What is the purpose of a city?

- Environmentalism ➞ Smart Growth (Portland, OR)
- Pedestrian aesthetic experience ➞ New Urbanism (NYC)
- Attract the elites ➞ Creative Class (San Francisco, Austin)
Alternate purpose

Maximizing upward social and economic mobility for its citizens and their children

Study by noted urban historian Joel Kotkin, myself, and others

Label we gave to this philosophy: "Opportunity Urbanism"

Houston as the exemplar city
<table>
<thead>
<tr>
<th>City</th>
<th>Average Annual Earnings Per Job, Adjusted for Local Cost of Living, 2014 For Selected Metro Areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston</td>
<td>$73,418</td>
</tr>
<tr>
<td>Dallas</td>
<td>$65,040</td>
</tr>
<tr>
<td>Detroit</td>
<td>$64,579</td>
</tr>
<tr>
<td>Atlanta</td>
<td>$62,743</td>
</tr>
<tr>
<td>Seattle</td>
<td>$61,224</td>
</tr>
<tr>
<td>Chicago</td>
<td>$60,727</td>
</tr>
<tr>
<td>Washington</td>
<td>$56,270</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>$54,613</td>
</tr>
<tr>
<td>San Francisco</td>
<td>$54,510</td>
</tr>
<tr>
<td>Boston</td>
<td>$54,177</td>
</tr>
<tr>
<td>Phoenix</td>
<td>$51,908</td>
</tr>
<tr>
<td>Miami</td>
<td>$49,897</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>$47,952</td>
</tr>
<tr>
<td>New York</td>
<td>$43,284</td>
</tr>
<tr>
<td>Riverside</td>
<td>$42,481</td>
</tr>
</tbody>
</table>

Source: Praxis Strategy Group analysis based on Q2/14 EMSI wage data and 2013 C2ER cost of living data
<table>
<thead>
<tr>
<th>City, State</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston, TX</td>
<td>32.0%</td>
</tr>
<tr>
<td>Riverside, CA</td>
<td>28.0%</td>
</tr>
<tr>
<td>San Antonio, TX</td>
<td>20.3%</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>20.3%</td>
</tr>
<tr>
<td>Dallas-Fort Worth, TX</td>
<td>19.6%</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>18.0%</td>
</tr>
<tr>
<td>Charlotte, NC</td>
<td>17.1%</td>
</tr>
<tr>
<td>San Diego, CA</td>
<td>15.1%</td>
</tr>
<tr>
<td>Denver, CO</td>
<td>15.1%</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>13.4%</td>
</tr>
<tr>
<td>Baltimore, MD</td>
<td>12.5%</td>
</tr>
<tr>
<td>Portland, OR</td>
<td>12.4%</td>
</tr>
<tr>
<td>Miami, FL</td>
<td>12.2%</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>9.8%</td>
</tr>
<tr>
<td>New York, NY</td>
<td>8.6%</td>
</tr>
<tr>
<td>Minneapolis, MN</td>
<td>7.9%</td>
</tr>
<tr>
<td>Boston, MA</td>
<td>5.7%</td>
</tr>
<tr>
<td>Tampa, FL</td>
<td>5.4%</td>
</tr>
<tr>
<td>Pittsburgh, PA</td>
<td>4.8%</td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>4.3%</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>4.2%</td>
</tr>
<tr>
<td>Philadelphia, PA</td>
<td>2.8%</td>
</tr>
<tr>
<td>St. Louis, MO</td>
<td>1.7%</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

-13.7%  Detroit, MI  Source: U.S. Bureau of Labor Statistics
<table>
<thead>
<tr>
<th>City, State</th>
<th>% Change in Payroll Employment, December ’08 – July ’14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston, TX</td>
<td>10.1%</td>
</tr>
<tr>
<td>San Antonio, TX</td>
<td>8.4%</td>
</tr>
<tr>
<td>Dallas-Fort Worth, TX</td>
<td>8.0%</td>
</tr>
<tr>
<td>Denver, CO</td>
<td>8.0%</td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>5.6%</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>4.9%</td>
</tr>
<tr>
<td>Portland, OR</td>
<td>4.2%</td>
</tr>
<tr>
<td>Boston, MA</td>
<td>4.1%</td>
</tr>
<tr>
<td>Baltimore, MD</td>
<td>3.7%</td>
</tr>
<tr>
<td>Minneapolis, MN</td>
<td>3.4%</td>
</tr>
<tr>
<td>Washington, DC</td>
<td>3.3%</td>
</tr>
<tr>
<td>San Diego, CA</td>
<td>3.2%</td>
</tr>
<tr>
<td>Charlotte, NC</td>
<td>3.1%</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>2.8%</td>
</tr>
<tr>
<td>New York, NY</td>
<td>2.9%</td>
</tr>
<tr>
<td>Miami, FL</td>
<td>2.9%</td>
</tr>
<tr>
<td>Pittsburgh, PA</td>
<td>1.7%</td>
</tr>
<tr>
<td>Riverside, PA</td>
<td>1.5%</td>
</tr>
<tr>
<td>Tampa, FL</td>
<td>1.4%</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>0.4%</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>0.0%</td>
</tr>
<tr>
<td>Detroit, MI</td>
<td>-0.8%</td>
</tr>
<tr>
<td>St. Louis, MO</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Phoenix, AZ</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Philadelphia, PA</td>
<td>-1.6%</td>
</tr>
</tbody>
</table>

Source: U.S. Bureau of Labor Statistics
Change in Manufacturing Employment, 2010-2014

- Detroit: 25.0%
- Houston: 17.6%
- Seattle: 10.4%
- Miami: 6.2%
- Atlanta: 5.4%
- Phoenix: 4.8%
- Riverside: 3.0%
- Dallas: 2.9%
- San Francisco: 1.9%
- Chicago: 0.8%
- Boston: -0.6%
- Los Angeles: -2.1%
- New York: -3.3%
- Philadelphia: -4.2%
- Washington: -13.3%

Source: U.S. Bureau of Labor Statistics
STEM Employment Growth 2001-2013

- Houston: 24.1%
- Seattle: 18.9%
- Washington: 16.4%
- Riverside: 14.4%
- Dallas: 8.3%
- Phoenix: 4.8%
- San Francisco: 4.7%
- Boston: -1.5%
- Atlanta: -2.6%
- Philadelphia: -4.1%
- New York: -4.8%
- Los Angeles: -6.3%
- Miami: -7.3%
- Chicago: -9.1%
- Detroit: -12.8%

EMSI 2014.1
### Fastest Growing Regions for the Full-time Self-employed 2008-2011

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Las Vegas</td>
<td>9.1%</td>
</tr>
<tr>
<td>Austin</td>
<td>8.0%</td>
</tr>
<tr>
<td>Houston</td>
<td>6.0%</td>
</tr>
<tr>
<td>Raleigh, NC</td>
<td>6.0%</td>
</tr>
<tr>
<td>Orlando</td>
<td>5.9%</td>
</tr>
<tr>
<td>Jacksonville, FL</td>
<td>5.4%</td>
</tr>
<tr>
<td>Memphis, TN</td>
<td>5.0%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>4.1%</td>
</tr>
<tr>
<td>Miami</td>
<td>3.6%</td>
</tr>
<tr>
<td>Charlotte</td>
<td>2.6%</td>
</tr>
<tr>
<td>Dallas</td>
<td>2.4%</td>
</tr>
<tr>
<td>Portland</td>
<td>2.4%</td>
</tr>
<tr>
<td>Riverside</td>
<td>1.8%</td>
</tr>
<tr>
<td>Phoenix</td>
<td>1.4%</td>
</tr>
<tr>
<td>Washington</td>
<td>1.2%</td>
</tr>
<tr>
<td>Denver</td>
<td>0.3%</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau
Change in Value of Total Trade 2000-2013

- Houston/Galveston, Texas: 236.9%
- Savannah, Georgia: 208.3%
- Chicago, Illinois: 164.6%
- New Orleans, Louisiana: 148.6%
- Laredo, Texas: 110.6%
- Seattle, Washington: 89.1%
- Los Angeles, California: 80.5%
- New York City, New York: 68.2%
- Detroit, Michigan: 36.9%
- San Francisco, California: -2.6%

Source: U.S. Census Bureau, Foreign Trade Division
Share of Income from Interest, Dividends, and Rent, 2012

1. Miami-Fort Lauderdale-West Palm Beach, FL: 26.5%
2. San Francisco-Oakland-Hayward, CA: 20.7%
3. Los Angeles-Long Beach-Anaheim, CA: 18.8%
4. Washington-Arlington-Alexandria, DC-VA-MD-WV: 18.5%
5. Boston-Cambridge-Newton, MA-NH: 18.5%
6. Seattle-Tacoma-Bellevue, WA: 18.2%
7. New York-Newark-Jersey City, NY-NJ-PA: 17.9%
8. Chicago-Naperville-Elgin, IL-IN-WI: 17.4%
9. Phoenix-Mesa-Scottsdale, AZ: 16.4%
11. Riverside-San Bernardino-Ontario, CA: 16.2%
12. Atlanta-Sandy Springs-Rosewell, GA: 16.2%
13. Dallas-Fort Worth-Arlington, TX: 15.2%
14. Detroit-Warren-Dearborn, MI: 14.8%
15. Houston-The Woodlands-Sugar Land, TX: 13.3%

Source: Bureau of Economic Analysis
Largest Metropolitan Areas: Growth 2000-2013

1. Phoenix, AZ: 35.3%
2. Riverside-San Bernardino, CA: 34.6%
3. Houston, TX: 34.5%
4. Dallas-Fort Worth, TX: 30.9%
5. Atlanta, GA: 29.5%
6. Washington, DC-VA-MD-WV: 23.0%
7. Seattle, WA: 18.6%
8. Miami, FL: 16.4%
9. San-Francisco-Oakland, CA: 9.5%
10. Boston, MA-NH: 6.7%
11. Los Angeles, CA: 6.2%
13. New York, NY-NJ-PA: 5.3%
14. Chicago, IL-IN-WI: 4.8%
15. Detroit, MI: -3.5%

Source: U.S. Census Bureau
Net Domestic Migration, 2010-2013
15 Most Populous Metro Areas

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dallas-Fort Worth, TX</td>
<td>127,315</td>
</tr>
<tr>
<td>Houston, TX</td>
<td>116,956</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>45,188</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>44,433</td>
</tr>
<tr>
<td>San Francisco-Oakland, CA</td>
<td>37,157</td>
</tr>
<tr>
<td>Washington, DC-VA-MD-WV</td>
<td>32,749</td>
</tr>
<tr>
<td>Miami, FL</td>
<td>31,750</td>
</tr>
<tr>
<td>Riverside-San Bernardino, CA</td>
<td>18,321</td>
</tr>
<tr>
<td>Boston, MA-NH</td>
<td>101</td>
</tr>
<tr>
<td>San Jose, CA</td>
<td>-6,245</td>
</tr>
<tr>
<td>Philadelphia, PA-NJ-DE-MD</td>
<td>-49,564</td>
</tr>
<tr>
<td>Detroit, MI</td>
<td>-58,343</td>
</tr>
<tr>
<td>Los Angeles, CA</td>
<td>-125,037</td>
</tr>
<tr>
<td>Chicago, IL-IN-WI</td>
<td>-161,558</td>
</tr>
<tr>
<td>New York, NY-NJ-PA</td>
<td>-336,566</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau
Housing Affordability 1950-2013
Major U.S. Metropolitan Areas

Median Multiple: Median House Price divided by Median Household Income

- More Restrictive Markets: California
- More Restrictive Markets: Not California
- Other Liberal Markets
- Houston

Domestic Migration & Housing Affordability
Major Metropolitan Counties

- Median Multiple: Median House Value Divided by Median Household Income
- Exporting Counties: Major Metropolitan Areas
  - Median Value Multiple: 6.2
- Importing Counties: Major Metropolitan Areas
  - Median Value Multiple: 3.4
- Outside Major Metropolitan Areas
  - Median Value Multiple: 3.5

Source: U.S. Census Bureau
Consumer Housing Preferences

- Detached: 80.0%
- Attached or Townhouse: 7.0%
- Apartment: 8.0%
- Mobile Home or Other: 5.0%

Source: NAR/Smart Growth America Survey, 2012
CANARIES IN THE COAL MINE

*Immigrants and their Children
*Young families
*Millennials
U.S. Population, Ages 30-39 Millions

Source: U.S. Census Bureau

2015: 41.9
2025: 46.3
Age 20-29 Population Growth, 2010-2013
15 Largest U.S. Metropolitan Areas

- Riverside-San Bernardino, CA: 8.3%
- Miami, FL: 7.7%
- Detroit, MI: 6.8%
- Houston, TX: 6.2%
- Seattle, WA: 5.7%
- Dallas-Fort Worth, TX: 4.7%
- Los Angeles, CA: 4.7%
- Phoenix, AZ: 4.3%
- Boston, MA-NH: 4.1%
- Atlanta, GA: 4.0%
- Washington, DC-VA-MD-WV: 3.4%
- San Francisco-Oakland, CA: 3.4%
- New York, NY-NJ-PA: 3.2%
- Philadelphia, PA-NJ-DE-MD: 3.0%
- Chicago, IL-IN-WI: 0.2%

Source: U.S. Census Bureau
Growth in Adults with Bachelors or Higher
2007-2012, Major Metro Areas

<table>
<thead>
<tr>
<th>City</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston</td>
<td>16.0%</td>
</tr>
<tr>
<td>Phoenix</td>
<td>13.3%</td>
</tr>
<tr>
<td>Dallas</td>
<td>13.2%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>12.6%</td>
</tr>
<tr>
<td>Washington</td>
<td>12.0%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>11.5%</td>
</tr>
<tr>
<td>Seattle</td>
<td>11.2%</td>
</tr>
<tr>
<td>Miami</td>
<td>10.8%</td>
</tr>
<tr>
<td>Riverside</td>
<td>9.7%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>9.6%</td>
</tr>
<tr>
<td>Chicago</td>
<td>9.4%</td>
</tr>
<tr>
<td>New York</td>
<td>8.3%</td>
</tr>
<tr>
<td>Atlanta</td>
<td>7.4%</td>
</tr>
<tr>
<td>Boston</td>
<td>7.2%</td>
</tr>
<tr>
<td>Detroit</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

% Change, Population 25 Years and Older, With BA or Higher

Source: U.S Bureau of the Census
Number of Children: Housing Affordability
Metropolitan Areas: Women Aged 16-45: 2010

Variation from National Average

- Affordable (3.0 & Under): -2.5%
- Moderately Unaffordable (3.1-4.0): 1.3%
- Seriously Unaffordable (4.1-5.0): 3.0%
- Severely Unaffordable (5.1 & Over): 9.7%

Median Multiple
(Median House Price / Median Household Income)
2001-2010 Average
% of Population Aged Under 14
Most Populous U.S. Metro Areas, 2012

- Houston, TX: 23.0%
- Dallas-Fort Worth, TX: 22.9%
- Riverside-San Bernardino, CA: 22.8%
- Atlanta, GA: 21.6%
- Phoenix, AZ: 21.4%
- Chicago, IL-IN-WI: 20.2%
- Washington, DC-VA-MD-WV: 19.5%
- Los Angeles, CA: 19.4%
- Detroit, MI: 19.1%
- Philadelphia, PA-NJ-DE-MD: 18.8%
- Seattle, WA: 18.7%
- New York, NY-NJ-PA: 18.4%
- San Francisco-Oakland, CA: 17.4%
- Miami, FL: 17.3%
- Boston, MA-NH: 17.3%

Source: U.S. Bureau of the Census
Change in Foreign Born Population, 2000-2012
Major U.S. Metro Areas
Note: Percent Change in Parenthesis

- **New York** (15.7%) - 762,000
- **Houston** (53.8%) - 483,000
- **Washington** (55.5%) - 460,000
- **Miami** (25.4%) - 445,000
- **Dallas-Fort Worth** (49.9%) - 391,000
- **Riverside-San Bernardino** (54.0%) - 331,000
- **Atlanta** (69.5%) - 295,000
- **Seattle** (58.5%) - 225,000
- **Chicago** (15.2%) - 222,000
- **San Francisco** (18.8%) - 212,000

Source: U.S Bureau of the Census
SOCIAL JUSTICE AND OPPORTUNITY URBANISM
% Working Households With Severe Housing Burdens

- **Dallas**: 18.8%
- **Washington**: 19.9%
- **Houston**: 20.1%
- **Seattle**: 20.4%
- **Detroit**: 20.6%
- **Philadelphia**: 20.8%
- **Phoenix**: 22.5%
- **Boston**: 22.6%
- **Atlanta**: 23.5%
- **Chicago**: 24.8%
- **San Francisco**: 29.2%
- **Riverside**: 31.3%
- **New York**: 34.7%
- **Los Angeles**: 37.7%
- **Miami**: 38.5%

*Defined as 50% or more of family income spent on housing

Source: Housing Landscape 2014
Change in Poverty Rate
Percentage Point Change, 2006-2012

- Riverside: 6.1
- Atlanta: 4.7
- Phoenix: 4.7
- Detroit: 4.5
- Miami: 4.1
- Los Angeles: 3.6
- Chicago: 2.6
- San Francisco: 2.2
- Seattle: 2.1
- Dallas: 2.1
- New York: 2.0
- Philadelphia: 1.6
- Boston: 1.5
- Houston: 1.5
- Washington: 1.4

Source: U.S. Census, U.S. Census American Community Survey
### Income Gap: Ratio of Black Median Household Income to White Median Household Income, 2012

<table>
<thead>
<tr>
<th>City</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riverside</td>
<td>81.4%</td>
</tr>
<tr>
<td>Phoenix</td>
<td>72.9%</td>
</tr>
<tr>
<td>Miami</td>
<td>70.8%</td>
</tr>
<tr>
<td>Houston</td>
<td>64.5%</td>
</tr>
<tr>
<td>Dallas</td>
<td>63.8%</td>
</tr>
<tr>
<td>Atlanta</td>
<td>63.8%</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>62.3%</td>
</tr>
<tr>
<td>Washington</td>
<td>61.3%</td>
</tr>
<tr>
<td>Seattle</td>
<td>58.6%</td>
</tr>
<tr>
<td>New York</td>
<td>57.2%</td>
</tr>
<tr>
<td>Boston</td>
<td>54.3%</td>
</tr>
<tr>
<td>Philadelphia</td>
<td>51.3%</td>
</tr>
<tr>
<td>Detroit</td>
<td>50.9%</td>
</tr>
<tr>
<td>Chicago</td>
<td>50.2%</td>
</tr>
<tr>
<td>San Francisco</td>
<td>48.9%</td>
</tr>
</tbody>
</table>

*Source: U.S. Census American Community Survey*
Income Gap: Ratio of Hispanic Median Household Income to White Median Household Income, 2012

- Riverside: 84%
- Miami: 81%
- Phoenix: 73%
- Detroit: 72%
- Los Angeles: 71%
- Chicago: 68%
- Houston: 68%
- Seattle: 67%
- Dallas: 65%
- Washington: 62%
- San Francisco: 62%
- Atlanta: 59%
- New York: 54%
- Philadelphia: 52%
- Boston: 50%

Source: U.S. Census American Community Survey
Home Ownership Rate, 2012

Source: U.S. Census Bureau

- **Hispanic/Latino Households**
- **African-American Households**

<table>
<thead>
<tr>
<th>City</th>
<th>Hispanic/Latino</th>
<th>African-American</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston</td>
<td>53.4%</td>
<td></td>
</tr>
<tr>
<td>Chicago</td>
<td>52.1%</td>
<td></td>
</tr>
<tr>
<td>Phoenix</td>
<td>47.4%</td>
<td></td>
</tr>
<tr>
<td>Washington</td>
<td>46.2%</td>
<td></td>
</tr>
<tr>
<td>Philadelphia</td>
<td>50.0%</td>
<td></td>
</tr>
<tr>
<td>Atlanta</td>
<td>48.0%</td>
<td></td>
</tr>
<tr>
<td>Los Angeles</td>
<td>48.4%</td>
<td></td>
</tr>
<tr>
<td>San Francisco</td>
<td>37.3%</td>
<td></td>
</tr>
<tr>
<td>New York</td>
<td>32.4%</td>
<td></td>
</tr>
<tr>
<td>Boston</td>
<td>31.1%</td>
<td></td>
</tr>
</tbody>
</table>
Largest Metropolitan Areas: Building Permits
Single-Family Homes, 2013

- Houston, TX: 34,509
- Dallas-Fort Worth, TX: 20,805
- Atlanta, GA: 14,803
- Washington, DC-VA-MD-WV: 13,277
- New York, NY-NJ-PA: 10,139
- Seattle, WA: 8,804
- Los Angeles, CA: 7,477
- Chicago, IL-IN-WI: 7,381
- Miami, FL: 6,387
- Riverside-San Bernardino, CA: 6,359
- Philadelphia, PA-NJ-DE-MD: 6,223
- Detroit, MI: 5,461
- Boston, MA-NH: 4,981
- San Francisco-Oakland, CA: 3,601
- San Jose, CA: 1,891

Source: U.S. Census Bureau
Downtown Office Vacancy Rates, Q2/13
15 Most Populous Metro Areas

- San Francisco: 9.4%
- New York: 10.1%
- Houston: 12.6%
- Washington: 13.5%
- Boston: 14.4%
- Philadelphia: 14.6%
- Seattle: 16.3%
- Miami: 16.4%
- Chicago: 16.4%
- Los Angeles: 18.4%
- Dallas: 19.5%
- Riverside: 20.1%
- Atlanta: 20.1%
- Phoenix: 23.5%
- Detroit: 23.6%

Source: Cushman & Wakefield
Population Growth by Ring, 2000-2010
Houston vs. Major Metro Areas

- Overall: 12.9% (excluding Houston) vs. 26.1% (Houston)
- Inner Ring: 0.7% (excluding Houston) vs. 2.9% (Houston)
- Middle Ring: 6.5% (excluding Houston) vs. 13.4% (Houston)
- Outer Ring: 15.3% (excluding Houston) vs. 47.8% (Houston)
- Exurban: 29.9% (excluding Houston) vs. 39.2% (Houston)

Source: U.S. Bureau of the Census
Note: Excludes Detroit due to that metro’s overall population loss
% Change, Census Tracts with 5,000+ Inhabitants
15 Largest Metropolitan Areas, 2000-2010

Riverside-San Bernardino: 39.2%
Houston: 24.1%
Washington: 19.2%
Seattle: 15.3%
Dallas-Fort Worth: 13.9%
Miami: 10.2%
Phoenix: 3.3%
Boston: 3.2%
Los Angeles: 3.1%
San Francisco: 2.9%
New York: 2.8%
Philadelphia: -0.5%
Chicago: -5.9%
Atlanta: -6.8%
Detroit: -27.0%

Source: U.S Bureau of the Census
OPPORTUNITY URBANISM: THE HOUSTON MODEL

- High growth in jobs and incomes
- Rising housing costs on coasts make Houston region more attractive
- Growing appeal to immigrants and millennials
- Light touch on planning allows for both inner ring and outer ring growth
- A city for the middle class and upwardly mobile working class
Policy
4 enablers of upward social mobility

1. Additional education for self or children
2. Getting a better job
   
   *Superior skills match, better productivity and pay*
3. Starting a business
4. Affordable home ownership

*How can a city make more of these events happen for more people?*
Maximizing peoples’ opportunity zones

- More education, job, startup, or affordable home options within their personal travel – time/cost tolerance
- Four elements of a vibrant opportunity zone

1. Large geographic size (mobility)
2. Substantial numbers of people and jobs (density)
3. Economic Fuel (discretionary income)
4. Dynamic Vibrancy (minimal government regulation)
Large geographic size (mobility)

- Job, education, home options within 15, 30, 45 minutes?
- Business startup: how many potential customers and employees can reach me?

*Especially important for specialized niche businesses*

*Based on a typical half-hour one-way commute*

40% speed increase = 2x the opportunity zone

- 700 m²
- 1400 m²
Power of Mobility: Reason Foundation report

- Watts, LA: car access = 59x jobs access vs. transit
- “Auto-ownership could cut the black-white unemployment gap nearly in half.”
- +10% avg travel speeds = +15% labor mkt, +3% productivity

“Job seekers were able to find better jobs, and employers had access to more workers and more customers.”
Myth-busting: freeze freeway infrastructure ⇒ force everybody to the core, stop sprawl

- Reality: employers will follow their employees to good schools and affordable high-quality homes if the commute is unreasonable
- Result:
  - Vibrant suburbs (employers)
  - Growing exurban periphery (employees a half-hour out from employer)
  - Stagnant core with declining tax base (ex. Detroit)

  • Irony of sprawl actually increasing under this policy
  • Investment in freeway capacity reduces sprawl by putting practical limits on how far people can live from jobs in the core (~20-30 miles)
More people support more job, education, and housing options

More people = more potential customers and employees for a startup business

Growth is good!

Studies:

2x city size

+ 15% economic activity per capita, inc. innovation

Only +85% more resources needed

Cities increase productivity!
Economic Fuel (discretionary income)

- Avg income minus basic cost of living (housing, groceries, transportation, utilities, health care, taxes)
- Spend on education, startup, charity, support businesses/jobs/amenities
- **Max** incomes with high-paying jobs, Traditional economic development
- **Min** cost of living: taxes, competitive goods/services, esp. housing (allowing supply to meet demand)
Houston = Highest Standard Of Living In the World?

<table>
<thead>
<tr>
<th>Metro Area</th>
<th>Average Annual Earnings Per Job</th>
</tr>
</thead>
<tbody>
<tr>
<td>Houston</td>
<td>$73,418</td>
</tr>
<tr>
<td>Dallas</td>
<td>$65,040</td>
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<tr>
<td>Detroit</td>
<td>$64,579</td>
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<td>Atlanta</td>
<td>$62,743</td>
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<td>Seattle</td>
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<td>Phoenix</td>
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<tr>
<td>New York</td>
<td>$43,284</td>
</tr>
<tr>
<td>Riverside</td>
<td>$42,481</td>
</tr>
</tbody>
</table>

Source: Praxis Strategy Group analysis based on Q2/14 EMSI wage data and 2013 C2ER cost of living data.
Discretionary income based on 3Q06 ACCRA COLI (or the latest available for that metro) and BLS 2005 mean incomes, subtracting food, housing, utilities, transportation, and health care. Negative values indicate the ACCRA lifestyle standard, esp. housing, is not affordable with the mean income.

basic cost of living (housing, groceries, transportation, utilities, health care, taxes)
Virtuous cycle of discretionary income

Zagat: Houstonians eat out the most per week at the lowest average cost of the major metros

In turn helps a city attract more high-paying jobs and talent

Support more urban amenities/vibrancy

- Restaurants
- Performing Arts
- Shopping
- Bars, nightclubs
- Museums
- Sports
- Entertainment
Dynamic vibrancy

- Minimal zoning/permitting/land-use regulations
  
  *Houston – largest city in the country without zoning*

- Increases competition, reduces residential and commercial space costs

- Houston: most affordable major metro in the country
Is rail the answer to our commuting challenges?

Everybody loves it in Europe, NYC
Old cities built around slow walking

Density critical – everything has to be close

Slum tenements: poverty, disease, overcrowding
• People can live in the suburbs and commute to jobs in the core
• No longer forced into slum tenements
• Industrial revolution, rising wealth → people want more space!
• Grass, air, sun, trees!
• Jobs centralized in the core at the rail nexus
• NYC, Chicago, London, Paris

Invention of rail technology
Post-WW2 rise of the automobile

- Transformed city design – freeways, arterials
  - Jane Jacob’s old world: mobility fixed (walking), density variable
    vibrancy=density

  - New world: density in narrow range (personal space + car parking), mobility variable (freeways vs. arterials, congestion) vibrancy=mobility

- Decentralized: jobs everywhere, no reason to pack everything downtown

- LA, Silicon Valley, Phoenix, Atlanta, Dallas, Houston
Multiple job centers: Downtown, Uptown/Galleria, Texas Medical Center, Greenway Plaza, Energy Corridor, Westchase, Greenspoint, Clear Lake, etc.

Less than 7% of jobs downtown
Commute solution #1: rail

• Few park-and-rides, high-capacity, infrequent service
• Net ~30-40 mph with stops
• Dispersed jobs = time-consuming transfers + long walks: tropical heat, rain, cold
• Billions of dollars, decade+
Commuter solution #2: HOV/HOT private express bus

- Many park-and-rides, moderate capacity, frequent service:
  - Church, mall parking lots with spare Mon-Fri capacity
  - Nonstop 65+ mph service to all major job centers
  - Private: compete on service, schedule, reliability, routes, luxury amenities (like wi-fi)

- Circulate at job center to get you to your building and keep you out of the weather

- Millions of dollars (not billions), immediate
  - Optional Metro subsidy per passenger mile
  - HOV/HOT lane network expansion, better non-downtown routes
    - Uptown/Galleria, TMC
Rise of email, text messages, smart phones, tablets

Driving unproductive

Optimal commute productivity: long ride, comfortable seat, no transfers, no standing/"strap-hanging", min walking

Private express bus
CENTER FOR OPPORTUNITY URBANISM

• New national think tank based in Houston
  – Leo Linbeck, Chairman
  – Joel Kotkin, Executive Director
  – Tory Gattis, Founding Senior Fellow
  – Wendell Cox, Founding Senior Fellow
• Seeking board member supporters

 tgattis@pdq.net
www.OpportunityUrbanism.org