

Older Suburbs: Crabgrass Slums or New Urban Frontiers?

By Joel Kotkin

As the debate over urban sprawl and “Smart Growth” takes shape across America’s political landscape, regionalism has re-emerged as the policy solution of choice to many urban problems. Many regionalists argue that cities go through a predictable, perhaps even inevitable, cycle of growth and decline. By combining local governments into one region-wide entity, they reason, resources could be redistributed from the regional “haves”—typically, wealthy suburbs—to the “have-nots”—typically, central cities. Recently, older suburbs have been added to the list of “have-nots,” and portrayed as victims of an ever-expanding metropolitan periphery that lures away residents, workers, and companies critical to growth in the new information age. Thus, regional government that limits the outward expansion of

cities is promoted by regionalists as the solution to urban decline. This approach, however, ignores many of the complex economic, social, and political forces that shape American cities. In fact, it may work against some the more important lessons learned from older suburbs that are transforming themselves into vital urban centers. Although parts of the perception of the declining suburb bear truth, the older suburb, or “midopolis,” is in fact evolving and, in many cases, thriving.

The Evolution of the Older Suburb

Since the end of World War II, suburbs have represented middle-class success and the fulfillment of the “American dream.” Over 75 percent of America’s population growth occurs in suburban areas. Indeed,

This is a summary of *Older Suburbs: Crabgrass Slums or New Urban Frontiers?*, Policy Study No. 285, July 2001, www.rppi.org/ps285.htm





more than half of all Americans now live in suburbs, a higher proportion than any other industrialized nation. Between 1988 and 1998, office space in suburbia grew 120 percent, eight times the rate in traditional center cities, and over 80 percent of all demand for office space and new jobs occurs in the suburbs.

Some older suburbs—particularly those with poor housing stock and no developing industries—are showing real signs of wear and decline: population reduction, disinvestment, rising poverty. But older suburban communities are far more diverse than commonly perceived and many are flourishing, both demographically and economically. Indeed, in many ways, the rebirth of the suburban community—like the rebirth of the urban core itself—testifies to the changing nature of the new digital economy and the remarkable ability of people to find new uses for older things.

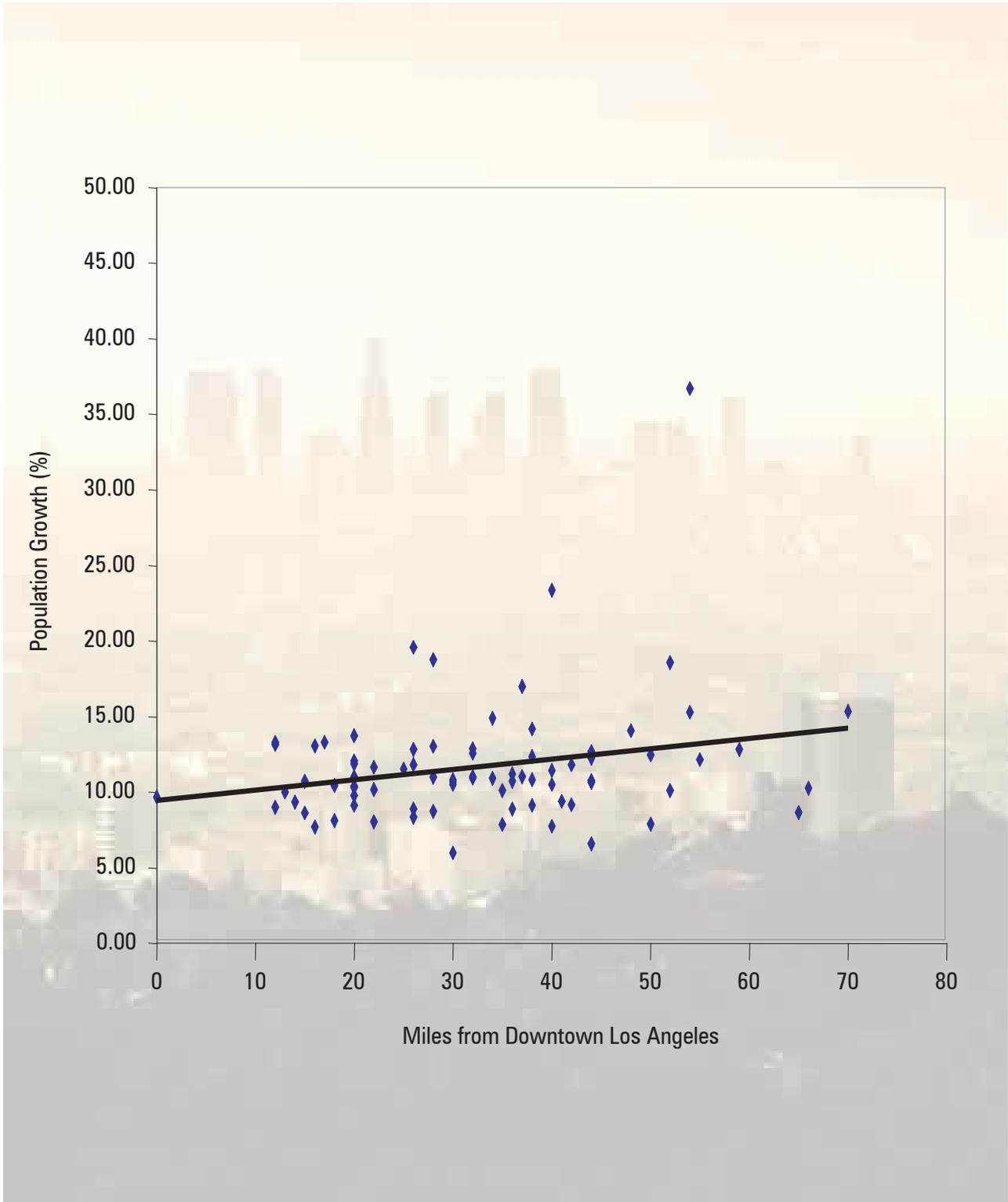
Here are some examples:

- Rents for office space are projected to increase faster than regional averages in midropolitan areas such as Dekalb County near Atlanta and the San Gabriel Valley in Southern California;
- Vacancy rates for multi-family residences are expected to be lower than regional averages in Bellaire/Harwin area of Houston, Santa Clara County, Dekalb County, and the San Gabriel Valley;

- South Pasadena, just 15 miles east of Los Angeles, saw assessed property valuation increase by 20 percent from 1995 to 2000, significantly higher than the countywide average of 16.5 percent;
- The distribution of investment and population growth in inner suburbs is uneven, calling into question the idea that investment and population inevitably migrate to the periphery; and
- An analysis of 82 cities in Los Angeles County found no significant relationship between the distance from the center city and the growth in urban property values; several cities had high growth rates in assessed property valuation but were in the mid-range of distance from the downtown. A similar analysis of population growth by distance from the downtown found no statistically significant relationship between the two (see Figure on next page).

The Case of the San Fernando Valley

An analysis of the San Fernando Valley, a middle-class suburb north of the Santa Monica Mountains in Los Angeles County, provides a case in point. Developed as a bedroom community in the early 20th century, “the Valley” is the archetypal midopolis. After a period of decline in the 1980s and 1990s, net occupied office rental space has





increased by 400,000 square feet, and vacancy rates for prime office buildings have fallen from 18 percent to 12 percent. By the end of the 1990s, job creation in the Valley outstripped the rate for Los Angeles County, as the Valley employs more than half of the region's media and entertainment industry. More than 5,000 small, specialized creative firms service the region's "cultural-industrial complex." As a result the residential market remains strong, and apartment vacancy rates have fallen from the double digits in 1996 to less than 5 percent in 2000. Meanwhile, home prices have remained relatively modest by Southern California standards, ranging from \$200,000 to \$300,000. A successful balance has been achieved, it seems, between both the job and housing markets, and in quality of life.

The Valley also mirrors the growing social and economic diversity of modern suburbs across America. While the San Fernando Valley was almost 75 percent Caucasian as recently as 1980, ethnic and racial minorities made up more than 50 percent of the population by 1998. In the 1990s alone, the Latino population increased by 39 percent and the Asian population increased by 31 percent as more and more minority households migrated to the middle-



class lifestyle available in the Valley. Similar ethnic and racial diversity has become evident in suburban and midopolitan regions as diverse as Queens County in New York, Santa Clara and San Mateo Counties in northern California, and Fort Bend County in suburban Houston.

More than half of all Asians, 43 percent of all Latinos, and 32 percent of all African-Americans now live in suburbs. Much of this diversity is fueled by foreign-born immigrants who have transformed suburban areas like Coral Gables outside Miami into ethnic and global business centers. Indeed, the San Gabriel Valley in southern California has emerged as the nation's largest community of Asian-Americans.

In the Long Island community of Hempstead, Latino entrepreneurs from Central America and the Caribbean have built a thriving commercial center. Salvadorans, in particular, are helping spearhead downtown redevelopment with retail stores, a dance club, travel agencies, and ethnic restaurants. Downtown vacancy rates have plummeted from nearly 70 percent in the early 1990s to around 10 percent.

Even in Silicon Valley, immigrant Asian entrepreneurs have emerged as an entrepreneurial anchor to the high-

tech economy. By 1996, Indian and Chinese executives ran 1,789 companies worth a total of \$12.5 billion, including such companies as Solectron, Sybase, and Lam Research, a billion-dollar semiconductor equipment firm.

Keys to Sustainable Suburbs

The key to securing a thriving future for midopolitan suburbs is to develop a distinct identity and sense of place while offering enough of an infrastructure for the city to be self-sustaining. Older suburbs with low-quality hous-



ing stock and deteriorating infrastructure may continue to struggle, but the successful older suburbs have capitalized on their original “Main Streets,” the charm of their older neighborhoods, their ethnic communities, and have made concerted efforts to serve residents and businesses that are already there. In many cases, it requires adoption of public policies that support the development of spontaneous, grass-roots entrepreneurial activity that local planners and development officials at first may be unaware of. Regional planning and government, by contrast, are unlikely to support this kind of grass-roots entrepreneurship or provide the kind of local accountability needed to ensure that public policy is flexible enough to accommodate it.

Similarly, developing a sense of identity is imperative—but this is most effective when generated from the ground up, not through “top-down” regional planning. This “ground-up” process is evident in a host of midopolitan communities, such as Bellmore on Long Island, Mountain View and Redwood City in the San Francisco Bay Area, Alhambra in the San Gabriel Valley, and in Bellevue, Washington.

Downer’s Grove, Illinois, provides a telling case study. Ellen Dean, who has led the redevelopment effort in this middle-class suburban town of 48,000 near Chicago, sees the city’s retail and economic future in its old Main Street. Working with other city leaders, she developed public policies supportive of creating a locally determined identity and spearheaded the necessary investments. Her attempt to revitalize downtown Downer’s Grove, with its signature cluster of brick buildings that date back to the town’s origins as a farming community at the turn of the 19th century, reflects a broader trend evidenced in other small communities across the nation that are innately more connected to local residents and businesses.

Burbank, California, provides another example of locally driven revitalization. Faced with the collapse of the aerospace industry that was the town’s economic lynchpin, the city promoted a new economy base by installing an advanced fiber-optic loop around the city and working assiduously to convince its other major industry—entertainment—to stay and expand. City leaders also worked to enrich Burbank’s sense of place by developing a successful, walkable central





core. In short, they deliberately chose to make their downtown more pleasant for both businesses and individuals. By nurturing its small-town feel, turning itself into “an urban village,” and working closely with businesses, Burbank has staged one of the most remarkable business turnarounds in the nation in the past decade.

Conclusion

The fate of midopolis does not need to be dismal. Its success will depend mostly on local entrepreneurs, government, and volunteer groups who can shape the future of these communities. In-depth studies of older suburbs across America reveal that much of the gloom predicted for their future is overstated. Additionally, many of the remedies that are promulgated to reverse this decline—most notably stronger regional government—ignore the realities underlying community renaissance. Ultimately, it is the quality of a

community, and the commitment of local people to enhance that quality, that proves to be the critical difference between the success and failure of the evolving midopolis.

ABOUT THE AUTHOR

Joel Kotkin is a senior fellow at the Davenport Institute for Public Policy at Pepperdine University and the Milken Institute, and a research fellow in urban studies at Reason Public Policy Institute (RPPI) in Los Angeles, California. He is the author of four books, most recently *The New Geography: How the Digital Revolution is Reshaping the American Landscape* (Random House, 2000). A columnist for the *New York Times*, the *Los Angeles Times*, and the *Los Angeles Business Journal*, Mr. Kotkin is also the author of the RPPI policy study *The Future of the Center: The Core City in the New Economy*.



RELATED RPPI PUBLICATIONS

Giving a Leg Up on Bootstrap Entrepreneurship: *Expanding Economic Opportunity in America's Urban Centers*. By Samuel R. Staley, Howard Husock, David J. Bobb, Sterling Burnett, Laura Creasy, and Wade Hudson. Policy Study No. 277 (February 2001).

The Future of the Center: The Core City in the New Economy. By Joel Kotkin. Policy Study No. 264 (November 1999).

The Sprawling of America: In Defense of the Dynamic City. By Samuel R. Staley. Policy Study No. 251 (January 1999).

Regulatory Reform at the Local Level: Regulating for Competition, Opportunity, and Prosperity. By Adrian T. Moore and Tom Rose. Policy Study No. 238 (February 1998).

Market-oriented Planning: Principles and Tools. By Samuel Staley and Lynn Scarlett. Policy Study No. 236 (November 1997).

Repairing the Ladder: Toward a New Housing Paradigm. By Howard Husock. Policy Study No. 207 (July 1996).

Community Law Enforcement: The Success of San Diego's Volunteer Policing Program. By Kathy Kessler and Julie Wartel. Policy Study No. 204 (May 1996).



Reason Public Policy Institute (RPPI) is a nonpartisan public policy think tank promoting choice, competition, and a dynamic market economy as the foundation for human dignity and progress. RPPI produces rigorous, peer-reviewed research and directly engages the policy process, seeking strategies that emphasize cooperation, flexibility, local knowledge, and results. Through practical and innovative approaches to complex problems, RPPI seeks to change the way people think about issues, and promote policies that allow and encourage individuals and voluntary institutions to flourish. RPPI research focuses on education and child welfare, environmental policy, land use and economic development, privatization and government reform, and transportation.

Copyright © 2001. Reason Foundation.