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EXECUTIVE SUMMARY
San Diego stands at the edge of a new future.

Will the region step into its role as a leading city for the 21st century, nurturing economic prosperity based on innovation, inclusion, and integration? Or, will San Diego remain a region riven by divisions and closed off from its most valuable resources—its diversity of untapped, home-grown talent, and critical location at the crossroads of the global economy?

For many decades, San Diego leaders held a vision of progress that we would argue is a narrow one—focused on a limited set of industries and built on a fragmented social and economic landscape. As a result, lines, both literal and metaphorical, have divided the region at every level. Highway 8 has been one such line separating residents living “south of the 8” from better employment, educational, and housing opportunities to the north. A more overt line has been the San Diego-Tijuana border separating residents south of the border from access to opportunity in the north. And red-blue political lines have cleaved emerging constituencies from the region’s political elite.

Divisions are slowly eroding. Demographic shifts are blurring traditional geographic boundaries as communities north of the 8 are growing in diversity. San Diego has begun to regain its economic footing driven by growth in biotech and clean-tech sectors considered part of the new economy. San Diego’s business leaders have realized that Tijuana is a vital site—and a key partner—for global trade, production, and culture, broadening cooperation through a range of channels. Under the City of Villages General Plan, policymakers are addressing prior fragmentation and moving to bring once-isolated neighborhoods together through tailored but connected transit, housing and development planning. A new set of city governance reforms has led to a strong mayoral system better structured to view the city as a unified whole.

But economic and racial inequalities persist—and are likely to worsen. The population that represents the region’s future is increasingly at risk of being left behind. The economy is developing in a way that will generate further income inequality, with higher-paying jobs out of reach for the growing segments of the population while the tourism and service sectors that are within reach for these workers pay low wages. Current ties with Tijuana still remain relatively unequal and businesses continue to exploit the lower labor costs in Mexico. Attempts to address these issues are often stymied by short-sighted politics. The Mayor’s veto of an $11.50 living wage ordinance, followed by City Council’s override and business leaders’ subsequent move to put the ordinance on the ballot, exemplifies the political and economic divisions that threaten to keep economic growth an exclusionary enterprise.

Why does this not bode well for San Diego’s future? Traditional economic thinking has maintained that inequality is either a necessary condition for or an inevitable byproduct of progress. And while that idea has long been challenged on moral grounds, there is growing evidence challenging that idea on economic grounds. As it turns out, becoming a center of the new economy also requires a new approach to the economy, one that understands inequity as an obstacle to growth, gives the picket line as much value as the board room, and offers those left behind a real voice in the conversations reshaping the region.
In places like Raleigh-Durham, San Antonio, and even the Silicon Valley, business, community, and civic groups are actively working together to promote economic growth and confront inequality simultaneously. Whether the processes are anchored in community organizing (as in San Antonio), the triple-helix model of government, university, and business leadership (as in Raleigh-Durham), or the interplay of community, labor, and business partners (as in the Silicon Valley) each region is breaking down barriers but also cementing the foundation for future economic success and social change.

So if San Diego is going to establish itself as a center of the new economy, it has to catch up not just in the number of start-ups but in the quality of its efforts to include the places and people that have been traditionally left out of the conversation about economic growth. This will require change: Business and political elites, used to long-standing patterns of power and decision-making, are likely to find themselves challenged by community organizations and advocates seeking a place at the table and a voice in the process. But this is exactly the sort of creative tension that has allowed certain areas, such as San Antonio, to eventually move past conflict to collaboration and move to a more inclusive future.

How can the next San Diego become a more equitable San Diego?

In this report, we propose three principles that we think can transcend the usual lines that divide and instead help unite San Diego under a common vision and common ground. We suggest that by linking (1) high-tech and high-need, (2) innovation and inclusion, and (3) people and place, San Diego can create a stronger infrastructure of opportunity and growth—and set a model for cities across the U.S., from the coasts to the Rustbelt and the Sunbelt.

By linking high-tech and high-need, we mean that addressing high-need areas—education parity, housing access, environmental justice, and transportation equity—is essential to realizing San Diego’s high-tech possibilities. While San Diego’s high-tech sectors, including clean-, bio-, and medical technologies, have been a boon to the regional economy, they are hampered by an existing system of economic and environmental inequality, which both precludes marginalized populations from benefits and leaves the region short on workforce skills. While educational attainment for youth of color has increased dramatically, racial disparities in post-high school educational levels persist. Specific recommendations for linking high-tech and high-need:

- Invest in quality education and career pipelines for youth and disadvantaged workers, such as ensuring all high-school students have access to and the resources to successfully complete college-prep courses.
- Prioritize equity, transit, and active transportation in the Regional Transportation Plan, such as the 50-10 Urban Transit Investment Plan which calls for investments in transit and active transportation to be implemented in 10 years rather than 50 years.
- Reduce environmental burdens and increase sustainable economic opportunities in low-income communities, such as the efforts in National City to create a green industrial park that will transform the heavily-polluted neighborhood into a healthy and vibrant one.

By linking innovation and inclusion, we mean spreading the realization that the well-being of the region’s industries and business are linked to the well-being of its most vulnerable residents. This means being as creative in devising policies to promote economic inclusion as San Diego tries to be in its research to promote bioscience. It means understanding that the diversity that attracts high-tech workers is consistent with strategies to welcome immigrants and ensure that they and their families are successful. This will specifically require action to:

- Implement policies to promote economic inclusion, such as raising and enforcing a minimum wage and curbing wage theft.
- Develop a regional immigrant integration strategy that ensures protections for immigrants and builds capacity to implement executive deferred action programs.
- Bolster community capacity through university partnerships that engage low-income communities and work alongside local communities and civic institutions to produce knowledge and solutions that address issues of regional equity.

Finally, by linking people and place, we mean promoting new forms of planning and transit that both help communities develop in place and allow residents to connect to employment regardless of place. Such a vision can only be realized by connecting people across geographies and generations, developing shared values and interests, and providing real opportunities for dialogue, information exchange, and collaboration. Specific recommendations for linking people and place:
- Address affordable housing needs by establishing stable funding mechanisms for affordable housing and aligning land uses in vulnerable neighborhoods through the community planning process.
- Increase civic engagement among emerging populations by pursuing the naturalization of eligible immigrants and investing in leadership development.
- Use data to transcend divisions and drive deliberation by developing an annual regional equity scorecard and using it to facilitate a deliberative process to work through public policy conflicts.

While we stress connections between people and between policies, we are not naïve about the process. Nurturing civic health and engagement so that all stakeholders have a voice in policy conversations and decision-making will surely result in a stronger, more integrated region. But there are also real tensions and conflicts—and when power is imbalanced and people have been left behind, you need the sort of organizing that lifts up those voices and needs that have not been heard.

The good news is that difference need not result in trench warfare: it can instead be channeled through sustained, data-informed dialogue that find those places where common destiny becomes apparent, trade-offs are made, and collaborations are forged.

In the 21st century, a networked city is a successful city—but this sort of connectivity is more than just hard wiring and high-speed cable lines. Linking all groups to educational and economic opportunity is essential: It will mitigate long-standing inequality, generate a workforce for the future, and create growing consumer markets. Utilizing organizing and conversation to steer the path forward will also improve civic life by lifting up a new range of leaders, particularly from communities that have felt shut out. San Diego, once fragmented by economic, political, and geographical dividing lines, can become a region of networks that synergizes its parts into a greater whole. Investing in such an infrastructure not only pays off today, but it makes San Diego a model for today’s rapidly-changing American cities and tomorrow’s global economy.
INTRODUCTION:
LOOKING TO
THE NEXT SAN DIEGO
The Next San Diego

San Diego stands at the edge of a new future. The San Diego of yesterday thrived as a military-manufacturing town in the decades following World War II. It asserted influence in statewide politics as part of the conservative’s “fishhook” strategy linking Republican voters in San Diego, Orange, Central, and Inland counties. Its leaders held a narrow vision of progress—one focused on a limited set of industries and a limited set of priorities. Low-income, Black, and Latino San Diegans who lived South of the 8 freeway were often shut out from economic opportunities and political life. Business and policy leaders treated the Tijuana border like an impenetrable barrier, blunting economic and social ties south of the border.

This has had an economic and social cost on the region. San Diego’s economic pillars had little defense against the cumulative effects of federal budget cuts, corporate restructuring, and shifts in manufacturing in the 1990s. The “fishhook” strategy that gave the region political leverage quickly lost its “hook”—particularly as Los Angeles moved from a neutral to solidly progressive stance—leaving San Diego out of the conversations shaping California’s future (Douzet, Kousser, and Miller, 2008). A municipal government agenda dominated by narrow interests fostered scandals that gained notoriety nationwide. Low-wage forced many San Diegans to seek healthcare and other services in Mexico while high housing costs induced many families to move to Tijuana and make the daily commute across the border to work.

But that old San Diego is in the midst of transition. The region’s economy has proven to be resilient through the recession with growth in the biotech and clean-tech sectors. Under the City of Villages General Plan, policymakers are attempting to bring once-isolated neighborhoods together through tailored but connected transit, housing, and development planning. Business leaders are realizing that Tijuana is more than a place for cheaper labor and less regulation and rethinking the relationship with the border. At the same time, the region is undergoing a demographic transformation. The white population is declining in its share while Latinos and Asian Americans are on the rise.

The fastest-growing segments of its population are not part of the region’s economic recovery. Wide racial gaps in income, education, and opportunity coupled with declining wages, a shrinking middle class, and rising inequality place the region’s economic future at risk. Economic inclusion, full democratic participation, and comprehensive planning are not just concerns of social justice but, in fact, are inextricably linked to the region’s future economic growth and sustainability. Other regions also driven by high-tech sectors, like Silicon Valley and Seattle, are already getting the equity-growth message—and San Diego should too.

By coupling high-tech and high-need, innovation and inclusion, and people and place, San Diego has an opportunity to shape a better future for all. We hope this report will help spur conversations about regional equity, San Diego’s future, and what actions need to be taken today. It is a conversation that should be held between elected officials, business leaders, community advocates, labor leaders, policy experts, and philanthropic supporters. And it will not be without tension. Given long-standing economic and social divisions, conflict along the way is to be expected, particularly when those traditionally left out of decision-making have to struggle their way to the table. But that is part of a process that can eventually lead to shared vision and a platform for joint action.

If the San Diego of tomorrow is to truly live up to its moniker of America’s Finest City, the region’s leaders now need to lead with equity at the forefront.
The report is organized as follows.

The first section, “San Diego’s Future is Now,” highlights the region’s shifting demography, economy, and geography. We first look at who is currently living in the region and how that is projected to change over the next decades. We then share measures of how the region is faring in terms of economic growth and well-being. Finally, we lift up key trends that will shape the region’s future, such as the growing diversity of its suburbs. As we have seen in Los Angeles in 1992 and more recently in Ferguson, Missouri, shifting demography and growing suburbanization combined with increasing economic inequality can trigger tension and conflict. Avoiding such a scenario in San Diego’s future requires planning and action now.

The second section, “A New Path Forward,” provides a theoretical and policy framework for such action. We challenge traditional notions that inequality is either necessary for or inevitable as a region strives for economic prosperity. After a brief discussion of the emerging literature on the connection between equity and growth, we offer a set of principles and broad policies that we believe can create a stronger infrastructure for opportunity and growth. The three principles are about interlinking (1) high-tech and high-need, (2) innovation and inclusion, and (3) people and places. Under each of these principles, we outline strategies and policy actions that can be taken in the immediate term.

The report concludes in “Realizing the Next San Diego” with final words on how to move ahead. Throughout this report, there is a common theme: Bring together regional actors through practical policy and action. The best place to begin is by taking up what is already working in San Diego and what direly needs to be addressed—by linking innovation and inclusion, high-tech and high-need, and people and place. Such collaboration, of course, will not be without conflict. But such tension can be generative as stakeholders uncover the commonly-held values that can be the foundation of the region’s growth. This takes time and repeated interactions. But these conversations can lead to smarter, long-term, and more affordable solutions to social issues.
SAN DIEGO’S FUTURE IS NOW: THE NEW DEMOGRAPHY, ECONOMY, AND GEOGRAPHY
The New Demography, Economy, and Geography

San Diego became majority-minority in 2010. While it is ahead of national demographic shifts, it lags about a decade behind California, which has been majority-minority since 2000, and two decades behind Los Angeles, which crossed that threshold before 1990. Still, it is clear that the growing segments of San Diego’s population comprise the majority of today’s unemployed and underemployed workforce, and so the population that represents the region’s future is increasingly at risk of being left behind.

Shifting demography when combined with inequality can trigger tension and conflict. The 1992 civil unrest that scorched the City of Los Angeles was not just about policing but more fundamentally about an out-of-touch economic and political elite not taking seriously deepening racial inequalities and concentrated poverty. And more recent events in Ferguson, Missouri should be a signal to San Diego about what happens when problems are no longer confined to the inner-city: As these populations gain ground in the suburbs, in some cases, pushed out by the success in revitalizing downtowns, a new geography of dissatisfaction spreads to areas short on social services and civic infrastructure.

San Diego has the opportunity to ensure that the diverse, fast-growing segments of its population are included in the next wave of economic recovery and prosperity. In this section, we first look at who is currently living in the region, which is synonymous with San Diego County, and how that is projected to change over the next decades. We then report on measures of how the region is faring in terms of economic growth and racial inequality. Finally, we discuss shifts in race and place that have implications for plans and policies today.

San Diego will become even more diverse as growth in the Latino and Asian-American populations is expected to continue. Based on projections by the California Department of Finance, by the year 2040, Latinos and whites will be the largest racial/ethnic groups, with each comprising 39 percent of the total population, followed by AAPIs at 13 percent, and Blacks at 4 percent, as shown in Figure 1.

SAN DIEGO’S FUTURE POPULATION WILL BE MORE DIVERSE

The San Diego metropolitan region is the 13th most diverse region in the nation. As noted, in 2010, San Diego crossed the majority-minority threshold with whites accounting for 49 percent of the total population, which is a decline from 74 percent in 1980. Latinos comprise the second largest racial/ethnic group at 32 percent, followed by Asian American/Pacific Islanders (AAPIs) at 11 percent, and Blacks at 5 percent. Between 2000 and 2010, Latinos and AAPIs grew by 32 and 33 percent, respectively.

![FIGURE 1: Racial/Ethnic Composition, San Diego, 1980-2040](image-url)
San Diego is home to a much larger share of immigrants than the country as a whole. Immigrants comprise 23 percent of the region’s total population as compared to 13 percent of total U.S. population—but, again, it lags behind California which is 27 percent foreign-born. But it is important to note that a large majority of the Latino population is not immigrant but, in fact, “homegrown” with 64 percent of Latinos U.S.-born. This is in contrast to the Asian-American population which is only 39 percent U.S.-born. Figure 2 shows the distribution of who lives in the San Diego region by race/ethnicity and nativity.

Immigrant populations, especially in communities like San Diego that share a border with Mexico, too often face hostility and scape-goating. Immigration is too often seen as a problem to be stopped with interventions such as increased border security and militarization. Yet it is in everyone’s best interest that first- and second-generation immigrants become integrated into the region’s economic prosperity and civic life. They are key to funding retiree benefits and propping up the economy, including housing and other consumer markets (Myers, 2008). Immigrant integration, in short, can benefit everyone.

The Interstate 8 has traditionally been the dividing line between low-income communities of color to the south in neighborhoods like Chula Vista and National City and affluent white communities to the north. Today suburban communities, like San Marcos and Escondido, have experienced significant demographic change as the maps below show the percent people of color by census tract in 1980 (Figure 3) and in 2010 (Figure 4).

As in the rest of the U.S., opportunities, services, and overall civic infrastructure are slow to keep up with these demographic shifts. We see it now in the jobs-affordable housing mismatch (see Figure 5): Lower-skilled, primarily service-sector jobs are concentrated along and north of the I-8 freeway in high-tourism areas while nearly all of the affordable housing is located in communities far south of the divide.

San Diego’s diversifying suburbs are emblematic of a “both/and” phenomenon where racial diversity and racial segregation increase concurrently (Wright, Ellis, and Holloway, 2014). That low-wage workers must commute across the county every day limits their productivity and their consumption. The disconnect between people and place strains people’s lives with long commutes and is also problematic for realizing the region’s full economic opportunity. If not addressed- and soon- the region risks leaving these new populations marginalized, mirroring a nationwide trend and severely impacting the region’s future.
FIGURE 3
Percent People of Color by Census Tract, San Diego, 1980

Source: U.S. Census Bureau; Geolytics.

FIGURE 4
Percent People of Color by Census Tract, San Diego, 2010

Source: U.S. Census Bureau; Geolytics.
FIGURE 5
Affordable Housing and Low-Wage Jobs by Census Tract, San Diego, 2008-2012

Source: U.S. Census Bureau. 2008-2012 5-year ACS
THERE IS A GROWING RACIAL GENERATION GAP

San Diego’s demographic transformation is also generational as evidenced by a sharp age gap between non-Hispanic whites and Latinos. The median age of whites is 42 years; for AAPIs, it is 36, for Blacks, it is 33, and for Latinos, is 27 years. In essence, an older and whiter generation is staring across the chasm at a youth population that looks quite different.

This racial generation gap, the difference between the percent of youth of color (under the age of 18) and the percent of seniors of color (ages 65 and older), has widened over the past four decades as shown in Figure 6. In 2010, 66 percent of San Diego’s youth are people of color compared to 30 percent of the region’s seniors. This 36 percentage point racial generation gap is an increase from 27 percentage points in 1980. San Diego’s racial generation gap is the 20th highest among the largest 150 metropolitan regions across the U.S.

In neighborhoods like City Heights, which is over 80 percent people of color, the age distribution resembles a pyramid with the largest bands being those at the younger age end of the spectrum. In contrast, the age distribution for the entire county is more evenly distributed with a slight bulge in the working age range. See the figures below to compare the age distribution of the overall county (Figure 7) to that of City Heights (Figure 8).

While divisions by race and place are important, the overlay of age further complicates matters. A generational gap left unbridged can have economic consequences. There is growing evidence that such a gap can lead to lower spending on education and infrastructure (Alesina, Baqir, and Easterly, 1999; Pastor, Ito, and Carter, 2015; Pastor and Reed, 2005).

For example, states with the widest gap (such as Arizona, Nevada, Texas, California, and Florida) are associated with low levels of public school spending (Pastor et al., 2015, p. 13). Some argue that it is as though the older generation no longer sees itself in the younger generation and wields its political power to influence policy for the present and past, and not for the future (Myers, 2008). Yet bridging the divide is in the economic interests of both generations because a more secure retirement for one group is partly dependent on more secure (and more productive) economic footing for the other.
SAN DIEGO’S ECONOMY IS SHIFTING SIGNIFICANTLY

Overall, San Diego’s economy has outpaced the nation in its recovery from the Great Recession. While job growth, earnings, and employment levels were hit hard, the economy has since stabilized and, in fact, many sectors of the economy are growing. Between 2000 and 2010, employment in the high-skilled professional, scientific and technical industry has increased over 20 percent (see Figure 9). This includes jobs in the clean-, bio-tech, and medical technology fields. Jobs in health care and social assistance have likewise risen at similar rates. Each of these two industries accounts for 12 percent of total employment.

The region has also experienced an increase in employment in the low-skilled sectors of accommodation, food, and other service sectors—many of these jobs are driven by the tourism industry. Annual average wages in the accommodation and food services industry are about $20,000 and about $28,000 for other services. Both accommodation/food services and the low-wage retail trade industry account for 13 percent of total employment each.

The industries that have experienced employment loss include information, manufacturing, construction, and transportation/warehousing. Manufacturing, which provides middle-income jobs, is still a major employer in the region accounting for 9 percent of total employment but it declined by over 20 percent from 2000 to 2010. This decline mirrors a national shift towards deindustrialization, and highlights the need for innovative strategies to bring back middle-class jobs accessible to the larger workforce.

FIGURE 9
Industry Size, Pay, and Growth, San Diego, 2010 (Bubble size represents total employment in 2010)

Source: Quarterly Census of Employment and Wages (QCEW); Woods & Poole
ECONOMIC INEQUALITY IS ON THE RISE

The region’s economic restructuring discussed above is contributing to a growing economic gap. Income inequality is a burgeoning problem in the San Diego region, increasing significantly between 1990 and 2000. San Diego ranks 62 on income inequality among the largest 150 regions.

Wages are growing much more slowly for low- and middle-wage jobs compared to high-wage jobs, and most of the region’s workers have seen their wages decline or stagnate over the past several decades after accounting for inflation. The bottom 20 percent of the region’s full-time workers, for example, have seen their wages decline 5 to 8 percent since 1979—which is less of a decline than the nation as a whole. But this has resulted in relatively worse performance for inequality since wages for the top 10 percent of workers grew by 23 percent, outpacing the national average by more than 50 percent. See Figure 10.

Moreover, the middle class is shrinking in San Diego. As Figure 11 shows, the share of middle-class households fell from 40 percent in 1980 to 37 percent in 2008-12. Furthermore, the share of lower-class households increased from 30 percent to 35 percent during that same period. The middle-class was largely responsible for growth of the region several decades ago, as many workers with limited education could find employment in industries that could support their families.

As ship-building and other military-linked manufacturing have declined, effort needs to be made to buttress the middle-class. According to analysis by the California Budget and Policy Center, the basic annual family budget for two working parents with two children in San Diego is over $82,000 (Reidenbach, 2013, p. 53). This is beyond the reach of many workers not only in the tourism and service sectors, but also in the middle-income, health care jobs.

This rising income inequality and stagnant wages risk stifling productivity in growing industries, holding back working families’ purchasing power, and lowering the quality of life in the region. By expanding jobs in high-opportunity sectors and ensuring wages can catch up to the cost of living, San Diego has the opportunity to foster a middle class that will help sustain economic development and expand prosperity, just as it did in the initial growth of the region a few generations ago.
THERE IS A RACIAL ECONOMIC AND EDUCATION GAP

Rising inequality and a shrinking middle class have contributed to an increase in poverty and working poverty (defined as working full-time for an income below 150 percent of the poverty level). Often, communities of color bear the most severe of these effects; nearly one in five of the region’s African Americans, Latinos, and Native Americans live below the poverty level—more than double the rate of whites. Furthermore, Latinos are more than twice as likely to be among the working poor compared to the rest of the population, resulting in the group that is growing the fastest suffering some of the worst economic conditions.

Although gaining a higher education can help level out inequalities, racial gaps persist in the labor market. As Figure 12 illustrates, for all racial groups, a higher education is associated with a higher median-hourly wage. But at every education level, people of color, in particular Blacks and Latinos, earn lower hourly wages than whites.

Figure 13 illustrates the region’s educational requirements for jobs projected in 2022 and current educational attainment by race. It is estimated that 24 percent of jobs in 2022 will require a bachelor’s degree or higher. While 44 percent of whites have a bachelor’s degree or higher, only 15 percent of Latinos and 23 percent of Blacks have reached this level of education. This suggests that the region’s education system is not adequately preparing residents of color in order to be competitive in the job market of the future.

People of color disproportionately find themselves marginalized from the economy. And today’s youth are unprepared to compete for the jobs of the future, and the economy is developing in a way that will generate further income inequality. By failing to secure a positive economic trajectory of its most vulnerable residents, all of San Diego suffers.

A key question for San Diego is: How will the region make the connection and investments that can secure sustainable growth moving ahead?

Answering this question is not just important for the young. As demographer and USC professor Dowell Myers has written, the aging and retiring Baby Boom Generation is much better served by investing in the education and economic well-being of the younger generation of immigrants and youth of color (Myers, 2008; Myers, Goldberg, Mawhoret, and Min, 2010; Myers, Levy, and Pitkin, 2013; Myers, Pitkin, and Ramirez, 2009; Myers and Ryu, 2008). From filling workforce shortages to paying taxes to buying houses, today’s immigrant youth and youth of color will be supporting the aging, whiter population. Finding shared values and mutual benefits across the generations will become increasingly important to the region’s future.
A NEW PATH FORWARD:
PRINCIPLES AND POLICIES
FOR THE SAN DIEGO REGION
How do we move ahead?

The first step involves shaking off an old nostrum: that somehow inequality is either a necessary condition for, or an inevitable byproduct of, progress. While that idea has long been challenged on moral grounds, there is growing evidence that inequality – at least at its current levels in the U.S. – is actually corrosive to economic growth (Benner & Pastor, 2012). But just making that realization is not enough: one must also take action that is conducive to encouraging both prosperity and inclusion. And so we offer in this section three broad principles for a regional policy agenda that can help put San Diego on a path towards equitable growth.

MAKING THE EQUITY-GROWTH CONNECTION

We begin with a brief review of the emerging research on the connection between equity and growth. A central tenet of traditional economics has been the idea that uneven outcomes would incentivize people to work harder or would help ensure that more money could accumulate in the hands of job investors. And there is logic to that position: if there were no differences in rewards, one winds up in the stagnation of the old Soviet Union. But there is also such a thing as going too far: if only one person gets all the rewards, that too is a recipe for no growth (as well as fractious politics).

The basic conclusion many economists are coming to is that maybe we in America have, in fact, gone too far (Stiglitz, 2012). Indeed, research is increasing suggesting that there may be strong connections between sustained growth and policies geared towards inclusion. For example, a study by the International Monetary Fund (IMF) found that countries with more equality experienced longer periods of growth and that every 10 percent decrease in inequality increased a country’s growth spell by 50 percent (Berg and Ostry, 2011). More recent research from the same team also showed that pro-equity interventions can be done in ways that promote productivity and efficiency (Ostry, Berg, and Tsangarides, 2014).

The equity-growth connection is even clearer in the research on regions within the U.S. For example, researchers at the Federal Reserve Bank of Cleveland found that greater economic and racial equality in regions corresponds with more robust growth in terms of employment, output, productivity, and per-capita income (Eberts, Erickcek, and Kleinhenz, 2006). And in a recent application of the IMF’s methods to U.S. metro economies, we found, as did the Fund, that the single largest factor limiting the sustainability of growth was the initial level of economic inequality [with other factors such as racial segregation and city-suburb splits also important; see (Benner and Pastor, 2015)].

In other words, improving outcomes for San Diego’s most vulnerable populations and neighborhoods is also about improving outcomes for the entire region. And there are examples from other metro areas where businesses, community, and civic groups are actively working to promote growth and to promote growth for all. In Nashville, for example, private and public leadership came together not only to make the region attractive to business but also to ensure it is livable for its disadvantaged residents and workers (Benner and Pastor, 2012). The Nashville Chamber of Commerce focused on economic and educational inequality and helped to raise up infrastructure to address these equity issues. Community organizations played an active role in bridging different communities and sectors, and different political, economic, and social leaders came together under a shared understanding of the region’s future.

A region’s ability to implement the equity-growth connection in new policies and practices moving forward hinges on the engagement of stakeholders across diverse interests, sectors, and constituencies.
There is no one right way to do this. In some places, like San Antonio, it is initiated by community organizing groups seeking to change political and economic outcomes. In others, like Raleigh-Durham, it has been the triple-helix of government, university, and business leadership coming together. Yet in others, like Salt Lake City, a visible planning entity (in that case, a non-profit called Envision Utah) has served as the vehicle for new conversations.

San Diego has a good foundation from which to start: It has attracted attention from national philanthropic partners who have invested in building civic engagement and capacity among its emerging populations resulting in new organization and coordination under the umbrella of Engage San Diego. The San Diego Foundation is taking leadership in bringing political, economic, and community leaders to a common table to discuss economic and social inequities within the region. The San Diego Association of Governments (SANDAG) participated in the development of the 2034 Tijuana, Tecate, and Playas de Rosarito Metropolitan Strategic Plan that addresses cross-border economic, environmental, and social issues and is generally a highly technically-capable metropolitan planning organization.

But recent events signal that the challenges ahead. The defeat of the Barrio Logan plan in June 2014 signals that “jobs versus the environment” can still drive a wedge and pit manufacturing against sustainability. Businesses still see San Diego’s proximity to the border with Mexico as an opportunity to exploit the lower labor costs and to escape governmental regulation. The new Mayor’s veto of an $11.50 living wage ordinance, followed by the City Council’s override and business leaders’ efforts to put the ordinance on the ballot, exemplifies the political and economic divisions that threaten to keep economic growth an exclusionary enterprise.

In the next three sections, we discuss three principles that we think will transcend the usual lines that divide and instead draw links that unite San Diego under a common vision and common ground. We suggest that by interlinking (1) high-tech and high-need, (2) innovation and inclusion, and (3) people and place, San Diego’s business and political leaders can continue to invest in the networks that will innovate and thrive in the coming years. In each of these strategic areas, we shed light on key cases where there are elements for more inclusive growth—and suggest emerging arenas to take immediate and high-impact action. There are very clear places where San Diego can create a stronger infrastructure for opportunity and growth—and set a model for cities across the U.S., from the coasts to the Rustbelt and the Sunbelt.
LINKING HIGH-TECH AND HIGH-NEED

Linking the region’s high-tech aspirations with its high-need realities is the first principle for an equitable and thriving San Diego. What does that mean for a regional policy agenda? It means investing in quality education and building career pipelines so that youth of color, unemployed job seekers, and underemployed workers are on a more competitive path to careers in San Diego’s high-tech economy. Given the geography of change, access to better economic opportunities also means investing in transportation infrastructure and services to ensure mobility for all residents. And it also means applying high-tech tools to high-need challenges so that low-income neighborhoods are not overburdened with environmental hazards and disconnected from the region’s assets and opportunities.

Invest in quality education and career pipelines for youth and disadvantaged workers

A properly trained, skilled, and educated workforce is essential to meeting the many needs of a high-tech economy. Efforts toward educational equity link people of color to needed labor demands in a growing high-tech economy. This has the dual benefit of reducing social inequality among young people and raising the skill level of many of the region’s future workers. There are several important efforts already underway that will help bridge the racial economic and education skills gap.

Ensure all students have access and the resources to complete college-prep courses.

Efforts by local groups such as Alliance San Diego, American Civil Liberties Union (ACLU), and others were essential to passing policy to ensure all high school students in San Diego Unified School District have access to the 15-course A-G curriculum. This is an important step towards closing the higher-education gap because completion of A-G course/classes with grades C or higher is required in order to apply for California’s public universities. While early implementation suggests some progress among students at lower achievement levels, A-G implementation will require continual monitoring to ensure that have access to these courses and to the resources they need to complete the curriculum successfully and progress onto college (Betts, Young, Zau, and Volz Bachofer, 2015; Betts, Zau, and Volz Bachofer, 2013).

Direct additional educational resources to schools with high-risk students.

The Local Control Funding Formula (LCFF) is also a mechanism to spur long-needed educational equity. The LCFF is a recent state law that increases funding for education across California, allocating much-needed resources to schools that enroll significant populations of low-income students, English-learner students, and foster students. In Fall 2013, Alliance San Diego talked to over 4,000 voters in the southeastern and mid-city neighborhoods to discuss how LCFF funds would best be put to use in San Diego’s city schools, as well as to involve local communities in other important public-education decisions (Yagyagay, 2013). By engaging parents and students alike, such programs heighten civic and leadership skills and allows marginalized groups to be key stakeholders in shaping the region’s political and economic future.

Create higher education and career pathways from community college system.

Shoring up the community-college system—particularly as this system educates the vast majority of higher-education students of color in both San Diego and California—is a proven means to widen access to technical and post-secondary education that creates clear pathways to key high-tech sectors such as biotech and medical manufacturing. At the same time, growing community colleges will also offer local students a clearer pipeline into the region’s high-demand four-year colleges—and into future opportunity. And the community-college system is often the first choice for students. These realities parallel the national trend: Across the U.S., community colleges have been key gateways for giving disadvantaged workers occupational and professional access, and universities can take a similar role (Cohen and Brawer, 2002).

Other regions have demonstrated how investing in the training and employment of disadvantaged residents can contribute to a more resilient regional economy. In Kansas City, a partnership between community colleges, government, and prominent area telecommunications and finance employers led to the creation of a Business and Technology Campus that both trained and employed economically and educationally disadvantaged residents. This Center became an anchor for long-term, equitable growth in the region beginning in the 1990s, and helped Kansas City avoid the economic difficulties wrought by the collapse of Midwestern manufacturing (Benner and Pastor, 2012).

San Diego already has a successful homegrown model to build on: In 2005 MiraCosta College, in partnership with local companies, established a state-of-the-art biotech lab and program that built a direct pipeline to industry careers (Garrick, 2005). As a result of the program’s success, the college was one among 15 in the state approved to begin offering a four-year bachelor’s degree (Warth, 2015). San Diego can build on the successes of programs that link higher-education, middle-class career pipelines, and emerging industries and establish a win-win outcome for the entire region.
Improve accessibility and affordability of the region’s transportation system

The region’s people of color, especially lower-income households, are more likely to face long commutes, use transit (see Figure 14), and live in “food desert” neighborhoods that lack grocery stores. There is a clear spatial mismatch in the region that not only burdens people of color who are often poorer and hampers industries’ workforce needs, but also limits economic growth and increases pollution and environmental degradation for the region as a whole. These conditions create a pressing need to broaden our focus from continued highway expansion to forward-looking investments in transit infrastructure.

Expand mobility options and accessibility for low-income workers.

In recent years San Diego has emerged at the forefront for what planners call “smart growth,” essentially building housing development in tandem with public transportation options to limit sprawl. San Diego’s newest General Plan update, adopted in 2008, has been recognized by the American Planning Association for its forward-thinking and sustainable vision (California Planning Roundtable, N/A). The City of Villages strategy, which at the plan’s core focuses growth inward and prioritizes compact, walkable nodes linked by extensive transportation systems, should also incorporate equitable transit access. Access to transportation is an essential element of San Diego’s future and can help to reduce entrenched inequality. Carter, Pastor, and Wander (2013) define transportation equity as equitable access to quality and affordable transit options, a shared distribution of the benefits (jobs) and burdens (pollution), and partnership in the planning process that results shared decision-making. More transit and safe, active transportation options can link modern bus and rail lines with students and workers who depend on public transportation for their livelihood.

Prioritize equity, transit, and active transportation in the regional transportation plan.

Because almost all federal, state, and local transportation funding is allocated by SANDAG, ensuring that its Regional Transportation Plan (RTP) is aligned with equity goals is critical. One model that does this is the 50-10 Urban Transit Investment Plan which calls for investments in transit and active transportation to be implemented in 10 years rather than 50 years (Marshall, 2015). This alternative was developed by an alliance that includes Environmental Health Coalition, Cleveland National Forest Foundation, City Heights Community Development Corporation, and MAAC Project. By front-loading spending on transit improvements around San Diego’s urban core, the region would be better equipped to integrate a growing population and to shift from a project-by-project approach to a more efficient and sustainable transportation system.

Extend the free youth bus pass program for students.

At the juncture of education and transportation equity is the fight for subsidized youth bus passes. While organizations such as Mid-City CAN have successfully advocated for free youth bus passes for students of certain schools, there remains a need to expand the program and ensure that all low-income students have access to transit options to attend school (Burks, 2014). Subsidized transit passes are essential for low-income students who do not have car access and cannot afford bus passes, especially as San Diego’s sprawling built environment has resulted in a disconnected landscape that most heavily burdens communities of color, both through increased localized pollution and a lack of spatial mobility. Thus, investing in transit access for youth will help ensure more students graduate and guarantee a more educated future workforce.

The National City Safe Routes to School project, completed in August 2014, has made the most commonly-used route that children take to Kimball Elementary School safer for pedestrians and cyclists. Through a partnership between the City, the school district, and Environmental Health Coalition, local residents conducted comprehensive walk audits to identify improvements needed and were involved in the process to determine safety priorities. Improvements include expanded street corners to slow traffic and decrease street-crossing distance, stop signs at intersections, bike lanes and bike racks, sidewalk maintenance, improved student pick-up and drop-off area, increased outdoor lighting, and installation of trees, benches, and landscaping.
Reduce environmental burdens and increase sustainable economic opportunities in low-income neighborhoods.

The distribution of environmental burdens in San Diego mirrors geographic patterns of racial and income disparities (see Figure 15). And there is concern that pollution “hot spots,” such as those neighborhoods with the highest CalEnviroScreen 2.0 scores, will be worsened by the carbon trading system developed as part of California’s strategy to reduce greenhouse gas emissions. There is emerging evidence that targeting environmental regulation and resources to the most vulnerable populations could bring benefits to everyone in the region (Ash, Boyce, Chang, and Scharber, 2013; Cushing, Morello-Frosch, Wander, and Pastor, 2015; Mohai, Pellow, and Roberts, 2009; Morello-Frosch and Lopez, 2006). Civic leaders are beginning to recognize the connection between reducing environmental inequities and environmental quality for all—and addressing it should be part of San Diego’s strategy to cement its position as a high-tech region.

Develop capacity among low-income residents to participate in planning and land use decision-making.

One explanation for the link between inequity and environmental degradation is that polluting industries and land uses are placed on marginalized groups with the least voice in the policy-making process thus ensuring that the problem receives less policy attention. Having trusted community organizations provide leadership training to affected residents, raising awareness around effects of environmental cumulative impacts, and ultimately engaging in civic debates around land use, budgeting, and other planning decisions are critical investments to reducing the unequal regional environmental burden in the long term.

Maximize public spending by involving workers and affected communities in problem-solving to reduce costs.

According to the Equinox Center, which produces an annual report on regional quality of life indicators, San Diego produces more waste per capita than other major metropolitan regions (Equinox Center, 2014, pp. 24–25). With the local landfill nearing capacity and with waste disposal linked to air and water pollution, improving waste management is both an environmental and fiscal issue for local governments. Since 2006, the City of San Diego has outsourced trash collection services to private contractors. Opponents argue for a more inclusive process to findings solutions that reduce costs but also mitigate concerns of reduced quality of service and increased environmental degradation in lower-income neighborhoods. For example, AFSCME Local 127, which represents sanitation workers, gathered ideas on redesigning trash and recycling service from the drivers in 2009; the resulting changes saved the city $4.4 million. Workers and local communities bring invaluable and too-often untapped knowledge and expertise to help answer the region’s economic and environmental challenges.

Transform pollution “hot spots” into healthy communities through implementation of Green Zones.

Green Zones is a strategy emerging from California’s environmental justice communities. Rather than fighting polluters in over-burdened communities facility-by-facility, the idea is to take a pro-active, coordinated approach to reduce existing pollution and incompatible land uses, harness public and private resources to stimulate “green” economic development, and conduct community-level planning and visioning (California Environmental Justice Alliance, 2010). Regional leaders can build upon the previous work on the community plans in Barrio Logan and Old Town National City that reflect the residents’ concerns around conflicting land uses and their vision for their community.

In 2010, National City, a predominantly low-income Latino neighborhood five miles south of the City of San Diego, adopted the Westside Specific Plan which reflects the residents’ concerns about the proximity of industrial facilities, including auto body shops, to homes and schools. It calls for the phase-out of incompatible business through an amortization ordinance adopted in 2006. For the ordinance, see http://www.ci.national-city.ca.us/index.aspx?page=498.

This was the direct result of multiple years of organizing and engaging residents in the planning process by Environmental Health Coalition. With the support of a Brownfields Program grant by the U.S. Environmental Protection Agency, Environmental Health Coalition is now leading a planning process to create a green industrial park that will help transform the heavily-polluted neighborhood into a healthy community. For more information, see http://cfpub.epa.gov/bf_factsheets/gfs/index.cfm?xpg_id=7954&display_type=HTML.
LINKING INNOVATION AND INCLUSION

The second principle for an equity-growth agenda is linking the goals of an innovation economy with an inclusive society. Under this principle, we suggest three policy areas. One is around economic inclusion. Another is prioritizing the region’s most vulnerable residents by integrating immigrants, both long-settled and recent, and by building inter-generational linkages. And a third area is about linkages among the region’s pillars of economic innovation—new business entrepreneurs, high-skilled industries, and major universities and community colleges—with the innovators leading efforts towards a more inclusive society.

Implement policies to promote economic inclusion

As innovation takes root in the foundation of the economy, aspects of racial and social inclusion are paramount to achieving an equity-growth agenda. In 2014, Forbes ranked San Diego as the number one city to launch a small business startup (Post, 2014). Fostering and growing diverse talent is essential to the region’s future. This accords with Richard Florida’s understanding that the creative class—the workers that drive innovation economies—value diversity in both the workplace and in the cities they inhabit (Florida, 2004). Few places have the diversity of San Diego, particularly if one considers the mega-region on both sides of the border. But to attract and retain creative talent, San Diego cannot erect barriers and enforce division. Instead, regional leaders must foster economic inclusion and mobility.

Pass and enforce a citywide living wage.

Workers, labor activists, unions, and community-based organizations have launched campaigns to ensure all San Diegans are benefitting from a growing economy. These campaigns are a direct response to the restructuring of incomes and the labor market in San Diego. The Center on Policy Initiatives, members of the city council, and others have been pushing to broaden the living wage ordinance for San Diego city services which passed in 2005 to all the city’s workers. Since then, many revisions and amendments have been won to strengthen the ordinance, and now the city council is moving towards a ballot initiative to raise the minimum wage. A city-wide living wage promises a pathway out of poverty and an exponential boost to consumer demand, but also offers San Diego’s small businesses the opportunity to compete with larger employers who pay lower wages.

Ensure quality careers and protections for immigrant and other vulnerable workers.

A disproportionate share of immigrants is employed in the service sector economy. Many are on the margins of the economy, yet paradoxically, provide the foundation for its robustness. A dual tendency is created: growing isolation and economic irrelevance of a growing share of immigrant workers and households on the one hand; on the other, the full incorporation in the economic structure in the form of a casualized, highly vulnerable, low-cost labor force. These forces, while often leading to short-term growth and expansion, create friction and destabilize the economy over time.

Tailor strategies for marginalized groups, such as men of color, who are at risk of being shut out from economic opportunity.

Community colleges play an important role in preparing black and Latino students for higher education yet resources and reforms are needed to increase transfer rates (Gandara, Alvarado, Driscoll, and Orfield, 2012). The Minority Male Community College Collaborative (M2C3) at San Diego State University focuses on improving higher education access and completion for young men of color. While the M2C3 already has partnerships in place with four major community colleges in San Diego, these should be expanded to the four remaining community colleges in the county and scaled up to increase access for this growing high-need population.

San Diego’s security officers are another pivotal aspect of the regional economy, integral to the operations of some of the most lucrative businesses in San Diego. However, most in the labor force struggle to keep afloat, often being squeezed out of the diminishing middle-class as low-pay reigns in the service sector. A recent study found that raising standards for more than 9,000 security officers in San Diego’s private security industry would bring millions to the local economy and would boost some of the lowest income neighborhoods throughout the county (SEIU United Service Workers West, 2014).
Develop a regional immigrant integration strategy

As immigrants establish roots in San Diego and second-generation youth become an integral part of the region’s future, these groups need to be integrated in a manner that is holistic and equitable. Immigrants are, however, too often identified as a problem to be solved rather than an asset key to the future. But with baby boomers retiring and exiting from the labor market, immigrants and their second-generation youth are key to funding retiree benefits and propping up the economy, including housing and other consumer markets (Myers, 2008). Immigrant integration, in short, can benefit everyone.

Ensure protections for immigrants.

Organizations have undertaken important campaigns on human rights issues for San Diego’s immigrants and people of color, such as border enforcement reform. For example, the San Diego Immigrant Rights Consortium brings together community, faith, labor, and legal organizations to support comprehensive immigration reform and to educate the public of important immigrant contributions to the region. As immigrants establish roots in San Diego and second-generation youth become an integral part of the region’s future, these groups need to be integrated in a manner that is holistic and equitable.

Establish a council of immigrant integration.

As the share of immigrants increased in recent years, many groups have grappled with policy concerns about how to best integrate migrants into the larger fabric of the economy. San Diego should follow the lead of other major California cities, including San Francisco and Los Angeles, and establish an immigrant affairs office. The region already has bilateral partnerships in place, including a Committee on Binational Regional Opportunities (COBRO) and Port of Entry Council, yet it has not institutionalized infrastructure to facilitate immigrant integration north of the border.

Invest in capacity to implement executive deferred action programs.

As the enactment of President Obama’s Deferred Action programs continue, San Diego should be prepared to have systems and programs in place equipped to handle implementation. Thus, ensuring that immigrant workers are appropriately compensated for their contributions and fully integrated within civic systems will open new opportunities in high-growth sectors, which can in turn generate a much more robust economy.
Bolster community capacity through university partnerships.

San Diego’s six major universities provide a talent pool for innovation businesses while also fueling new research and technologies. Linking university resources with innovation from the business sector, as universities in San Diego have already done, has helped to spur many new high-growth industries that have made the region famous for emerging marketplaces (Lindenstein Walshok and Shragge, 2013). In research-based partnership with industries, many new businesses, such as Google, Cisco, Genetech, and Sunpower, were borne out of federally funded university innovation (The Science Coalition, 2013). Government-university and community-university partnerships can be equally beneficial for the common good.

Establish new programs and expand the existing partnerships between universities, community colleges, and high-tech companies.

Research Triangle Park in North Carolina is an example of how innovation, research, and prosperity can be linked together through business-university-government partnerships. The triple helix model in Raleigh has relied on collaboration between universities, government, and business leaders to grow the region for more than half a century now, and was instrumental in the establishment of Research Triangle Park. San Diego has the opportunity to foster similar ties across sectors, and promote synergistic relationships throughout the region, much like the universities in the Raleigh-Durham region have done. Such partnership bring regional benefits by establishing employment pipelines for graduates, creating workforce development programs across a variety of skill and education levels, and retaining and nurturing locally grown talent (Benner and Pastor, 2012).

Foster university-based research centers that engage low-income communities.

While stronger connections between universities and industry are good, a less common yet essential connection is with vulnerable communities—and there are new models for how to do so. While university-community engagement is not new (e.g., service-based learning, participatory-action research), there is a new model in which such centers have an understanding and analysis of power dynamics and are focused leveraging resources to help empower communities and support community change (Sacha, Sanchez, Hancock, and Pastor, 2013). Research shows that it is not only important for growth that higher-education institutions produce research and educate future workers, but these institutions must see their future as “really tied to the metropolitan regions they inhabit” (Benner and Pastor, 2012).

Support policy-relevant research.

Research centers like Center on Wisconsin Strategies (COWS) in Wisconsin are valuable partners in guiding along policy and programs—such as the Wisconsin Industry Partnerships Initiative (for more, see Center on Wisconsin Strategy, 2013)—to maximize investment and grow regional jobs. San Diego’s universities should also work alongside local communities and civic institutions to produce knowledge and solutions that address bigger questions of urban and regional equity, which in turn will help ensure sustainable growth. Higher-education institutions in the region are already producing research that can and should inform public policy. For example, Point Loma Nazarene University’s Fermanian Business & Economic Institute recently released a report that demonstrated the economic benefits of housing San Diego’s homeless, including a 67 percent decrease in public costs (Gallagher, Reaser, and Mauerman, 2015). Partnering with community organizations—in this case, homeless service providers—to inform research and improve programming would benefit both groups as well as the greater region.
LINKING PEOPLE AND PLACE

The third principle for making the equity-growth connection is linking people and the places where they live and work. This means increasing a sense of connectedness among the region's diverse sectors and interests and fomenting a more cohesive and inclusive vision of the future. Community and regional planning are important places of dialogue. A regional equity scorecard can provide a set of metrics for measuring progress over time. And an effective way to make equity foundational to a region's growth-oriented economy is to bring everyone to the table, establish shared values and interests, and take action together.

Address affordable housing needs through multiple strategies.

 Communities of color, particularly renters, are more likely to pay too much for housing. In order to cover household costs and pay rent for an average two-bedroom apartment, San Diego renters would need to earn $55,820 or $26 an hour (City of San Diego Redevelopment Agency, 2012). Between 1999 and 2012, only 11 percent of new units in San Diego could be classified as affordable (Keyser Marston Associates, Inc., 2013). This is a stark burden for the growing workforce and for the coming middle-classes who may not attain such status if they cannot reach their jobs.

Establish stable funding mechanisms for affordable housing.

Mechanisms like the Worker Housing Offset, which ask developers to contribute a one-time fee for new commercial projects, can help make a stronger link between economic growth and workers’ needs for housing for their families. In 2013, the San Diego Housing Federation, in coordination with a wide range of policy, environmental, labor, and community development groups, successfully lobbied the City of San Diego to increase the Worker Housing Offset to 1.5 percent. After a business-led referendum followed by a repeal of the ordinance, all parties finally reached a compromise in October 2014. It is anticipated to generate approximately $30 million over the next 20 years for affordable housing projects (Showley, 2014).

Protect current residents from potential displacement from transit-oriented development.

Transit-oriented development, or the creation of compact, walkable communities around transit stations, could potentially help address San Diego’s mismatch between jobs and housing and can reduce low-wage workers’ commutes and isolation. On the flip side, precautions should be taken to protect long-time residents who might be pushed out due to rising land values and corresponding increases in rent and housing. Part of the solution is ensuring transit-oriented development projects include provisions for affordable housing, a recommendation advocated by the San Diego Housing Federation and Move San Diego.

Support the development of community-based land use plans.

San Diego’s landmark City of Villages General Plan update in 2008 showcased the city’s new vision for the future and signaled a shift towards making the region more sustainable by prioritizing livable communities. In many ways the new Barrio Logan Community Plan demonstrated not only the transition to the new urban-planning paradigm, but also the demographic and political changes that San Diego is rapidly experiencing. The plan, in part, sought to alleviate many of the environmental issues afflicting the largely Latino neighborhood by establishing a buffer between residential and heavy industrial uses. In response, the local-shipping industry led a citywide referendum that resulted in two propositions failing in a citywide vote—and marking the first time a community plan was subject to such a vote (Yerardi, 2014). The conflict around the plan signals the gap that remains between the region’s different constituencies—yet such tensions become important learning opportunities.
Increase civic engagement among emerging populations

Immigrants and low-income people of color are not only left out of opportunity but, perhaps more importantly, also frequently left out of the civic conversations and decision-making processes that impact their lives and livelihoods. And being part of a demographic majority does not automatically translate into having a greater sway in shaping the future. It requires patient and intentional strategies to prepare the kind of leadership and the level of organization that can elevate and move the needle on community concerns.

Build a culture of civic participation among the new generation.

There is already a significant demographic gap between the current voting-age population and the general population as Figure 16 shows. And much of that gap is due to the new generation, youth less than 18 years old. The nearly thirty percent demographic gap between the region’s citizen voting age population and that of its youth demonstrate a major disconnect that, if not addressed, can sabotage much needed investments in public infrastructure and policies. Initiatives such as the Engage San Diego movement in 2012, which brought together philanthropic groups and a range of advocacy and community-based organizations in primarily immigrant communities, sparked new participation from existing and new voters. The coalition employed “aggressive phone banking, door-knocking, and data-gathering within hard-to-reach populations” to not only “get out the vote,” but to build up San Diego’s regional “civic engagement infrastructure” (Fanestil, Rocha, and Silverthorn, 2013).

Pro-actively and aggressively pursue the naturalization of eligible immigrants.

One way to close the apparent gap between leadership and constituents is focus on naturalizing those immigrants who are eligible; this could expand the existing voting base and increase overall civic engagement, as data has shown that naturalized citizens have voter-turnout rates on par with native-born citizens (Paral, 2010). As Figure 17 shows, there are areas of San Diego in which the share of immigrants eligible to naturalize is 10 to 20 percent of the total voting-eligible population. Most of these voters are concentrated at the region’s fringes and in the communities of color south of the 8 freeway. In Los Angeles, naturalization has become a focus of multiple agencies and systems; indeed, the L.A. City libraries have launched “Citizenship Corners” where patrons can collect information on naturalization requirements and procedures and the Chamber of Commerce is providing businesses the information and tools to help their immigrant workers take this next step on the way to full democratic participation.

Invest in on-going leadership development in affected communities.

It is not just about voting: the work of Alliance San Diego, ACLU of San Diego and Imperial Counties, and San Diego’s chapter of the Alliance of Californians for Community Empowerment (ACCE) likewise have boosted civic engagement through a range of ongoing leadership development strategies (Fanestil et al., 2013). And as regional anchors of the statewide California Calls alliance, Alliance San Diego and ACCE—San Diego employ an “integrated voter engagement strategy” that leverages elections to make contact with large numbers of new and occasional voters but then follows up to convert those contacts into the long-term base building and leadership development work.
FIGURE 17
LPRs Eligible to Naturalize as a Share of Voting Eligible Population

Source: Office of Immigration Statistics and American Community Survey.
Use data to transcend divisions and drive deliberation

In many of the aforementioned areas, and particularly in redefining the pillars holding up its economy, San Diego has made some progress recently in unifying its competing interests. But while developing a sense of shared-future destiny within the region, this does not mean the end of tensions or conflict at a regional level—and indeed, it is exactly that conflict that comes when immigrants press for rights, workers press for wages, and neighborhoods press for control over their own destiny, that helps participants understand what is needed to move forward.

Develop an annual regional equity scorecard.

Developing an annual regional equity scorecard would ensure that equity remains at the forefront for fostering shared understanding and joint action. For example, King County in Washington has adopted equity principles into its strategic plan and requires all agencies to improve policies and practices by considering equity impacts (for more, see Benner and Pastor, 2015). Likewise, SANDAG could incorporate equity principles and indicators into its planning processes and plans. The San Diego Foundation’s Center for Civic Engagement already plays an important role in establishing more venues for meaningful local-civic engagement and in convening multi-sector perspectives to resolve key equity issues facing the region. In 2011, the Foundation facilitated an ambitious visioning process that engaged more than 30,000 residents in creating a shared vision and strategic plan for the region. The Foundation’s Center for Civic Engagement is using this vision as a starting point for facilitating dialogue on regional issues.

Use data to facilitate a deliberative process.

In Salt Lake City, data and deliberation has made a difference. There, the vehicle was Envision Utah, a non-profit launched to bring together business, faith, community, environmental and other actors to set a common growth agenda. Envision emerged at a moment in the 1990s when there were deep tensions about growth, newly arrived immigrants, and other factors that threatened to create an even more fragmented Salt Lake City. A key ingredient to Envision Utah’s success was its long-term planning process: By moving the horizon from immediate problems to long-term needs, it was able to bring unlikely allies together, such as developers and environmental organizations, in the short-term around a common vision for the future (Scheer, 2012). To us, it seems no surprise that the region has not only achieved relatively equitable growth but was also the launching pad for the Utah Compact, an agreement among civic, business, faith, and immigrant leaders to avoid the draconian approach of Arizona and instead conduct more civil dialogue about and more human policies toward immigrants (Editorial Board, 2010).

Establish a process for working through public policy conflicts.

In Seattle, there is actually what locals call a “Seattle process” for studying, debating, and building consensus for working through almost every potential public-policy conflict. It was that very strategy that Mayor Ed Murray employed when he convened a committee of 24 representatives of business, labor, and nonprofits to find a compromise around the city’s minimum wage (Wang, 2015). Indeed, by the time that policymakers were taking the action to a vote, employers and workers were not publically pitted against each other because those conflicts had already been worked through in advance (For a longer discussion on the “Seattle process,” see Benner and Pastor, 2015).
CONCLUSION: REALIZING THE NEXT SAN DIEGO
Realizing The Next San Diego

San Diego is at a crossroads between its past and its future. For too long, the 8 freeway, the San Ysidro border, and sharp political divides have fragmented the region and prevented a common policy enterprise from emerging. But research is increasingly demonstrating that at the core of sustained growth and a healthy business climate are collaboration and community (Benner and Pastor, 2012), that is, the common-sense synergy between information-sharing, inclusion, and innovation. A shared, prosperous regional destiny can only emerge as diverse actors come together in multiple settings to know and grow together.

And today there are few places in the U.S. that hold the same promise as San Diego in enacting such best practices with its demographic and economic transformations. By bringing together actors from across this region through practical policy and action, San Diego’s leaders can tear down the barriers that have kept underrepresented groups from full participation in the region’s economy and limited growth in the region. The best place to begin such collaboration is by taking up what is already working in San Diego and what direly needs to be addressed—by linking innovation and inclusion, high-tech and high-need, and people and place.

There are many arenas for joint, practical action, such as addressing educational inequality through widespread technical training, balancing the job-housing mix or expanding the living wage. San Diego can tackle deeper imbalances but also reposition itself as a global hub of innovation, efficient governance, and exchange. As it does so, it can re-integrate itself into statewide and national political arenas and serve as a model for effective governance that crosses aisles and bridges borders.

Such collaboration, of course, will not be without conflict—to be expected considering the polarizing politics that once dominated the region. But such tension can be generative as stakeholders uncover the commonly-held values that can be the foundation of the region’s growth. And conflicts are lessened by recognition of a common future in the region. Building this sense of common destiny does not happen immediately, but frequently only emerges after processes of long-term repeated interactions that can involve repeated skirmishes, not just collaboration or formal partnerships. But such conversations can lead to smarter, long-term, and more affordable solutions to social issues.

As a divided and economically fragile San Diego becomes a memory, the world is looking to see what is next for this vital border region. And if the last few years are any indication, there is good reason to hope that San Diego is capable of bringing forward a new vision for the 21st century: where business sense and a sense of justice go hand in hand, and where a climate of cooperation is also a climate for investment, innovation, and inclusion.
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