his 1896 editorial and Thomas Frank in his 2004 book came to the same conclusion: the people. Specifically, the people who act time and again against their own interests, people who adhere to a narrow political line, whether it's antipopulist in the nineteenth century or antiprogressive in the twentieth. By focusing on one set of values, this analysis asserts, the people don't notice what they're really losing until it's too late—and San Francisco is no different.

But for all that's troubling San Francisco today, much has been right with it for a long time. In fact, a glass-is-half-full kind of person could argue that the problem with the city is that it's much too wonderful. Too many people want to live here, too many people who have been captivated by its views and energy want to fashion the city just a little bit more in their own image, and themselves in the image of The City, as they like to call it in initial caps.

The City, as we know it, has been shaped by generations of activists who have fought to preserve a charming urbanism that they like to think is European in style—though many European cities have developed in a very different direction—surrounded by nature, the bay views, and green hills ringing the scene. They didn't win every battle, but they won enough that San Francisco has remained for many years diverse, welcoming, and easy to love. Its small size and pedestrian-friendly scale make it the kind of place where one can be easily at home. The whole picture makes it easy to conclude that it is truly the best possible place to live in the world.

It is these qualities that make San Francisco the favorite American city of just about every European we know; New York leaves them a little overawed, LA a little lost and lonely. To the Old Worlders, San Francisco is familiar and just right. Maybe that's because it feels something like their past too. This resistance to change served the city well for a time, but that time has ended.

A study released earlier this year examined the 2011 and 2012 incomes of people born between 1980 and 1982 in 741 “commuting zones” across the country to measure economic mobility. (Commuting zones are similar to metropolitan areas, but also include a metro area's rural locales from which people commute to work.) Its aim was to determine where children born to parents whose income fell in the

bottom fifth for their city had the greatest chance of winding up in the highest-earning quintile by the time they were thirty years old. In other words, which areas foster upward mobility and which don't. The Equality of Opportunity Project researchers at Harvard, UC Berkeley, and the US Treasury found that San Jose and San Francisco were number one and two for upward mobility in large American cities during this period, on par with some of the most mobile societies in the world, like Denmark.

These researchers also found that segregation and inequality were the top two factors affecting a child's chances to rise through the income ranks, followed by quality of schools, social capital, and family stability. Another study from the Pew Charitable Trust in late 2013 adds an interesting dimension to these conclusions, finding that economic diversity within neighborhoods has been the driving factor of economic mobility in the country's largest cities.

While fostering economic mobility is an achievement that San Francisco and San Jose—and since we're talking about commuting zones, really the whole Bay Area—should rightly be proud of, what is in store for children born in the city since the early 1980s? Or say, this year, 2014?

Income inequality is often measured by the Gini coefficient—a number between zero and one that indicates how far from perfectly even income is distributed. The closer to one, the more uneven the distribution. In 1980 the Bay Area and California as a whole had a nearly identical Gini coefficient, both lower than the rest of the country as a whole. The inequality gap actually shrank in the Bay Area until the mid-1990s. So far, so good. But as a result of a large increase in high-paid workers and a drop in middle class jobs, inequality has skyrocketed since then. The United States is less egalitarian than it was in 1980, but the trend in San Francisco has been even more remarkable; the region's Gini coefficient is now higher than the state's and the country's. The Bay Area and San Francisco proper are now among the most unequal places in the nation.

The Equality of Opportunity Project and Pew Charitable Trust studies focused on metro areas or commuting zones rather than changes within a city's limits because metropolitan regions are so deeply intraconnected now. San Francisco is no different, as we see Silicon Valley workers commuting from San Francisco, or San Francisco residents priced out of the city and moving to the East Bay. Anyone looking to fix what's the matter with San Francisco must



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look at the wider region or risk failure or simply relocating the problem, or most likely, both.

Unfortunately, when people talk about the current upheaval in San Francisco, likely as not they're talking specifically about the 47 square miles of the city itself. And the biggest upheaval of all has been the vertiginous, eye-popping, just plain crazy leap in the price of housing. San Francisco is in the throes of a profound housing shortage, which has now driven home prices past their pre-recession peak. Mayor Ed Lee is hoping to add 30,000 residential units to the city's supply by 2020, but others say it would take an additional 100,000 units to meaningfully affect housing prices now. To put that in context, 100,000 is the number of residential units added to the city between 1920 and today—a period in which the city's population grew from roughly 500,000 to over 800,000. But whether 30,000 or 100,000 is the magic number is academic to people who need affordable housing right now and those who will need somewhere to live in the next several years.

While certainly not their primary objective, activists who have been unwilling to sacrifice San Francisco's medium-density character and good looks have made it considerably harder for the city to grow sustainably. So it is growing unsustainably—at least for its current residents. The basics are familiar: evictions are on the rise, rents are zooming up when apartments hit the market, and houses are selling fast, way above asking prices, often for all cash. So the only people who can afford to move to San Francisco now are almost by definition quite different from the ones who live there now or are having to leave.

Longtime San Francisco residents who fought for so long worry that the city they love is disappearing. They're too late. That city is gone and they, in some ways, have aided its demise. Cities are like living organisms, not flies trapped in amber. Protestors long fought the “Manhattanization” of San Francisco—not wanting to see their mostly low-rise city dominated by high rises and dark urban canyons. Instead they're getting the other kind of Manhattanization—a playground for the rich with little room for the artists and regular folk who held down the fort for so long.

But lest we fall into the “us versus them” trap that has plagued too much recent writing about San Francisco, consider a recent survey of likely voters in San Francisco that gauged attitudes toward the Google buses that have become such a potent symbol of the changes sweeping the city. More

than half of the respondents had positive feelings about the shuttles. Nearly 80 percent believe the tech boom has been good for San Francisco. But a majority also believe that controlling the cost of living and preventing evictions and neighborhood gentrification is important. While the survey isn't perfect—it would be useful to see all residents polled, not just likely voters, and to include Spanish speakers, not just English and Cantonese—it is a reminder that many of San Francisco's immediate problems stem from too much good. The local economy is doing well and too many people are turning up to get in on the action. This is a problem much of the rest of the country would love to have.

Does San Francisco have the resources to find a way out of these seemingly vexing contradictions?

Clearly, the way to fight change you don't like isn't to pretend it's not happening. Just saying no isn't a strategy that can work forever either. It may be time for San Francisco to harness what's inevitable and bend it as best it can before it's too late.

This progressive city has been so focused on staying in place as the world changed around it that it may have lost something profoundly good and important—the conditions that made San Francisco one of the few places where the American dream and the California dream were actually possible.

That's something worth fighting about, but there's no sense blaming the Google buses or the Twitter millionaires or the even the libertarian political predilections of many techies these days. Today, they may be the ones driving up real estate prices and making San Francisco unaffordable for mere mortals. But San Francisco has been on a path toward inequality since at least the last tech boom, and the seeds of the housing shortage that are contributing to the growing inequality were sown even earlier.

In 2014, San Francisco was declared among the best places in the country for a person to rise out of poverty because of conditions that prevailed in the Bay Area back in 1980. It will be a long time before we fully understand how the current boom will echo through time. San Francisco will be a different city by then, but there's still time to figure out and even fight about how it will be different. Let's just try to fight about the things that really matter. **B**

Note

Photo collages by Rian Dundon.