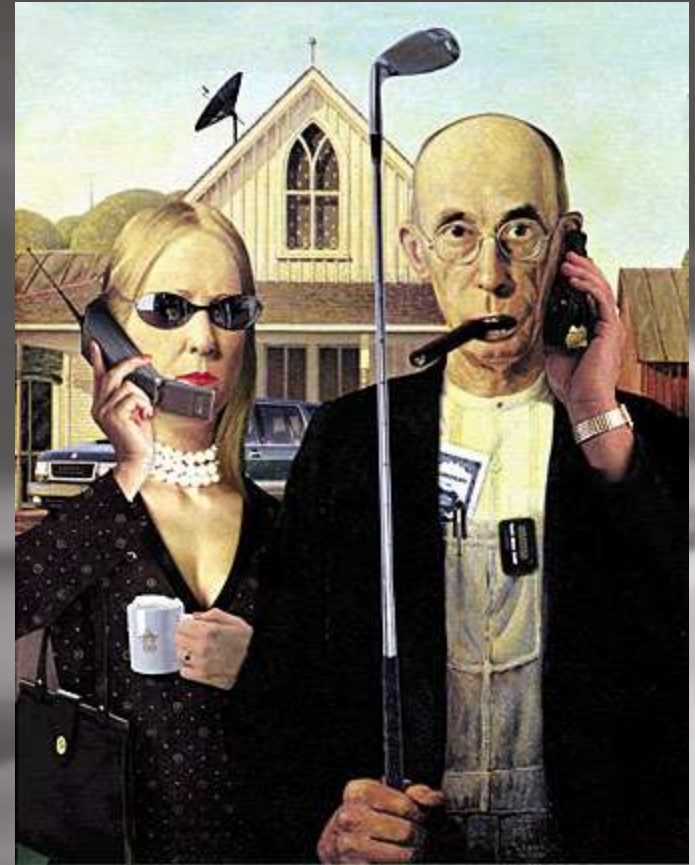


The Changing Face of America

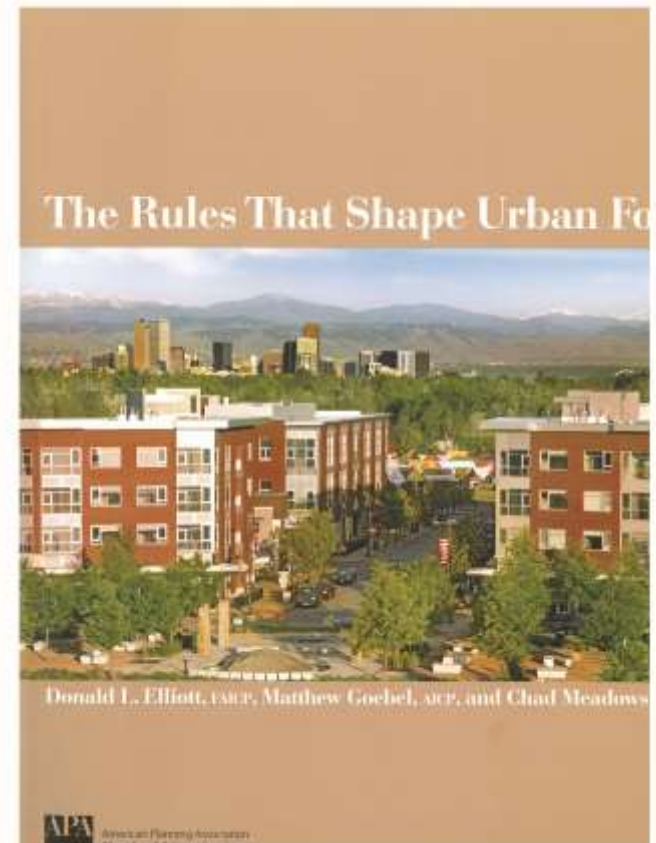


And What It Means to You

The Idea for this Session

Rules that Shape Urban Form

- 6 Case Studies
- 4 Planning Challenges
 - Demographics
 - Affordability
 - Sustainability
 - Preservation

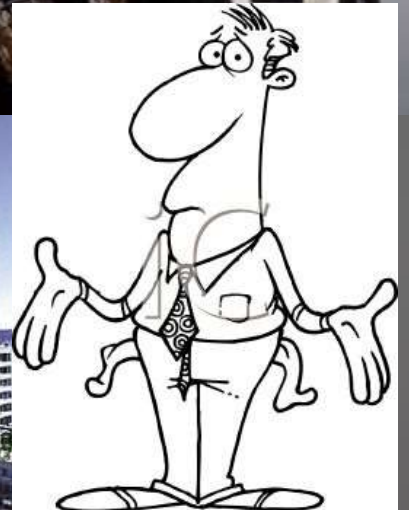


Overview

- Review of Key Demographic Trends and Changing Preferences
- Ramifications
- Planning Responses



America is Changing...



Because of these changes, how Americans live is also changing, and our nation's urban form must evolve in response. Planners have a vital role to play in our nation's ability to adapt to these new trends and preferences...



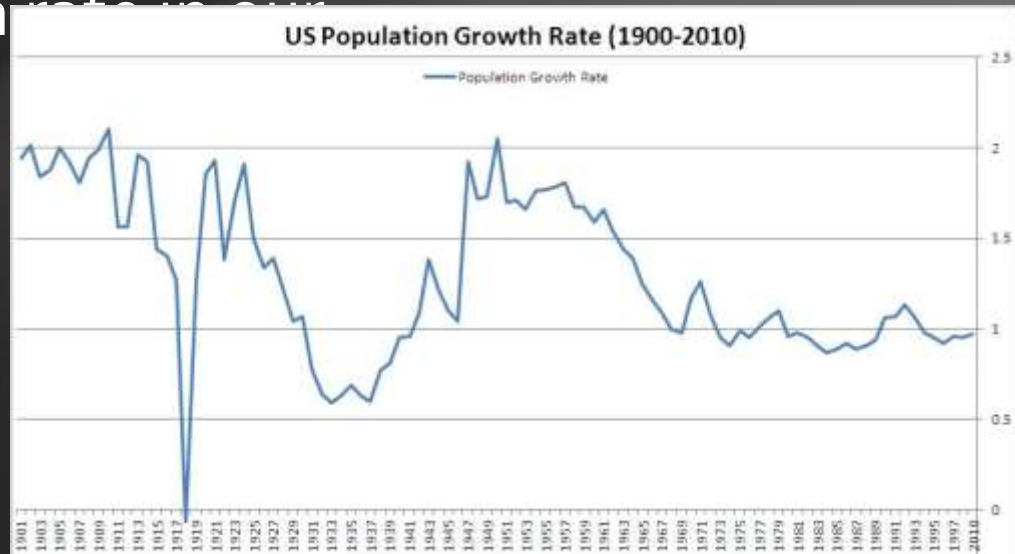
Key Trends

1. Our growth rate is slowing
2. Our population is aging
3. Household composition is shifting
4. Racial diversity is accelerating
5. Locational preferences are changing
6. Real income is declining
7. The impact of technology is growing



1. Our Growth Rate is Slowing...

- The US grew by 27.3 million people from 2000 to 2010 (9.7% increase)
- The 2000s were the slowest decade of population growth in 70 years
- Mid level projections put the 2050 population at 392 million; but the period from 2030 to 2050 is expected to be the slowest growth rate in our country's history
- U.S. birth rate will drop from 1% to .25% by 2035



And in the West?

- Between 2000 and 2010 the growth rate was well above the national average (13.7% vs 9.7%)
 - But from 1960-2000 it was 20-30% per decade
- “ These figures reflect a movement of young people westward, as well as an immigrant population settling heavily in the south and west.”



US News and World Report

So what?

- There will be fewer children in our neighborhoods in our future
- The current oversupply of school facilities in core cities will continue
- But this does not necessarily mean the number of dwelling units that need to be build or replaced will decline
 - More on that later



So what?

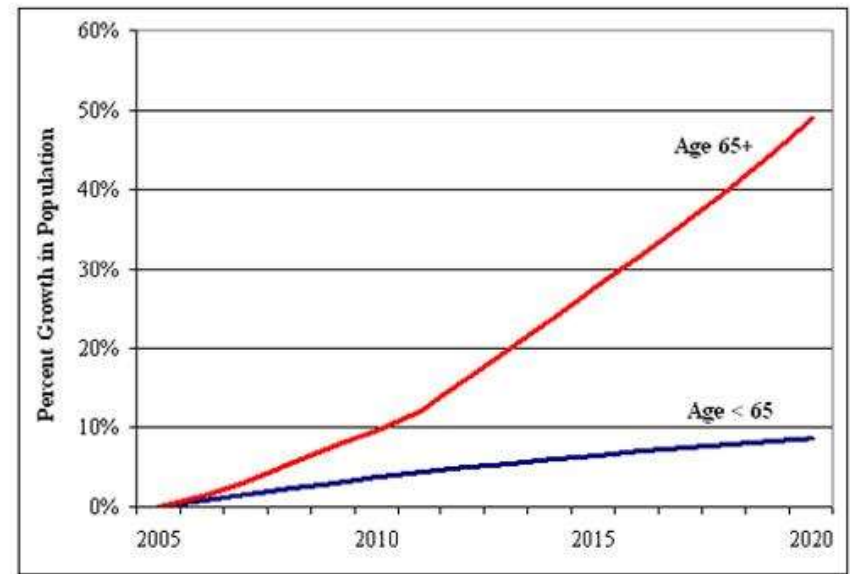
- States and metro areas that relied heavily on in-migration for growth (like the south and the west) may need to foster more diverse job opportunities to prevent emigration of residents in search of better job prospects
- The country will need an even greater reliance on technology and innovation to maintain past levels of economic production (much less increase our level of output)



2. Our Population is Aging

- Median age is expected to increase from 34 in 1994 to 39 by 2050
- Life expectancy is expected to increase from 76 in 1993 to 82 by 2050
- In 1950, 8% of the population was over 65 years old; by 2050, 20% of the population will be over 65 (that's one out of every five people)
- The nation's elderly population is expected to more than double from 2005 to 2050

Exhibit 21. Population Growth, 2000 to 2020



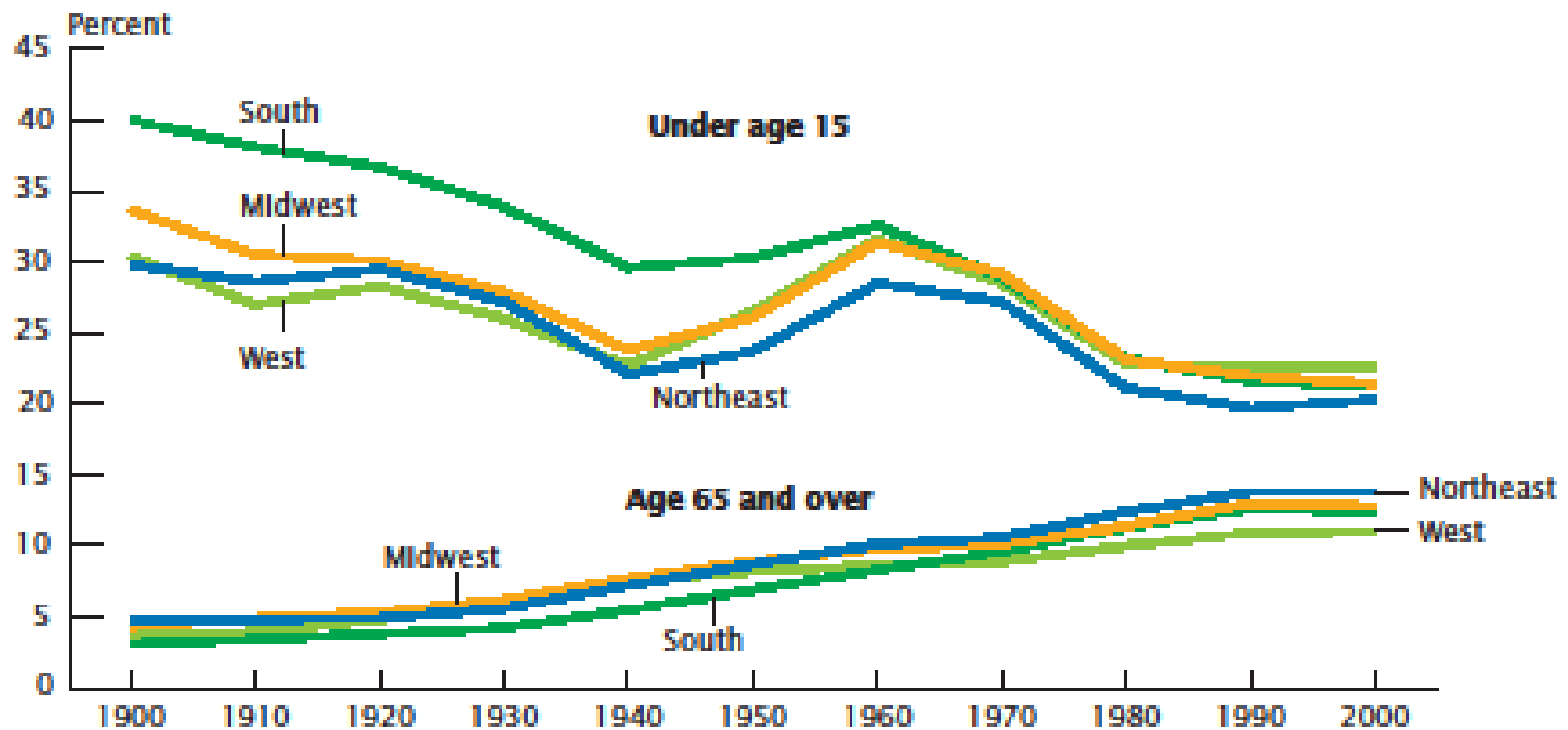
And in the West?

- Since 1990, the West is the “youngest” region of the U.S., with the highest portion of the population under 15.
- “the relative ‘youngness’ of the West’s population in the latter part of the century is in part due to relatively higher fertility rates of Hispanics, who constitute a larger part of the region’s population” (U.S. Census)
- And is being in part offset by the attractiveness of the area for retirees



And in the West?

Figure 2-8.
Percent Under Age 15 and Percent Age 65 and Over by Region: 1900 to 2000



Source: U.S. Census Bureau, decennial census of population, 1900 to 2000.

So what?

The nation will need more housing and land uses that cater to older individuals

- That's not just one product, but a range of products to provide different services as personal abilities decline
 - Nursing homes (both small and big)
 - Continuum of Care facilities (big)
 - CVS (small sites)
 - Home health care/assisted living businesses (distributed)
 - Small hospitals – and expansions of big ones



So what?

- More people are likely to need transportation services or easy access to goods and services in their own neighborhoods
 - Retrofitting walkability
 - Accommodating a wider range of transportation service businesses
- A larger proportion of the population will be less willing or able to maintain their own properties
 - Elderly sellers generally move into rentals
 - Many more sellers than buyers:
 - Prices drop
 - Those unable to sell turn to renting out the house

3. Household Composition is Shifting

- Household size has declined from 3.8 persons in 1940 to 2.59 persons in 2010
- In 1945, 77% of US adults felt families of 3 or more kids were the ideal size; by 2011, only 33% felt 3 or more kids was the ideal size family
- In 1960, 13% of households were comprised of a single person; by 2010, 27% of households are comprised of a single person
- In 1980, 28 million Americans lived in homes containing at least two adult generations; by 2010, this figure had increased to 50 million Americans



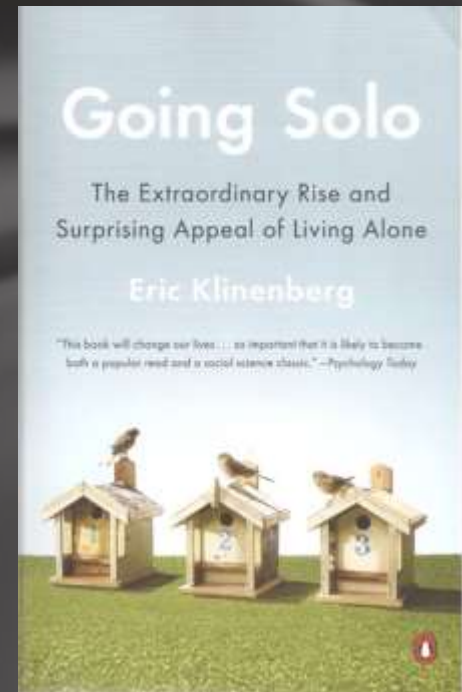
And in the West?

- Highest number of persons per household (2.74) and per family (3.30) and highest percentage of husband and wife households (49.5%)
 - But ALL lower than previous decade
- Also the highest number of households with two or more non-family members sharing (8%) and lowest number of one person households (24.8%)
 - But BOTH higher than previous decade
- But regional differences were small

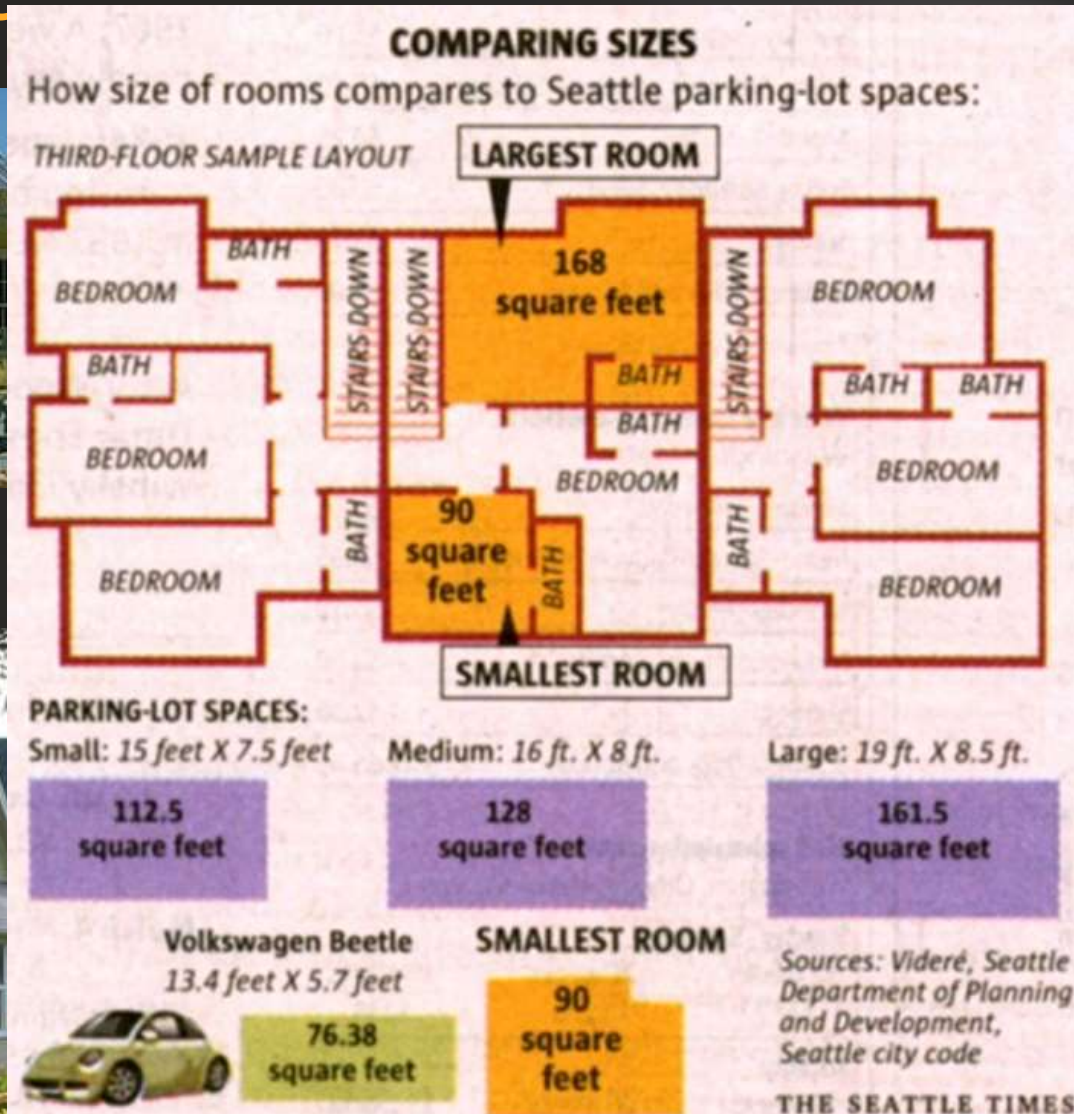


So what?

- 60% of dwellings in the US are single-family homes
 - Which are difficult to modify in response to evolving needs and lifestyles
- A primary purpose of zoning has been to protect single-family neighborhoods from change
- The population needs a wider array of housing choices, including smaller homes, very small apartments, accessory dwelling units, and homes that can accommodate extended families



So what?

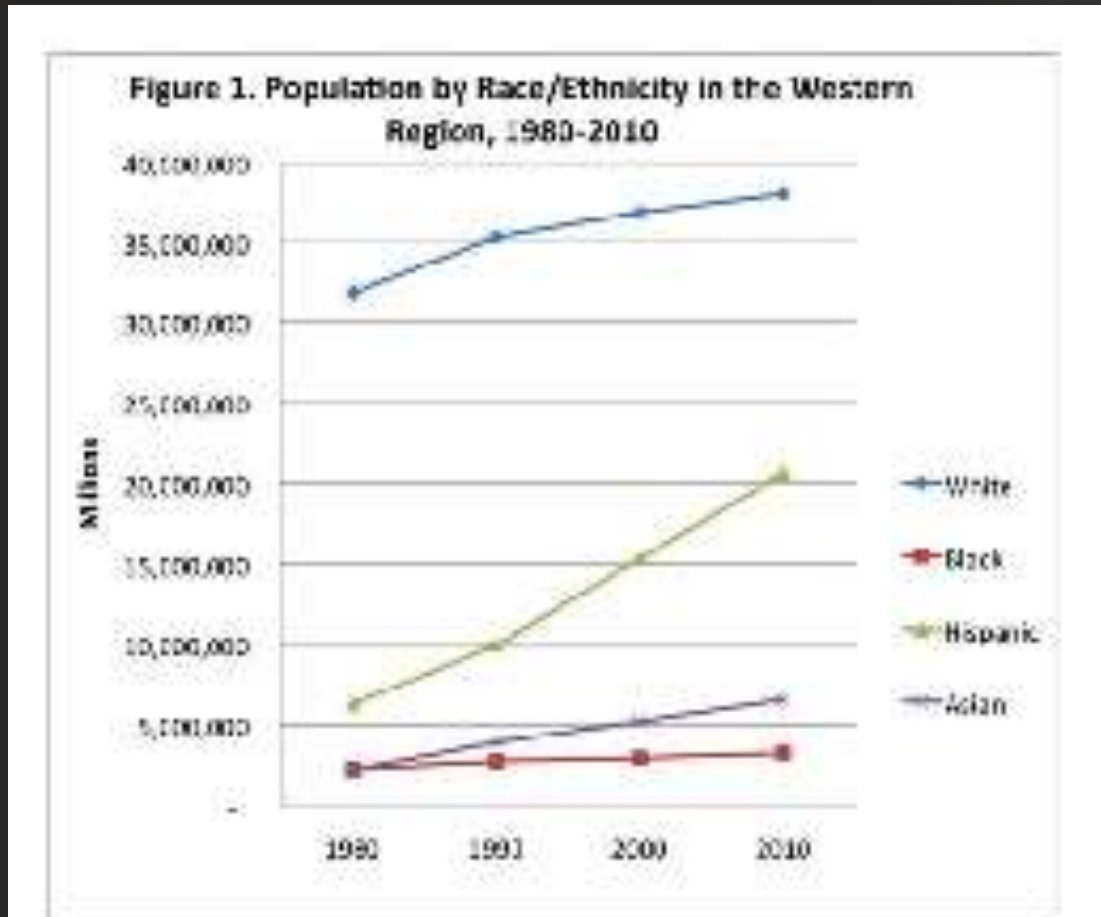


4. Racial Diversity is Accelerating

- Immigration is the primary driving force behind population growth in the US
- Every year, 1 million new immigrants arrive (legally) in the US; by 2050, one in five Americans is expected to be a recent immigrant
- During the 2000s, 92% of US population growth was a result of immigration by non-whites (primarily Hispanics and Asians)
- In 2010, 50% of newborn infants were non-white
- The Latino population is expected to triple in size from 14% of the population in 2005 to 29% by 2050



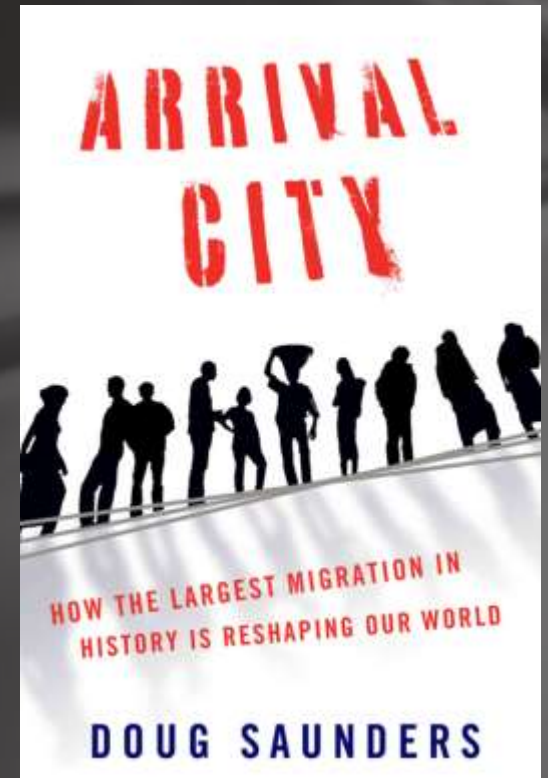
And in the West?



- Largest percentage jump in foreign population in the U.S. between 2000 and 2010 was -- Montana

So what?

- By and large immigrants move into urban areas; however, this is beginning to change as immigrants are now also moving into the inner suburbs
- Immigrants often have unique social services and educational needs
- With generally larger households, immigrants have the potential to increase need for schools



So what?

- Move to suburbs with larger houses may lead to rising demand to have multiple families occupy single houses
- Immigrants can bring differing cultural views and expectations regarding residential density, employment, and shopping – and residential and commercial developments will likely change to accommodate this expanding market
 - Open air sales and public gathering areas are some likely examples of these kinds of changes

5. Locational Preferences are Changing

- Housing prices in central cities have soared during the last 30 years – after periods of decline or slow growth
 - Urban housing carries a premium price tag between 40% to 200% of that found in the suburbs
- Generation Y is seeking urban environments
- In 2012 shows that 43% of Americans prefer traditional, large (2,000 sf+) suburban homes – the majority do not
- 35% of those over 45 live in urban areas; but 45% of these people are (and will be) in the suburbs
- By 2000, more minorities live in the suburbs than urban cores

And in the West?

- "The shift toward cities, experts said, underscores the profound effects of the 2007-09 recession, which sharply slowed the formation of families and what had been an inexorable migration to the outer edges of the city."
 - "What's significant about it is that it's pervasive across the country."
 - Denver
 - City Growth = 2.4%, suburbs = 1.4%
 - Phoenix
 - City Growth = 1.5%, suburbs = 1.1%
- Brookings Institution 2010-2012



So What?

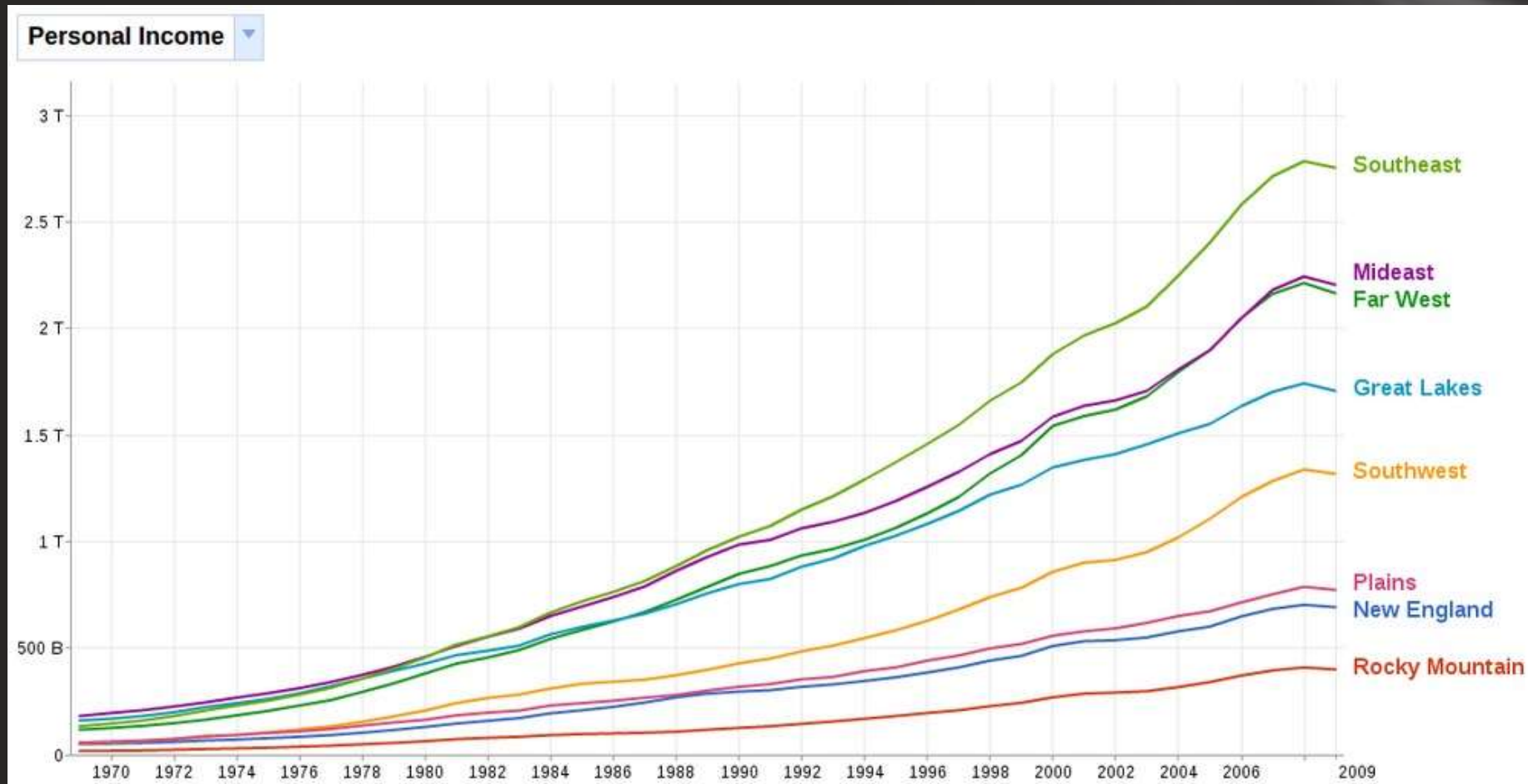
- Despite the evidence of increasing movement into urban cores, the suburbs are likely to see the majority of continued growth for the foreseeable future
 - More suburban population x lower growth rate = more growth in numbers
 - Higher housing costs in urban areas are likely to reinforce this trend
- More and more elderly will be seeking to “age in place” in the suburbs
- The suburbs are likely to have an increasing share of immigrants and minorities
- Those with the lowest earning potential (and largest needs) are increasingly located in the suburbs

6. Real Income is Declining

- Real income is the income of individuals after adjusting for inflation – it measures real purchasing power without the influence of changes in price
- 2000-2010 was the first decade on record where real income declined (by 8.9%)
 - In other words, people made more in the 1990s than they did in the 2000s
- The number of people living in poverty increased to 15.1% in 2010, the highest number since 1993 (note that the poverty threshold does change from year to year)
- Based on the issues associated with the economic downturn in 2008, credit is tighter than it has been for decades

And in the West?

- The US



So What?

- The US population, on average, has a diminished ability to purchase a home
- The collapse of the housing market in 2008 resulted in over-supply of single-family homes – as well as a very small inventory of new homes
- Unemployment and limited credit means that renting will become more widespread
 - In houses
 - In condos
 - Through conversions of non-residential buildings



So What?

- Increasing rental demand vs slow building and tight credit =
- Low rental vacancies and higher rents until the market adjusts
- Increasing pressure to rent out properties that are not selling
- Detached single-family neighborhoods are the most resistant to the kinds of changes that would help address these problems



7. The Impact of Technology is Increasing

- More and more people are becoming “knowledge workers” who depend on the internet
- 4 million people work from home full time, according to the US Census; 44 million work from home some of the time
- 53% of today’s cellular phones are “smart phones”
- Teleconferences and web-based interactions are reducing the need for people to congregate and meet face-to-face
- On-line shopping is rapidly changing the retail model that has been in place for the last 50 years



And in the West?

Ditto – If not More So

- Higher concentration of younger Americans, who tend to have higher percentage employment in and use of technology

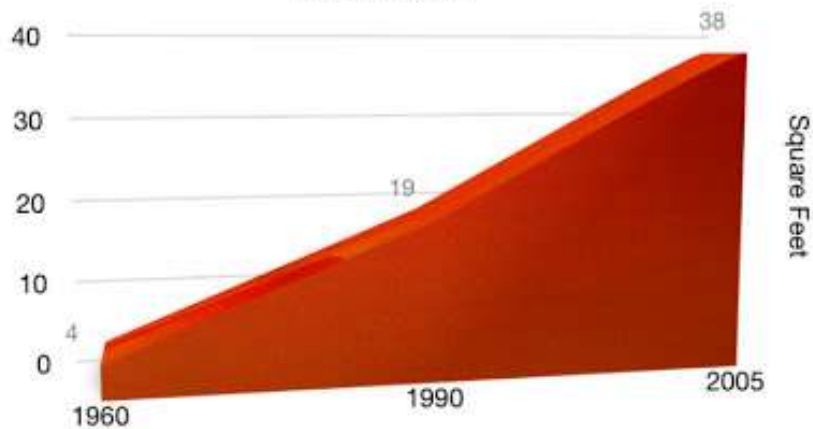


So what?

- We will need less floor area devoted to employment uses, offices, or retail as we have needed in the past
- We will have to contend with the need for adaptive reuse of “dead” retail centers
- Home offices and home-based businesses will be increasing
- We need a greater ability to accommodate living and working in the same structure
- We will have a greater demand for open spaces, gathering areas, and uses that foster human contact outside the traditional work environment
- Our telecommunications infrastructure will continue to evolve and create demand for uses like “server farms”, call centers, and recycling of electronic equipment

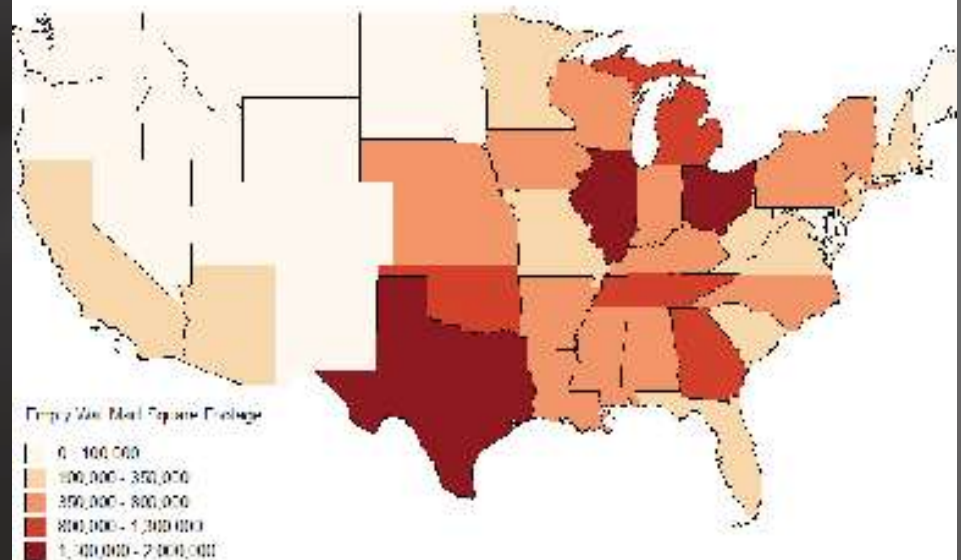
So what?

**U.S. Retail Square-Footage Per-Person
1960–2005**



Source: *Big-Box Swindle: The True Cost of Mega-Retailers and the Fight for America's Independent Businesses*, Mitchell, 2006.

Vacant Wal-Mart Stores



See Note: Square Footage of Wal-Mart stores included is available for each of the 50 Wal-Mart Family's as of January 2007.



So Now What?

Responses

- Housing
- Transportation
- Workspaces
- Retail
- Use Segregation
- Specialized Facilities
- Public Spaces



Housing

- Allow smaller units & smaller lots
- Allow accessory dwelling units
- Increase attached residential, apartment, condominium and multi-family options
- Promote reuse of vacant retail and school facilities for multi-family housing
- Provide higher densities, especially at nodes in suburban areas
- Promote residential infill
- Consider ways to allow single-family housing to accommodate more than two generations or two households without impacting character



Transportation

- Organize land uses to reduce VMT
- Accommodate an increasing range of elderly/disabled transportation businesses and facilities
- Focus on retrofitting improved automobile and pedestrian connectivity within existing residential neighborhoods, particularly in more suburban locations
- Ensure new development contributes to a road network
- Modernize and reduce parking requirements – or cap parking -- parking does not drive the development equation



Workspaces



- Generalize use categories to allow easier adaptation to new uses as the market changes
- Identify specialized workspace and gathering space needs for increasingly immigrant populations
- Allow more live/work and work/live structures, particularly in residential areas
- Consider incentives to put redevelopment on a “level playing field” with greenfield development
- Recognize the need for effective home occupation standards that work with trends instead of against them

Use Segregation

- Allow some forms of low intensity commercial and service in residential neighborhoods
- Allow some residential development in most or all commercial districts
- Don't get hung up on vertical vs horizontal mixed use – even horizontal provides most of the benefits
- Consider requiring varied lot size to spur housing variety
- Incorporate compatibility standards to protect existing single-family homes from denser infill or redevelopment



Retail

- Recognize the need for less floor area
- Foster retail clusters that will support park/walk, not drive/park
- Incorporate gathering areas near entrances
- Make mixed-use the path of least resistance instead of the one with the greatest hurdles
- Allow small-scale neighborhood-serving retail in residential neighborhoods and limit the amount of off-street parking
- Include performance bond requirements to adapt/remove big boxes when they become obsolete



Specialized Facilities

- Accommodate the need for an increasingly wide array of health care facilities and assistive services for the elderly and disabled.
- Incorporate standards for continuum of care facilities that better address life stage needs among the elderly
- Recognize the long-term decline in the need for schools and foster their adaptive reuse for housing and specialized care facilities
- Accommodate a wide variety of technology / R&D uses
- Embrace the evolution in the wireless communication system (more antennas, closer to the ground)

Public Spaces

- Residential projects should incorporate open spaces tailored urban or suburban
- There is a diminishing need for open space as a recreation resource for younger children, but an increasing need for the elderly
- Ensure that open spaces and gathering spaces reflect the specialized needs of growing immigrants in those neighborhoods
- Design public spaces should serve multiple functions



Questions?

