Reviving the urban imagination.

Arpit Gupta   September 2024

America's cities once led the nation in growth and vitality.

Chicago's population was just 30 thousand people in 1850. It jumped to half a million in 1880, and by the start of the 20th century it had reached *1.7 million people*. To address drainage and waterborne epidemics, the city installed the first comprehensive sewer system in the United States, raising building heights through jackscrews. Even the Great Chicago Fire of 1871 could not slow the growth of the city, as it was rebuilt with new steel-frame skyscrapers that defined the skyline.

Chicago was hardly alone. American cities throughout the late 19th century and early 20th century experienced astonishing growth, largely the result of immigration from Europe and elsewhere.

The infrastructure and public work demands placed on these growing metropolises were enormous, but planners and private developers responded by building out elaborate water systems, subways, and highways. These new developments connected workers to the country's manufacturing and retail job clusters, keeping Americans employed and fueling a consumer revolution.

Today, the urban environment looks more grim. Chicago's office vacancy rate is nearing 26 percent, as remote work has reduced the flow of commuters into the central business district. Ridership in the city's public transportation system is down substantially as a result. Major corporations like Boeing have moved jobs out of Chicago, whose local government also struggles with a debt liability of [$43,000 per taxpaying resident.](#)

Cities have reinvented themselves in response to challenges and opportunities all throughout history, and perhaps the most concerning aspect of today's urban moment is the lack of imagination. Cities recently have not shown the ability, or even the desire, to innovate and try new things.

What happened to America's cities? How did they shift from dynamic engines of growth and prosperity to places now trapped in amber?

Proceduralism traps for cities

The origin of many of today's problems lay in the backlash to the dreams of urban progressives and reformers from the 1950s and 1960s. Figures like Robert Moses responded to new technologies like the automobile by building new highways and bridges that increased connectivity and led to the growth of suburbs. These builders responded to cramped urban conditions and the rising attractiveness of suburban life by engaging in urban renewal and new construction. Even the downzoning of urban cities, responsible for cities being stymied in their ability to build more housing today, was a response to rising urban flight and an attempt to boost property values in urban cores.

But the excesses and collateral damage of these urban reformers — think minority neighborhoods flattened by urban highways — led to a wave of procedural hurdles and institutional bodies. In 1974, the Department of Housing and Urban Development set up an urban block grant program, essential funding during the worst period of urban decay, that required cities to set up community or planning boards to participate. This fueled a network of local institutions that could block reforms — and which was quickly captured by local homeowners who had an interest in stopping new housing. (These residents are often referred to as NIMBYs, derived from the acronym for Not In My Back Yard.)

Nicholas Bagley has referred to the web of hurdles that block housing and the kinds of infrastructure development needed for urban reinventions as the "Procedural Fetish". The term refers to the procedural rules and small-d democratic institutions which act as a check on government, but which also prevent local governments from effectively implementing policy. Think institutions like NEPA (the National Environmental Protection Act) at the national level, or CEQA (California Environmental Quality Act) at the state level in California, which require extensive rounds of environmental review for a range of projects, and can be used to block essential infrastructure and housing.

The resulting delays and veto points lead to multiple challenges in effectively implementing urban improvements. Derailing policies becomes far easier than successfully delivering policy changes. For instance, congestion pricing was in the works in New York City for seventeen years, across multiple administrations (and years of environmental review), but was paused on the whims of Governor Kathy Hochul. When the length of projects stretches on, it becomes much more likely that political winds will shift, new administrations will take office, or public sentiment will change, potentially jeopardizing the entire initiative.

Politicians also internalize these delays and may avoid projects altogether. When the length of planning cycles for even basic improvements like bike lanes or transit exceeds the time that a politician is going to be up for office, politicians realize that they are unable to produce tangible improvements in the quality of life for residents by the next election.

Instead, too many urban governments have come to see the role of government lying not in providing benefits for local residents, but simply in producing "good jobs" for a select few. The cost bloat in producing and operating transit infrastructure can be traced, in part, to the failures in appropriately staffing government functions. Tunnel boring machines are equipped with far more employees than are needed. New York City subways operate with two people per train car, while the international best standard is to move towards automation.

Even as the patronage-based jobs matching through urban boss-run organizations like Tammany Hall are a thing of the past, politicians continue to view city programs through a lens of job creation for a select few, rather than as a source of broad-based benefits for the many.

Lack of democratic accountability for urban leaders does not help, with many mayoral elections chosen for different years than the national election cycle, and other local elections even in a different month (Spring elections, for example). These anti-democratic practices further insulate politicians from voter scrutiny and reduce public engagement in local governance, allowing ineffective policies and misaligned priorities to persist unchallenged.

Future urban challenges

Addressing the state capacity issues at the local level is urgent due to the scale of future issues. Cities are facing a perfect storm of ongoing headwinds that require careful policy focus. Demographically, cities face a combination of domestic out-migration fueled by remote work and long-term secular decreases in birth rates. Cities are thus left with older or aging populations, lacking a dynamic base of younger people in their prime working years and further threatening their fiscal bases.

Climate change is another ongoing risk, which will require huge investments in decarbonizing the built environment, as well as extensive remediation and adaptation of buildings to survive in a hotter world. Many coastal cities are facing the prospect of rising sea levels that threaten flooding and storm risk. These risks could be mitigated through smart investments like sea walls, but cities face enormous costs to build them — a proposed sea wall for New York City carries a price tag of $119 billion — and those costs may rise still further because of the same building delays and NIMBY opposition that burden housing markets.

For many years, cities were complacent about these risks, maybe because it appeared that their residents had no choice but to accept them: Regardless of the quality of life or business climate environment, big cities were home to the best jobs and so people were forced to continue living and paying taxes in them.

Increasingly, in a remote-work world it appears that workers have additional options. People have decamped for suburbs, including the far exurban areas outside cities which previously were not considered commutable to central business districts, or else they have moved to other locations outside big cities. The resulting increase in migration suggests that the competition across cities, by which local governments compete to attract and retain residents, is stronger than before because residents have a greater ability to leave if they do not like what a city offers.

To meet these challenges, cities need to revive the spirit of innovation and dynamism that characterized their growth in the late 19th and early 20th centuries. This revival will require addressing several key areas:

- Streamlining bureaucracy: Cities must find ways to reduce procedural hurdles to essential local investments. This could involve reforming environmental review processes, simplifying building and zoning codes, and creating fast-track approval systems for critical transportation and infrastructure projects. They also need to carefully rethink the role of community boards and planning commissions, which too often can drown essential projects in endless public hearings attended by a non-representative slice of the local population.

- Improving democratic accountability: [Research](#) suggests that shifting local elections to coincide with national elections could increase voter turnout and engagement. These shifts can be encouraged by states: California Senate Bill 415 required cities with low voter turnout to shift their political cycles to coincide with statewide elections. This shift would help ensure that local politicians are accountable to local voters.

- Rebuilding local government capacity: Too many municipal agencies are hamstrung by insufficient staff, out-of-date IT systems, and an overreliance on outside contractors and non-government organizations to handle the basic tasks of governance. Fixing these challenges entails rebuilding the basic capacity of local government organizations to perform the key tasks of providing public goods and ensuring quality of life.

Beyond tangible fixes to restore the functioning of local government, cities more broadly need to rekindle the spirit of innovation that once drove their growth and prosperity. This will require bold leadership, creative problem-solving, and a willingness to challenge outdated systems and practices. It will also require cities to pursue their comparative advantages and find ways to invest in local specializations. Those cities which adapt and innovate will be best positioned to thrive, and to offer their residents a superior quality of life and economic opportunity.

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