The Bay Area Jobs-Housing Balance: Intersections and Impacts

A Recommendation to Greenbelt Alliance’s Development Endorsement Program

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Executive Summary

This report recommends for the regional smart growth advocacy organization, Greenbelt Alliance, to address the Bay Area jobs-housing imbalance by supporting and encouraging the inclusion of jobs-housing impact analysis in neighborhood-scale planning efforts. An evaluation of the jobs-housing imbalance has found that commute time, commute flow, jobs-housing fit, and balance are not necessarily correlated at the county level because of the geographically and economically diversity of the Region. There are, however, connections between income and commute time at the jurisdictional level.

The emphasis of this document is that the Bay Area’s Regional imbalance is connected to a larger issue: housing needs to be produced across the spectrum of affordability. Additional research on the intersection of jobs and housing can advance an understanding of the topic and close existing gaps in data to fully support and substantiate jobs-housing impact analysis efforts.

Greenbelt Alliance’s research and leadership on this issue can educate stakeholders by creating a best practice approach for jurisdictions as they embark on neighborhood scale plans and formulate policies to address housing affordability in job centers—specifically, the production of housing in the very low, low and moderate categories of affordability. Its work on this subject has the highest potential for boosting regional political coordination to help ensure job and housing growth are advanced in a way that facilitates a shift towards balance.

The imbalance of jobs and housing in the Bay Area refers to a circumstance of too few units of housing to support the population’s workforce housing need. A 2017 report by The Bay Area Council Economic Institute found that in the San Francisco Bay Area, for each job created in the high-tech sector, approximately 4.3 other jobs are created
Simultaneously, housing production hasn’t accelerated to accommodate for an influx of workers—from 2011 to 2015 for every eight jobs created, one unit of housing was built (Joint MTC Planning Committee with the ABAG Administrative Committee, 2016). Additionally, housing goals were only met within the category affordable to those making 120 percent or more of area median income. The increase in job creation and a shortage of mixed-income housing has created a circumstance which excludes people, who want to live near to their jobs, from finding suitable housing.

Adding to this circumstance is the fact that Bay Area workers make up the Nation’s largest group of ‘mega-commuters,’ or those traveling 50 or more miles, or 90 or more minutes, to work (Rapino & Fields, 2013). Despite this fact, the majority of workers, 53 percent, live and work within the same county. A fact which is in alignment with literature on the topic which cautions: “areas that are too small will be out of balance even if commutes are short, while large metropolitan areas can be in balance even if people commute long distances” (Boarnet, Hsu, & Handy, 2014). It is difficult to connect imbalance with commute even when we know both issues exist. Though, commute times tend to be higher for those living in cities with lower median household incomes as shown below.
The figure below shows the percentage of workers who stay within the county they live, the percentage of those who leave, or ‘out,’ along those workers who commute into a county, or ‘in.’ Commute compared to balance and fit ratios render no clear patterns.
The literature and data point to the misaligned ‘fit’ of low-wage jobs and affordable housing as the primary issue impacting the Bay Area region because of the large social disparities inherent in the production of affordable housing. To understand equity issues inherent within the housing problem, an assessment of the fit of job income to housing affordability is essential. Through an exploration of the available data and literature on this topic, it is evident that there is not one solution to solve the imbalance at the county level due to the economic and geographic diversity of the Region, and the inconsistent, or non-existent, availability of essential data points. At the county level, there are significant differences between 1:1 balance, and jobs-housing ‘fit.’ For example, a standard metric of balance is one job per unit of housing, or 1:1, which does not correlate with the availability of housing affordable to those across the income spectrum, as observed below.

Analyzing the data on fit and balance shows us that there is not an obvious connection between the two at a county level. For example, San Mateo and Santa Clara Counties have are the most fit imbalanced but have very different commute flows.
Currently, Greenbelt Alliance’s Development Endorsement Program (DEP) does not explicitly incorporate the jobs-housing balance into its criteria. The DEP is one of Greenbelt Alliance’s tools for encouraging more equitable and environmentally sustainable infill development in areas outlined by the organization’s guiding policy document Grow Smart Bay Area. In addition to advancing the protection of the Bay Area’s vulnerable, open spaces from sprawl development, the DEP also aims to promote the political feasibility of the projects they endorse and smart growth principles in general. They do this by hosting civic forums and attending public hearings for its endorsed projects.

There is currently no measure of success, or best practice plan to implement to reduce the imbalance. Advocating for the best jobs-housing balance, and fit, requires the review of jurisdictional or county jobs-housing need—specifically, when reviewing neighborhood scale plans in parts of the Bay Area region that are housing imbalanced.

The alternatives recommended in this report combine options for reviewing permanent job creating developments and, specifically, neighborhood scale plans. Based on a review of California policies and other context building elements pertinent to the intersections of jobs and housing in the Bay Area, the most apt assessment for DEP consideration is whether a job-creating project will perpetuate an existing imbalance. There is a need for data points which include the jobs-housing imbalance’s impact on displacing long-term residents, and a streamlined methodology for calculating commercial buildout projections. No other planning advocacy organizations have directly addressed the jobs-housing imbalance, giving Greenbelt Alliance an opportunity to lead on this issue.
## Logic Model: Greenbelt Alliance’s Inclusion of Jobs-Housing Evaluation within its Development Endorsement Program

### Activity/Alternative
- **Alternative 1:** Neighborhood Scale Plan (n/h) Requirement
  - A. Create requirement for plans to include jobs-housing impact analysis
  - B. 1:1 balance ratio as minimum requirement as a standard metric of balance

- **Alternative 2:** Evaluation and Support
  - Conduct research on the topic to fill existing gaps in knowledge to support the development of fit-balanced plans

### Outputs
- Implement requirement into DEP n/h scale plan criteria
- Frame justification for 1:1 balance requirement if applicable
- Allocate resources toward the development of supplemental research methodology to substantiate impact analysis support

### Projected Outcome/Impact

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<tr>
<th>Short-term</th>
<th>Long-term</th>
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<tr>
<td>Sets precedent for smart growth advocacy</td>
<td>Planners more thoughtfully consider the impact of their developments on jobs-housing balance</td>
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<td>Increased program visibility by leading on the issue through inclusion of more rigorous criteria</td>
<td>Stakeholders have more transparent information which informs their understanding, and empowers their civic decision-making</td>
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<tr>
<td>Sets precedent for smart growth advocacy</td>
<td>Increased political feasibility for the development of housing in job centers</td>
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<tr>
<td>Increased program visibility by leading on the issue through inclusion of more rigorous criteria</td>
<td>Encourage Regional equity by emphasizing affordability/“fit”</td>
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<td>Addresses the importance of housing affordability</td>
<td>Reduced displacement of low-income people, heightened protection of “at-risk” lands, strengthens overall Grow Smart Bay Area alignment</td>
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<td>Enhances stakeholder understanding of jobs-housing intersections</td>
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<td>Encourages mixed-income infill</td>
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### Assumptions
- More research and understanding of the intersections of jobs and housing will enhance equitable outcomes
- A 1:1 balance requirement can be academically, and logically, justified

### External Factors
- More rigorous criteria may dissuade potential DEP applicants
- Incentive to develop affordable housing to “pencil out” for developers is an issue of political feasibility at the jurisdictional level