

A conversation with Gabriel Metcalf on March 31, 2014

Participants

- Gabriel Metcalf — Executive Director, SPUR
- Alexander Berger — Senior Research Analyst, GiveWell

Note: These notes were compiled by GiveWell and give an overview of the major points made by Gabriel Metcalf.

Summary

GiveWell spoke to Gabriel Metcalf to learn more about opportunities for philanthropy in urban planning. Conversation topics included urban issues in the Bay Area, policies that could create more affordable housing, examples of cities that have undergone rapid growth, SPUR's model and track record, other groups in this space, and supporters of market-based urbanism.

Urban issues in the Bay Area

Many of the issues facing the San Francisco Bay Area, especially housing affordability concerns, stem from its economic strength. Many other urban areas in the rest of the country, especially the Rust Belt, face the opposite problems. Relative to other areas dealing with problems associated with strong economic growth, the Bay Area is an extreme case, although there are comparable problems in many of the economically strong cities of the country (Washington DC, Seattle, New York, etc.). What makes San Francisco's affordability problem so extreme is the combination of so much job growth, coupled with pervasive anti-growth sentiments that make it hard to add to the housing supply.

Housing and development in the Bay Area

Zoning and other regulatory limits on construction are the main reason that there has not been more construction in response to the demand for housing in the Bay Area. The "free market" approach would be to deregulate the supply of housing in areas with strong transit access, allowing developers to build according to market demand in these zones as long as they complied with health and safety standards. But that's not realistic, or desirable. (The result would be something like Houston, perhaps.) Still, there are many ways to change the regulations to make it easier to build housing that would actually improve quality of life, make neighborhoods more walkable, and add new amenities.

There is no single correct amount of growth for San Francisco. In part, it depends on what the other cities in the region do, and in part it depends on how much job growth the region has.

Some regions (think New York) solve their affordability problem in large part through good

transit, to make more areas accessible. This happens in the Bay Area to some degree with BART and Caltrain. But the Peninsula cities are dominated by NIMBYism; and the East Bay, thus far, has not had a lot of housing development. This could change, and it probably will, but in essence, housing construction in Oakland costs the same as it does in SF, but prices are so much lower that new development has not been finance-able.

Oakland is probably one of the most important places to invest in for the entire Bay Area. It has great transit, walkable neighborhoods, great urban amenities—and it needs the investment in terms of a stronger tax base, so that it can pay for basic city services.

Taking a national view, it's sometimes helpful to think about two groups of cities: those in regions with strong economies, and those in regions with weak economies. If jobs in the region are growing, then the challenge for fighting poverty is to connect people with those jobs. If jobs in the region are declining, then no amount of workforce development is going to help people get work.

Regions that are growing need help managing the growth – directing it into the right places (and away from the wrong places), making sure everyone benefits from that growth. Regions that are shrinking tend to have much more fundamental problems and many of the standard urban planning interventions don't work very well.

SPUR

SPUR convenes people to figure out what to do about urban policy problems. (Although the media often refers to SPUR as a “think tank.”) The organization identifies problems, selects and convenes experts to develop solutions, produces material about problems and solutions, and does advocacy. SPUR has identified policy solutions to problems such as how to make housing in the Bay Area more affordable, how to make transit work better, what to do to prepare for sea level rise, how to structure the business tax, how to make the city resilient in the face of earthquakes, and how to structure economic development activities to be most successful.

SPUR's major successes in the city of San Francisco include:

- Re-starting neighborhood planning in 1999, which became the Better Neighborhoods program – which ultimately led to a series of major neighborhood plans that more or less achieved agreement among all parties about where growth should go.
- Writing the ballot measure that successfully called for the creation of the San Francisco Municipal Transportation Agency (SFMTA) in 1999 through the merging of the Municipal Railway (Muni) and the Department of Parking and Traffic. That measure also re-wrote the City's “transit-first” policy, which serves as the guiding policy for transportation investments and priorities.
- Contributing to the passage of a reform that gave the San Francisco Public Utilities Commission (SFPUC) the authority to set its own rates, in addition to other powers and duties. The reform led to more than six billion dollars in spending to

rebuild the Hetch Hetchy water system, which had been on the verge of collapse.

SPUR has also had plenty of losses, including:

- The down-zoning of the Mission Street BART stations as part of the Eastern Neighborhoods plan.
- The failure to add a North Beach station to the Central Subway system. It will end in Chinatown.
- And more fundamentally, the failure to change the city's planning process to be more welcoming of well-designed, well-located housing.

SPUR opened an office in San Jose several years ago, and is now working on Oakland—as part of its strategy to work in the three “central cities” of the Bay Area.

Other groups in this space

Groups somewhat similar to SPUR in other cities include the Regional Plan Association and the Municipal Art Society in New York City and the Center for Neighborhood Technology and the Metropolitan Planning Council in Chicago.

Relatively few cities currently have a group like SPUR. Mr. Metcalf believes that the SPUR model would be useful in other cities, and has done some consulting to help other groups from time to time.

Learning communities

The creation of “learning communities,” or peer groups of urban leaders, can help build civic capacity. In some cities, community foundations and universities are involved in convening these groups.

Other organizations involved in this work include:

- The Rockefeller Foundation, which is funding Chief Resilience Officers (top-level advisors to city mayors) in 100 cities as part of its 100 Resilient Cities Centennial Challenge.
- Bloomberg Philanthropies, which has convened mayors.
- The Lincoln Institute of Land Policy, which convenes city planning directors on an annual basis.
- The Knight Foundation, which convenes civic leaders in their eight core cities where Knight Ridder used to own newspapers.
- CEOs for Cities, a national network of urban leaders.

Foundations and philanthropists

There is a lot of opportunity to support broad-based civic work at the local level, similar to the SPUR model. The keys for funders are to understand that policy change has a longer

time horizon and is sometimes less quantifiable than some other investments. Funders need to be patient, and to find organizations (or people) they trust.

All GiveWell conversations are available at <http://www.givewell.org/conversations/>