Are the Challenges Our Larger Downtowns Now Face Properly Scoped Out?

By N. David Milder
DANTH, Inc

Introduction. As the economic trauma of the Covid pandemic, and the data dust up it sparked have eased, there seems to have been a growing agreement that a paraphrase of Mark Twain was in order: the death of our major downtowns was much exaggerated. Thus reassured, the time has now come for leaders and stakeholders to get beyond that realization and to start forging realistic, viable strategies and programs for the recovery and future growth of their downtowns. However, the formulation of effective strategies depends on properly scoping out the challenges and opportunities our larger downtowns now face. In a milieu filled with fear, uncertainty and inadequate information it was tough to properly scope out these challenges. That was compounded by the needs of wounded interests to make exaggerated claims of doom to spark wanted governmental assistance. By now, though, the data dust up has settled enough for such assessments to be done usefully. To illustrate what should be done, presented below is a look at *some* of the needed reassessments. Their presence in each downtown may vary, but the need to properly scope out each downtown's challenges remains pervasive.

Is It the Office Building Problem or the Outmoded Office Building Problem? In many instances the actual situation of downtown office buildings has not been put into much needed perspective. In NYC, for example, few were noting that office vacancies while undesirably high, were still well below national levels. Nationally, office space vacancies were 18% in Q4 of 2021 according to Cushman and Wakefield, but CoStar found that in that quarter the office vacancy rate in Manhattan was 12.3%. That was a definite jump from 7.8% in 2019, but still below the national average.[1] Most importantly, not enough attention has been paid to the fact that the office vacancy problem in NYC has mainly correlated with buildings that are now outmoded, mostly smaller and older buildings having 20% to 30% vacancy rates. That results from their having uncompetitive sizes, floor plans and amenities. Consequently, they are ill-suited for firms adopting hybrid models of organizing work and/or wanting better protections against future viruses. Hybrid models combine days working remotely with days working in corporate offices. Given that an April 2022 survey found that in Manhattan "…78% of employers (indicate a) hybrid office model will be their predominant post- pandemic policy, up from just 6% pre-pandemic," its appears that the pressures on these outmoded buildings are widespread and long-term.[2]

In contrast, the newer and larger buildings are having few problems renting out large spaces to high tech companies like Google, Facebook, and Amazon. Many large accounting and some

[1] These statistics were presented in: Ingrid Gould Ellen and Noah M. Kazis. "Flexibility and Conversions in New York City's Housing Stock: Building for an Era of Rapid Change." March 2022. NYU Furman Center.

[2] Partnership for New York City. "Nearly 80% of New York City Employers Anticipate Hybrid Work Model Moving Forward, Partnership Survey Finds." https://pfnyc.org/news/nearly-80-of-new-york-city-employers-anticipate-hybrid-work-model-moving-forward-partnership-survey-finds/

legal firms have adopted hybrid models and need appropriate spaces for them. NYC is also a major location for VC startups and investment and many of these new firms are also probably looking for downtown office spaces. The same is true for Center City in Philadelphia.[3]

Notably, about a decade ago, uncompetitive office buildings in Manhattan and across the nation were failing because they were unsuited for firms adopting the Open Office model of organizing work. Such functional mismatches are a part of a normal office development process. It hurt for a while back then, but was overcome, and it will hurt for a while now, and hopefully will again soon be overcome.

Also, far from the majority of downtown companies are looking at reducing their occupied office spaces. A survey in Philadelphia, for example, found that 63% expected their need for space to remain the same during 2022, while 16% anticipated a growing need and 21% foresaw a reduced need, for just a net minus 5% who will be reducing space.[4] Research by the WFH team also suggests that is the case nationally.[5] We are not facing a stampede of office tenants from our downtowns.

The Impacts of Remote Work. Looking to the future, survey research seems to strongly promise that remote work will reduce the number of downtown office workers who show up each day, perhaps by as much as 40%.[6] However, the analysts making these claims usually overlook the evidence that indicates a substantial number of office prone workers were already

Workers in Office-Prone Occupations and Downtown Prone Industries Who Could Work at Home, and Did: 2017-2018

	Percent of total workers who could work at home at some time	Percent of total workers who did work at home	Percent of "coulds" who did WFH	Some Office Prone Occupations
Occupations				
	60.1	51.3	85%	Management, business, and financial operations
	42.5	38.0	89%	Professional and related
	28.4	24.9	88%	Sales and related
	24.3	18.6	77%	Office and administrative support
Industries				
	53.3	45.1	85%	Information
	57.4	46.7	81%	Financial Activities
	53.4	47.4	89%	Profeessional & Business services
	25.9	23.7	92%	Education and health services

Source: https://www.bls.gov/news.release/flex2.t01.htm

[3] Richard Florida. "The Post-Pandemic Geography of the U.S. Tech Economy." *CityLab*. March 9, 2022. https://www.bloomberg.com/news/articles/2022-03-09/where-venture-capital-and-tech-jobs-are-growing.

[4] CENTER CITY REPORTS | FEBRUARY 2022. "Remote or In-Office Work? How Downtown Firms Are Thinking About the Future." https://centercityphila.org/uploads/attachments/ckz4gp1wx6vx7qdqdo3inpjc8-return-to-work-survey-feb-2022.pdf.

[5] Source: Nick Bloom (building on work with Jose Barrero, Steve Davis and Arjun Ramani). "What is the future and impact of WFH?" April 2022. https://nbloom.people.stanford.edu/sites/g/files/sbiybj4746/f/nyfed1.pdf.

[6] Ibid.

engaging in remote work prior to the Covid crisis. A report by Gallup, for example, found that pre-crisis in 2019, 8% of the workers whose jobs could be done remotely -- and who tend to otherwise work in offices -- were doing so fulltime, while another 32% were already working in a hybrid fashion, working remotely between 10% and 99% of their time.[7] Another study by the BLS in 2017-2018 also found that very substantial percentages of those in occupations and industries prone to using office spaces were engaging to some degree in remote work. (See the above table). Notably 51% of those in management, business and financial operations were working remotely. The BLS data also shows that when allowed by their employers, over 80% of these workers availed themselves of that opportunity. One might reasonably argue that these findings suggest that at least 40% of office workers were already fairly experienced with working remotely before Covid, while few corporations then seemed to feel that their corporate cultures were endangered. Also of note, is that *researchers have not paid any serious attention to the questions of what the net increase has been due to the Covid crisis, or in any differences between those new to working remotely and those already experienced with it.* Reports from the WFH research effort does indicate that most of today's remote workers prefer a hybrid work arrangement just as did so many in the precrisis years. That suggests a very strong persistent behavioral pattern among employees.

The factors that seem to most strongly influence favorability to remote work include long and expensive commutes, those with household needs for child or senior care, and those who are likely to feel they are already left out when they are in the office, such as women and people of color. They suffer far less from FOMO - the fear of missing out when not in their offices.

Still, many firms in finance and high tech seem adamant about bringing all their workers back to traditional office operations. However, not many can dangle $250,000 in average annual bonuses as does Goldman Sacks, or have a recruitment process that seeks to attract those for whom such rewards will be primary incentives.

The pivotal factor will probably be the importance to the firm of recruiting and retaining employees who are now most likely to strongly prefer remote work.[8] Bloom estimates that: "Firms not offering graduates hybrid risk losing 40% of employees."[9] Resistance to 100% RTO (return to office) may break down along gender and racial lines and could carry with it serious legal ramifications. As noted above the use of a hybrid model is now widespread in Manhattan and the surveys of the WFH group find the same is happening nationally. However, being relatively new, these models are generating their own problems, with a significant one being who decides which days and how many days are for remote work.

Much has been made from key card entry data published by Kastle. Those data, however, have not been closely scrutinized and there are a number of problems with them. The data are said

[7] Ben Wigert. "The Future of Hybrid Work: 5 Key Questions Answered With Data." *Gallup*. March 15, 2022. https://www.gallup.com/workplace/390632/future-hybrid-work-key-questions-answered-data.aspx.

[8] Ibid.. BLS. https://www.bls.gov/news.release/flex2.t01.htm . Nick Bloom." Key Decisions About the Future of WFH." April 2022.

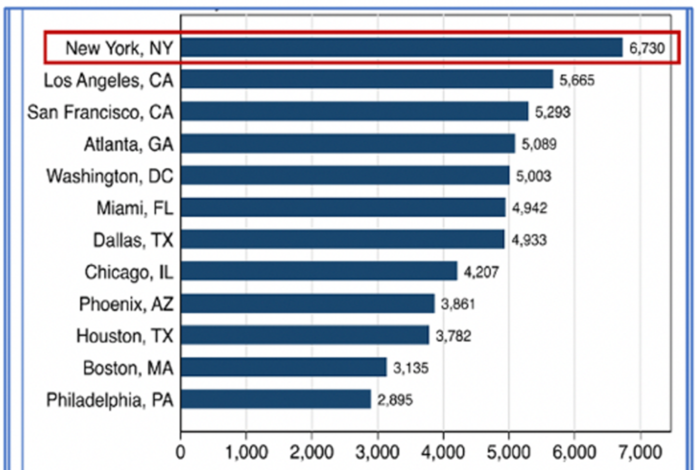
[9] See footnote 5.

to refer to a pre-Covid baseline, but back then there were several reports based on key card data that as many as 30%-40% of the workers attached to some office buildings were not there on an average day. That was recently confirmed by Mark Ein, chairman of Kastle Systems, who acknowledges that: "White collar workers were in the office 60% to 70% of the time pre-COVID anyway. They were on business trips or offsite meetings."[10] These absent workers were also probably either sick, on vacation, or just working remotely from home. This is an extremely important point. It not only means that 100% attendance doesn't have to be the goal, but that trying to achieve it is needless and extremely foolish, just asking for unnecessary problems. It also means that downtowns where 50% to 60% of their office workers have RTO, are in a very strong recovery mode.

Furthermore, we do not know how representative the Kastle data are of a whole downtown, since it provides no information about the number and characteristics of the buildings they are from.

The fears about the negative impacts remote work might have on our large downtowns are that they will result in the reduced occupancy of office space, and that there will be far fewer office worker expenditures in nearby shops and eateries. As the table on the left shows, these estimated expenditure losses can be sizable.[11] Yet, here again, there is a need for perspective. The statement cited above by Ein means that Bloom's estimates of lost revenues to downtown merchants caused by remote work may well be 30% to 40% off!!

Reduction in spending ($ per person per year) by MSA of Current Residence*



Source: Nick Bloom (building on work with Jose Barrero, Steve Davis and Arjun Ramani). "What is the future and impact of WFH?" April 2022. https://nbloom.people.stanford.edu/sites/g/files/sbiybj4746/f/nyfed1.pdf

*A clearer title might be "Estimated Annual Loss in Spending Near Work per worker for each city by MSA of respondent due to remote working

Office worker expenditures for retail, and eating and drinking away from home are limited in their range of goods and services bought and the amounts spent, and do not come close to approaching what downtown residents buy and spend. Converting outmoded office buildings to housing could lead to meaningful offsetting

[10] Jane Their. "JPMorgan and Goldman Sachs are monitoring how often employees are coming into the office—but experts say that approach could backfire." *Fortune* May 7, 2022, https://www.yahoo.com/finance/news/jpmorgan-goldman-sachs-monitoring-often-123000471.html.
[11] The data in the table are for all workers and do not break out office workers or downtown workers.

downtown expenditures by their residents. Also, of major importance is if and how the downtown's major corporate tenants try to make their employees happier to return to their offices. Some may add many more amenities that will keep their employees in their buildings even more than in pre-crisis times. Others may see these amenities already present in venues within easy walking distance of their buildings and as part of their "Out of the Office Office." *The first path could lead to even larger reductions in office worker downtown spending, while the second might significantly increase per worker expenditures.*

The impacts of remote workers on space demand still remain to be seen and have to be analyzed beyond just how often they will show up. Another issue is the average amount of space a worker occupies. The open office model provides employees with relatively low space per worker ratios, but office design firms like Gensler have recently been advocating designs with significantly higher ratios.[12] Also, hybrid models might result in very high numbers of workers returning to their downtown offices on three midweek days, so their employers will need sufficient space to accommodate that period of peak demand. Taken together, that could well mean that many firms will need more office space, not less in the coming years. Yet another issue is the outmoded buildings, and if they can be repurposed to housing or other uses. Such repurposed structures could well strengthen the downtown more than if they had continued on as successful office buildings.

Retail. The retail industry was already undergoing a process of creative destruction prior to the pandemic. Many downtown retail corridors across the nation had high vacancy rates. In Manhattan's downtowns "availability rates" above 20% were frequent in the years prior to the pandemic. (See the nearby table.) These retail corridors looked troubled to passersby prior to the pandemic, and that was unrelated to consumer demand. Many of these vacant stores were in buildings purchased at very high prices and their financing agreements require high retail rents, but their owners cannot find any willing tenants.

Retail Space Availability in Some Retail Corridors in the Midtown and Downtown Areas

Q4 2019	Q4 2021	Retail Corridors
		Midtown CBD
14.8%	24.1%	Fifth Avenue (42nd–49th Streets)
26.5%	20.3%	Fifth Avenue (49th–60th Streets)
11.8%	11.6%	Fifth Avenue (49th–60th Streets) Direct space only
24.9%	32.5%	Madison Avenue (East 57th–East 72nd Streets)
26.2%	35.6%	Herald Square/West 34th Street- 5th to 7th aves
27.5%	20.6%	Times Square Bow Tie (Broadway and Seventh, 42nd–49th Streets)
		Downtown CBD
18.2%	24.0%	Lower Manhattan: Wall and Fulton Sreets

Source: C&W Marketbeat

Nationally, online sales in February of 2022 accounted for about 40% of comparison shopping type merchandise sales (aka GAFO), the type large downtowns are most dependent on.[13] Even luxury retailers have seen a significant increase in online sales. Use of the internet may have influenced an equal amount of sales. Sales to tourists, especially foreigners, previously helped offset this challenge to brick and mortar stores. Yet, the return of retail foot traffic seems to be

[12] "U.S. Workplace Survey." Winter 2021, Gensler Research Institute. https://www.gensler.com/gri/us-workplace-survey-winter-2021.

[13] Dr. Edward Yardeni. Debbie Johnson, and Mali Quintana. "US Economic Indicators: In-Store & Online Retail Sales Yardeni." *Research, Inc*. April 14, 2022. P2. https://www.yardeni.com/pub/retslsinonline.pdf.

quite situational and dependent on Covid ebbs and surges and local pandemic regulations. When conditions are favorable, retail recovery in our large districts seems to be strong.

Cellphone data from Placer showed that by June 2021, retail foot traffic in seven Midtown BIDs had recovered by a modest 57%, but still a far higher rate than the RTO rates of nearby office buildings. Notably domestic tourist foot traffic only had a 43% recovery in the Midtown BIDs. That was well below the 89% average for 21 BIDs in the nation's largest cities (see table nearby). Practically all of these large cities have seen over 100% of their domestic tourist foot traffic return. However, their BIDs with sparse pedestrian traffic and clusters of closures probably lack the magnetism and projection of safety they had prior to the crisis. Still the downtowns in Philadelphia, Boston, Charlotte, Austin and San Jose have recovered their domestic tourist foot traffic.

Domestic Tourism Foot Traffic Recovery in in Downtown BIDs in 19 of the Nation's Largest Cities: Oct. 2019 Compared to Oct 2021

City	Downtown EDO	Domestic Tourism	City	Downtown EDO	Domestic Tourism
New York		111%	San Jose		132%
	Times Square	68%		SJDA BID	133%
	Downtown Alliance	90%	Austin		134%
	GCP	59%		Austin DID	105%
Los Angeles		140%	Jacksonville		139%
	Downtown LA	79%		Jacksonville BID	71%
Chicago		108%	Columbus		121%
	Chicago Loop alliance	80%		Dtn Columbus Dev Corp	81%
Houston		145%	Charlotte		147%
	Downtown District	88%		Charlotte Center City	131%
Phoenix		151%	San Francisco		83%
	Dtn Phoenix Partnership	86%		Greater Unin Sq	48%
Philadelphia		140%	Seattle		114%
	Center City District	98%		Dtn Seattle Assn	87%
San Antonio		144%	Denver		108%
	Centro PID	98%		Downtown Denver BIDs	87%
San Diego		131%	Washington		111%
	Downtown BID	92%		Dtn BID	68%
Dallas		115%	Boston		145%
	Dallas DID	81%		Downtow Boston BID	129%
Data Source: Placer.ai . Empty cells indciate there are no available data					

Moreover, many of these large downtowns have large numbers of well-to-do households in and near their districts. They remained employed during the crisis and their savings increased, providing them with a heightened amount of discretionary dollars to spend. They also have a lot of pent-up demand, and the forced increased patronage of online retailers during the crisis has heightened interest in shopping again in brick and mortar shops.

Also, the current absence of downtown workers is bound to decrease, though not fully be erased, as hybrid models gain traction and RTO rates rise. That hopefully will improve downtown pedestrian levels and feelings of safety, as well as raising merchant sales.

The major issues that were causing turmoil in the retail industry prior to the crisis remain to be fully resolved. Their resolution in our large downtowns will partially be shaped by the shifting influences of: domestic, foreign and business tourists; office workers; and nearby affluent residents. Perhaps of even greater importance, however, will be if and how the high vacancy rates will be overcome.

One outcome that the crisis has underscored is the success of omnichannel marketing models for a very large range of retailers, be they in hard or soft goods, luxury or value oriented, or even large or small in size. In many respects this strategy diminishes the importance of whether actual sales take place online or in a brick-and-mortar shop and increases the importance of a downtown location's marketing and distribution functions.

A countering outcome has been the success of treasure hunter off-pricers such as TJX Brands and Macy's Backstage, who do not offer their merchandise for online sale, to capture high income shoppers. These are the shoppers most of our largest downtowns try to attract.[14] These off-pricers and the omnichannel retailers demonstrate that the need for brick-and-mortar retail spaces is not going away.

Housing. Downtown interests have, since at least the mid-1930s, realized that decentralization was weakening their districts and that it would be "necessary to induce the well-to-do to move back to the residential neighborhoods surrounding the central business district."[15] Many of our larger downtowns have done so, and a recent study by Moody's Analytics finds that downtown dwellers nationally pay a substantial premium for their units that tend to be the most expensive in their regions.[16]

Reports early in the pandemic indicated that downtown dwellers were leaving their homes for safer places where they could also work remotely, yet the study by Moody's Analytics finds that downtown dwellers nationally have remained loyal to their neighborhoods, with relatively few permanent moves.[17] In NYC, prices in Manhattan are back to precrisis levels.[18] People are still willing to pay premium prices for residences in and near their downtowns. *People may want to work less frequently in downtown offices, but many sure still want to live there*.

Nevertheless, there is a trend, particularly among nesting Millennials in NYC and other large cities with expensive housing costs, to leave the city for larger and more affordable spaces in suburban towns with great schools and urbanized downtowns.[19] That trend was observed by suburban downtown managers in NJ many years prior to the Covid crisis. It is a problem that shows affordable housing in our large downtowns is not just an issue involving the homeless and the poor, but also touches many people employed in downtown offices who have very comfortable salaries, but still cannot afford to live near where they work. *The affordable*

---

[14] Shira Petrack. "TJX Brands – Bringing Off-Price to High-Income Consumers." Placer.ai. March 9, 2022. https://www.placer.ai/blog/tjx-brands-bringing-off-price-to-high-income-consumers/.

[15] Robert M. Fogelson. Downtown (p. 343). *Yale University Press*. Kindle Edition.

[16] 16 Lu Chen & Ricardo Rosas & Thomas Lasalvia "Loyalty to An Urban Lifestyle: A Study of CBD Apartment Demand during the Pandemic." *Moody's Analytics*. March 8, 2022. https://cre.moodysanalytics.com/insights/research/loyalty-to-an-urban-lifestyle/.

[17] Ibid.

[18] C. J. Hughes." Keeping an Eye on the Middle." *New York Times*, Feb. 11, 2022. https://www.nytimes.com/2022/02/11/realestate/median-prices-nyc-real-estate.html.

[19] Arjun Ramani and Nicholas Bloom. "The Donut Effect of Covid-19 on Cities". Working Paper 28876. *National Bureau of Economic Research*, May 21, 2021 http://www.nber.org/papers/w28876.

housing issue, not dealing with remote work, is the strategically most important challenge our large downtowns now face.

Additionally, the housing within 0.25 to 0.50 miles of the center of our major downtown office clusters is still often scant, and research has indicated that, during the pandemic, BIDs with more close-in housing have had a quicker recovery of retail foot traffic than districts with sparser residential densities.[20] That probably reflects a quicker return of shopping for household essentials than comparison shopping, but it did bring back some critically needed pedestrian traffic. Scant housing left these office clusters prone to looking as if they were neutron bombed during the pandemic.

There is also the suggestion that additional housing can both allay the negative impacts of declining downtown office workforces, and powerfully drive their future growth. As one commentator recently noted: "While many big-city centers have witnessed substantial residential growth since 2000, the potential of the urban core in cities of all sizes—and increasingly new suburban downtowns—will rise substantially over the next two decades."[21] Can the conversion of outmoded office buildings to residential uses contribute significantly to the growing importance of downtown housing? How can more affordable units -- using the prices of suburban units as a benchmark -- for downtown office workers be developed? Such conversions are already well under way in many downtowns. Washington DC and Alexandria VA, reportedly lead the nation with 1,091 and 955 units respectively.[22] Calgary in Canada demonstrates the potential extent of such conversions. With a vacancy rate of 32%, city leaders want to take about 6 million SF of vacant office space out of the market. A study showed that about "35% of the buildings were top candidates for financially viable conversions. " The new projects "are expected to increase Calgary's downtown population by about 24%."[23]

Will downtown housing become, de facto, even more crucial strategic assets, if the power of downtown offices and retail decline simply because it was less adversely impacted by the crisis?

When analysts look at our downtown populations there is a tendency to focus on the young creatives, who have decent to high paying jobs, have not nested, and consequently have a large amount of discretionary dollars to spend. Some developers have referred to these young people as "walking wallets" and have targeted their rental housing projects for them. However, my observations suggest that these young adults prefer neighborhoods that are hipper and more energetic at night, and where rents are meaningfully lower than is the case in so many of our downtown cores.

---

[20] N. David Milder. "The Strengths of Some Central Social Functions in Our Largest Downtowns as We Recover from the Covid Crisis." *The American Downtown Revitalization Review*. February 15, 2022. https://theadrr.com/wp-content/uploads/2022/02/The-Strengths-of-Some-Downtown-CSD-Functions-as-the-Data-Dustup-Ebbs-FINAL.pdf.

[21] David Dixon, "A new era of downtown opportunity." *Public Square: A CNU Journal*, April 18, 2022. https://www.cnu.org/publicsquare/2022/04/18/new-era-downtown-opportunity.

[22] Mark Johanson. " The office spaces transforming into luxury apartments." BBC. 11th May 2022. https://www.bbc.com/worklife/article/20220505-the-office-spaces-transforming-into-luxury-apartments

[23] Ibid

Household Net Worth by Age in 2020

Age of head of family	Median net worth	Average net worth
Less than 35	$13,900	$76,300
35-44	$91,300	$436,200
45-54	$168,600	$833,200
55-64	$212,500	$1,175,900
65-74	$266,400	$1,217,700
75+	$254,800	$977,600

Source: Fedreal Reserve, cited on https://www.cnbc.com/select/average-net-worth-of-americans-ages-65-to-74/

Far less attention is paid to seniors, yet in 2019 they numbered 54.1 million, are projected to reach 80.8 million by 2040, and 94.7 million by 2060.[24] Very importantly, they have the money: the median net worth of households headed by those younger than 35 is $13,000, while households headed by those over 55 range from $168,600 to $266,400. (See the nearby table). Moreover, seniors often like the walkability and the venues that are typically found in our downtowns such as restaurants, pubs, museums, concert halls, art galleries, libraries, cinemas, and health care facilities. Additionally, they often are the major market segments supporting them.

In some downtowns, seniors are already a significant segment of their populations. In Philadelphia, for example, residents aged 55 to 64 make up 9% and those 65 and over constitute 18%, for a total of 27% of the core's population. That's way above the national level of 15.1% for those 55+.

Of interest, Paul Levy, the longtime manager of Philadelphia's Center City District, reports that a big influx of senior residents "came with the passage of our 1997 ten year tax abatement for the conversion of vacant office and industrial buildings to residential use."[25] A similar wave may now be possible in many large downtowns, with an estimated national growth of 149% between 2019 and 2040, and the high net worths of households, the senior segment represents a strong potential market for downtown housing, while a good number of outmoded downtown office buildings again may be available for conversion to such residential uses.

Public Disorder/Safety. Even before the pandemic, the leaders of BIDs in Manhattan's Midtown area were reporting rapidly rising drug use and sale, and homelessness in their districts. The pandemic-caused sparse pedestrian traffic just made such activities more visible, and fear-inducing. More recently, their concerns have been heightened by the increased use of firearms in even petty crimes, and a perceived wave of subway crime that is reducing ridership and probably discouraging some workers from returning to their offices.

Elsewhere, spring break riots occurred in Miami Beach. Rioters and looters took over important parts of downtown Seattle, WA, and Portland, OR. A recent survey in Seattle found that 91% of

[24] *Administration for Community Living*. https://acl.gov/aging-and-disability-in-america/data-and-research/projected-future-growth-older-population.

[25] In an email.

respondents felt their downtown "cannot fully recover until the homelessness and safety problems are addressed." That same survey found that 51% of the respondents planned on visiting the downtown less often "once things are completely open again for activities other than work."[26] Numerous instances of flash mobs stealing large amounts of merchandise have been reported across the nation. Hate crimes are on the rise and heavily cloaked by polarized racial and political influences. Whereas in the 1970s and 1980s crime in our large downtowns was largely a perceptual problem, crime rates in our large cities have seemingly surged, partly due to the pandemic-induced lower daytime populations. A lot of the fear is tied to the substantial growth of the homeless, and their perceived disorderly behaviors by a large portion of the general public.

Crime on public transit has become a particularly worrisome problem for some downtowns and the transit systems that feed them. While both the number of crimes and ridership have declined, the fact that ridership has declined more raises the crime rate. But it is doubtful many people either know or follow their city's crime rates, much less that of their transit system. A more likely cause of increased public concern and worry is the fear- inducing stories in the media of scary violent incidents, coupled with the increased observations of people behaving in a decidedly disorderly manner while traveling. Usually homeless, many of them are either mentally ill or addicted to drugs or drink.[27] Is this a housing problem? Or is housing with supportive treatments needed? Responses to these problems are likely to take many years and lots of money when our downtowns need more immediate measures to restore public order and confidence.

Once again, public disorder seriously threatens the economic well-being of our downtowns. Decisions and proposals to defund the police and alter patrol behaviors have made dealing with public disorder issues more complicated and difficult. However, there are signs in many large blue cities that political leaders are adopting a promising "reasonable middle" path to addressing public disorder/safety issues.[28] That probably reflects the fact that, nationally, defunding the police never won the support of most Americans. For example, a Pew survey in 2021 found that "Support for reducing spending on police has fallen significantly: 15% of adults now say spending should be decreased, down from 25% in 2020." Moreover, support among Blacks for decreasing police funding fell to 23% in Sept 2021 from 42% in June 2020, while the support among Hispanics dropped to 16% from 24%.[29]

---

[26] The Seattle Metro Chamber. "CHAMBER RELEASES SECOND INSTALLMENT OF THE INDEX: Seattle voters report increased concern about public safety; electorate unites behind homelessness, public safety, and affordability approaches." April 11, 2022 https://www.seattlechamber.com/news/2022/04/11/press-room/chamber-releases-second-installment-of-the-index/.

[27] Julie Bosman, Sophie Kasakove, Jill Cowan and Richard Fausset. "Cities Want to Return to Prepandemic Life. One Obstacle: Transit Crime." *New York Times* https://www.nytimes.com/2022/04/25/us/public-transit-crime.html.

[28] Holly Otterbein and David Siders. "Dems retreat on crime and police reform." *Politico*, April 13, 2022. https://www.politico.com/news/2022/04/13/dems-crime-law-and-order-politics-00024875.

[29] Kim Parker and Kiley Hurst. "Growing share of Americans say they want more spending on police in their area.". Pew Research Center. October 26, 2021. https://www.pewresearch.org/fact-tank/2021/10/26/growing-share-of-americans-say-they-want-more-spending-on-police-in-their-area/

As pandemic concerns ebb, worries about disorder and safety may well increase. Returning foot traffic may or may not again allay fears depending on the stickiness of the fear-inducing behaviors. Downtown leaders and their police departments need to be prepared for such an eventuality.

The public disorder problem has a large number of different facets that largely fall into three major categories: reducing downtown fear, policing, and the politization of violence. In turn, each category, has a critical problem that needs to be addressed. Homelessness now seems to be the most serious cause of the public's perceptions of disorder and danger. Just, effective corrective actions have the highest potential for winning back public trust and reducing fear. Substantially improving police-community relationships seems to be the critical problem with policing. The implementation of true community policing would do much to correct that situation, but our experience with CP programs have showed that it is far easier said than done. The nature of the patroller-community interface in which the patroller plays a guardian rather than a warrior role, as well as recruitment and promotion issues are critical. Getting political leaders and the public to face how our racially influenced political differences are now finding violent means of expression also is of grave concern. This problem is not new, but its magnitude is.

Postscript

A draft of this article was the subject of an email discussion among the board members of *The ADRR* and some invited guests. This version of the article contains some additions and revisions that were made as a result of that vibrant and content rich discussion. I learned a lot from it and thank all the participants for their strong contributions. A multi-part transcript of that discussion is being prepared, and some completed parts are being published along with this article in The ADRR. The other parts will be posted to *The ADRR* as they are completed.
I commend them to your attention since they contain an awful lot of "good stuff!"