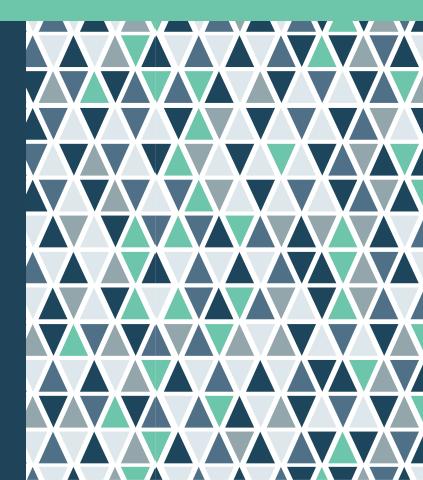


ARTICLE 7

How planning for the car shaped our Urban World



www.riazcapital.com



HOW PLANNING FOR THE CAR SHAPED OUR URBAN WORLD

So far, we have mostly considered the current trends shaping our urban world. To provide some perspective on one of the reasons why many American cities have become difficult places to develop middle-income housing in, it will be helpful to take a step back and review some of the history of car-centric urban planning in the United States.

Famed 20th century architect Frank Lloyd Wright was known to make his opinion of great American cities abundantly clear: he hated them. "To look at the plan of any great city is to look at the cross section of some fibrous tumor" he wrote in his 1932 book The Disappearing City. In Wright's eyes, dense cities were overcrowded, antithetical to individuality, and a threat to democracy itself. Wright's proposed cure for this "urban cancer" was a grand vision he called the Broadacre City: a model of urbanism that leveraged new technologies (namely the car) to merge the urban and rural. In Wright's imaginary paradise, every house would sit on an acre of land, with high-speed roadways connecting the various elements of the city.

Wright and the urbanists of his time imagined a car-powered urban utopia. Today, we live in it and know it as suburban sprawl and congested urban highways.

Wright and the urbanists of his time imagined a car-powered urban utopia. Today, we live in it and know it as suburban sprawl and congested urban highways.

American cities experienced some of the most dramatic and destructive changes to their urban fabric during the middle of last century. With the broadened consumer availability of the personal automobile, many American cities went from resembling echoes of Paris and Amsterdam to the sprawl and monotony of modern-day Dallas and Los Angeles.

Building cities around the automobile was the central theme of 20th century urban planning. But by the 21st century, treating the car as the default mode of urban transportation has turned out to be great cities' undoing. In 2022, many American metros are bogged down by illogical and unnecessary inefficiencies caused by planning for cars before people. Some cities in the United States with legacy pedestrian and transit-oriented urban fabrics managed to escape the effect this had on the cost of housing. In many cities, however, attainable housing has become a direct casualty of carfirst planning.

KING CAR AND THE AUTO-INDUSTRIAL COMPLEX

Car-centric urban utopias like Wright's Broadacre City remained mostly dreams for decades. But the economic overdrive of WWII brought demographic, industrial and political shifts that worked in tandem to create the quintessential suburban ideal we know today.

Young adults returned from the war ready to start families, and this burgeoning middle class found itself able to afford a house and car in new suburbs built by trend-aware real estate developers. These suburban communities provided the space and community amenities that enabled the growth of a new family, such as ample yard space and nearby schools. On the Federal



level, this supply of housing was supported by FHA-insured financial products. Suburbs sprawled across the country as demand for family housing increased and low-density, caroriented supply rushed in to fill it.

This urban form was created in part as a response to consumer demand, but a significant portion of the driving force was on the side of policy. Powers on the Federal level worked very hard to make the suburban form the predominant shape of housing in the United States, and this work was driven by a particular dynamic between policy and industry.

Charles Wilson, a former president of General Motors, was nominated as Secretary of Defense in 1953. When questioned about his interest in the welfare of the United States over that of General Motors, <u>he denied any</u> <u>conflict</u> "Our company is too big. It goes with the welfare of the country. Our contribution to the Nation is quite considerable" he said in one of his confirmation meetings.

Evident in this statement is the inextricable link between the US government and the automobile industry of the mid-20th century. Consumer preference played a part in the creation of the suburban sprawl we live in today, but the greater story lies in what we would call the "Auto-Industrial Complex" – the close relationship between the auto industry and the world of urban policy.

Consumer preference played a part in the creation of the suburban sprawl we live in today, but the greater story lies in what we would call the "Auto-Industrial Complex" – the close relationship between the auto industry and the world of urban policy.

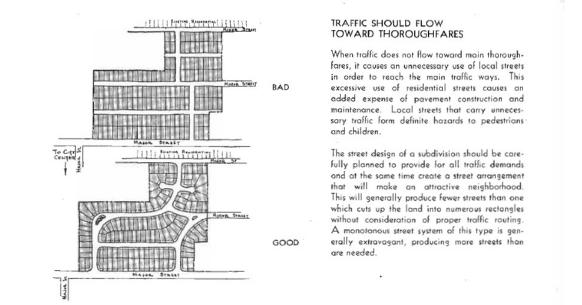
Large societal shifts occur when they are supported by a trifecta of demographic need, technological ability, and the backing of policy. In this era, cars were produced and marketed on a massive scale while young families were looking to start new lifestyles outside of crowded cities. The U.S. government proceeded to pass a suite of policies that encouraged and enabled this shift and worked hard to bolster the proliferation of cars, single-family homes, and sprawling development by actively subsidizing these aspects of the human landscape.

Many are familiar with the clear racial biases the Federal Housing Administration abided by when it issued loans to returning GIs, with the racist practice of redlining allowing white families access to quality suburban housing while denying Black and other minority families the same opportunity. However, there was not only a bias toward what race could take full advantage of FHA loans: there was a clear bias as to the kind of urban development this financing could be used for. In 1938, the agency published "Planning Profitable Neighborhoods", a brief work that dictated and explicitly encouraged the suburban street layout we all know today. That street form became the predominant shape of suburbs during the postwar years.

On the front of reduced transportation choice, Los Angeles is possibly one of the gravest casualties of the Auto-Industrial Complex. In the early 1900s, the city had what was considered by many one of the best public transit systems in the country, if not the world. Electric streetcars provided easy access to all corners of the city, including neighborhoods like <u>Echo Park</u> which, to this day, retain the density and grid layout characteristic of a community built around transit. But by 1963, all streetcars in the city were replaced by bus lines and priority shifted to the car-centric culture that dominates LA today.

The Bay Area is a similar casualty of the





An illustration from "Planning Profitable Neighborhoods." The FHA actively worked to dictate the urban form of the United States and demonstrated a clear preference for developments centered on the car.

Source: Federal Housing Administration

car-first philosophy. Prior to WWII, San Francisco's MUNI and Market Street Railway served the city with far more electric streetcar lines than operate in the city today. Meanwhile, the Key System served the East Bay and even ran across the lower deck of the Bay Bridge to connect Oakland to San Francisco. But like was the case with Los Angeles, lower ridership and more carcentric planning led to the removal of most electric railways in the Bay Area, including the conversion of the Bay Bridge's lower deck to another auto thoroughfare.

Cars gradually crowded out once thriving streetcar lines across the country. Economic pressures, car-choked streets, and the complacency or misguided actions of municipal policymakers <u>worked in tandem</u> to build cities around the car. Instead of managing car traffic and reforming policy to ensure the survival of streetcar companies, policymakers instead turned their attention to designing cities in which cars were the default form of transportation.

In 1956, President Eisenhower created the Interstate Highway System, cementing the car as the default mode of transportation in the United States. This may have been the Federal government's greatest endorsement of the Auto-Industrial Complex, and the dynamic's greatest achievement. "Every citizen has been touched by (the Interstate Highway System), if not directly as motorists, then indirectly..." states the Federal Highway Administration on its <u>website</u>. Indeed, one does not need to drive on an Interstate to see its effects on the average American's life: the car-centric culture it bolstered shapes almost every aspect of American cities today.

The car's place as the default mode of transportation affects more than just the urban fabric; policies centered on this notion of "King Car" affect the very socioeconomic structure of cities. One of the most obvious (and detrimental) forms this takes is minimum parking requirements, which look to shift the burden of parking off streets and onto developments. In practice, these policies effectively raise the overall price of housing to levels unaffordable to those making a median income. Forcing the accommodation of personal cars in residential development has had the awful effect of practically



eliminating unsubsidized affordable housing in urban environments.

Forcing the accommodation of personal cars in residential development has had the awful effect of practically eliminating unsubsidized affordable housing in urban environments.

SHIFTING THE BURDEN: MINIMUM PARKING REQUIREMENTS

Planning cities around the car did not remain solely in the suburbs—it shaped the form and nature of dense cities as well. When planners tried to fit a lot of cars into cities, they ran into the issue of where to store them when they were not in use. In suburbs, this problem was solved by creating large parking lots on cheap land. But in dense cities where land came at a much higher premium, planners looked to private developers to accommodate the car—and carry the cost for it. This came at the expense of producing much-needed housing, a legacy that continues to this day.

Cars are rarely in motion; they spend most of their time parked in a single spot. When that spot happens to be on the street, it makes parking harder for other motorists looking to park.

Minimum parking requirements—arbitrary, municipal-code-dictated allocations of parking spots required in developments came about to accommodate vehicles and move parking off the street and onto private property. While the intent of this was to free up the common resource of street parking, minimum parking requirements are effectively another product of the Auto Industrial Complex: by requiring developers to provide parking spaces, policies work to induce the private subsidy of automobiles.

In many cases, the cost of parking is "bundled" with the rental rate of an

apartment. To recover the cost of building parking, developers reflect the cost in rents. This is all well and good for those who park their car in a complex's provided parking lot, but in many metros there are plenty who have neither the means nor desire to own their own car. Yet, these residents pay the same bundled rate as their car-owning neighbors. In effect, those who do not own a car are subsidizing those who do by paying for the construction and upkeep of parking facilities they do not use.

In effect, those who do not own a car are subsidizing those who do by paying for the construction and upkeep of parking facilities they do not use.

Smaller projects are hit particularly hard by minimum parking requirements, as parking costs make up a larger portion of their cost per unit to provide. A recent 90unit development in Oakland saw an added cost of \$73,000 per unit just for parking. When each unit cost \$327,000 to build, that means that over 22% of the cost to build the unit went to building car storage. This construction cost ultimately translates to a \$535 premium on monthly rents. For someone making a median income in Oakland, \$535 a month can mean the difference between being able to afford a apartment and having to look elsewhere. Minimum parking requirements ultimately add up to a counter-productive housing surcharge, which is not helping ease the severe housing crisis in the Bay Area.

It is also unfair to tenants. Taxes and surcharges are generally designed to be paid by those who benefit from the things they fund, like gas taxes being used for road maintenance. If someone chooses to ride a train instead of driving, they do not benefit from having a well-maintained road and do not pay the associated tax. It makes no sense then that minimum parking requirements, which are ultimately taxes on housing, are

associated with something so indirect as car parking.

For a country that prides itself on its freedoms and abundance of choice, the United States has fundamentally failed to provide transportation choice by prioritizing private cars in its urban areas. This lack of choice has built a significant, and unnecessary, additional cost into housing. To ensure that residential developments provide space for the car, municipal planners have priced the middle class out of dense, servicerich urban areas.

BEYOND MINIMUM PARKING REQUIREMENTS

Today, many are coming to view urban transportation as a service provided by common-pool resources (such as transit and micro-mobility services) rather than private automobiles. Recent demographic shifts have seen the rise of a substantial urban population that does not find value in personal car ownership, creating demand for centrally located housing without associated parking.

The need for affordable housing is greater in cities than the need to store cars, and minimum parking requirements continue to force the creation of housing that excludes an already underserved demographic. Demographic changes in cities have combined with political and industrial innovations to signal that the time to end parking minimums is here. Micro mobility services, on-demand car rental, and bike-friendly infrastructure have helped supplement public transportation to create a robust network of alternatives to the car in urban areas. In effect, the sharing economy has made car ownership unnecessary in many dense cities.

The need for affordable housing is greater in cities than the need to store cars, and minimum parking requirements continue to force the creation of housing that excludes an already underserved demographic.

An arguably more productive way to view the private car is as a transportation appliance rather than an essential part of urban life. <u>Some advocates of parking reform</u> compare cars to appliances like dishwashers; convenient, useful, and desirable, but not strictly necessary if not worth the space. As the argument goes: not everyone has the space to justify an in-unit washing machine, so they use a laundromat. Similarly, not everyone has the need to store a car, and instead use alternative, often shared, transportation tools.

There will be plenty of people who find a car useful and desirable, and the market will accommodate them. Eliminating minimum parking requirements does not eliminate structured or in-complex parking: it means the consumer now has choice in transportation. If they value car ownership, they can choose to live in a complex with parking. If they do not value car ownership, they need not choose a complex with included parking.

Eliminating minimum parking requirements does not eliminate structured or in-complex parking: it means the consumer now has choice in transportation.

Best of all, the elimination of minimum parking requirements allows developers to focus capital on housing people rather than cars. More space on a site and money in a project can be dedicated to the construction of occupiable units, allowing for economies of scale and the subsequent reduction of rental rates in projects. This allows for the creation of affordable-by-design housing without the need for government subsidy. The elimination of minimum parking requirements can directly lead to the creation of more attainable housing.

THE DESIRABLE, WALKABLE CITY

Paris, Barcelona, and Buenos Aires are all widely considered some of the most beautiful cities in the world. Americans travel to them every year to experience their vibrant street life and charm.

These cities were largely developed before the emergence of widespread individual car ownership and derive some of their charm from their walkability and pleasant scale. For hundreds of years, the only way to get around these cities was by foot or by horse. Thus, these cities were built on a human scale with short distances to everyday necessities, narrow streets and mixed uses on street level. Many older cities across the world are structured this way, and in many cases their walkable structure is one of their greatest assets.

In America, New York City was spared some of the blows of the auto-industrial complex. Although NYC does have minimum parking requirements, the municipal government is <u>determined to reduce or remove</u> many of them. In fact, the borough of Manhattan makes do largely <u>without parking</u> <u>requirements at all</u>, and has for several decades. The city is walkable, well-served by transit, and generally reliant on alternatives to the car for transportation.

New York has the energy and walkability it does because it did not have minimum parking requirements for much of its history. As a result of its urban focus on people over cars, New York City's median price for a onebedroom unit is <u>substantially lower</u> than San Francisco's. In the absence of cars, cities must accommodate foot, bicycle and other forms of traffic and are subsequently built around them. They also happen to have more affordable housing when they do not focus planning efforts on cars.

New York has the energy and walkability it does because it did not have minimum parking requirements for much of its history.

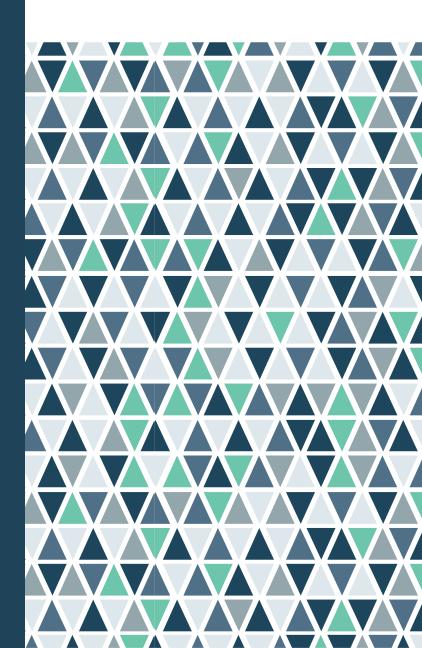
CONCLUSION

Minimum parking requirements make housing unaffordable to the middle class, reduce transportation choice, and contribute to car-centric urbanism that runs counter to the ideals that make cities pleasant to live in. These policies are relics of a failed urban planning philosophy and concerted government efforts that ultimately helped create the crisis of housing unaffordability we live with today.

It is time to build our cities differently with the car not as the default mode of transportation. It is time to stop forcing people to subsidize the car through their rents. It is time to move past minimum parking requirements and invest in public transportation, walkability and micro mobility. Cars are a convenience, not a necessity, and they cause severe problems when their use is actively subsidized by policies left over from an era with very different values. Minimum parking requirements and car-centric urbanism are things of the past, best left in the dustbin of history.

Cities have always been centers of industry and economic vitality, and even the destruction wrought by car-oriented planning has not changed this fundamental fact. In the next section, we will work to understand the core economic forces that make cities hubs of business and commerce.





www.riazcapital.com