Title
The Long Road from Babylon to Brentwood: Crisis and Restructuring in the San Francisco Bay Area

Author
Schafran, Alex

Publication Date
2010-11-29

ISSC WORKING PAPER SERIES 2009-2010.47

The Long Road from Babylon to Brentwood: Crisis and Restructuring in the San Francisco Bay Area

by Alex Schafran

Department of City and Regional Planning
University of California, Berkeley
November 29, 2010

INSTITUTE FOR
THE STUDY OF
SOCIAL CHANGE

Alex Schafran
Department of City and Regional Planning
University of California, Berkeley

schafran@berkeley.edu

Communities on the fringes of the American metropolis – exurbs, or exurbia – have recently garnered attention as the centers of the foreclosure crisis and its aftermath. On the one hand, this attention to the urban nature of the crisis is welcome, as the metamorphosis of the mortgage fiasco into a financial crisis cum global economic meltdown turned popular attention away from the urban roots of this calamity. But this emphasis on the exurbs as the site of crisis lends itself to the misconception that they are the sole source of crisis, rather than the restructuring of the metropolis as a whole. Using a mixture of ethnography, history and journalism, this paper weaves together the story of how the San Francisco Bay Area was restructured over the course of the past thirty years in a way that produced not only a new map of urban and exurban segregation, but the roots of the crisis itself. Working across multiple scales, it examines how three interwoven factors – demographics, policy and capital – each reacted to the landscape inherited at the end of the 1970's, moving about the region in new ways, leaving some places thriving and others struggling with foreclosure, plummeting property values and the deep uncertainty of the current American metropolis.

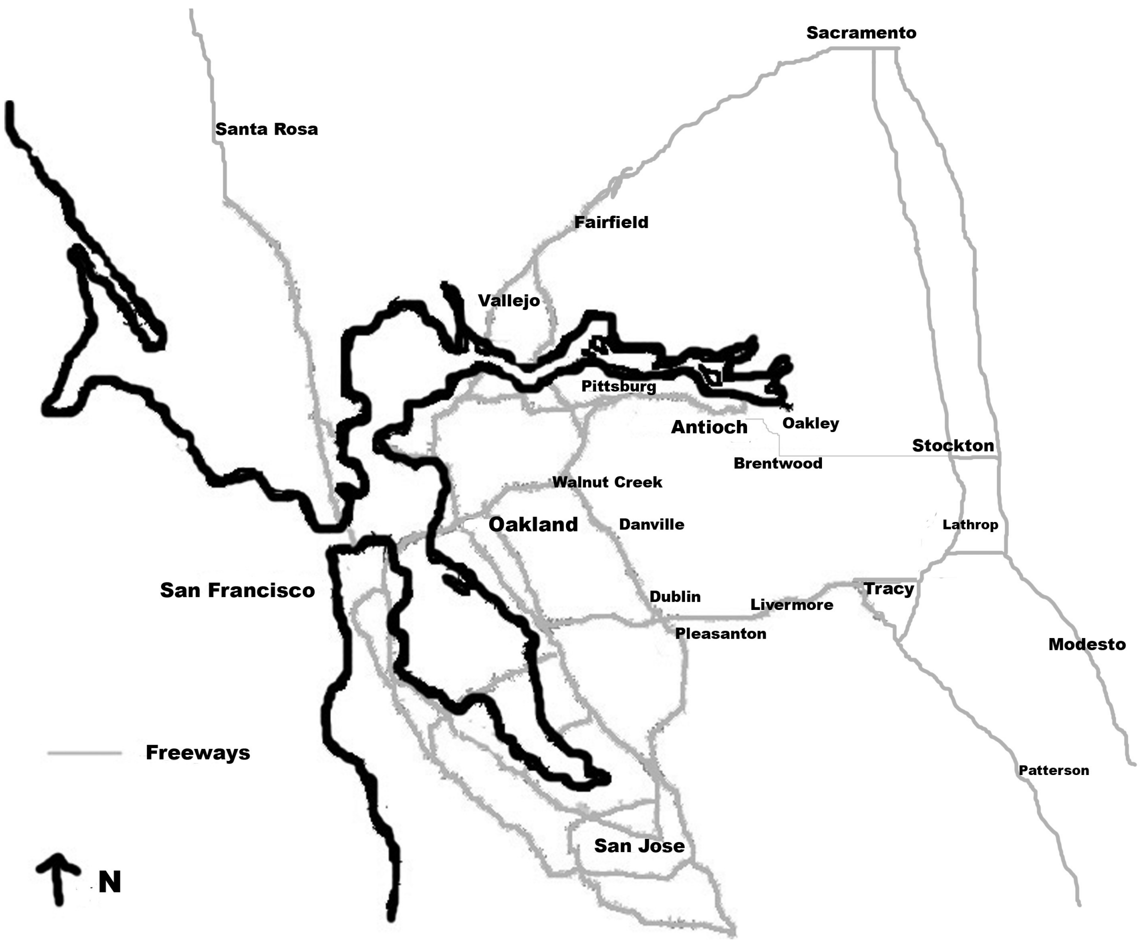
Introduction: Crisis on the Edge

> Drive along foreclosure alley, through new planned communities that look like tile-roofed versions of a 21st century ghost town, and you see what happens when people gamble with houses instead of casino chips.
>
> -Timothy Egan, "Slumburbia," New York Times, February 10, 2010

Stories of suffering and decline on the edges of the American metropolis have now become as ubiquitous as the "bank-owned" signs littering front yards from Antioch, California, to Yuma, Arizona. From columnists like Timothy Egan to the editorial pages of *The Economist*, tales of the "gated ghetto" and quotes from urban scholar Christopher Leinberger about the "next slum" growing on the fringes of our urban regions are merging into a noticeable discourse of decline in the wake of an economic and social disaster (Egan 2010; Semuels 2010; Leinberger 2008; *The Economist* 2010).

There is much to be learned from these stories of beige and boarded-up houses that line former fields, desert steppes and reclaimed swampland across most of the Sun Belt. The impact of the crisis is glaring and acute in these regions, and the highly specific geography of this crisis warrants deeper consideration by scholars. Yet the consistent location of crisis in the exurbs – and the sole focus on the production of cheap housing far from the urban core – can lead to an insufficiently metropolitan understanding of the production and impact of the crisis. Exurbs are not created in a vacuum – rather, they are part of a larger system of metropolitan and regional production of space and place, and a key node in the rearrangement of race and class geographies.

Figure 1: The Greater San Francisco Bay Area. Sketch by author.



Treatments of the crisis as being rooted in a particular geography can also lead to insufficiently relational understandings of this crisis. The fact that places like Antioch, on the edge of the San Francisco Bay Area, are impacted is important in and of itself, but it is how starkly they have suffered compared to the rest of the region that lies at the heart of the matter. Table 1 shows just how much real estate value has been lost on the fringes compared with established wealthy suburbs like Danville, and gentrifying neighborhoods like San Francisco's Mission district (see Figure1 for orientation). Even after the dramatic losses in value from 2006-

2009, value is still higher in those communities than it was twenty years ago. Antioch, on the other hand, is down more than 60 percent.[1]

Table 1: Change in Median Sales Price in 3 Zip Codes, 1988-2009			
City/Zip	**Jan 1988***	**Jan 2009**	**Gain/Loss**
Antioch 94509	$198,721	$124,000	-60.3%
Danville 94506	$680,306	$790,000	13.9%
San Francisco 94110	$317,774	$550,500	42.3%
Source: Data Quick. *Adjusted to 2009 dollars.			

This essay situates the production of exurbia as the center of a crisis that encompasses the larger restructuring of the greater San Francisco Bay Area. While communities on the fringe played a significant role in the production of a crisis that has so clearly engulfed them, I insist on a more holistic story of a megaregion in flux. The region as a whole participated in a grossly uneven restructuring, not simply the cities and the towns on the outer edge.

A focus on the regional role in the creation of an exurbia in crisis also allows us to expose the profoundly urban roots of this crisis. Foreclosure on the fringe did not happen by accident, nor simply because Wall Street wanted to sell cheap, repackaged debt. The root of the current crisis lies in the way in which multiple interwoven factors – demographics, urban policy, real estate capital, industry and employment, mortgage debt – reacted to the landscape inherited at the end of the 1970's, either moving about the region to new places or entrenching themselves in

[1] These changes can be seen in the aggregate at the county level as well. In 2010, San Francisco's median sale value was 2.5 times that of Contra Costa County, which includes both wealthy communities like Danville along with exurbs like Antioch and poorer inner ring suburbs like Richmond, compared to 1.5 times in 1988.

new ways. This uneven, fragmented and racialized reaction to the more binary metropolis[2] of the post-war era produced an incredibly divided region, leaving some places thriving and others struggling with foreclosure, plummeting property values and the deep uncertainty of the current American metropolis. One can conceptualize the foreclosure crisis not simply as the end result of the neoliberal era,[3] but as the convergence between the unresolved urban crisis of the post-war era and the various reactions to it over the past thirty-five years. Instead of fixing the problems associated with modernist planning in the post war era – an overreliance on suburbanization, expert driven decision making, blatant racism – the "integrated ideal" of coordinated, federally-supported infrastructure (Graham and Marvin 2001) was slowly dismantled in favor of a neo-Darwinian landscape of competing towns, hyper-mobile capital and rapid community change.

This essay begins by revisiting the arguments as to the urban nature of the current crisis, and why California (and the Bay Area in particular) is an important site for both the production and understanding of the current conundrum. Then, following a very brief introduction to the history of the region in question, I chart the trajectories of three of the major factors whose mobility/inertia are at the heart of this restructuring and the subsequent production of crisis on the fringe: differentiated capital investment, key urban policies, and new race and class geographies since the last major restructuring in the late 1970's. The latter factor points to the ongoing racialized human tragedy of the current crisis, as communities of color around the

---

[2] A recent spate of suburban scholarship has sought to undo what is surely an overdone conception of suburbia as white and middle class in contrast to the poorer, non-white urban core (e.g., Wiese 1999; Nicolaides 2002; Kruse and Sugrue 2006). But few would argue that a certain degree of this binary did not exist, especially in the Bay Area, where the suburbs of the East Bay were so intensely racialized that historian Robert Self referred to them as the "white noose" (Self 2003).

[3] Throughout this essay, I deploy a simplistic yet useful dualism to describe the two major periods of urban development in the United States after the Great Depression. The Keynesian or Fordist era ran from the New Deal of the 1930's through the mid-1970's, where a massive ideological, economic and political restructuring ushered in what can be called the neoliberal era, following the growing influence of a set of policies emphasizing, amongst other things, free-market economics and federal devolution and retrenchment. I do this with full knowledge of what Peck and Tickell (2002) show are the difficulties in separating out the policies and politics of neoliberalism and the historical context that it has come to dominate. It also remains an open question as to whether the neoliberal era is now over.

nation are trapped (once-again) in an urban crisis, one that has already produced "the greatest loss of wealth for people of color in recent U.S. history" (Rivera and United for a Fair Economy 2008). This linkage to the urban crisis of the postwar era and an understanding of the role of discourse in the production and reproduction of crisis inform a conclusion which warns of the profound danger of the growing hyperbole surrounding the "decline" of certain suburban regions on the fringe. We must learn to see exurbia as incomplete rather than inadequate. [4]

A Restructuring-Generated Crisis

> Urban restructuring must first be seen as crisis-generated.
>
> -Ed Soja, in Soureli & Youn (2009, p. 42)

The attention paid to foreclosures on the fringe is a critical reminder that, as David Harvey (2009), amongst others, has noted, this is "not a sub-prime mortgage crisis but an urban crisis." As the foreclosure crisis in the United States morphed into a financial crisis cum global economic meltdown, popular attention moved away from the urban roots of this calamity, focusing almost exclusively on securitization and Wall Street greed – no doubt critical features – while largely ignoring the role played by such "urban" factors as housing policy, racial segregation, metropolitan mobility and the conflation between the American Dream and homeownership. This is a critical error. To fully grasp both what happened and what will happen, we must think not simply about what Wall Street did to Main Street, but how, where, and for whom we have built and rebuilt Main Street.

---

[4] A note on method: This multi-sited story necessitated an iterative, mixed-methods approach, combining a mixture of descriptive statistics and mapping; archival data; analysis of previous social science and policy research; key informant interviews with sixty longtime policymakers, planning officials, developers, and academics; life histories with more than a dozen residents; and participant and non-participant observation in two dozen cities and towns in five counties from 2007-2010. It is an exploratory and inductive mode of research that borrows theory and method liberally from numerous sources endogenous and exogenous to social science, including history and journalism.

It would also be a mistake to root the urban nature of the crisis exclusively in the bubble years of 2002-2006. Much as Thomas Sugrue (1996) reminds us in his seminal work *Origins of the Urban Crisis* that the “urban crisis” of the 1960’s and 1970’s – with its wave of abandonment, riots and the supposed decay of the American inner city – began not in 1965 in Watts or 1977 in the Bronx but in the cities, suburbs and factories of the 1940’s, we too must look back over the course of a generation for the origins of this particular crisis. Although we cannot discount the importance of the deregulatory fervor of the Bush regime and the “supercapitalism” (Reich 2008) of the first decade of the new millennium, the story of this crisis must be told not from the point of this most recent moment of neoliberal restructuring, but from the beginning of the neoliberal era in the 1970’s.[5]

Of late, urban scholars have reacted to the exclusive focus on Wall Street and Washington by asserting the role of the “urban problematic” in our understanding of both the production and aftermath of the crisis (Bardhan and Walker 2010; Bardhan 2009; Burkhalter and Castells 2009; Dymski 2009; Wyly et al. 2009; Crump et al. 2008). They remind us that this story is not simply about a static problem, but one inherently linked to the ongoing restructuring of the American metropolis.[6] While the foreclosure crisis is not a perfect analogy to Hurricane Katrina, the discursive power of the comparison is useful. Although we may argue (correctly) that there is “no such thing as a natural disaster,” and while the urban pain of Katrina was

[5] It is a lesson that draws equally from Edward Soja and from Thomas Sugrue. Soja (1996) reminds us in the aftermath of the LA riots that the conflagration in Los Angeles had much to do with the manner in which the larger LA basin – not simply the city of Los Angeles – was reconfigured both by local actors in the aftermath of the Watts riots and by macroeconomic and macropolitical processes in the 1970’s and 80’s. From the “crisis-generated restructuring” post 1965 came the “restructuring-generated crisis” of 1992.

[6] There is a large literature on urban restructuring, summarized by Soja (2000). An excellent working definition of the concept is provided by Soureli and Youn (2009) in their interview with leading urban theorists in the discussion of the crisis: “The multifaceted processes driving the major transformations of city-regions (with particular emphasis on the past thirty years); constantly at work, with highly variable dynamics, affecting spaces unevenly and people unequally; with varying but quite open possibilities for changing its predominant directions; and conditioned upon struggles everyday around the world” (p. 36).

undoubtedly produced by racism, inequality and willful negligence, the storm itself was not. In the case of the mortgage crisis, persistent racialized inequality, predatory lending practices, capital mobility, policy failures (and utter negligence), and a general restructuring of the American metropolis not only produced a highly unequal geography of crisis – much as in New Orleans – but helped produce the storm itself (Wyly et al. 2009; Crump et al. 2008; Hernandez 2009).[7] It was the perfect calamity for a world where the primary means of production had shifted from the industrial to the urban, a bitter fulfillment of Henri Lefebvre's (2003 [1968]) prophecy of an "urban revolution."

What has also emerged is a gradual understanding that certain places are at the center of this mess for a reason, and that much can be learned from the highly specific geography of the crisis. Much as postwar Detroit emerged as the (ongoing) exemplar of postwar urban decline, California, and its metropoli, have emerged as a critical center of the "Great Recession" (Bardhan and Walker 2010). Table 2 shows the ten metropolitan regions that bore the brunt of

Table 2: U.S. Metros with Highest Foreclosure Rates, 3rd Quarter 2007.

1. Stockton, CA
2. Detroit/Livonia/Dearborn, MI
3. *Riverside/San Bernardino, CA*
4. Fort Lauderdale, FL
5. Las Vegas/Paradise, NV
6. **Sacramento, CA**
7. Cleveland/Lorain/Elyria/Mentor, OH
8. Miami, FL
9. *Bakersfield, CA*
10. **Oakland, CA**

Source: RealtyTrac.

[7] There are of course those who would point to this hurricane as a product of climate change, which is certainly produced by humans. The argument here is not that there is no human agency to the production of the storm, simply that the production of the storm and the production of unequal impacts of the storm were not as directly linked as with foreclosure. With foreclosure, the storm itself was produced by inequality, and particularly by both changing and unchanging geographies of inequality.

the initial wave of foreclosure in 2007, a list that clusters in three major areas – the Rust Belt cities of Ohio and Michigan, the Sunbelt cities of Nevada, Arizona and Florida, and California. The first two (Stockton, CA and Detroit/Livonia/Dearborn, MI) can be partly explained by macroregional economic forces – the rampant speculative urbanism and real estate driven economy in one case, and the decline of the industrial economy in the other. The story behind the megaregions of Northern and Southern California (in bold and italics respectively), on the other hand, is largely about the internal metamorphosis of these two areas which collectively account for more than one in ten Americans.

While the role of Southern California as the vanguard of contemporary American urbanism was established by Soja and the LA school theorists a decade ago[8] (Dear and Flusty 1998; Soja 1989; Scott and Soja 1998), the San Francisco Bay Area has been long at the forefront of many if not most of the phenomena we associate with the contemporary American metropolis: edge cities (Garreau 1991) and boomburbs (Lang and LeFurgy 2006; Lang 2003), significant exurbanization and suburbanization of communities of color and low-income communities (Frey 2000; Lucy and Phillips 2001), a gentrifying core (Solnit 2002; Godfrey 1988) and a restructured metropolitan economy centered around white collar office work, high technology and knowledge production (Nelson 1986; Castells 2000; Saxenian 1994). These changes, which lie at the heart of the restructuring in question, have deep roots in the fabled history of the region, and warrant a brief revisiting before the longer exploration of the contemporary restructuring in question.

[8] Soja and the LA School theorists are also critical to the meso-level scale (the amorphous city-region) used in this analysis, a scale that is too often ignored by scholars trapped in a local/global framework. Gentrification scholars are particularly susceptible to this narrow framing.

A Brief History of Northern California

> …in California the lights went on all at once, in a blaze, and they have never been dimmed.
>
> -Carey McWilliams (1999 [1945], p.25)

Depending on one's level of cynicism, the location of the Bay Area at the center of this situation is either fitting or tragic or both, but it should hardly be surprising. Beginning in the heady days of the Gold Rush, when, as Carey McWilliams (1999 [1949]) so eloquently noted, "the lights went on all at once" and the rapid development of the state represented a "telescoping of events; a foreshortening of processes," the Golden State and its cities have been at the center of both global capitalism and American urbanism, and their myriad interlocking formations. It was not long until San Francisco arose from a tiny settlement on a windy outcrop into an "imperial" metropolis, torn between being the next Rome or the next Paris (Brechin 2006).

If at first San Francisco's power was built on the abundance of its hinterlands and the power of its internal industrial and financial capital, it quickly morphed into a regional metropolis, moving heavy and dirty industry over to Oakland and Alameda County and up the Carquinez Strait into Contra Costa and Solano counties starting in the late 19th century (Walker 2004). Oakland grew as a streetcar suburb after the 1906 earthquake, followed by the steady growth during the 20th century of a blue collar, suburban "industrial garden" along the shores of the Bay from Richmond to Fremont (Self 2003). This era of postwar growth was aided in no small part by the massive build up of defense and defense-related industries during the war, bringing both massive federal investment and an influx of African American workers, mostly from Louisiana, Arkansas and Texas. Filipinos also came in significant numbers during the war, helping to cement what had long been a relatively small but significant multiracial minority, with significant Chinese, Japanese, Mexican (or Californio) and Native American populations stretching back to the Gold Rush and before.

The combination of war industry, foreign and domestic immigration, and exclusionary housing policy helped produce a segregated metropolis that by 1970 saw the majority of African Americans confined to a handful of communities – Oakland, Richmond, East Palo Alto, Pittsburg, Vallejo, and parts of San Francisco and Stockton – in what had become a sprawling region spanning anywhere between nine and fifteen counties.[9] The defense industry also helped spur the growth of a high technology sector, one which had been born and nurtured through post-gold rush innovation but which took off in one of the most famous economic transformations in history, building on the power of transistors, higher education and global markets to build a knowledge industry powerhouse.

It was this simultaneous innovation in industry, urbanization and exclusion that helped set the stage for the story at hand. Not only did the Bay Area pioneer hydraulics, telecommunications and personal computing, but it was at the forefront of the developer driven streetcar suburb[10] (Loeb 2001) and can claim sole title to the creation of racially exclusionary zoning, with the regulation of (almost exclusively Chinese-owned) laundries in Modesto and San Francisco in the 1880's (Warner 1972; Bernstein 1999).[11]

Anti-Chinese sentiment is not the only force that linked the cities of the Northern San Joaquin Valley like Modesto and Stockton to San Francisco and the core of the Bay Area. From

---

[9] Hispanics were less segregated, although there was a significant community in East San Jose and in San Francisco's mission district.

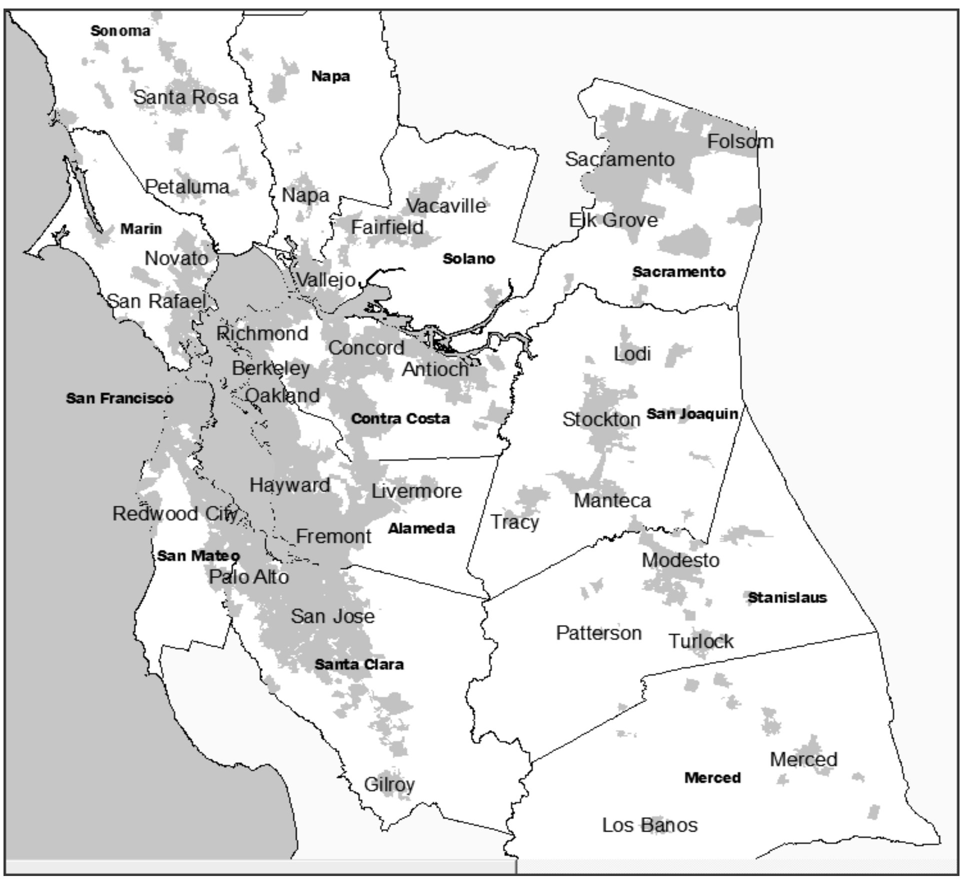
[10] Even though they are often foreshadowed by their more (in)famous descendents in the post war era like Levittown and Lakewood, the earlier streetcar suburbs were the more foundational moment for American urbanism, helping to produce modern zoning, subdivision law, the profession of city planning, an organized real estate industry, and most of the political power structures of American cities, including planning and zoning commissions (Weiss 1987).

[11] Actually, many point to Modesto as the site of the invention of zoning in the first place. San Francisco attempted to ban laundries first as a nuisance and fire hazard, but this effort was struck down by federal courts. Modesto "succeeded" in doing so by splitting the city into two zones, thereby skirting both the 14th Amendment and the state constitution (Warner 1972).

an economic relationship built on truck farms and the canning industry in the late 19th century to the beginnings of long distance commuting a century later, the lines between the Central Valley and the Bay Area have always been fuzzy, even if the metropolitan imagination of San Franciscans doesn't extend far beyond its 49 square miles (Schafran 2009). This linkage has become especially critical with the transformation over the past three decades, where commuting patterns and housing development demand a conceptualization of a "megaregion," even if significant political and cultural differences remain (Metcalf and Terplan 2007).

Figure 2: The Greater Bay Area (13 County Version). Urbanized areas in grey.

Source: U.S. Census. Map by author.



This logic of the megaregion helps define the loose boundaries of one axis of this examination. While most Bay Area residents (and virtually all regional planning institutions) define the region as the nine-county area that largely rings the San Francisco Bay, and some definitions expand the concept up to as many as 21 counties, plus five more in Nevada (Metcalf and Terplan 2007), this study focuses on the triangle formed by San Francisco, Merced and Sacramento (Figure 2), a 13-county region that is home to almost ten million people, almost a quarter of California's population. If our goal is to chart the production of an exurbia in crisis as part of the restructuring of *regional* race and class geographies, urban policy and urban capital, we must use a malleable definition of the region that recognizes the economic, social and historical linkages and not simply the formal geographies of politics and bureaucracy.

The second axis lies in the exurban communities at the eastern edge of Contra Costa County, a sprawling county of 1.2 million which stretches from the shores of the San Francisco Bay to the edges of the Central Valley, and in the four communities affectionately known as "East County": Pittsburg and Antioch, old industrial towns that were the industrial "back office" during the height of the Bay Area's cold-war machine (Walker 2004; Anderson 2005) and Brentwood and Oakley, agricultural towns that were key linkages in the truck farm and train line system linking the Central Valley to San Francisco and the canneries of the Bay Area. Together, East County is now home to more than a quarter of a million people, following a massive suburbanization over the course of the past forty years, a splintered merging of the agricultural, industrial and urban under a post-Fordist economy and neoliberal policy regime, a coming together that left both Pittsburg and Antioch in and out of the region, incomplete suburbs at a time of crisis.

A Restructuring in Three Movements

The Bay Area at the end of the Keynesian era may have possessed the roots of its future superstar status, but in many ways it was a typical American metropolis. White collar work and lower-income communities of color were largely centered in the core cities; residential developers were building out the suburbs for a mostly white and (newly) middle class constituency; the federal and state governments were investing in infrastructure and mortgage insurance to make this all possible. While diversity and industry existed in many places outside of the core, suburbs like Livermore became the poster child for 1970's white middle class suburbia in Bill Owens' (1974) iconic *Suburbia.*

The past three decades have seen some profound shifts. Pockets of previously disinvested inner core areas in Oakland, Berkeley, and San Francisco gentrified, taking in children of the suburbs, while others remained mired in a caricature of urban poverty, with high murder rates for young men of color, poor schools, and terrible rates of environmental health problems like asthma. Many of these inner core neighborhoods took in immigrants and refugees from throughout the world, even as they sent many longtime residents over the hill in search of a better and safer life. Alas, over the hill was not available, as most of the second ring of suburbs was largely closed off through high prices and land use regulation, meaning that they landed in the burgeoning exurban communities on the edges of the Central Valley. In few other regions did "drive 'til you qualify" mean so much.

This new wave of suburbanites was joined by the suburban residential developers, who were also fleeing the build out of the core and the restrictions of the second ring. In the meantime, venture capital was pouring into San Francisco and Silicon Valley, and commercial capital was building an edge city in the very same second ring suburbs that had been at the heart of Robert Self's (2003) "white noose" in the greater Tri-Valley region. Meanwhile, the massive investments in transportation infrastructure that had laid the groundwork for both the creation of mass residential suburbanization and its subsequent reincarnation as a jobs center slowed significantly, leaving an exurban realm outside of the major transit grid (BART) and, in some cases like Antioch and Brentwood, off of the vaunted federal highway system.

All of this occurs under a shifting policy framework across multiple scales. Smaller edge towns were either struggling with deindustrialization (Antioch, Pittsburg) or the constant crisis of agriculture, and saw growth as a means to both a new economic and fiscal reality and a set of amenities – be they parks and pools or commercial consumption – that have become standards of American life. Their pro-growth politics provided a welcome mat for both residential developers and a new generation of residential consumers who couldn't find space in the increasingly unaffordable and anti-growth core, where the new fiscal politics favored retail and commercial development over residential.

(Ad)ventures in Capital

The brutal modernism of postwar urbanization was "successful" in part because there was a coherence and coordination to the flows of capital. The suburban "spatial fix" (Walker 1981) of the postwar era was rooted in centralized support for transportation and mortgage infrastructure and the attempt to maintain the central city as a primary source of employment. But the sins of an earlier era – which both left out huge swaths of the population based on race or class, or destroyed communities through freeway building – not only destroyed faith in the modernist project on both the left and the right, but left a fragmented and uncoordinated system of investment in the built environment. Residential developers and commercial developers emerged from this period operating in very separate and distinct worlds, sandwiched between an unbelievable torrent of venture capital on one side and a steady strangulation of public investment in infrastructure on the other hand. With policy weakened by a liberal illusion of home rule in the reality of fiscal austerity, it is little wonder the end result is an increasingly fragmented metropolis where the edge is left out in the cold and parts of the center remain centers of poverty.

Residential developers go over the hill

After the heyday of building in the inner ring suburbs along the Bay and the classic postwar suburbs of Walnut Creek, Pleasanton and Livermore, residential builders fled eastward over the hills – to eastern Contra Costa County (Antioch, Pittsburg, etc.) and the Central Valley counties of San Joaquin, Stanislaus, Merced and Sacramento. Their tried and true business model of single family detached homes in new subdivisions was not set up from a business perspective for the demands of an older city and mature suburbs, places that demanded infill development of multifamily, attached or mixed-use housing.

If open space was a pull factor, so were the risk factors. With the growth of the slow-growth and anti-growth movements throughout California in the 1970's and 1980's, and the passage of Proposition 13 in 1978, large scale subdivisions of resource consuming and low-tax generating subdivisions became politically unpopular in the second ring suburban areas which had room to grow. Meanwhile, eastern Contra Costa cities, the unincorporated areas like Discovery Bay and Oakley, and the small farm towns in the Central Valley near major highways provided a welcome place where business could be done much as it had been done a generation ago, when many of the family-run companies got their start. Southeastern Antioch, which would become a major epicenter of foreclosures in 2007, was urbanized in 1982, long before subprime became a household word, under one major developer-driven specific plan authorizing 15,000 new units of housing.[12]

Political risk meshed with economic risk in the core, where the only major sites involved reuse, often of industrial land with significant environmental costs (and potential challenges under CEQA). Although density seems to be the logical choice in these matters, large-scale residential builders do not simply switch models from stick-built detached housing to skyscrapers. Their network of lenders, subcontractors, investors, and sales staff is set up to manufacture a specific type of product, and they will move their operations more readily than change them to suit new constraints, especially if it means only going over the hill.

This does not mean that there was no risk involved in these new exurban markets, simply that they were trading political and economic risk for market risk. Just because you build it, does not mean that they will come. That is, unless high housing prices in the core, cheap gas and even cheaper debt make your product 60 miles and 2 hours in traffic away from the core more marketable. It is worth noting that the first true clouds on the horizon came not from default notices, but from the spike in gas prices in 2005, when a key lubricant that allowed this exurban shift (both of capital and demographics) to occur began disappear.

In the meantime, a different type of capital was pouring into the core – venture capital in immense proportions. In 1999, at the top of the dot-com boom, the Bay Area received twice as much venture capital (5.5%) as the next largest metro area, and almost 10 times the U.S. Metro

[12] Residential real estate development is famous for family-run companies, even at the largest level. Only a handful of the largest developers are publicly-traded companies.

average (Atkinson and Gottlieb 2001). This approximately $1.65 billion[13] did not spread evenly throughout the Bay, concentrating in Santa Clara, San Francisco and northern Alameda counties. While this upsurge in investment initially impacted commercial rents in Silicon Valley and San Francisco, the profits and salaries earned from the growing tech "miracle" quickly multiplied in the local real estate economy as a new generation of dot-com millionaires and young twenty-somethings bought and rented Silicon Valley and San Francisco real estate to new heights.

This venture money was soon followed by a wave of high end residential building in the 1990's (lofts) and the 2000's (towers) in the heart of San Francisco. These capital flows functioned in tandem with the flows of subdivision investment on the outer fringes – as the core became increasingly unaffordable, the market for market-rate affordable suburban houses for working and middle class populations on the outer fringes only increased, especially younger households who had not managed to buy during the earlier era.

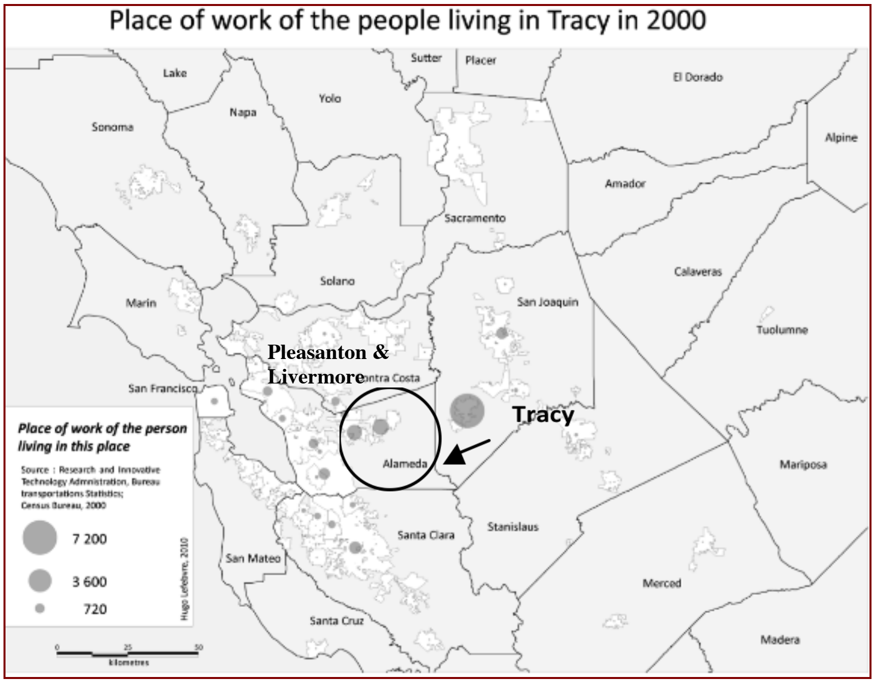
Commercial developers in Joel Garreau country

Yet this was not a two party dance. At the same time, commercial/office capital and jobs were moving into those already established second ring suburbs, creating the edge cities along the 680/580 corridors made famous by Joel Garreau (1991). White collar office space, a mixture of corporate headquarters and back office operations, grew in cities like San Ramon and Pleasanton, while a mix of office development and retail gave a city of less than 75,000 people like Walnut Creek enough commerce for a city of three quarters of a million people.

[13] This figure is based on the calculation of $30 billion in national venture capital from the New Economy report. Other sources give the numbers as high as 40 percent of the U.S. total – $14.6 billion of $36.5 nationally, a difference by a factor of almost 10.

Figure 3: Places of Work for Tracy Residents, 2000.

Source: U.S. Census. Map by Hugo Lefebvre.

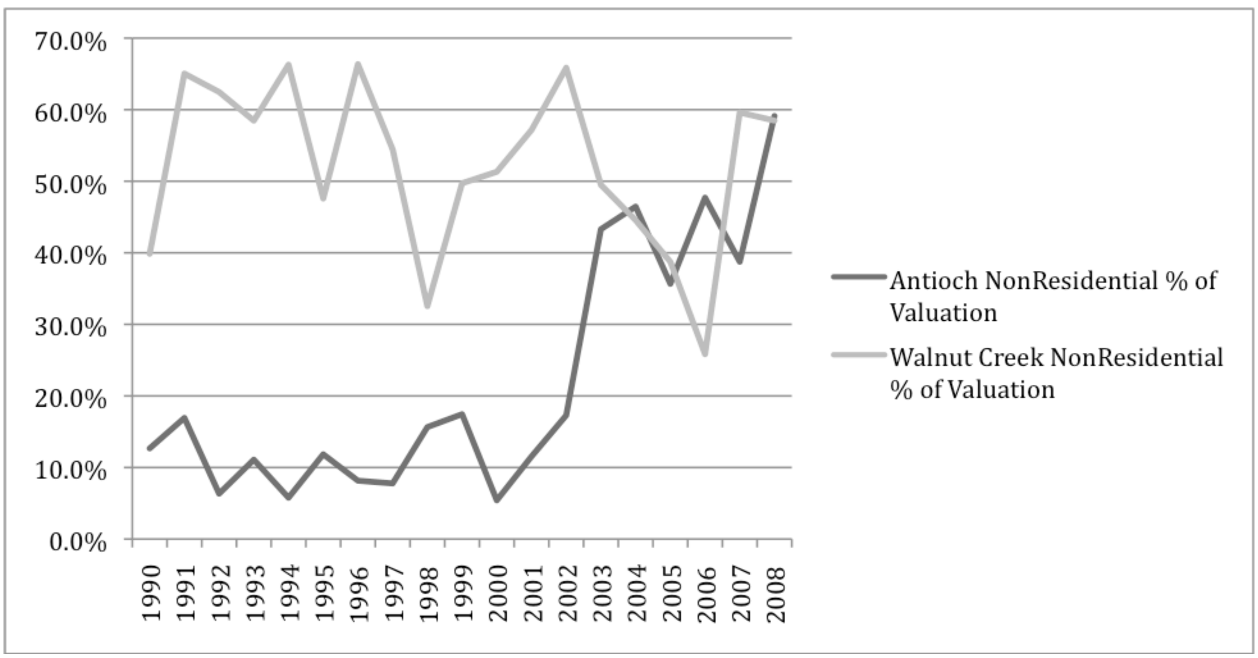


While this movement of jobs initially aimed to take advantage of a labor pool of middle class (mostly white) women, or the proximity of those companies who moved corporate headquarters to the high-income, CEO-living towns that were solidifying (and incorporating) in the immediate vicinity, it quickly interacted with the new geographies of residential capital to emerge as an employment hub for commuters now living over the Altamont pass in cities like Tracy. Figure 3 shows the commute patterns of Tracy residents. Other than those who work in the city itself, the TriValley cities of Pleasanton and Livermore – both of which built significant office space and little housing during the 80's and 90's – are the two largest sources of employment. This is a new twist on the postwar pattern of bedroom communities – commuters from far-flung exurbs commuting not to central cities but "edge cities" in between.

The result of this two part jump – commercial in one place, residential in another – is a reconstruction of a jobs/housing imbalance, previously a concern for cities like Walnut Creek and Pleasanton, except this time in places like Antioch. Figure 5 below shows the significant gap over the past two decades in the percentage of residential construction vis a vis commercial construction in Antioch and Walnut Creek. For much of the 1990's, Antioch was building at less than one dollar in nonresidential real estate for every 10 dollars in residential value, compared to a roughly 50/50 split in Walnut Creek.

Figure 4: The Gap Between Residential and Non-residential Construction.

Source: Construction Industry Research Board via Rand California.



This re-creation of a jobs-housing imbalance farther out from the core had two major consequences. It exacted both human and environmental costs as most of the new exurban communities, and many of the new jobs centers, were off the major transit grid, BART, which was built in the 1970's. BART extensions to Antioch and Livermore (but not over the hill into

Tracy)[14] have been planned for some time, but more than two decades after these shifts began in earnest, construction has still not begun. Real estate capital moved at a much faster speed than public transportation infrastructure during this era, and the result is a disconnected and disjointed regional commute-shed, with traffic on the Altamont pass at 6:00 am.

The jobs-housing imbalance has also helped to produce a new regime of fiscal inequality, not between city and suburb, but between different suburbs. It is a trend scholars have noticed in the United States for the past decade (Orfield 2002; Dreier, Mollenkopf, and Swanstrom 2001; Fischer et al. 2004), as the geography of inequality in the American metropolis has been reshaped. Yet most scholarship has focused on poor, inner ring suburbs, built during the heyday of infrastructure building where the issue is maintenance in the face of poverty and austerity.

In places like Antioch, and therefore the communities who relocated there over the past decade, it means coping with an incomplete suburbanization rather than a decaying one. Exurban towns and cities which suburbanized under the neoliberal regime have hit the point of crisis before they were fully "citizens" of the region. Public transit is woeful and not regional, as long-promised BART extensions have not even begun construction.[15] The widening of Highway 4, a legendary quagmire during peak hours, has not been completed and is dependent on locally raised money from developers' fees as opposed to the federal and state largesse that built an earlier set of suburbs. Long commutes are necessitated by a dearth of local living wage jobs, which under the vicious cycle of contemporary governance means less tax base to support mobility or economic development. San Joaquin and Stanislaus county exurbs have no political

---

[14] A new commuter rail system, the Altamont Commuter Express – the Bay Area's 3rd *separate* system – came on line in 1998. Although it has been shown to reduce traffic (Terplan et al. 2009), both its geographical reach and ridership are very small compared to BART.

[15] If you are a longtime resident of Antioch, you have been paying taxes on BART for 40 years and will be lucky if the service reaches you by the end of the decade.

voice whatsoever in the center of the Bay, regardless of where their residents labor on a daily basis.

Clearly, this is not simply a result of capital shifting on its own, but as part of a policy regime that has shifted considerably in its own right over the past three decades. Moreover, the impacts of these shifts cannot be understood without a sense of the underlying rules that have helped "fiscalize" land use policy and instituted a regime of development fee-based urbanism. This shift, in the way we pay for and regulate urbanization, is where we now turn.

Cracks in the Keynesian Pavement

The flow of different forms of capital around the greater Bay Area must be seen alongside a shifting policy framework in this *fin de siècle* barn dance. Policy is at the heart of many examinations of neoliberal urbanism (e.g., Brenner and Theodore 2002; Harvey 2005; Hackworth 2007), and the Bay Area certainly does not disappoint. But as in all places, the fragmentations and movements of the neoliberal era interacted with a locally specific history, with the mobilities and inertia of people and capital, and with its own set of unyielding and unchanging ways. In the case of the Bay Area, three policy shifts – the fiscalization of land use under Proposition 13, a related shift towards dependency on development fees for fiscal solvency, and a hyper fragmentation of local infrastructure governance merged with the continued prevalence of exclusionary zoning to help produce a slew of rapidly growing yet "incomplete" communities on the edge of the region.

Proposition 13

It is virtually impossible to tell a Californian story about the neoliberal era without beginning with Proposition 13, California's notorious 1978 property tax referendum that capped property taxes (for all uses, not simply residential), created a two-thirds majority standard for new property taxes, along with a similarly difficult standard for all budgetary matters at the state level. One could argue that Prop 13 (to use the local parlance) is the ground zero for the production of the new urban crisis in California, and its role as the pivot from one urban crisis to the next makes perfect sense – after all, it is the culmination of predominantly white middle class suburban homeowner myopia that emerged from the ashes of post-war suburbanization (Self 2006; David 1990). The same actors, organized in the 1960's behind Goldwater and the gubernatorial campaign of Ronald Reagan, would ultimately send Reagan to the White House and complete the tectonic shift away from the embedded liberalism of the Keynesian era (McGirr 2001).

Figure 5 – Hierarchy of Land Use Under Proposition 13.

Source: Derived from Coleman 2005.

Simple Hierarchy of Land Use under Proposition 13		
	USE	**REASONING**
Highest	Retail	Generates sales and payroll tax, no new children
	Manufacturing/ warehousing/ office	Generates payroll tax, no new children, limited infrastructure costs
	Market rate housing	Some development fees, some property tax boost, but high service demand
Lowest	Affordable Housing	Same as above but with less tax revenue generated

On the ground, Prop 13 was a key linchpin in the growing fiscalization of land use, where land use decisions are not made based on traditional planning criteria – i.e. proximity to transit or infrastructure, community needs, environmental impacts – but based on their ability to contribute to the tax base of a municipality or county, depending on jurisdictions.[16] Following Prop 13, this created a simple hierarchy of land use (Figure 5) – you'd take a Kmart over a Kmart warehouse, even though the latter had good union jobs, and both over any form of residential development, especially more affordable units (Coleman 2005).

Cities like Walnut Creek and Pleasanton, which were well situated from a geographical point of view and had the benefit of the post-war infrastructure boom (much of which came on line just as the era of infrastructure was ending in the late 1970's), could now make a fiscal argument for allowing commercial over residential development, obviating the need for more overtly exclusionary practices that were politically less palatable,[17] even if the communities ultimately desired to retain their homogeneity.

This shift of jobs was supported not simply by a convergence of policy at the state and local levels, but by planning logics at the county and regional level. The notion of maintaining a jobs-housing balance grew in importance during the era, as planners and traffic engineers sought to balance commute patterns and reduce congestion by adding jobs to residential communities. This was one of the core logics at play in the development of the Contra Costa Business Center, a two million square foot mixed use development in Pleasant Hill, just north of Walnut Creek. Again, it seemed logical to remake the post war suburbs into mixed use communities. But rather

[16] Unlike states like New York, where counties are weak and there is little to no unincorporated land, or Maryland, where there are few incorporated cities, California has a vibrant and shifting terrain of incorporated and unincorporated space, with each county making decisions about the quantity of urbanization allowed in unincorporated territory.

[17] This is not to say that old-fashioned exclusion is not still in play. The recent landmark decision in *Urban Habitat v. Pleasanton* struck down the City of Pleasanton's cap on all residential development as being in violation of state affordable housing policy.

than simply balance the commute patterns between city and suburb, this new development helped drain jobs from the city and provide an anchor point for exurbanization over the hills into Antioch and Tracy, cities that to this day have not been able to build anything resembling a balance, leading to commuting patterns like the one seen in the previous section.

The new geographies of policy

For all its importance, Prop 13 and the fiscalization of land use is only part of the story. Development, and the new regime of impact and linkage fees, which became de rigueur in California cities during the course of this era, are only necessary because of the steady retrenchment of the federal and state governments, especially on infrastructure. From the federal Clean Water Act to state highway funds, money was cut off, reduced or reconfigured – 75 percent grants became 55 percent loans. But rather than make government more “prudent,” or more “responsible,” it merely shifted the responsibility farther down the food chain. Wealthier towns could persevere, or attract high-end retail; older towns with good geography had both locational advantages and the infrastructure inherited from an earlier era – it was simply a question of maintenance. But for communities on the fringe, development became the sole way to pay for everything from new roads to new schools. The shift in revenue sources in cities across the state can be seen in Table 3 – less money from the federal and state governments and from property taxes, and an almost doubling of revenue from charges and fees.

Table 3: General Revenue by Source for California Cities, 1972 and 2002.

	Per Capita (2002$)		*Pct.*	*Pct.*
	1972	2002	1972	2002
Own-source Revenue	648	1,121	72%	80%
Property Taxes	232	232	**26%**	**17%**
Sales Taxes	118	168	13%	12%
Other Taxes	93	212	10%	15%
Charges and Fees	119	311	**13%**	**22%**
Other	87	198	10%	14%
Federal Subventions	71	69	**8%**	**5%**
State Subventions*	176	205	**20%**	**15%**
Total General Revenue	895	1,395	100%	100%

Source: Barbour 2007.

The result can be seen easily in eastern Contra Costa, where transit and road improvements are paid for not by 90 percent federal dollars (the way it was in most of the core), but by a development fee (East County Regional Transportation Fee) overseen by two different authorities (the East Contra Costa Regional Fee and Financing Authority [ECCRFFA] and the East County Transportation Improvement Authority [ECTIA]) with responsibility for three projects, including the expansion of Highway 4 and the creation of a bypass through Brentwood, Oakley and Antioch. Rather than the integrated infrastructure of a generation ago, East County is the epitome of both physical and political "splintering" (Graham and Marvin 2001), as the individual cities are made to fight amongst themselves for locally raised funds dependent on a development regime that has now run aground (Burgarino 2010).

The more things change, the more they stay the same

The state is not only withdrawing from infrastructure, but also from planning. More importantly, what had once been a link between local planning, regional planning and federal infrastructure moneys was severed. In the 1960's and early 1970's , funds from HUD's 701 program helped pay for both planning and subsequent infrastructure and tied local municipalities to a regional plan. Both local and regional agencies, including the Association for Bay Area Governments (ABAG) and the Metropolitan Transportation Commission (MTC), the two major regional entities at the time, received money to plan at both the regional and local level. If local plans conformed with regional plans, federal dollars were then available as grants to build whatever the plan called for, be it parks or a new sewer system. Starting in the Carter administration, this program was gutted, replaced by Community Development Block Grants (CDBG), a new regime of block grants which make local cities more independent from already fairly weak regional agencies, especially ABAG, which never truly recovered the influence it once had. Power instead shifted to MTC, which controls federal transportation monies, the one true source of regional planning, and the Bay Conservation and Development Commission (BCDC), which following the successful efforts to save San Francisco Bay from development now has land use jurisdiction along the shores of the Bay.

Business leaders and some environmentalists made a major push for regional government in the late 1980's and 1990's, in an attempt to unify the four major regional agencies: BCDC, which has formal land use power over the Bay; MTC, the official Metropolitan Planning Organization (MPO) which has funding power over federal transportation monies (power that increased with major transportation funding legislation in the 1990's and 2000's); the Bay Area Air Quality Management District (BAAQMD), which has a state mandate; and the largely powerless ABAG, whose main sources of power are annual growth projections and the Regional Housing Needs Assessment (RHNA) numbers which attempt to enforce a more equitable distribution of low and middle income housing throughout the region. The effort, Bay Vision 2020, failed at the last minute, falling short by five votes in the state senate after passing in the assembly (Bodovitz 2003).[18]

The fiscalization of land use, the failures of yet another round of regional planning, is only the most recent set of shifts in a tense relationship between the state and local governments, between local and county government, and between localities themselves, which stretches back to the founding of California. While there was a rash of incorporation in the TriValley area (Dublin, Danville, San Ramon) in the 1980's, which helped solidify the human and economic geography of those places, defensive incorporation has long been a tool of local residents aiming to take full advantage of the California/American ethos of "home rule." The neoliberal version of fiscal austerity post Prop 13 follows civil rights era dust-ups over mandatory general plan housing elements and fair housing legislation of the 1960's, as well as conflicts over power and control between state and local governments over California's role as a major innovator in urban planning legislation in between the World Wars. Even as the rules change, the game, and many of the actors, have remained the same.

These pre-1970's roots of state-local fiscal tension point broadly to an important reminder about the realities of American urbanism seen through a historical lens. Yes, this is about neoliberalism, but more fundamentally, it is about liberalism – the fetishization of "home rule" and the worship of property rights. Local entities fought to maintain the final say over land

[18] Bay Vision 2020 is a very top down, elite driven effort, not nearly as diverse as some of its founders think it was. Its largely token representative from communities of color helped spur the founding of what is now a prominent regional environmental justice organization. This oversight is not uncommon in efforts for regional government/governance, and is viewed as contributing to the general failure of regional governance in the United States (Rast 2006).

use decisions, regardless of their impact on themselves or others locking themselves into a fee-based ponzi scheme dependent on ever-increasing property values, or an exclusionary system based on keeping prices high and demographics skewed.

The end result is a troubling tapestry of inchoate communities – wealthier inner ring suburbs with a politics of exclusivity and inertia, older cities with a sclerotic politics of infighting amidst polarizing wealth and poverty, and outer ring industrial and agricultural towns whose developer/land owner growth machines saw rampant residential development as a path towards both economic growth and more local amenities in an increasingly competitive and cutthroat era.

Ships Passing in the Night

> I'd say probably four to five years back, a lot of families had the opportunity to move out….and there was a mass exodus out to Fairfield, Tracy, and Antioch.
>
> -Longtime recreation supervisor, City of Oakland, May 2009[19]

Finally, there is the question of demographics. It would be an error to conceive of policy and capital as fixed objects independent of social relations, but it would be equally poor thinking to consider actual human beings and their movements to be equal to laws that get written and buildings that get built. It is for this reason that I consider the actual movements of actual people last – not to imply causation, but because the impact of this restructuring on individuals, families and communities lies at the heart of the matter from a normative perspective.

A great deal has been written over the past few years about the increasing diversity of suburbs, the changing geographies of race and class in the American metropolis, and the growing poverty in both inner ring suburbs and on the urban fringe (Lucy and Phillips 2001; see also Vicino 2008; Murphy 2007; Short, Hanlon, and Vicino 2007). This attention should come as no

[19] This quote is from a participant in an ongoing study on youth violence and neighborhood change in one neighborhood in Oakland, California.

surprise, as it alters one of the fundamental dialectics most living Americans grew up with – that of the decaying inner city and the wealthier suburbs.

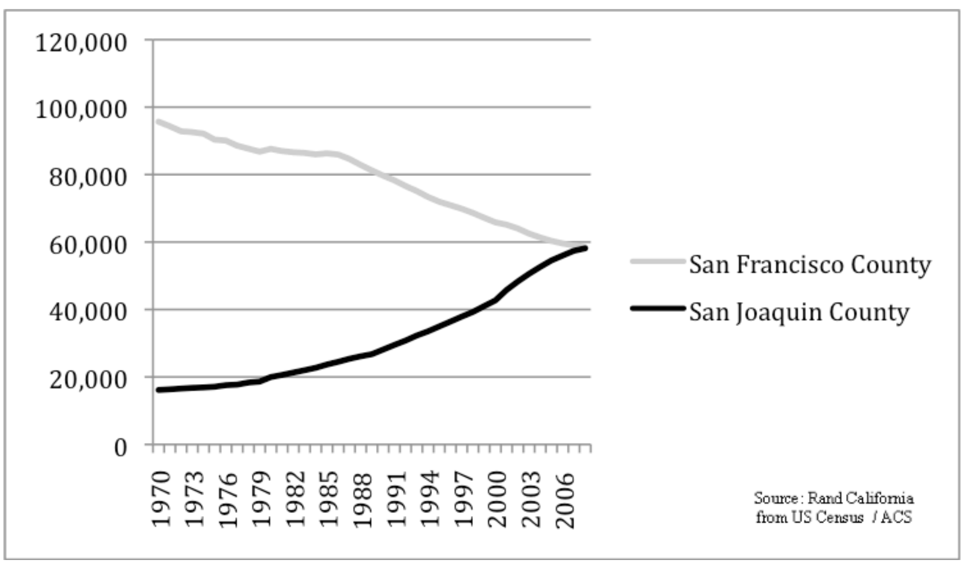
We have also become aware in the context of this crisis of just how strongly these geographies of race and segregation correlate to racialized lending practices and the geography of the foreclosure crisis (Wyly et al. 2009; Crump et al. 2008; Hernandez 2009; Carr 2007). What is most striking about the foreclosure crisis in the Bay Area is how strongly the geographies of foreclosure coincide with the exurbanization of communities of color. A 2007 study in Contra Costa County showed that high foreclosure tracts had over 20 percent more African American and Latino residents compared to low-rate tracts (Perkins 2008). The reasons why communities from the inner core moved outward are numerous and often times anecdotal. They include pull factors like homeownership, better schools, safer streets, family ties, and smaller communities, as well as push factors like high crime, bad schools, rising rents, and changing cultural dynamics.[20] What is critical here is that they did move, and the communities to which they moved are now struggling. Just as critically, whether you moved and where you moved were influence by race, class and age, and it is this multiplicity of interrelated movements and inertias that have produced a new geography of inequality – a critical ingredient in the crisis itself.

[20] Ginwright and Akom (2007) point to reasons beyond economics for the migration, including cultural and generational factors. This is not to discount the importance of understanding why people move – it is simply too complex to consider adequately in this essay.

Out of the frying pan and into the fryer

The convergence of new racial geographies and the geography of crisis can be seen at multiple scales, even using the blunt tool that is county level analysis (see Figure 2 for orientation). As can be seen from Figure 6, African Americans have been leaving San Francisco in significant numbers over the course of the neoliberal era; losing almost half its population in arguably the greatest outmigration of blacks from a major U.S. city in the last 40 years (Ginwright and Akom 2007). The spaces and communities in which these communities have grown, including cities like Tracy, Lathrop, Manteca and Stockton in San Joaquin county, have been hammered by the foreclsoure crisis (Figure 7).[21]

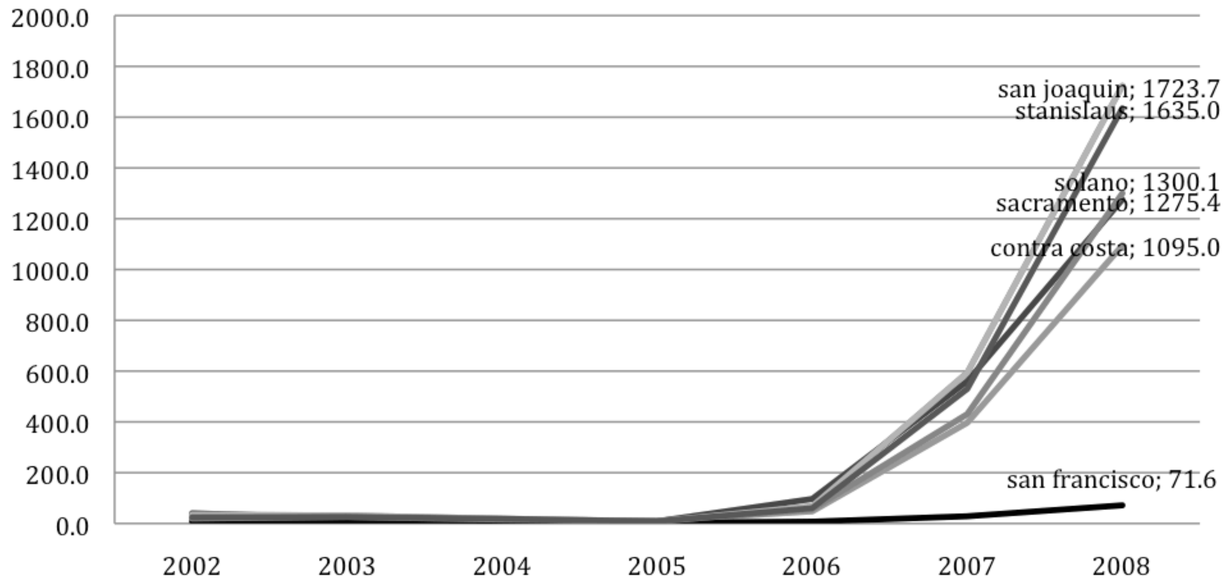
Figure 6: African Americans in San Francisco and San Joaquin Counties, 1970-2008



[21] Migration patterns are notoriously difficult to track, and this should not be taken as a statement that African Americans have gone from one place to another, even if anecdotal evidence, existing research, and ongoing investigations make a case for a link. The point here is that it doesn't matter – African American communities are shrinking in places where property values are stable or increasing, and increasing in precisely those places impacted by foreclosure. That finding alone is cause for concern.

Figure 7: Foreclosures per 100,000 population by county, 2002-2008

Source: California Association of Realtors and DataQuick News , U.S .Census.



This experience is shared by many Filipinos. Like African Americans, they too followed a path to the outer edges of the Bay Area and the possibilities of seemingly affordable homeownership "through the reality of debt,"(Stone 2009) a path rooted in notions of citizenship and the American dream linked to homeownership (Pido 2009). This experience, which saw populations decline in San Francisco while almost doubling in the high foreclosure counties of San Joaquin, Contra Costa and Solano (Figure 9)**,** is reflected in the following quote from a prominent local Filipino commentator:

> What do the cities of Vallejo, Daly City, Stockton and Las Vegas have in common? Aside from each being home to a Jollibee Filipino fast-food restaurant, all have large Filipino populations and the highest foreclosure rates in the United States. The dirtiest word in the Filipino community now, the new "F" word, is foreclosure. While it affects all races and all communities throughout the United States, it is disproportionately crushing Filipino homeowners (Rodis 2008, quoted in Pido 2009).

A similar story can be seen at the city level, especially in a highly segregated county like Contra Costa. Consider the uneven rates of racial change between the wealthy second ring suburbs of Walnut Creek and San Ramon compared to the exurban communities of Antioch, Pittsburg and Brentwood (Table 4). Walnut Creek in particular remained overwhelmingly white, even as the city of Antioch, further east over yet another set of hills, went from being three-quarters white to having a nonwhite majority. Again, this differential becomes particularly troubling when the crisis hit these cities unequally. Figure 8 shows how extreme this gap was – Pittsburg had a foreclosure rate *almost ten times* that of Walnut Creek.

Table 4: Racial Change in Contra Costa County Cities, 1990-2008. In Percent.

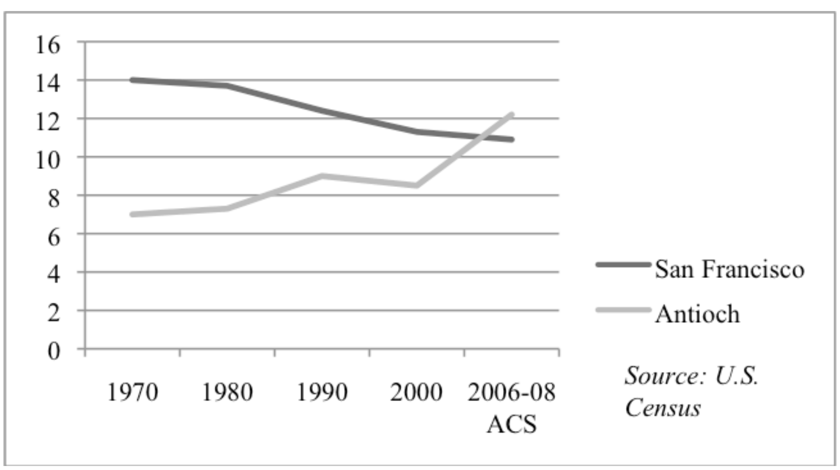
	Non Hispanic White			Non Hispanic Black			Non Hispanic Asian			Hispanic		
CITY	**990**	**008**		**990**	**008**		**990**	**008**		**990**	**008**	
Antioch	5.9	9.9	36.0	.7	6.9	4.2	.5	.5	.1	6.1	8.4	2.2
Brentwood	4.7	3.5	11.3	.8	.8	.0	.5	.1	.6	1.3	9.3	1.9
Pittsburg	7.4	2.5	24.9	7.2	6.7	0.4	1.5	5.4	.9	3.3	9.6	6.3
San Ramon	3.3	6.5	26.9	.8	.7	0.1	.0	7.6	8.6	.5	0.1	.6
Walnut Creek	7.8	8.3	9.5	.8	.8	.0	.6	1.7	.1	.6	.1	.5

Source: U.S. Census 1990, 2008 ACS.

Inward and Upward

This outward movement of communities of color and generally static second ring suburbs was matched by a slow and steady – if uneven and incomplete – gentrification of core cities like San Francisco. San Francisco over the past generation went from having a poverty rate twice that of Antioch in 1970 (14% to 7%), to one that is now almost two percentage points lower. The opposing trajectories are striking (Figure 8). It is a story visible at the county scale as well: the number of children enrolled in free or reduced price meal programs, a widely used measure of poverty, more than doubled in Stanislaus, San Joaquin and Contra Costa counties between 1988 and 2007, and in 2007 the number of enrolled children was higher than at any point in this twenty year timeframe. San Francisco, meanwhile, saw numbers 25 percent higher in 2007 than in 1988, but down 25 percent from its peak in 1995.

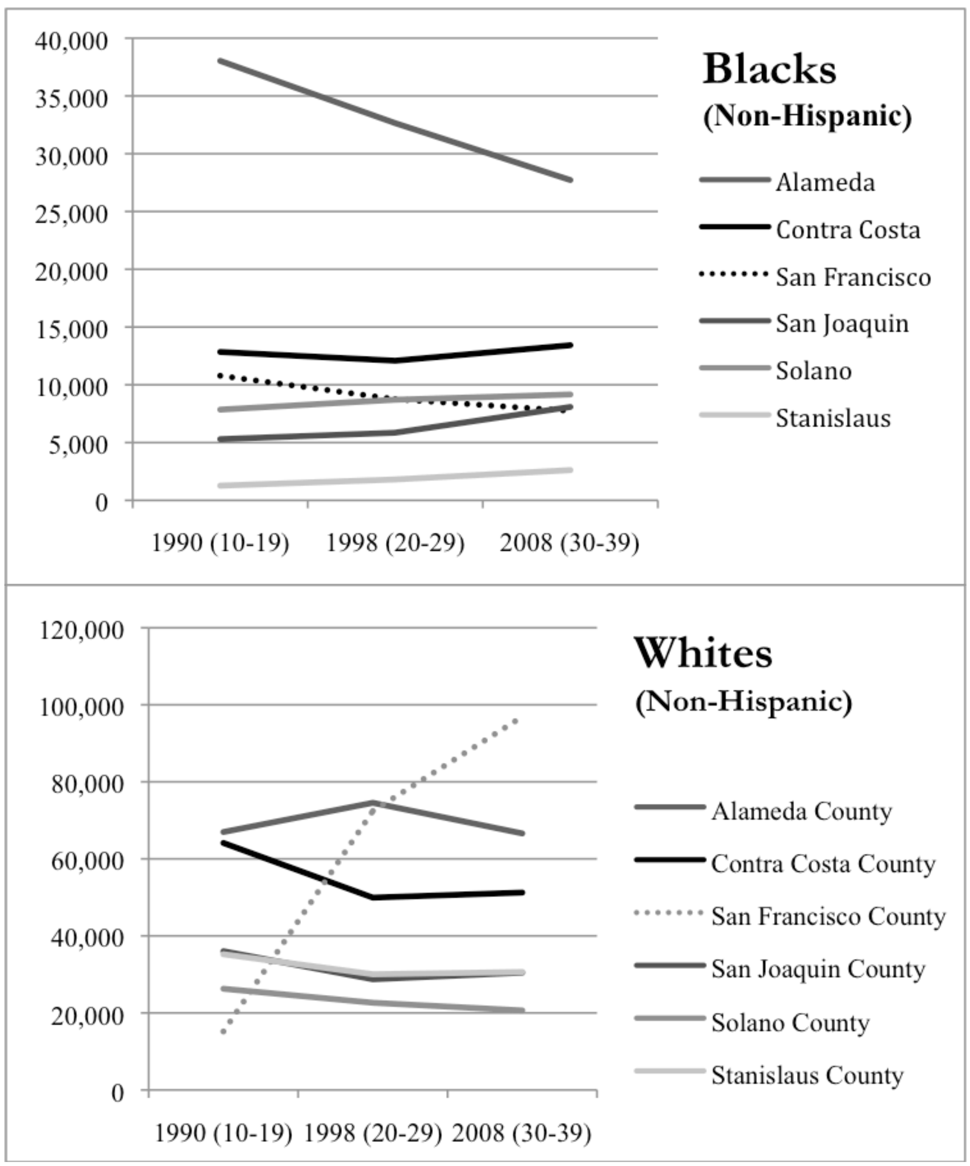
Figure 8: Poverty Rates in San Francisco &Antioch, 1970-2008



A look at income shows the other side of the coin. While household incomes between the two cities are not dramatically different, Antioch's larger households mask the impact of household earnings. If you look at the ratio of income between San Francisco and Antioch at the per capita level, you will see that San Franciscans on average earn 1.71 times the average Antioch resident, up from 1.28 in 1970. This is unsurprising if you consider that San Francisco is now home to almost twice as many college graduates per capita than Antioch.

Figures 9 and 10: Generation X Blacks and Whites in the Bay Area

Source: U.S. Census



Finally, there is the question of generations. The gentrification debates[22] have raged over the years about the relationship between race and class in this now global phenomenon (Smith 2002; Atkinson and Bridge 2005), and San Francisco's transformation has been well documented (Solnit 2002; Godfrey 1988; Castells 1983; Massey and Fong 1990; Chapple and Strategic Economics 1999; Hartman 2002). But what makes San Francisco's class transformation so visible is the link between race and age – this is about young white people. In 1990, San Francisco had approximately 50 percent more white youth aged 10-19 than black youth. If you imagine a sealed city, where nobody migrated or died, the number of white and black 30-39 year olds two decades later would remain the same, and the lines in Figures 9 and 10 would be flat.[23] Instead, San Francisco now has more than twelve times (96,893 to 7,746) the number of whites aged 30-39 than blacks. This *gentrification generation* is what leads to depictions of a white hipster San Francisco in Barry Jenkins' film *Medicine for Melancholy,* a haunting film that gives voice to the growing importance of the cultural and generational factors that Ginwright and Akom (2007) find in their study of black out-migration in San Francisco.

These demographic descriptions are very blunt, and don't begin to do justice to the complexities of movements and migrations at the city-region scale. But they do show very clearly that communities of color grew significantly in the exurban fringe during the neoliberal era, providing a significant chunk of the exurban demographic push which, when combined with the aforementioned changes in policy and capital, helped set the stage for Wall Street's now infamous binge, and helped land places like Antioch and Lathrop (the subject of the Timothy Egan quote that opens this essay) in the pages of the *New York Times*. Moreover, these numbers demonstrate what Mary Pattillo (2002) calls the "limits of out-migration" – the continuing

[22] See Lees, Slater and Wyly (2007) for an excellent examination of the vast gentrification literature.
[23] 2008 ACS data is used as a reasonable proxy for 2010 Census data, as that data is not currently available.

racialized division between a white middle class, which manages to insulate itself from poverty and crisis, and communities of color, which cannot.

Incomplete, not Inadequate

There can be no doubt that predatory debt is at the root of this crisis. It provided a widely consumed mega-asset for Wall Street to repackage and resell, aided and abetted by a deregulatory fervor and rigged bond rating system. But we must remember that the market for bad loans was created by a policy and capital regime that failed to solve the long-running problems that defined the urban crisis of a generation ago: poverty, crime, and inadequate education in poor inner city communities; exclusion and independence in wealthy suburbs; affordability in a gentrifying core. This meant that many people, in particular communities of color, either moved out to the fringes or remained in older neighborhoods entering their second generation of abandonment, while wealthier places either encased themselves in legal aspic or rewrote their zoning codes to become fiscal and economic powerhouses through retail and office development while restricting housing as much as possible. These urban roots of the crisis run very deep, and must be seen in the context of a regional-level restructuring, not solely in the exurban spaces in which they manifest themselves.

The restructuring-generated crisis has placed an entire generation of both families and cities in a very precarious place, whether or not they gorged on bad debt or unsafe urbanization, as they are now caught in a maelstrom that has resulted in a shift of wealth inwards, and hence upwards. With a handful of exceptions, places like Antioch on the fringes of the region are now worth less in adjusted dollars than they were two decades ago. It is no wonder that tensions in these exurban realms run high, as both newcomers and old-timers have seen their towns *grow by* *as much as 1000 percent in size but lose more than 50 percent in value.* These residents cannot look to a rapid transit system or in some cases even a proper freeway system to strengthen their connection to an incredibly wealthy metropolis, or to a state or federal government committed to building the basic infrastructure required for regions to thrive. No wonder they are now getting caught up in a discourse of decline, in talk of "slumburbia" and the "next slum" that is all too reminiscent of an earlier era of crisis (Beauregard 1993).

As stark as the problems on the fringes may now appear, the true tragedy would be if only this debilitating urban lexicon of the Keynesian era made it through to the present day. Rather, we must consider ideas from an earlier era that were never truly realized in the first place – the "integrated ideal" which Graham and Marvin (2001) wisely point to as a core way in which we once conceived of infrastructure and urbanization, along with the role of the state and federal government in overcoming metropolitan fragmentation, and the attention paid to the reality of racial segregation in the continued stratification of wealth. The exurbs did not cause these problems on their own, and barring assistance they may go down the path of decay and abandonment predicted by the punditry.

A more trenchant approach would be to think about exurban California as incomplete, rather than inadequate or worse. Regional restructuring and inadequate planning across multiple scales has left exurbs economically incomplete, fiscally unsound, and physically isolated, even as they are the recipients of a broad yet racialized swath of the poor and the middle class. They grew up as bedroom communities, in imitation of their postwar inner ring counterparts, but during an era when that model was no longer supported – now municipal governance is about shopping malls and office parks and other rateables, about paying your own way and being entrepreneurial. East County even has to pay for its own freeway, which is half built in one part and half rebuilt in another. It is no wonder that the suburban dream seems to be evaporating for so many, including the numerous immigrants and African Americans for whom the recent out-migration is the first true bite at the suburban apple.

The ongoing crisis of exurbia and the production of incomplete suburbs in a fractured metropolis forces us to confront our longstanding conceptions of one of the contemporary era's biggest urban bogeymen – sprawl. Simply because we failed to grow properly or to stop sprawl over the past 35 years does not mean we can abandon those places we consider to be the poster children for urbanization gone wrong. If maintaining a jobs-housing balance is a key to fiscal health in the current era, we must radically improve transportation across all modes and provide far better access to higher education so that companies can even consider locating there – even if it means more growth – and so that residents can pursue economic and educational opportunities easily and flexibly across a diverse geographic and temporal landscape.

There are now more than a quarter of a million people in East County, and close to a million more in neighboring areas on the fringe of the Bay Area. These places may not be at the heart of the bourgeois cultural "endopolis" which increasingly defines the core of the Bay Area (Schafran 2009), but that does not mean that they do not deserve to be connected physically, politically, and economically to the region that produced this core (and to connect exurban residents to the region that they serve), even if this growth should never have been allowed to happen in the first place. Moving out of this crisis will mean abandoning the nostalgic fantasy of a centralized urban region that never was and embracing the multi-centered, interconnected and complex megaregion that is northern California, a west coast Randstad with immense potential for true connectivity and a more just if dispersed geography of opportunity.

References

Anderson, Tamsen. 2005. "Out of sight, out of mind: The evolution of one Bay Area industrial suburb." Institute for the Study of Social Change Working Paper Series, University of California, Berkeley,. http://escolarship.org/uc/item/3421m0cd

Atkinson, R. D. and G. Bridge. 2005. *The new urban colonialism: Gentrification in a global context.* London: Routledge.

Atkinson, R. D. and P. D. Gottlieb. 2001. *The metropolitan new economy index: Benchmarking economic transformation in the nation's metropolitan areas.* Washington, DC: Progressive Policy Institute.

Barbour, Elisa. 2007. "State-local fiscal conflicts in California: From Proposition 13 to Proposition 1A." Public Policy Insititute of California, December 2007.

Bardhan, Ashok. 2009. "Housing and the financial crisis in the U.S.: Cause or symptom?" *Vikalpa: The Journal for Decision Makers* 34, (3).

Bardhan, Ashok and Richard A. Walker. 2010. *California, pivot of the great recession.* Berkeley, CA: Institute for Research on Labor and Employment, University of California, Berkeley. escholarship.org/uc/item/0qn3z3td

Beauregard, R. A. 1993. *Voices of decline: The postwar fate of U.S. cities.* Cambridge: Blackwell.

Bernstein, D. E. 1999. "Lochner, parity, and the Chinese laundry." *William and Mary Law Review* 41 (1): 211-294.

Bodovitz, Joseph E. 2003. "Bay Area regionalism - can we get there? Assessing regionalism's prospects, 20 years after Bay Vision 2020." *The Urbanist.* September.

Brechin, Grey. 2006. *Imperial San Francisco: Urban power, earthly ruin.* Berkeley: University of California Press.

Brenner, Neil and Nik Theodore. 2002. "Cities and the geographies of actually existing neoliberalism." *Antipode* 34 (3): 349-79.

Burgarino, Paul. 2010. "Pittsburg demands regional money go toward James Donlon extension." *Contra Costa Times*, February 11.

Burkhalter, Laura and Manuel Castells. 2009. "Beyond the crisis: Towards a new urban paradigm." Paper presented at The 4th International Conference of the International Forum on Urbanism (IFoU), Amsterdam/Delft.

Carr, James H. 2007. "Responding to the foreclosure crisis." *Housing Policy Debate* 18 (4): 837-60.

Castells, Manuel. 1983. *The city and the grassroots: A cross-cultural theory of urban social movements.* Berkeley: University of California Press.

______. 2000. *The rise of the network society.* Cambridge: Blackwell Publishing.

Chapple, K. and Strategic Economics. 1999. *Gentrification: Causes, indicators, and possible policy responses for the San Francisco Bay Area.* Berkeley: Urban Habitat.

Coleman, Michael. 2005. "A primer on California city finance." *Western City Magazine.* March.

Crump, J., K. Newman, E. S. Belsky, P. Ashton, D. H. Kaplan, D. J. Hammel, and E. Wyly. 2008. "Cities destroyed (again) for cash: Forum on the U.S. foreclosure crisis." *Urban Geography* 29 (8): 745-84.

Davis, Mike. 1990. *City of quartz: Excavating the future in Los Angeles.* New York: Vintage/Random House.

Dear, M. and S. Flusty. 1998. "Postmodern urbanism." *Annals of the Association of American Geographers* 88 (1): 50-72.

Dreier, P., J. H. Mollenkopf, and T. Swanstrom. 2001. *Place matters: Metropolitics for the twenty-first century.* Lawrence: University Press of Kansas.

Dymski, G. A. 2009. "Afterword: Mortgage markets and the urban problematic in the global transition." *International Journal of Urban and Regional Research* 33 (2): 427-42.

Egan, Timothy. 2010. "Slumburbia." *New York Times*, February 10, sec Online Edition.

Fischer, C. S., G. Stockmayer, J. Stiles, and M. Hout. 2004. "Distinguishing the geographic levels and social dimensions of U.S. metropolitan segregation, 1960-2000." *Demography* 41 (1): 37-59.

Frey, William H. 2000. "Melting pot suburbs: A study of suburban diversity." In *Redefining urban and suburban America: Evidence from census.*, eds. Bruce Katz, Robert E. Lang. Vol. 1, 159–179. Washington DC: Brookings Institution Press.

Garreau, Joel. 1991. *Edge city: Life on the new frontier.* New York: Doubleday.

Ginwright, Shawn and Antwi Akom. 2007. "African American out-migration trends: Initial scan of national and local trends in migration and research on African Americans." San Francisco Mayors Office of Community Development Task Force on African American Out-migration.

Godfrey, Brian J. 1988. *Neighborhoods in transition: The making of San Francisco's ethnic and nonconformist communities.* Berkeley: University of California Press.

Graham, S. and S. Marvin. 2001. *Splintering urbanism: Networked infrastructures, technological mobilities and the urban condition.* London: Routledge.

Hackworth, Jason R. 2007. *The neoliberal city: Governance, ideology, and development in American urbanism.* Ithaca: Cornell University Press.

Hartman, C. W. 2002. *City for sale: The transformation of San Francisco.* Berkeley: University of California Press.

Harvey, David. 2009. "World social forum: Opening speech at the urban reform tent, Wednesday, January 29, 2009, Belém, Pará, Brasil." Speech ed. http://www.reclaiming-spaces.org/crisis/archives/245

______. 2005. *A brief history of neoliberalism.* Oxford: Oxford University Press.

Hernandez, J. 2009. "Redlining revisited: Mortgage lending patterns in Sacramento, 1930–2004." *International Journal of Urban and Regional Research* 33 (2): 291-313.

Kruse, K. M. and T. J. Sugrue. 2006. *The new suburban history.* Chicago: University of Chicago Press.

Lang, R.E. 2003. *Edgeless cities: Exploring the elusive metropolis.* Washington DC: Brookings Institution Press

Lang, R. E. and J. LeFurgy. 2006. *Boomburbs: The rise of America's accidental cities.* Washington DC: Brookings Institution Press.

Lees, Loretta, Tom Slater, and Elvin K. Wyly. 2007. *Gentrification.* London: Routledge.

Lefebvre, H. 2003 (1968). *The urban revolution.* Minneapolis: University of Minnesota Press.

Leinberger, Christopher B. 2008. "The next slum? Tomorrow's suburban decay." *Atlantic Monthly.*

Loeb, C. S. 2001. *Entrepreneurial vernacular: Developers' subdivisions in the 1920s.* Baltimore, MD: Johns Hopkins University Press.

Lucy, William H. and David L. Phillips. 2001. *Suburbs and the census: Patterns of growth and decline.* Washington DC: Brookings Institution Press.

Massey, D. S. and E. Fong. 1990. "Segregation and neighborhood quality: Blacks, Hispanics, and Asians in the San Francisco Metropolitan Area." *Social Forces* 69 (1): 15-32.

McGirr, L. 2001. *Suburban warriors: The origins of the new American right.* Princeton: Princeton University Press.

McWilliams, C. 1999 (1949). *California: The great exception.* Berkeley: University of California Press.

Metcalf, Gabriel and Egon Terplan. 2007. "The Northern California megaregion." *The Urbanist. November.*

Murphy, Alexandra K. 2007. "The suburban ghetto: The legacy of Herbert Gans in understanding the experience of poverty in recently impoverished American suburbs. *City & Community* 6 (1): 21-37.

Nelson, Kristin. 1986. "Labor demand, labor supply and the suburbanization of low-wage office work." *Production, Work and Territory: The Geographical Anatomy of Industrial Capitalism*, pp. 149-69.

Nicolaides, Becky M. 2002. *My blue heaven: Life and politics in the working-class suburbs of Los Angeles, 1920-1965.* Chicago: University of Chicago Press.

Orfield, M. 2002. *American metropolitics: The new suburban reality.* Washington DC: Brookings Institution Press.

Owens, B. 1974. *Suburbia.* Fotofolio.

Pattillo-McCoy, M. 2002. "The limits of out-migration for the black middle class." *Journal of Urban Affairs* 22 (3): 225-41.

Peck, Jamie and Adam Tickell. 2002. "Neoliberalizing space." *Antipode* 34 (3): 380-404.

Perkins, Kristin. 2008. "The geography of foreclosure in Contra Costa County, California." Master's of City and Regional Planning Thesis, Department of City & Regional Planning, University of California, Berkeley.

Pido, Eric J. 2009. "The performance of property: Suburban homeownership as a claim to citizenship for Filipinos in Daly City." Institute for the Study of Social Change Working Paper Series, University of Califorina, Berkeley. *www.escholarship.org/uc/item/3b07b9t0.*

Rast, J. 2006. Environmental justice and the new regionalism. *Journal of Planning Education and Research* 25 (3): 249.

Reich, R. B. 2008. *Supercapitalism.* New York: Random House, Inc.

Rivera, Amaad and United for a Fair Economy. 2008. *Foreclosed: State of the dream 2008.* United for a Fair Economy. http:/*/www.faireconomy.org/files/pdf/**StateOfDream**_01_16_08_Web.pdf*

Rodis, Rodel. 2008. The ‘F’ word. *AsianWeek.* November 18.

Saxenian, A. L. 1994. *Regional advantage: Culture and competition in Silicon Valley and Route 128.* Cambridge: Harvard University Press.

Schafran, Alex. 2009. "Outside endopolis: Notes from Contra Costa County." *Critical Planning* 16: 10-33.

Scott, A. J. and E. W. Soja. 1998. *The city: Los Angeles and urban theory at the end of the Twentieth Century.* Berkeley: University of California Press.

Self, Robert O. 2006. "Prelude to the tax revolt." In *The new suburban history.*, eds. Kevin M. Kruse, Thomas J. Sugrue. Chicago: University of Chicago Press.

———. 2003. *American Babylon: Race and the struggle for postwar Oakland.* Princeton, N.J.: Princeton University Press.

Semuels, Alana. 2010. "From bucolic bliss to 'gated ghetto.'" *Los Angeles Times*, March 30.

Short, J. R. B. Hanlon, and T. J. Vicino. 2007. "The decline of inner suburbs: The new suburban gothic in the United States." *Geography Compass* 1 (3): 641-56.

Smith, Neil. 2002. "New globalism, new urbanism: Gentrification as global urban strategy." *Antipode* 34 (3) (June): 427-50.

Soja, Edward W. 2000. *Postmetropolis: critical studies of cities and regions*, Oxford: Blackwell.

———. 1996. "Los Angeles, 1965-1992: From crisis-generated restructuring to restructuring-generated crisis," in *The City: Los Angeles and Urban Theory at the End of the Twentieth Century,* eds. Allen J. Scott and Edward W. Soja, 426–462. Berkeley: University of California Press.

———.1989. *Postmodern geographies: The reassertion of space in critical social theory.* London: Verso.

Solnit, Rebecca. 2002. *Hollow city: The siege of San Francisco and the crisis of American urbanism.* London: Verso.

Soureli, K. and E. Youn. 2009. "Urban restructuring and the crisis: A symposium with Neil Brenner, John Friedmann, Margit Mayer, Allen J. Scott, and Edward W. Soja." *Critical Planning* 16: 35-59.

Stone, Michael. 2009. "Housing and the financial crisis: What happened and what to do about it." *Human Geography* 1 (2).

Sugrue, Thomas J. 1996 *The Origins of the Urban Crisis: Race and Inequality in Postwar Detroit*. Princeton: Princeton University Press.

Terplan, Egon, Shelma Jun, Lesley Miller, and Bige Yilmaz. 2009. "Job sprawl in the megaregion." *Urbanist.* September.

Vicino, Thomas J. 2008. *Transforming race and class in suburbia: Decline in metropolitan Baltimore,* 1st ed. New York: Palgrave Macmillan.

Walker, Richard A. 1981. "A theory of suburbanization: Capitalism and the construction of urban space in the United States," in *Urbanization and Urban Planning in Capitalist Society,* eds. Michael J. Dear and Allen J. Scott, 383-430. New York: Methuen.

______. 2004. "Industry builds out the city: The suburbanization of manufacturing in the San Francisco Bay Area, 1850-1940." In *Manufacturing suburbs: Building work and home on the metropolitan fringe.*, ed. Robert D. Lewis. Philadelphia: Temple University Press.

Warner, S. B. 1972. *The urban wilderness: A history of the American city.* New York: HarperCollins Publishers.

Weiss, M. A. 1987. *The rise of the community builders.* New York: Columbia University Press.

Wiese, A. 1999. The other suburbanites: African American suburbanization in the north before 1950. *Journal of American History* 85 (4).

Wyly, E.K., M. Moos, E. Kabahizi, and D. Hammel. 2009. "Cartographies of race and class: Mapping the class-monopoly rents of American subprime mortgage capital." *International Journal of Urban and Regional Research* 33 (2): 332-54.

The Economist. 2010. "Hope at last." *The Economist.* March 31.

INSTITUTE FOR
THE STUDY OF
SOCIAL CHANGE

2420 Bowditch Street #5670
Berkeley, CA 94720-5670

tel: 510-642-0813
fax: 510-642-8674

email: ISSC@berkeley.edu
web: http://issc.berkeley.edu