

**shortfall of
1.54 million
homes**

chpc, 2015

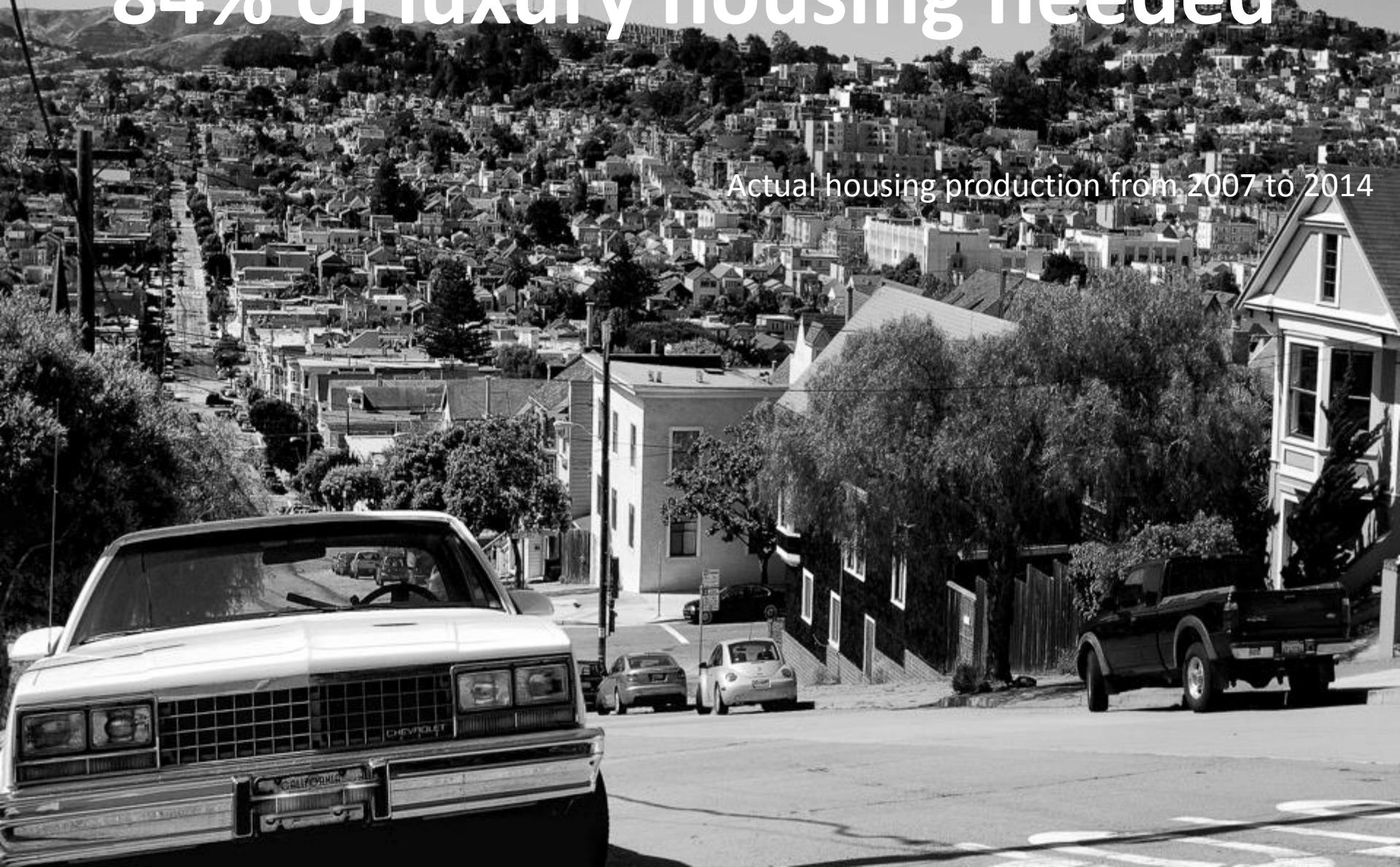
214,500 new households

Growth projections for 2007 to 2014



26% of affordable housing needed
84% of luxury housing needed

Actual housing production from 2007 to 2014



imbalance



inequity



what now?

Tools for Achieving Jobs-Housing Fit and Avoiding Displacement in Smart Growth Areas

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Jobs Housing Fit in the Bay Area

Chris Benner, University of California Santa Cruz & UC Davis
with Alex Karner, Arizona State University

UCDAVIS

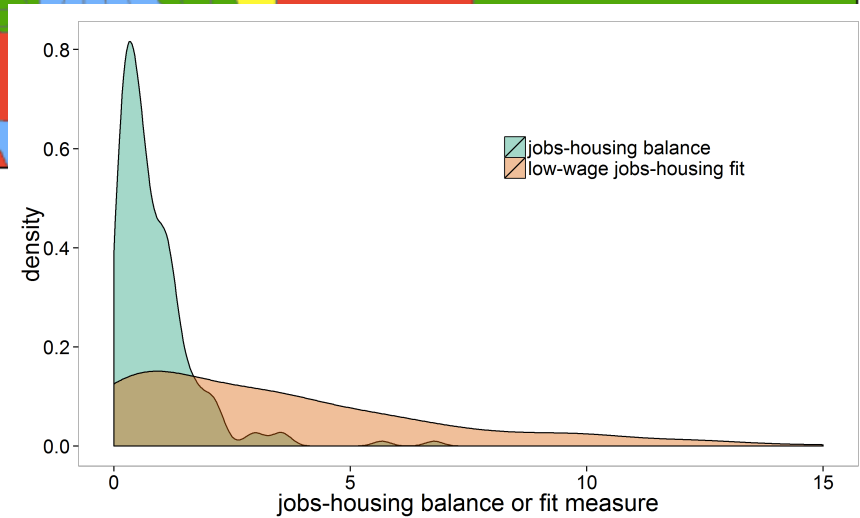
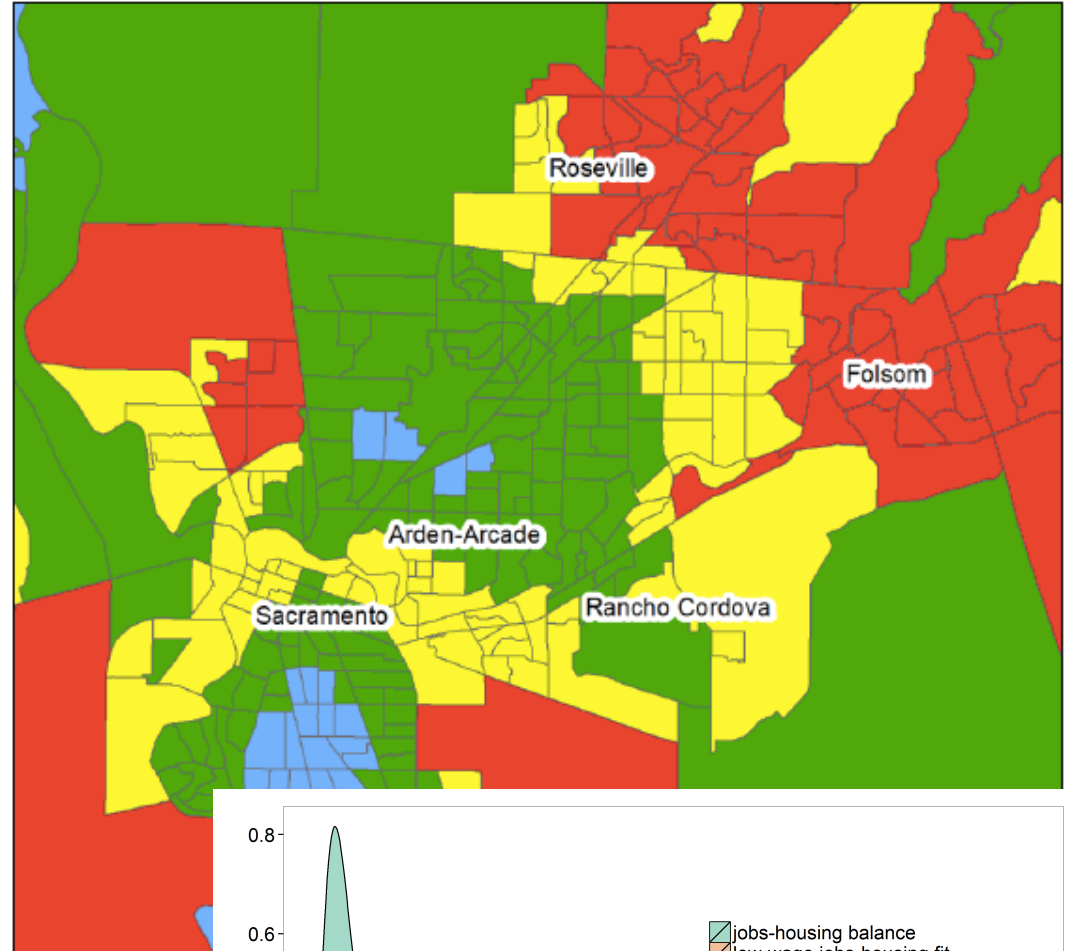
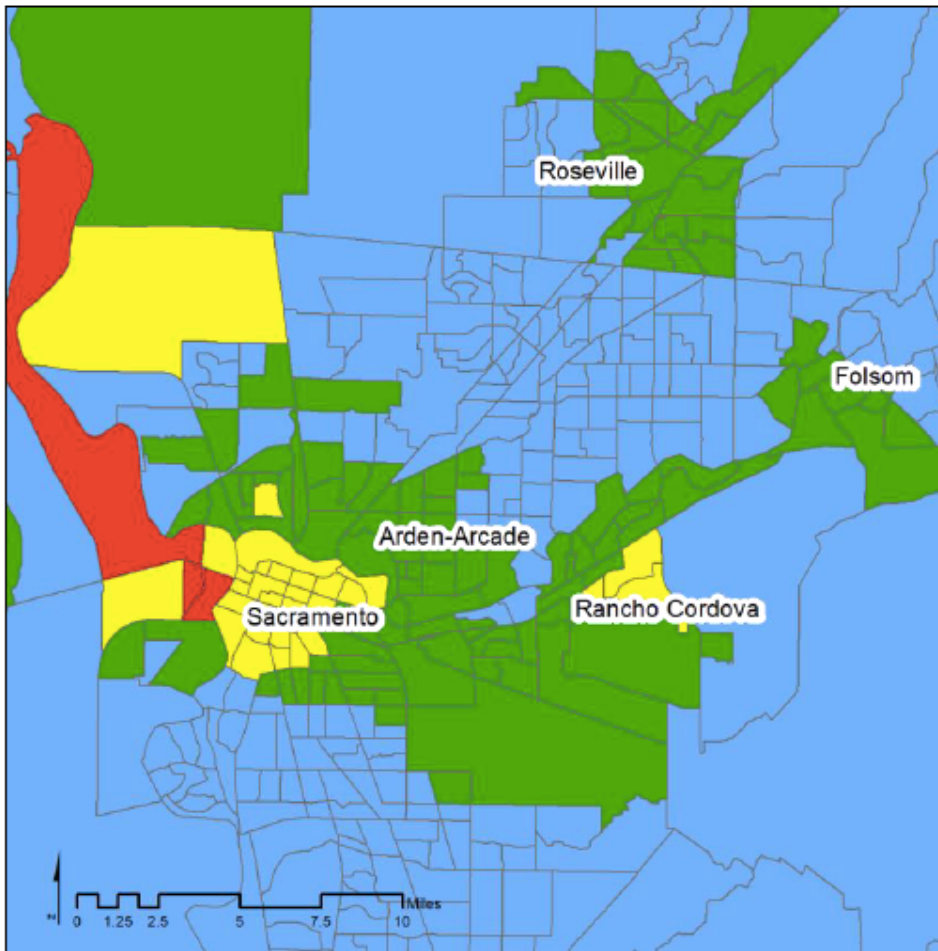
UCDAVIS
CENTER FOR REGIONAL CHANGE

From jobs-housing *balance* to *fit*

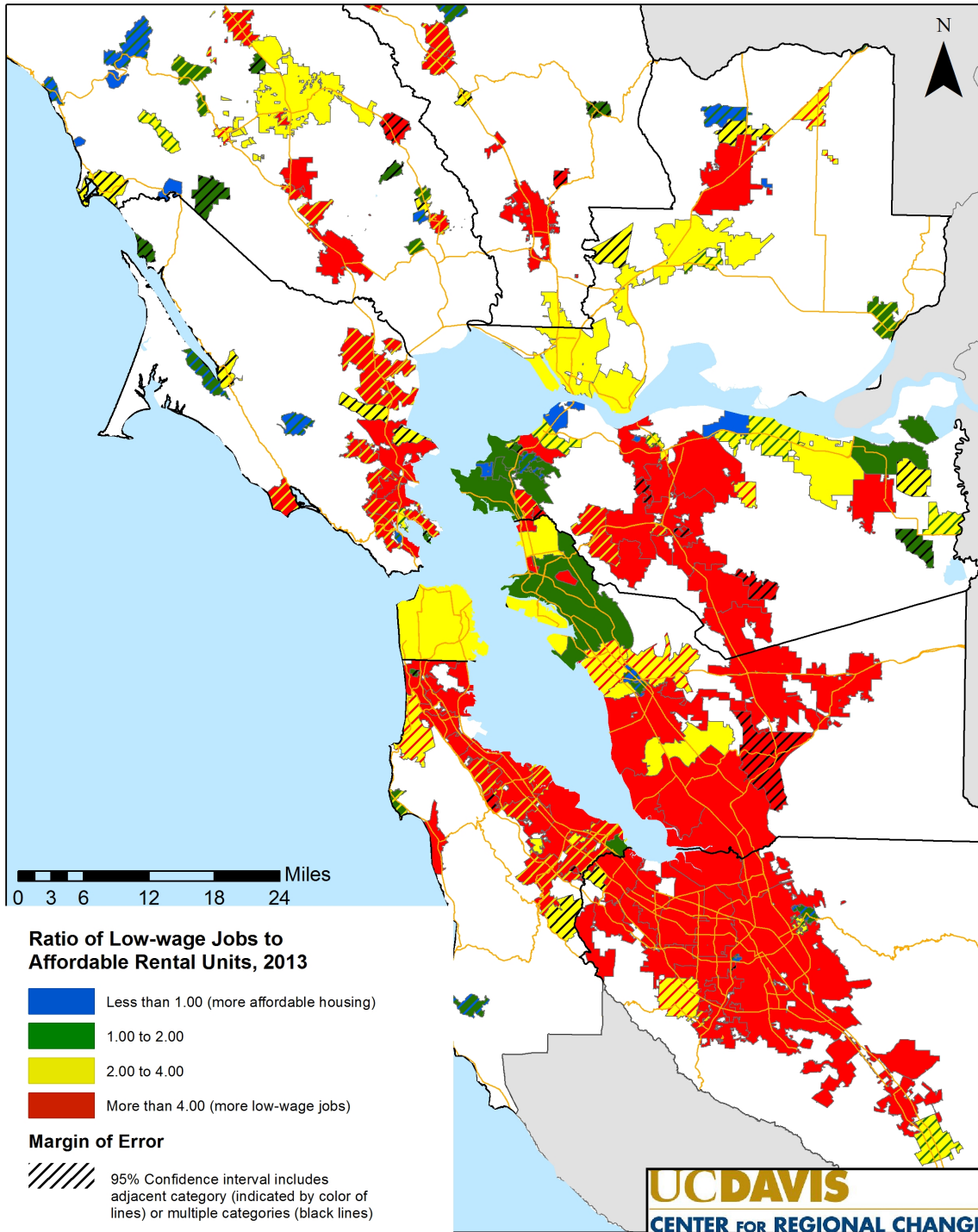
- First systematic studies of *balance* in the late 1980s
- Found that commute distance was affected by a multitude of factors, not just balance
- Appropriate “fit” between jobs and housing often discussed but rarely studied until recently
- Low-Income jobs/housing fit especially important
- Important for VMT, GHG, and social equity



Comparing J-H Balance and Fit

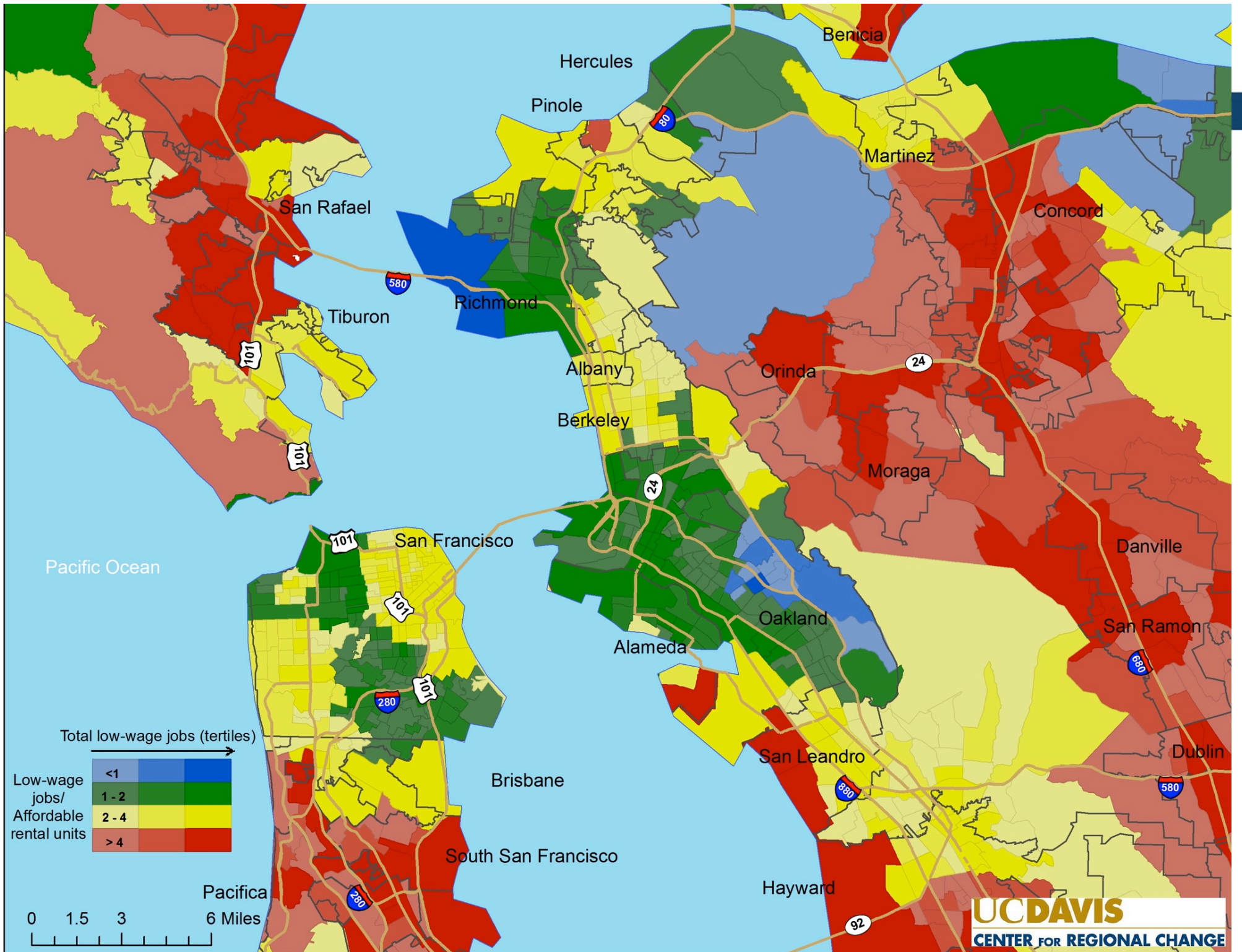


Bay Area Jobs-Housing Fit, 2013



Data source: LEHD 2013 and ACS 2013 Five year data-set

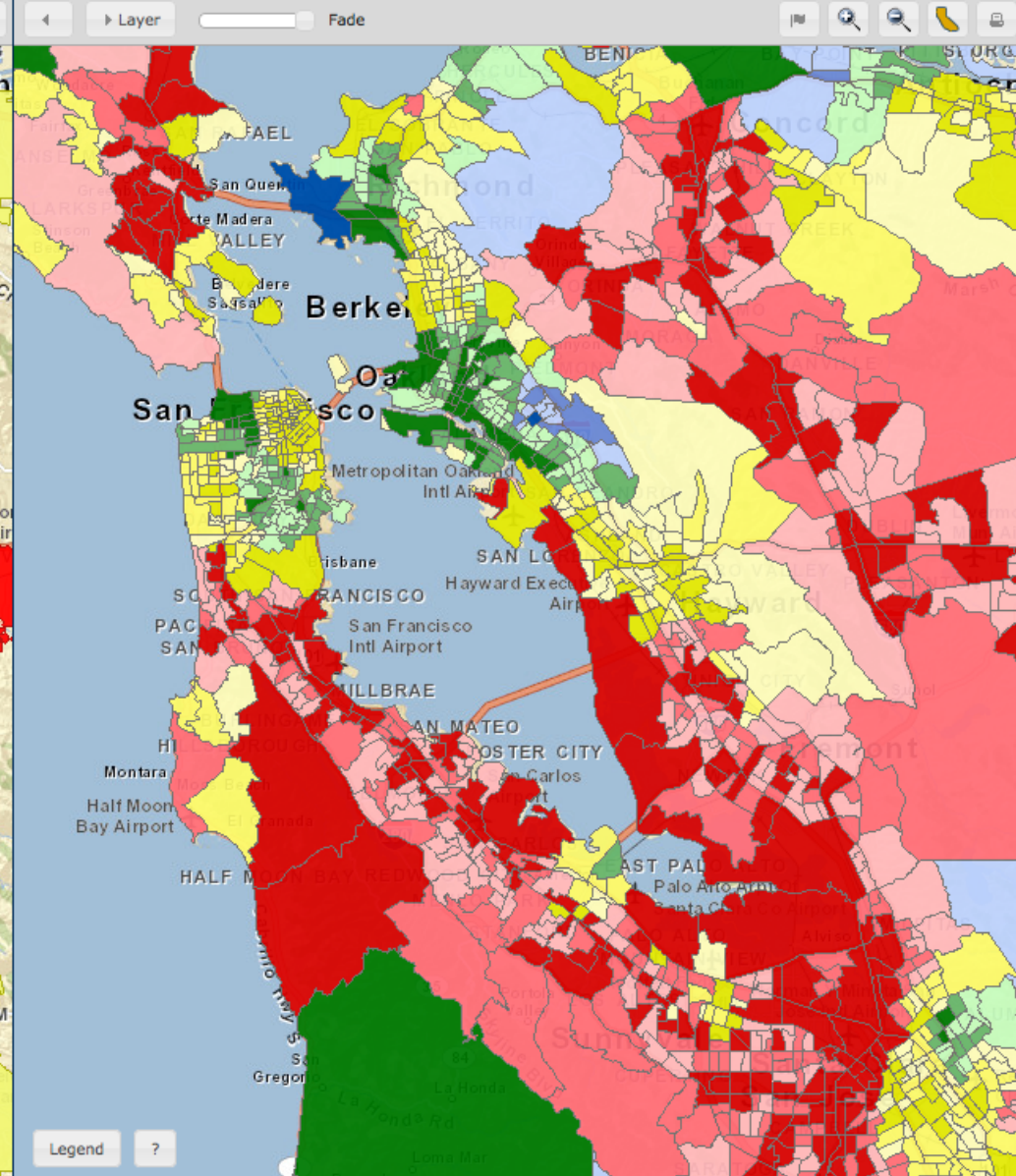
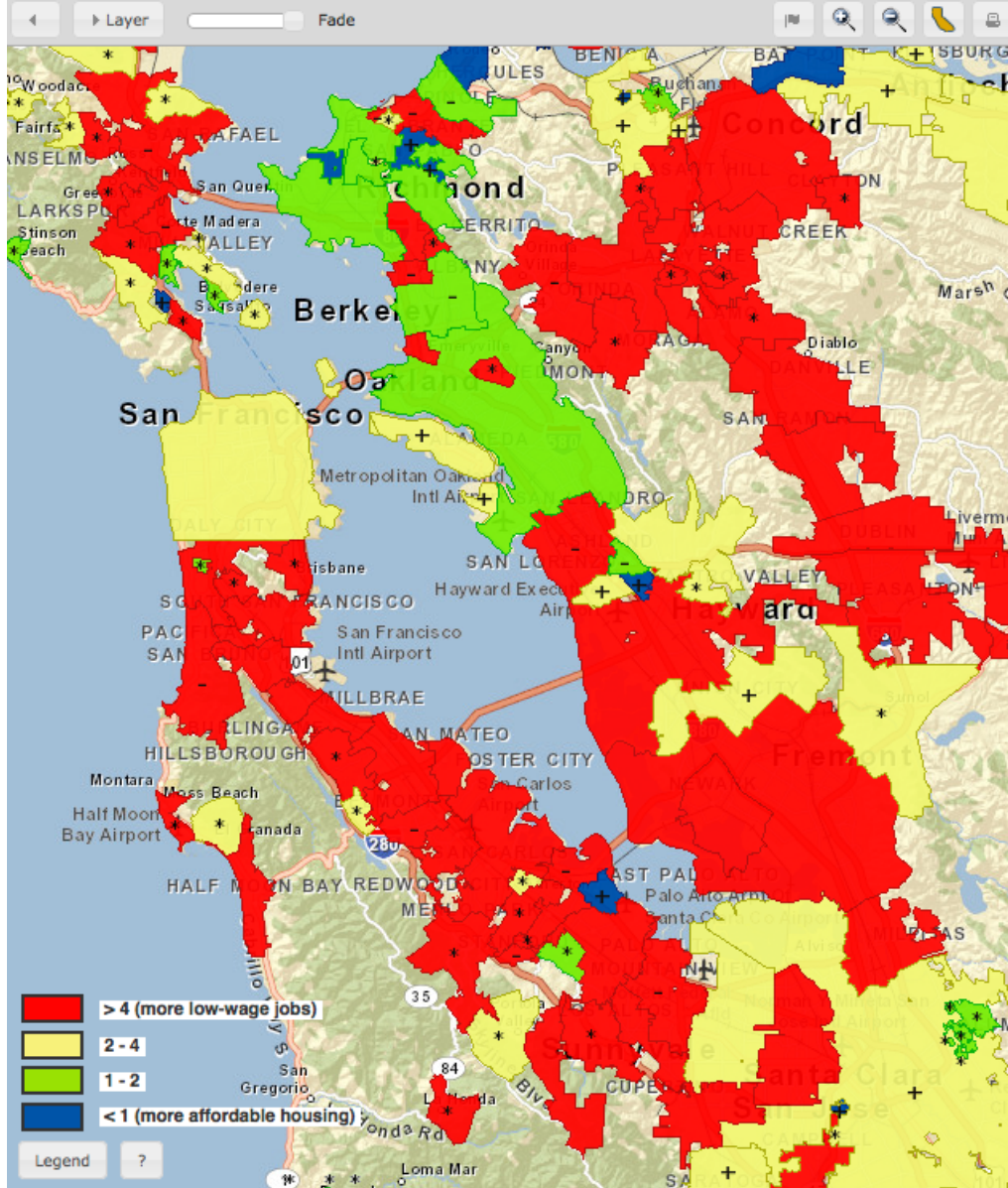
- Red = Severe shortage of affordable rental units
- Blue = Excess of affordable rental units in relation to available low-wage jobs





Jobs-Housing Fit Ratio, Jurisdiction Level, 2011

Jobs-Housing Fit Ratio, Neighborhood Level, 2011



Bay Area VMT

Mean VMT attracted by JH fit category

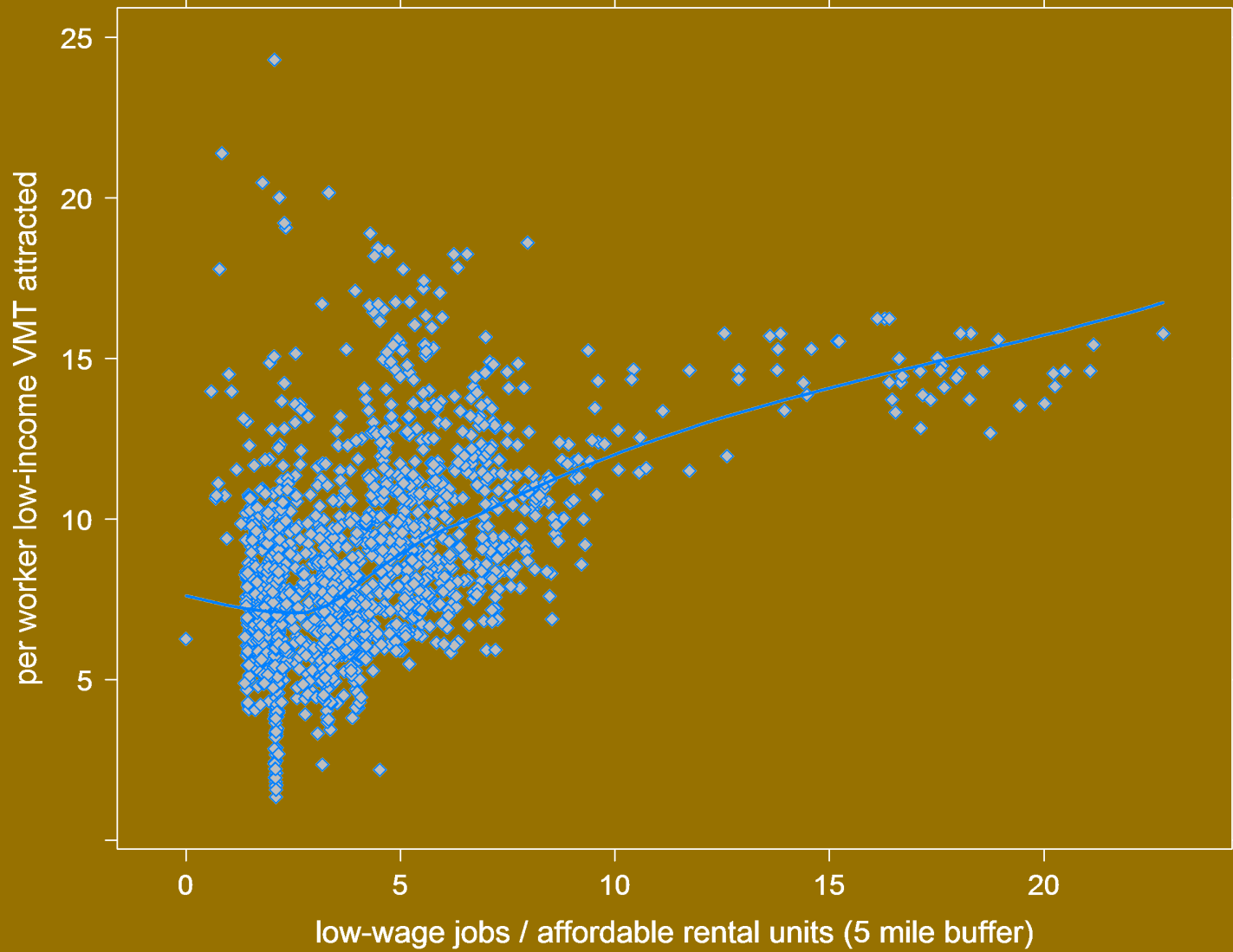
JH fit category	0 – 2.2	2.2 – 4	> 4
VMT attracted	7.10	7.61	10.4

Model results

JH fit category	Coefficient	p-value
2.2 – 4	0.51	0.005
> 4	3.31	< 0.001

N = 1592, R² = 0.24

Bay Area VMT

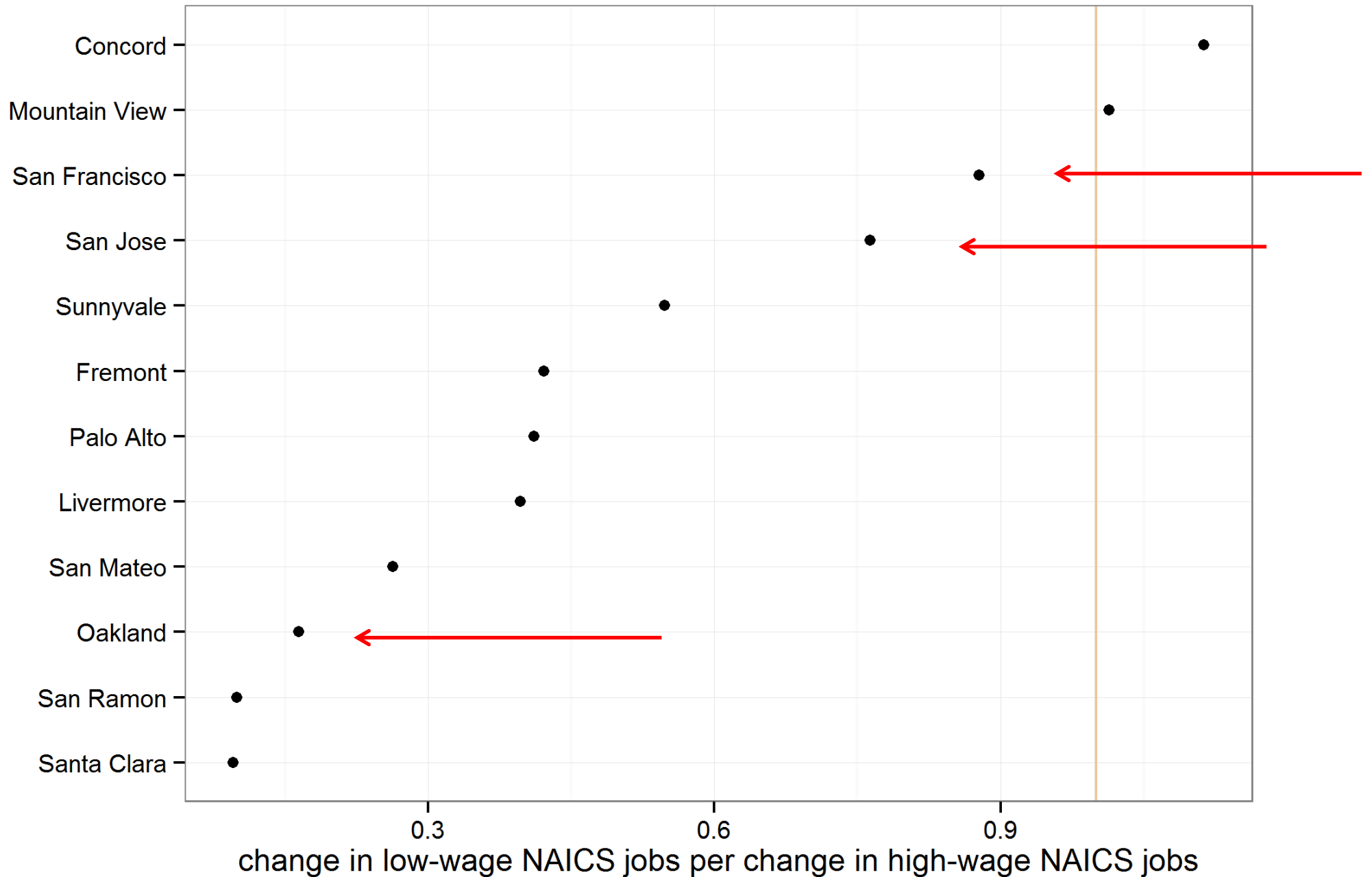


Regional Prosperity Plan Related Research

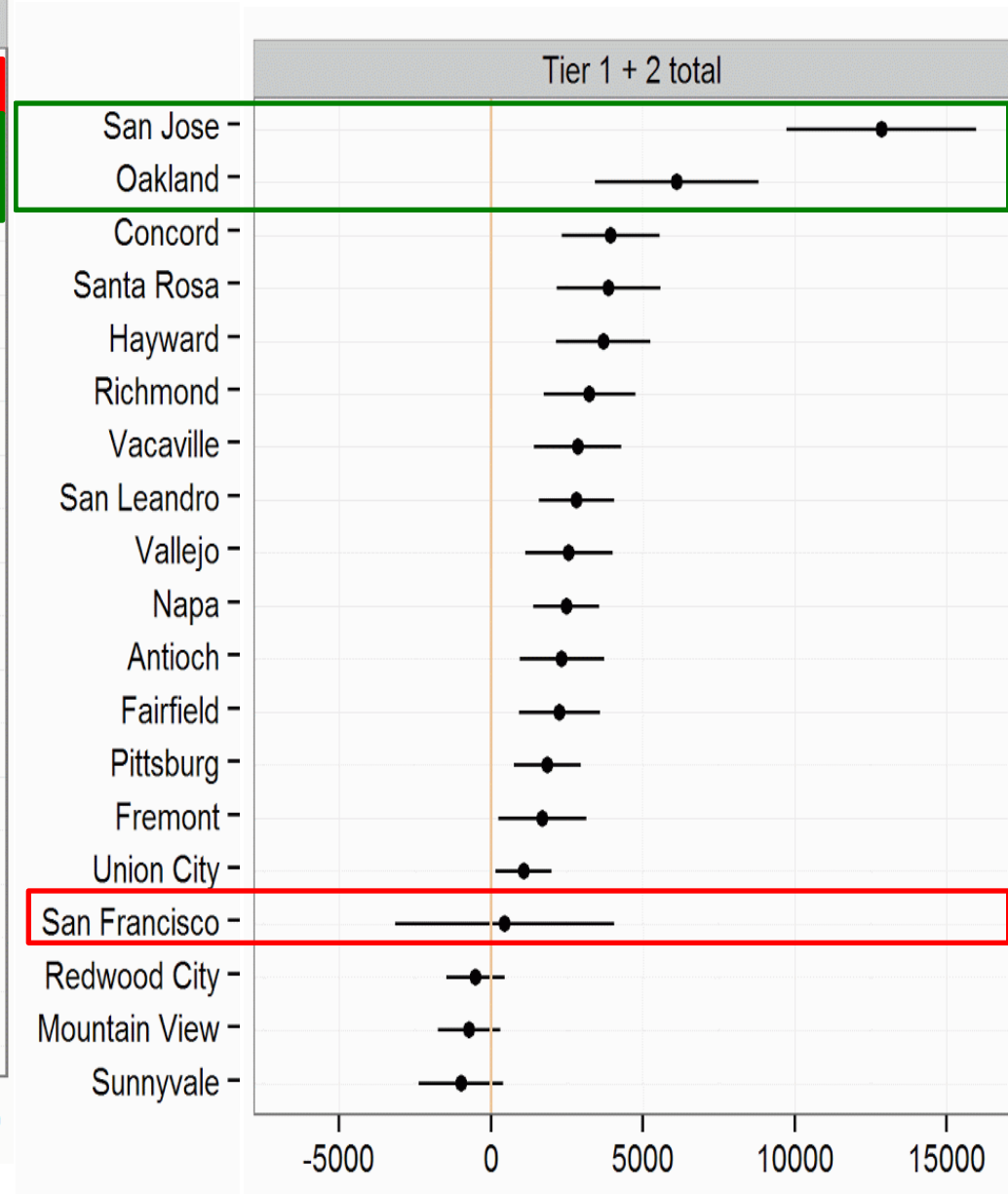
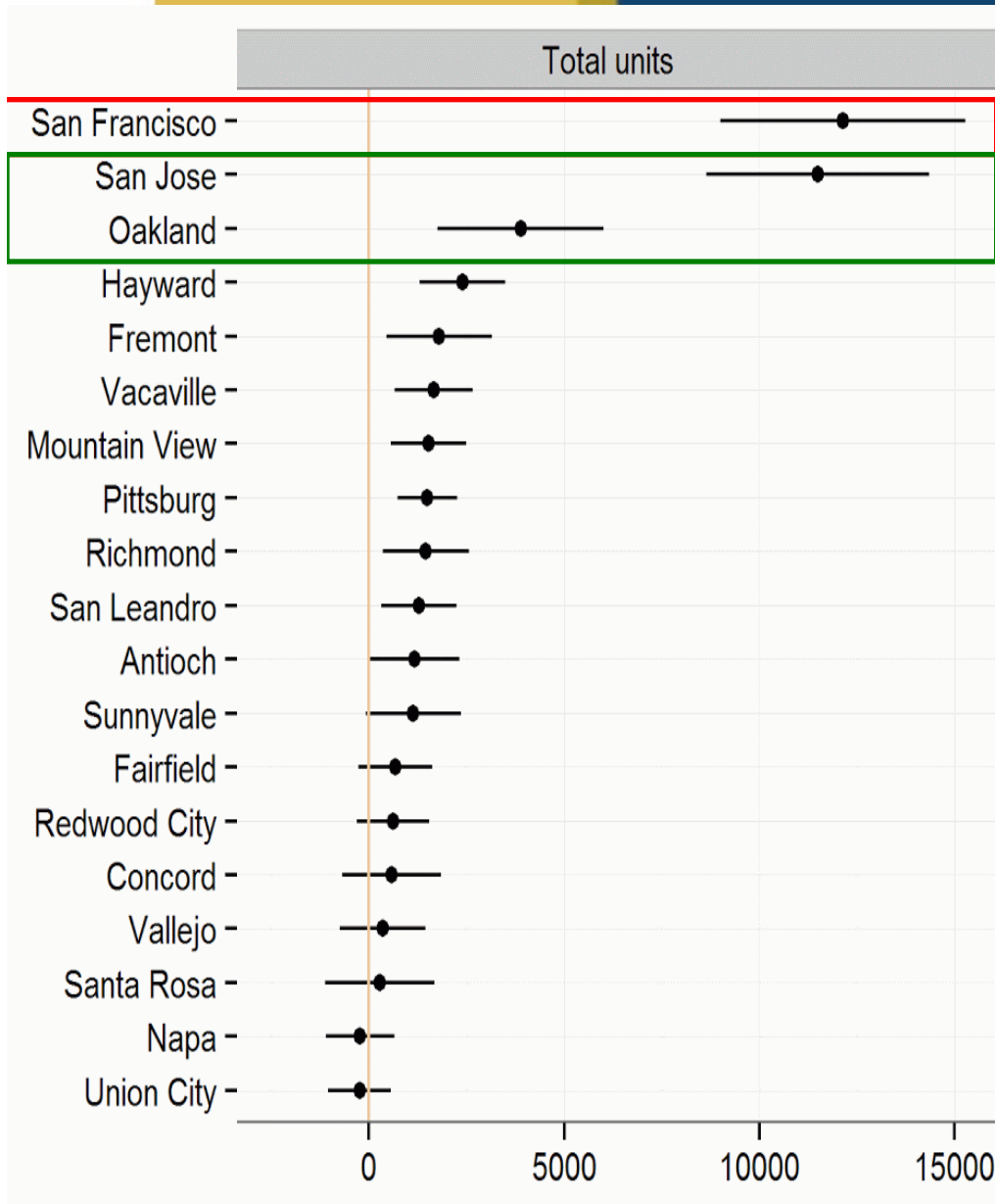


- How does growth in high-wage jobs in one jurisdiction affect low-wage job growth and affordable housing demand in multiple jurisdictions?

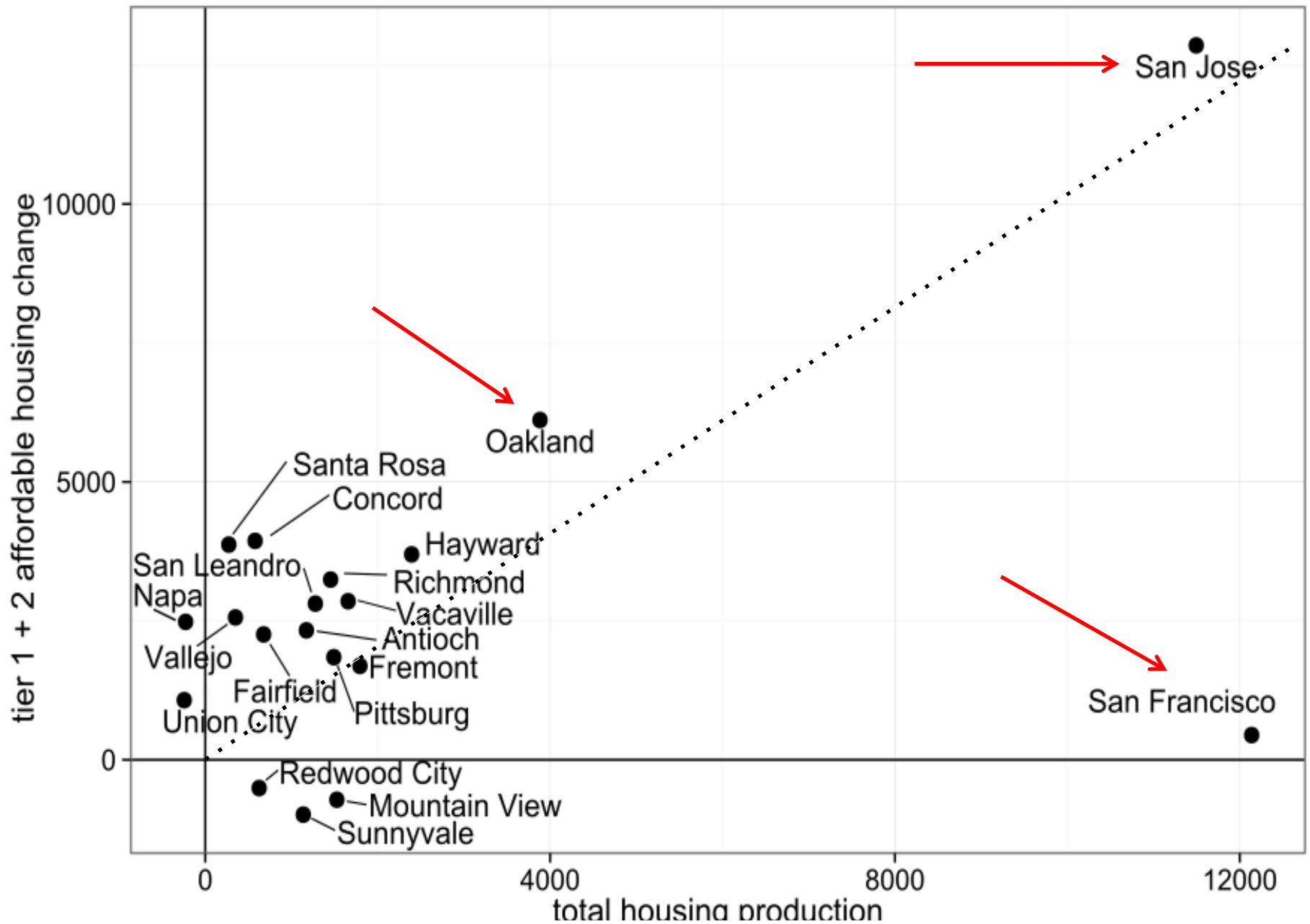
Ratio of High-Wage to Low-Wage Jobs Differs



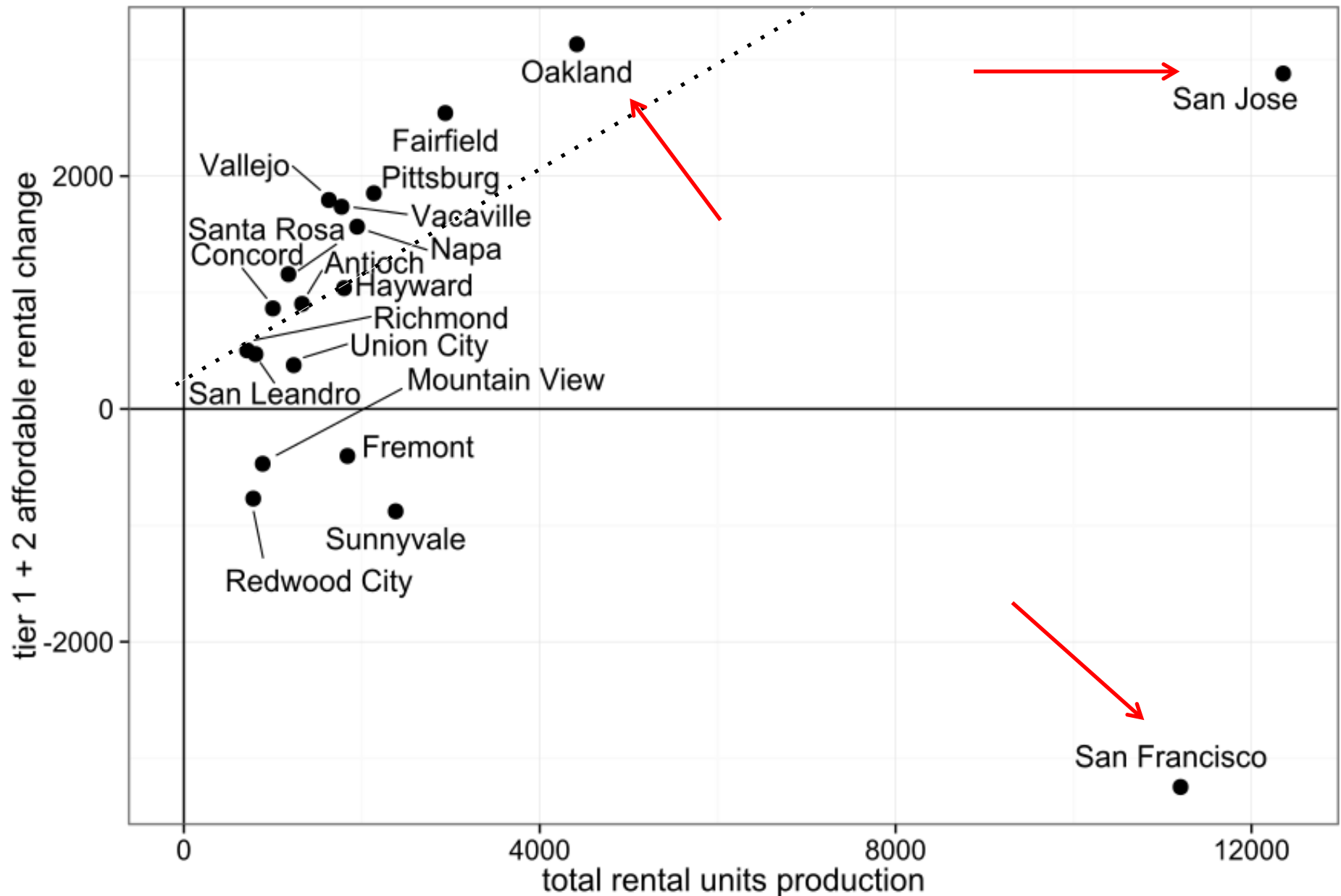
More Total Housing ≠ More Affordable Housing



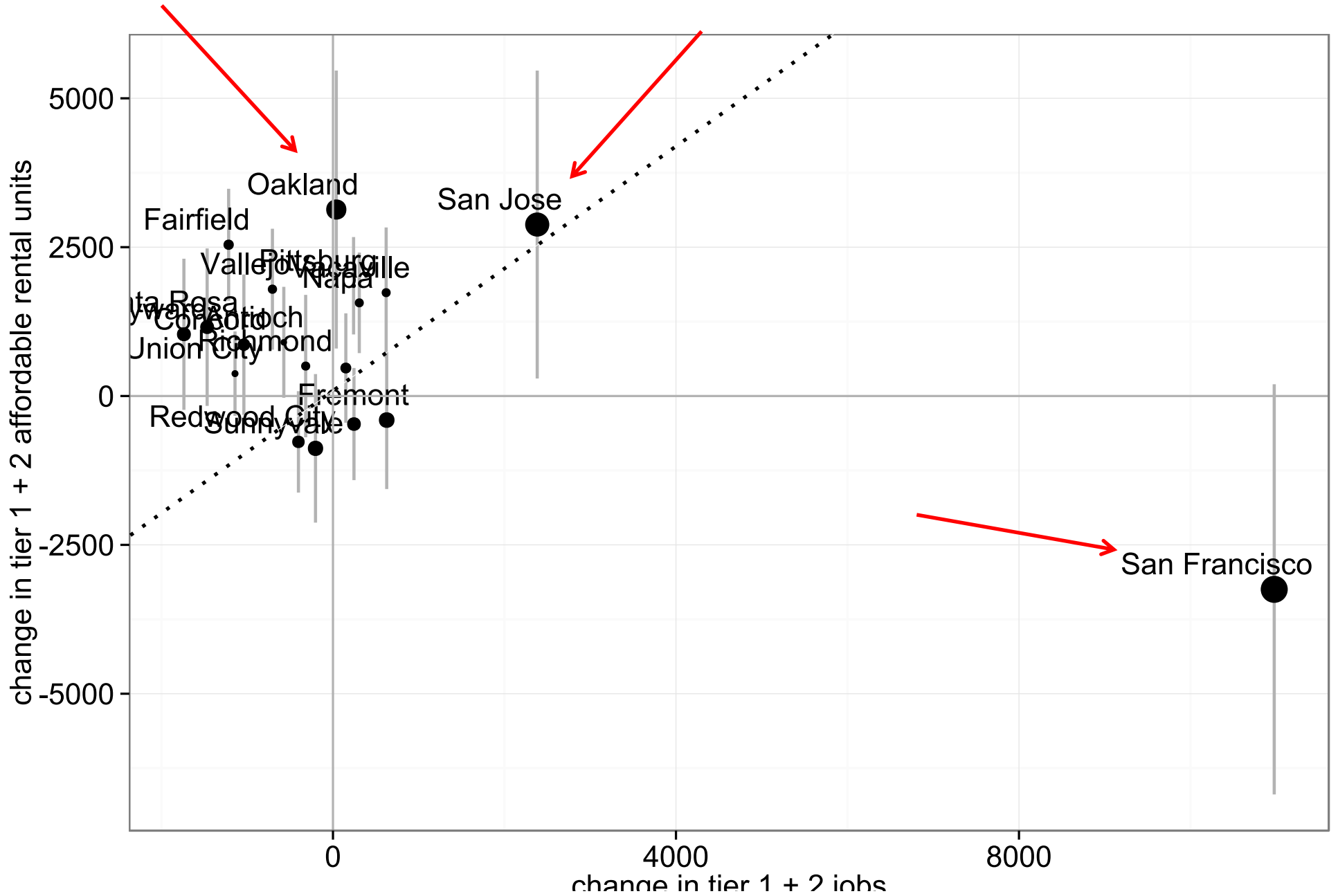
More *Total* Housing \neq More Affordable Housing



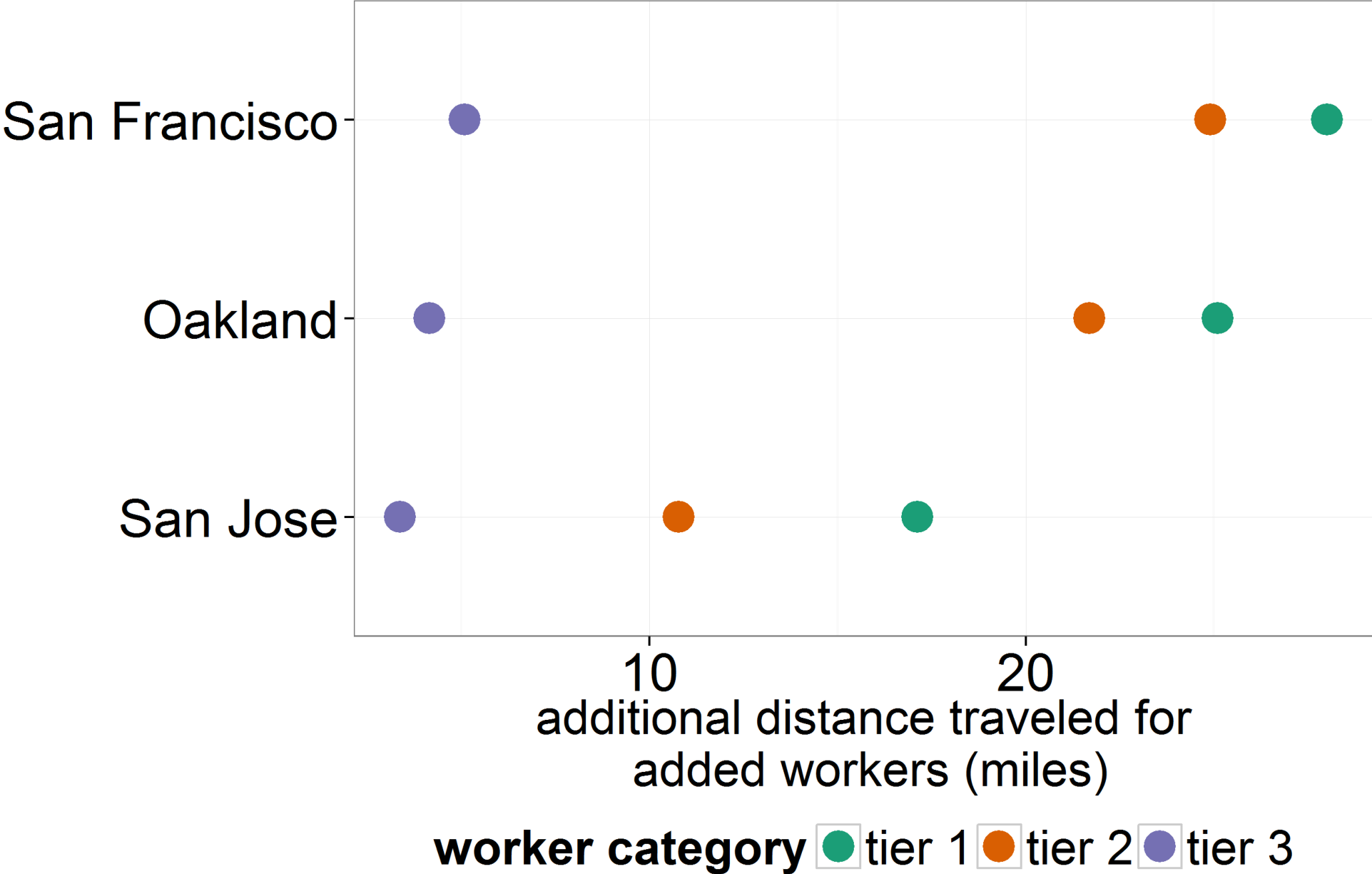
More Rentals ≠ More Affordable Rentals



SF Affordable Rentals Not Keeping Up With Low Wage Jobs



New workers, especially low wage, are traveling farther



Key Points

- Very poor low-wage jobs-housing fit through much of the region
- Evidence that poor fit is related to increased VMT
- No consistent relationship between high-wage and low-wage jobs across jurisdictions, but associated housing demand is regional
- Aggregate housing production hides disparities in affordability levels
- Particularly worrying preliminary evidence of long commute distance for *new* low-wage workers



PHOTO: PHILIPPE DESHAZES/REX/GETTY

A satellite night-time photograph of a city, likely San Jose, showing illuminated urban areas and roads. A blue dashed rectangular box is drawn over a portion of the city in the lower-left quadrant, highlighting a specific area of interest.

Housing, Jobs & Regionalism

New Partners for Smart Growth Conference

February 11, 2016

Portland, Oregon

Wayne Chen
City of San Jose

























SJ World's 6th Least Affordable Market

1	Hong Kong	19.0
2	Sydney	12.2
3	Vancouver	10.8
4	Melbourne	9.7
5	Auckland	9.7
6	San Jose	9.7
7	Bournemouth & Dorsett	9.6
8	Santa Cruz	9.6
9	San Francisco	9.4
10	Tweeds Heads	9.3

Housing Costs & Minimum Incomes

Ownership	Median Price	Minimum Income
	\$465,000	\$109,000 <i>\$91,000 Down</i>
	\$825,000	\$160,000 <i>\$170,000 Down</i>
Rental	Average Rent	Minimum Income
Studio	\$1,779	\$71,160
	\$2,209	\$88,360
	\$2,750	\$110,000
	\$3,275	\$131,000

Silicon Valley's Divided Workforce



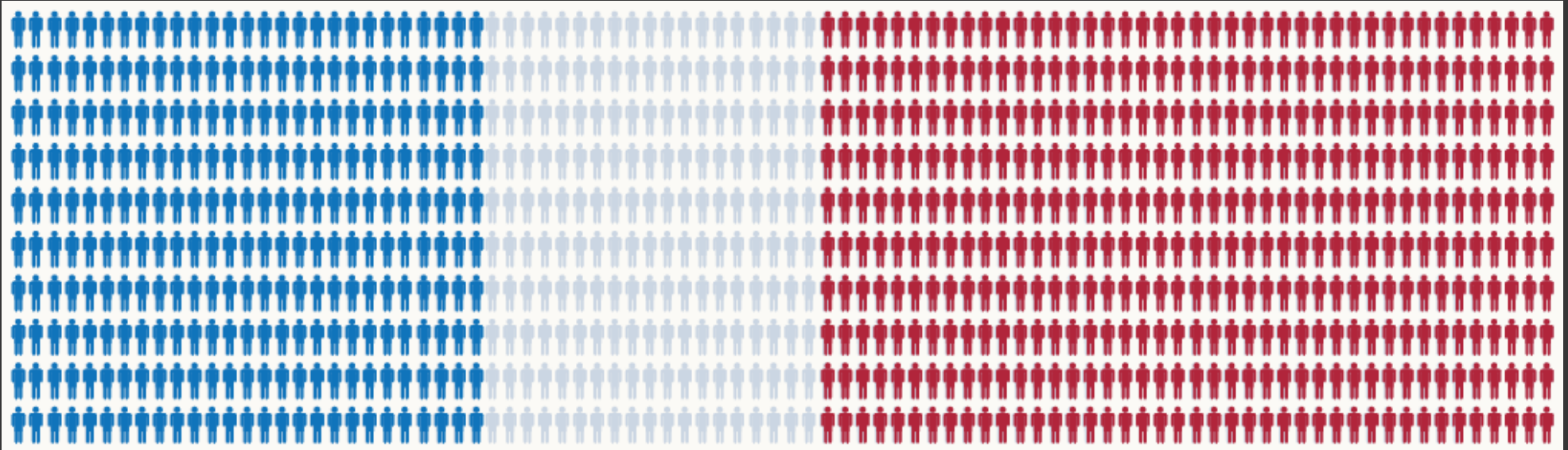
= 1,000 workers

% of Workforce: 31%

Median Income: \$84,600 to \$144,000

% of Workforce: 46%

Median Income: \$19,700 to \$55,700



Occupations:

- Management
- Computer & Mathematical
- Architectural & Engineering
- Business & Financial Operations

Occupations:

- Office, Education, Training, & Library
- Office & Administrative Support
- Production
- Transportation & Material Moving
- Sales & Related Occupations
- Food Preparation & Serving-Related

30%

region's population that does not
make enough money to meet basic
needs without public assistance

Range of Need Not Addressed

	Very Low	Low	Moderate	Market
Campbell	16%	246%	42%	36%
Cupertino	11%	14%	24%	172%
Gilroy	9%	31%	19%	129%
Los Altos	22%	8%	14%	789%
Los Altos Hills	93%	53%	23%	362%
Los Gatos	1%	41%	4%	97%
Milpitas	49%	26%	60%	598%
Monte Sereno	46%	122%	27%	125%
Morgan Hill	31%	40%	15%	205%
Mountain View	37%	2%	1%	155%
Palo Alto	23%	2%	20%	78%
San Jose	23%	20%	2%	85%
Santa Clara	30%	9%	16%	148%
Saratoga	0%	19%	6%	35%
Sunnyvale	41%	56%	152%	95%
Santa Clara County	17%	206%	72%	91%
Total	26%	27%	21%	120%



Steve, Shop Technician & Metalworker

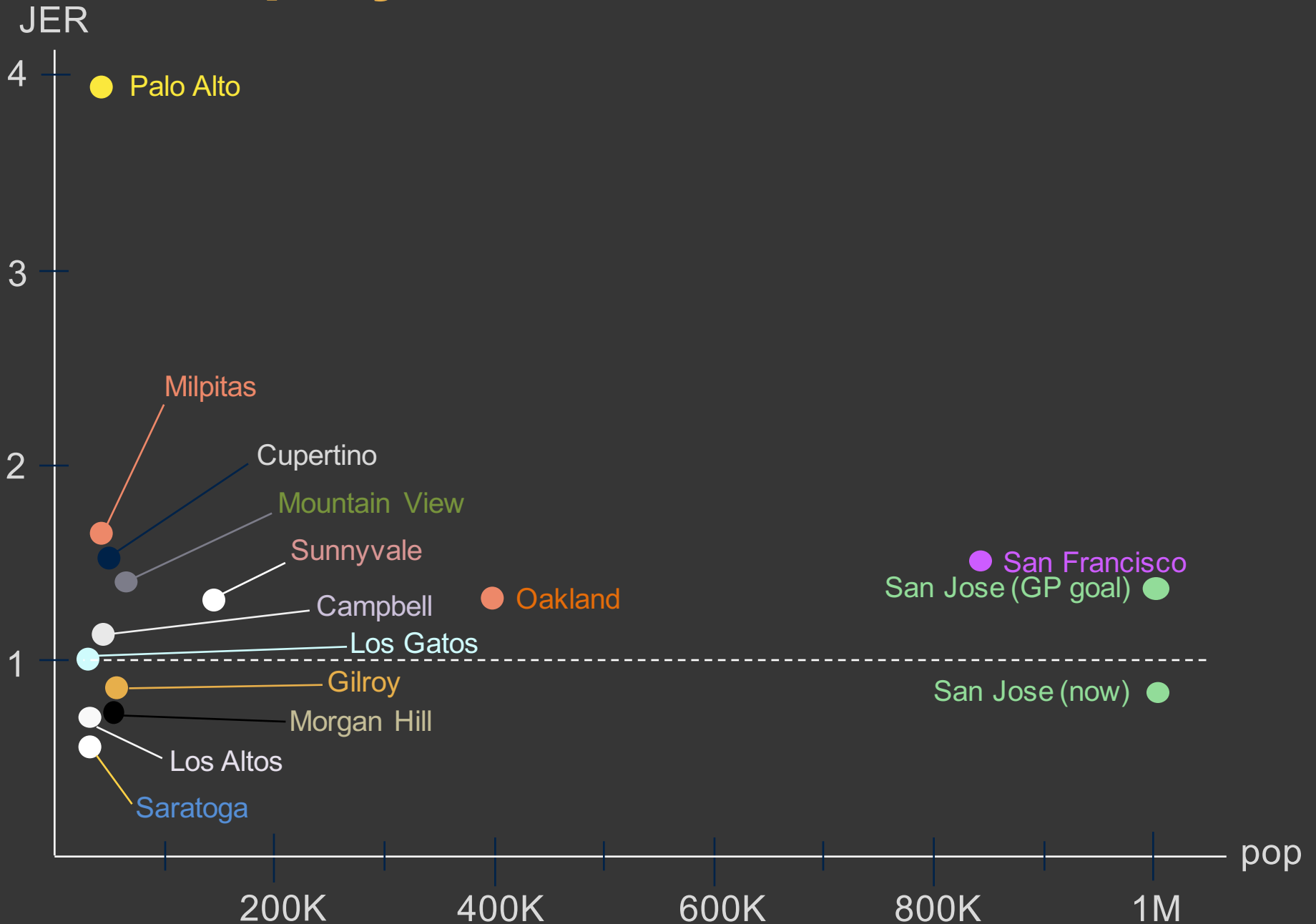


Robert, Artist & Former Machinist



Monica, Food Concessions

Jobs-Employed Resident Balance



Data source: US Census Longitudinal Employer-Household Dynamics; CA Department of Finance

Some Common Remarks

1. “Restrictive land use policies drive up the cost of housing.”
2. “The main problem is supply. The market will take care of the problem itself if you let it.”
 1. “If you can’t afford to live here, leave.”
 1. “Housing doesn’t pay for itself.”

Unpacking the Remarks

1. “Restrictive land use policies drive up the cost of housing.”
 - False choice. Land use policies need to consider and balance multiple public purposes, such as environmental sustainability as well as housing affordability. We can and must do both.
 - Land use policies do not necessarily drive up the cost of housing. Developers should already be pricing housing at the top.

Unpacking the Remarks

2. “The main problem is supply. The market will take care of the problem itself if you let it.”

- Would developers and the capital market actually allow so much housing supply to hit the market as to drop market prices by 50%?
- Would existing residents actually allow so much housing supply to hit the market as to drive their housing values down 50%?

Unpacking the Remarks

3. “If you can’t afford to live here, leave.”

- Does this dignify a reply?

- A resilient local and regional economy depends on the full range of employment to support it.

- If the low-income worker leaves, the low-income *job still* remains to be filled by someone else who will earn that low wage.

Unpacking the Remarks

4. “Housing doesn’t pay for itself.”

- Sprawl doesn’t pay for itself.

- Retail creates mostly low-wage jobs.

- Affordable housing does not pay property tax in CA because it is considered a public purpose. Yields substantial net benefits indirectly through costs savings, household stability, and increased social capital.

Challenges

- This stuff is complicated
- A little economics can be a dangerous thing
- Labor market disconnected from housing market
- Not part of market logic to respond to spectrum
- Fiscalization of land use
- Barriers to interjurisdictional coordination
- NIMBYism
- Equity not a sufficiently, broadly prioritized value
- Why care about other people's problems?

What We Need to Do

- Cities need to figure out how to work together
- Collaborate w/other public agencies: transit, health
- New partnerships with private sector
- Link infrastructure funding to housing production
- Create space for conversations
- Face the reality that urbanization requires re-examination of conventional wisdom
- Get better about talking about our shared future
- Barriers are ideological, structural

We can't shy away from
the hard questions

What should the future
look like?

Who is it for?

Who will share
responsibility for getting
there?

An aerial night photograph of a city, likely San Jose, showing illuminated urban areas and roads. A blue dashed rectangular box is drawn over a portion of the city in the lower-left quadrant, highlighting a specific area of interest.

Housing, Jobs & Regionalism

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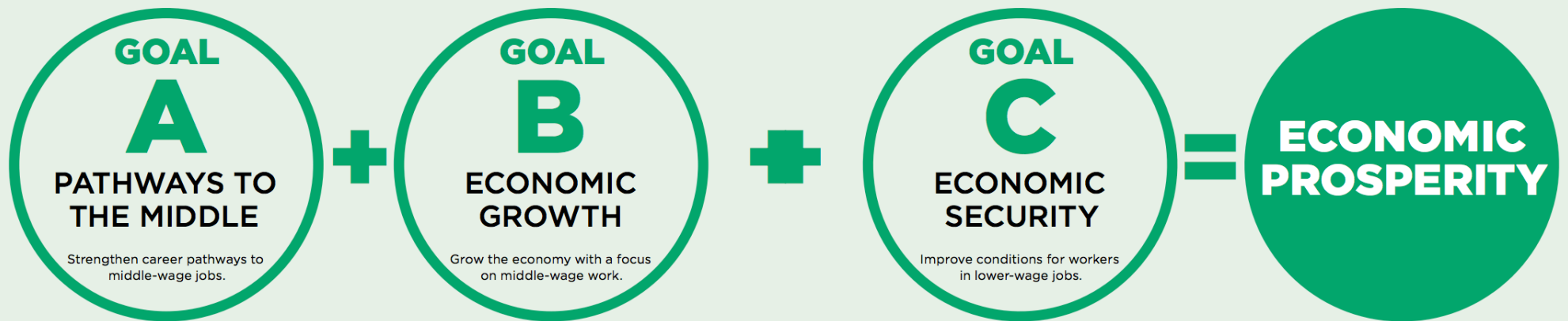


Planning for Good Jobs

***New Partners for Smart Growth
Conference
February 11, 2016***

***Belén Seara
San Mateo County Union Community Alliance***

To achieve economic prosperity, we have to balance pathways to the middle, economic growth and economic security.

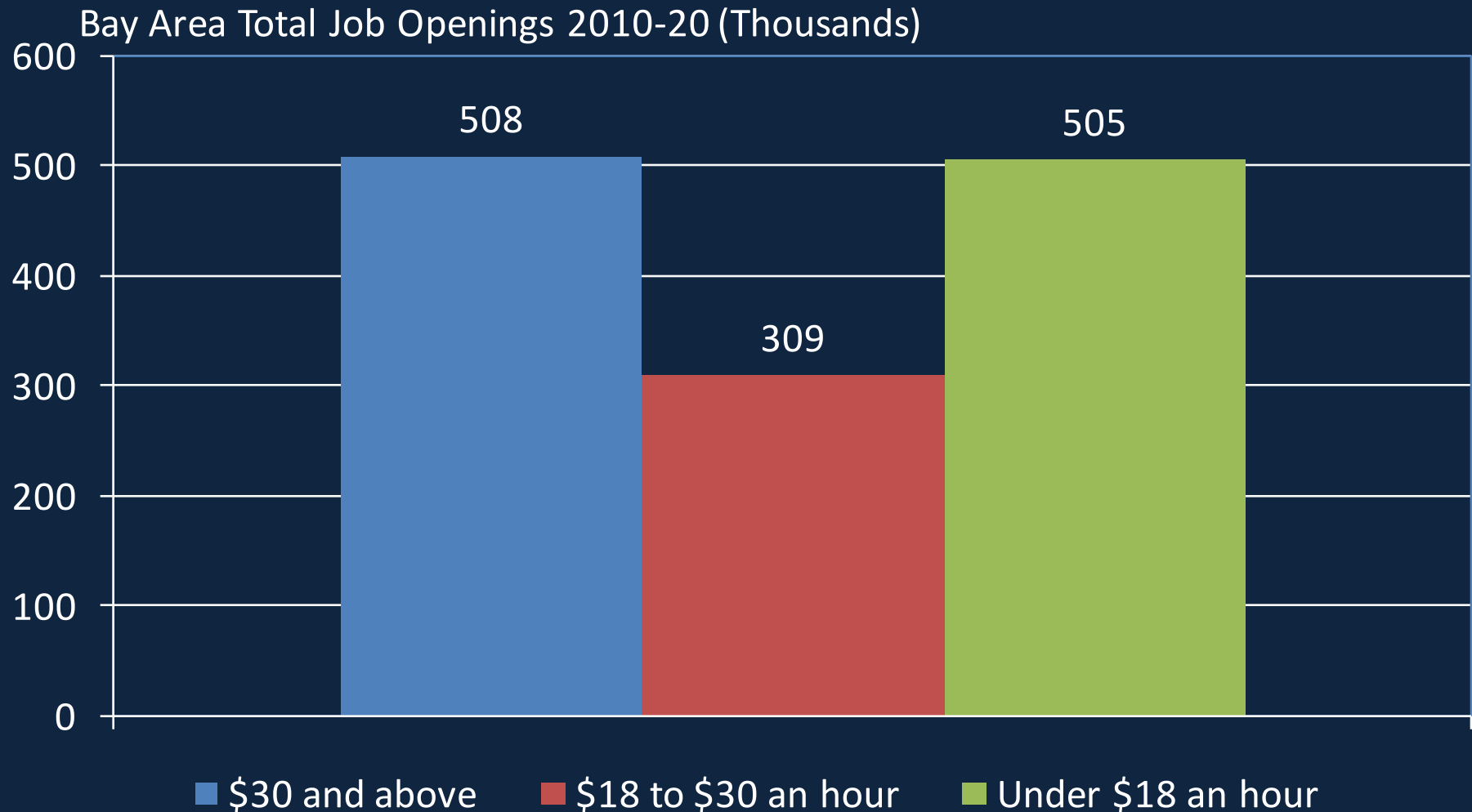


Over 1.1 million workers in the Bay Area earn less than \$18 per hour.

	2010	Share of total workforce
\$30 and above	1,196,090	38%
\$18 to \$30 an hour	850,210	27%
Under \$18 an hour	1,126,860	36%
Total	3,173,160	

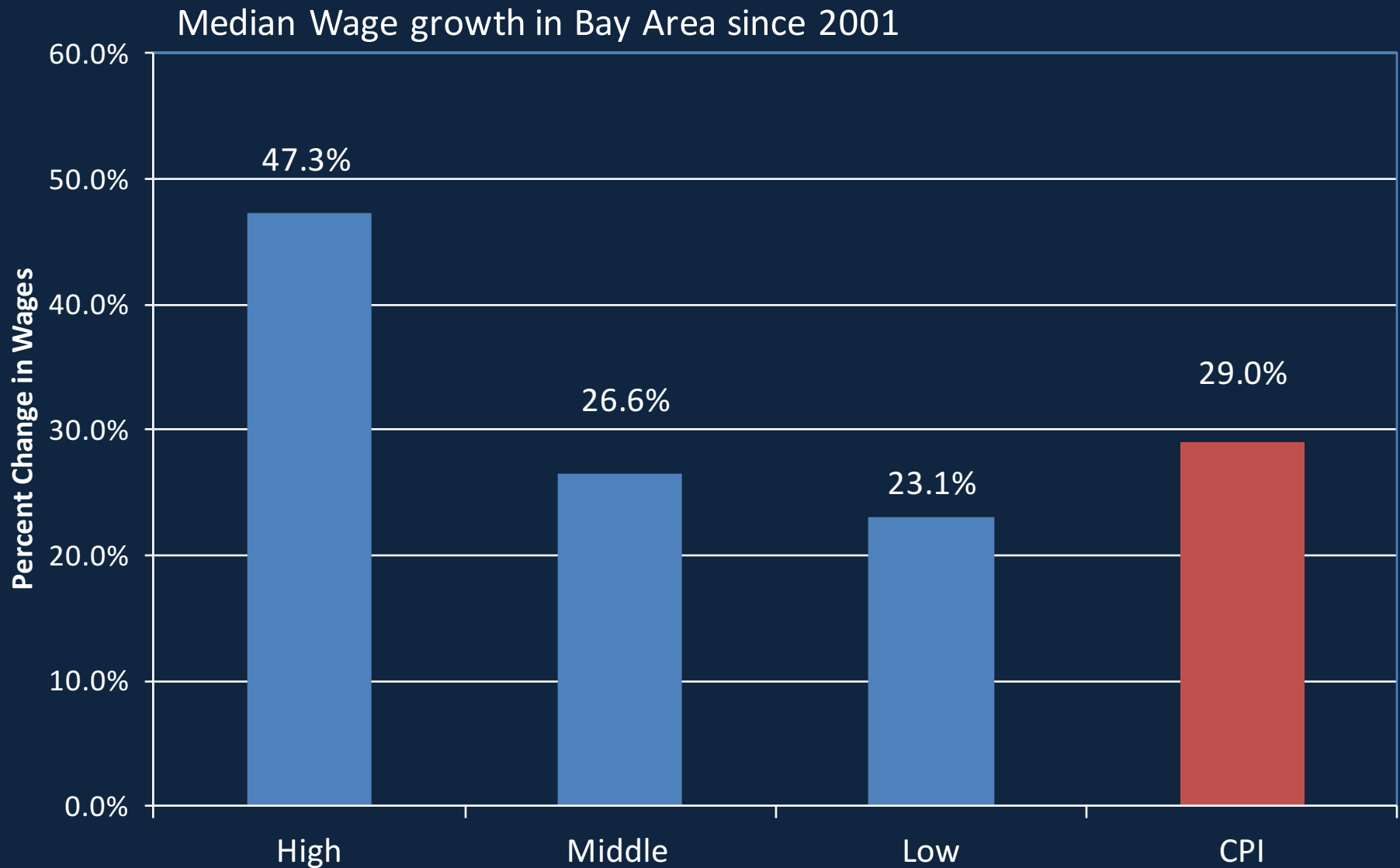
Source: 5-year 2011 American Community Survey (PUMS data)

There are 30,000 annual middle wage openings (growth + replacement).



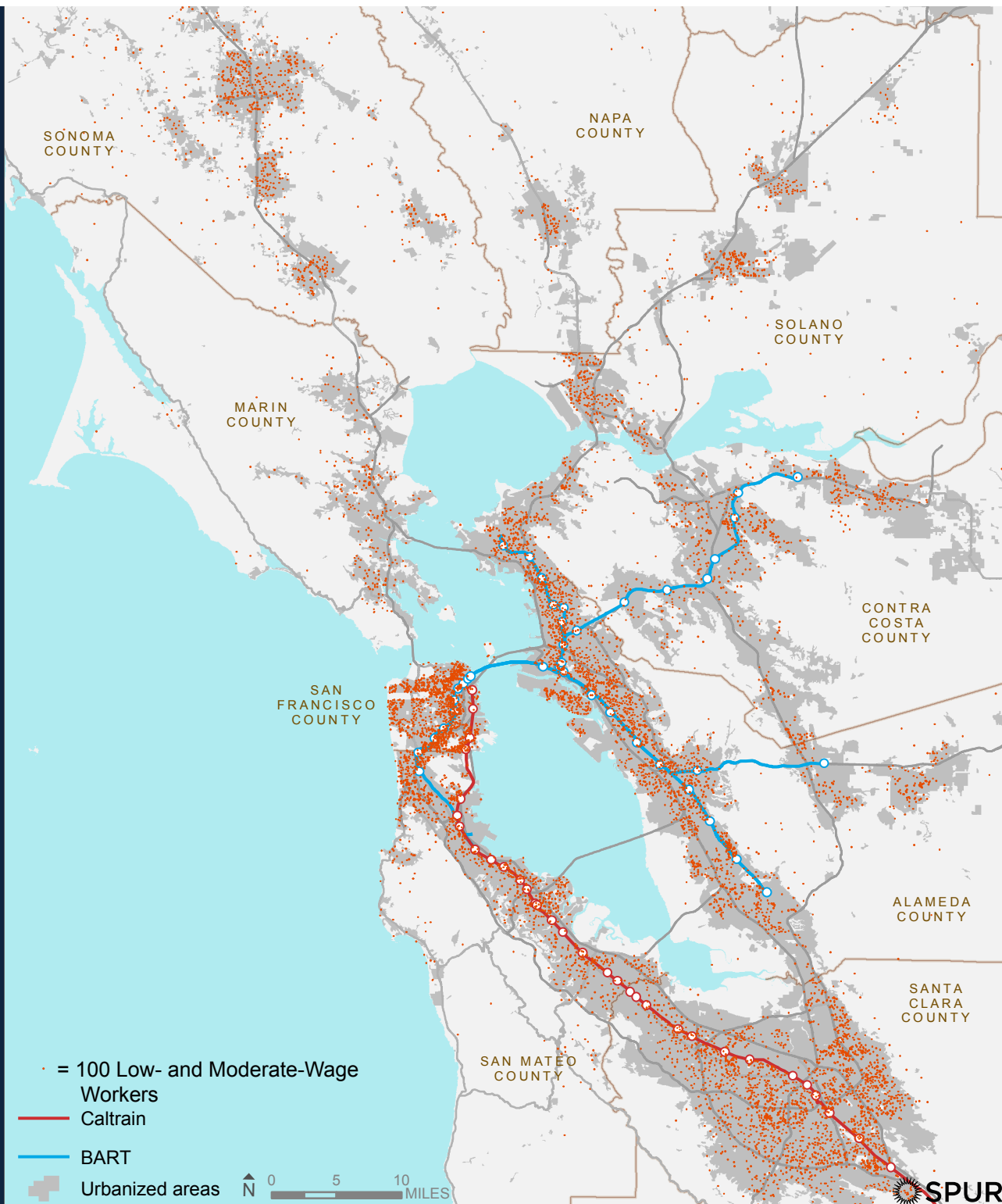
...the majority of the opportunities come from **replacement jobs**, not job growth

Wages at the middle and bottom are growing slower than inflation.

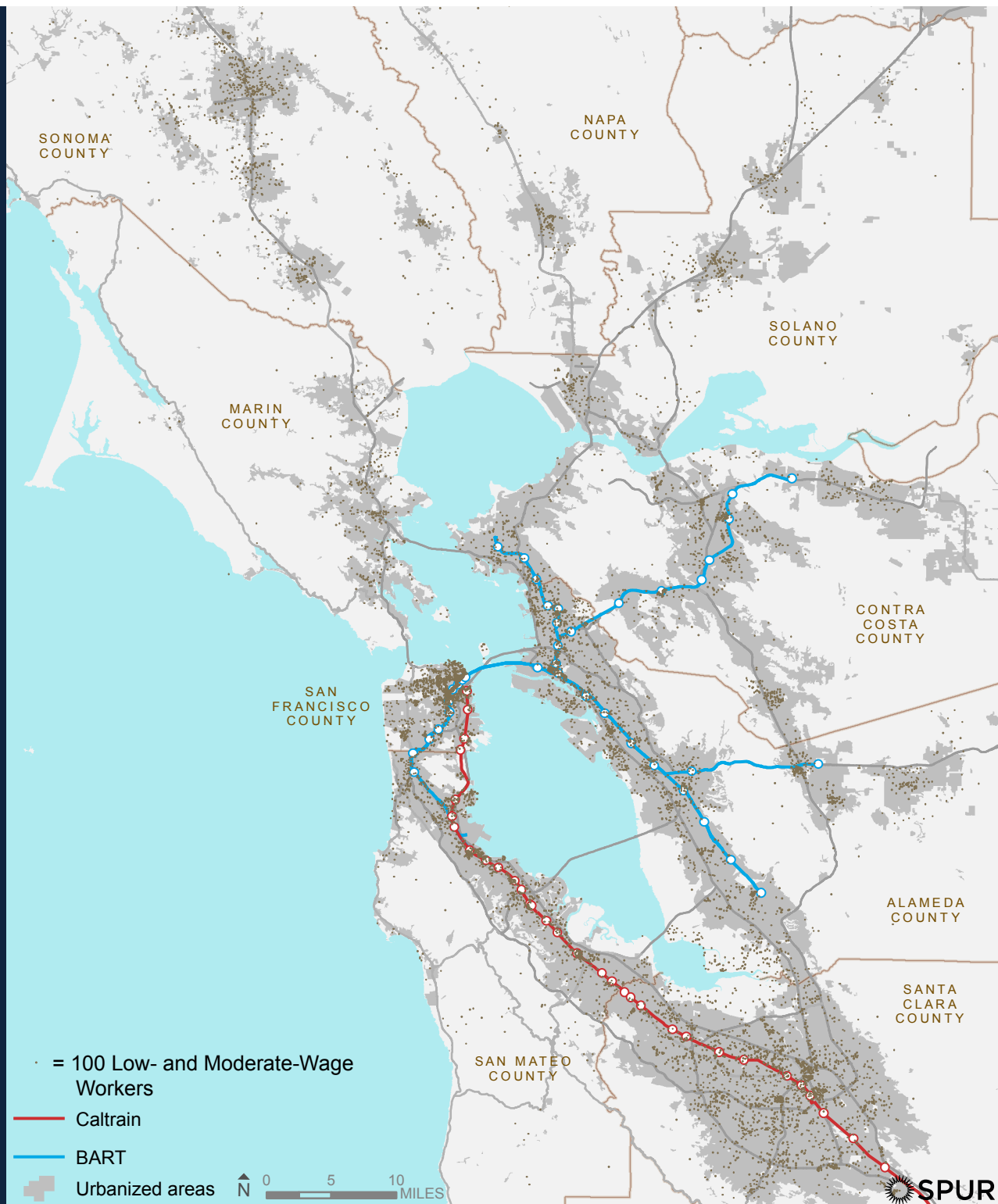


Lower wage workers live and work everywhere.

So increasing economic opportunity is a region-wide priority.



Lower wage jobs are located everywhere (and where higher-wage jobs are).



work²future
opportunity • jobs • success



**East Bay
Economic Development Alliance**

www.eastbayeda.org



SAMCEDA
San Mateo County Economic Development Association

SVEDA

nova

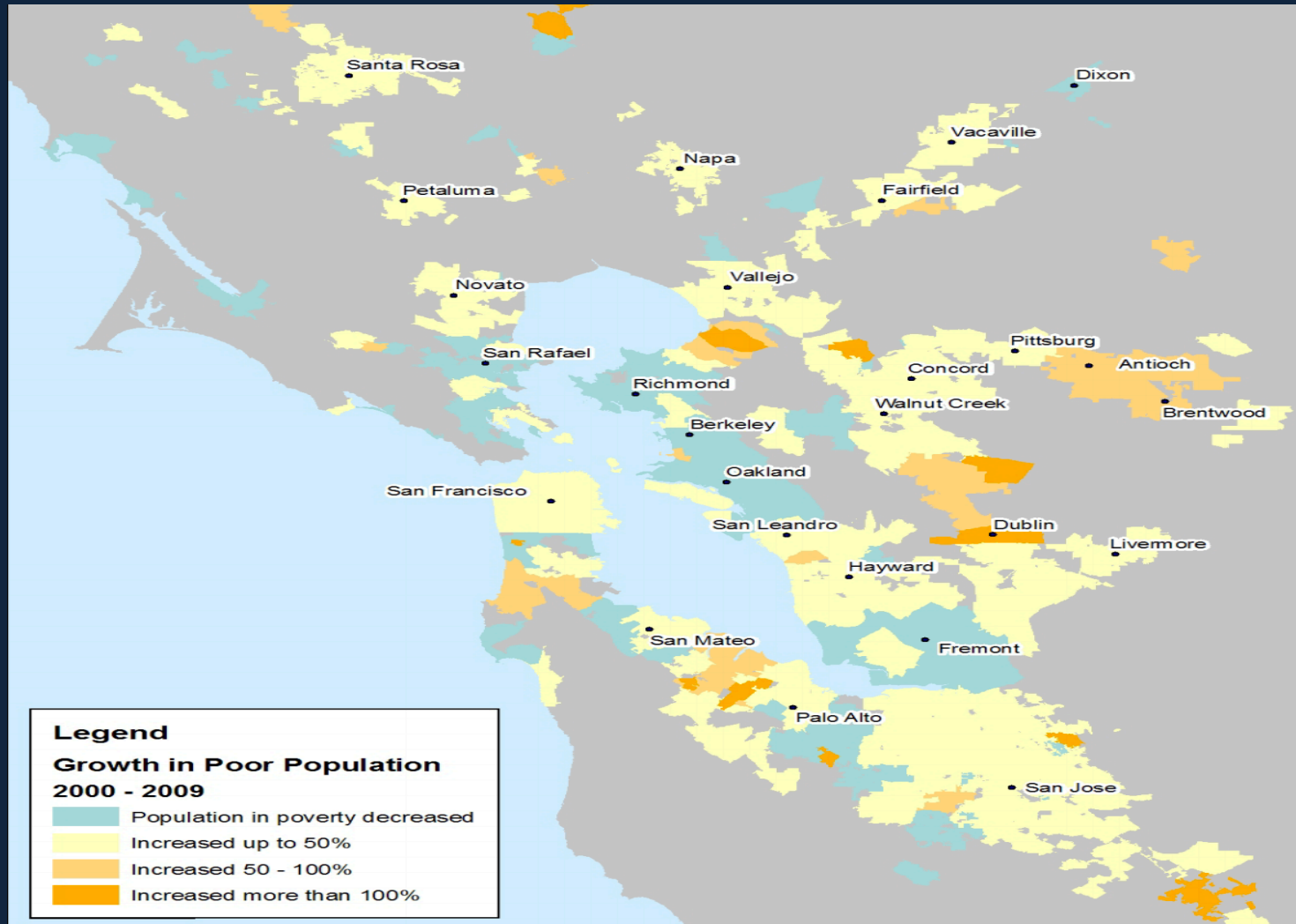
WORKFORCE
DEVELOPMENT


SILICON VALLEY ECONOMIC
DEVELOPMENT ALLIANCE

Workforce Alameda County
INVESTMENT BOARD



Suburbanization of Poverty



An aerial photograph of a busy port facility. In the foreground, several large white gantry cranes are positioned over a ship's deck. The cranes have "PORT OF OAKLAND" written on their sides. To the left, a vast area is filled with stacks of colorful shipping containers in various colors like red, blue, and yellow. In the background, a city skyline is visible under a cloudy sky. The water of the harbor is on the right side of the image.

Grow the economy, with
an emphasis on middle-wage jobs

Develop land use plans that support transit-oriented jobs, industrial uses and housing.



Focus economic development resources on industries of opportunity, business formation and expansion and policy coordination among jurisdictions.



Improve pathways to the middle



Photo of an apprentice readiness program in proper use of harnesses.

Goal: Upgrade conditions in existing lower-wage jobs with an emphasis on increasing workers' economic security.



Establish standards to ensure that investment of public dollars is aligned with the goal of economic opportunity.



Oakland Army Base



Grand Boulevard Initiative

People Friendly Places





IP BayArea **Plan**

New Partners for Smart Growth, Portland OR, 2016

The Challenge:
**Integrated Planning for Jobs,
Housing and Transportation**

Transportation Key Challenges and Opportunities



Source: treehugger.com/urban-design/



Housing and Transportation **Key Challenges and** **Opportunities**



Plan Bay Area

- **Blueprint for regional growth and investments**
- **Coordinated land use and transportation plan**
 - **Required to reduce GHG emissions**
 - **Required to house future growth within region**
 - **Any other regional goal . . .**



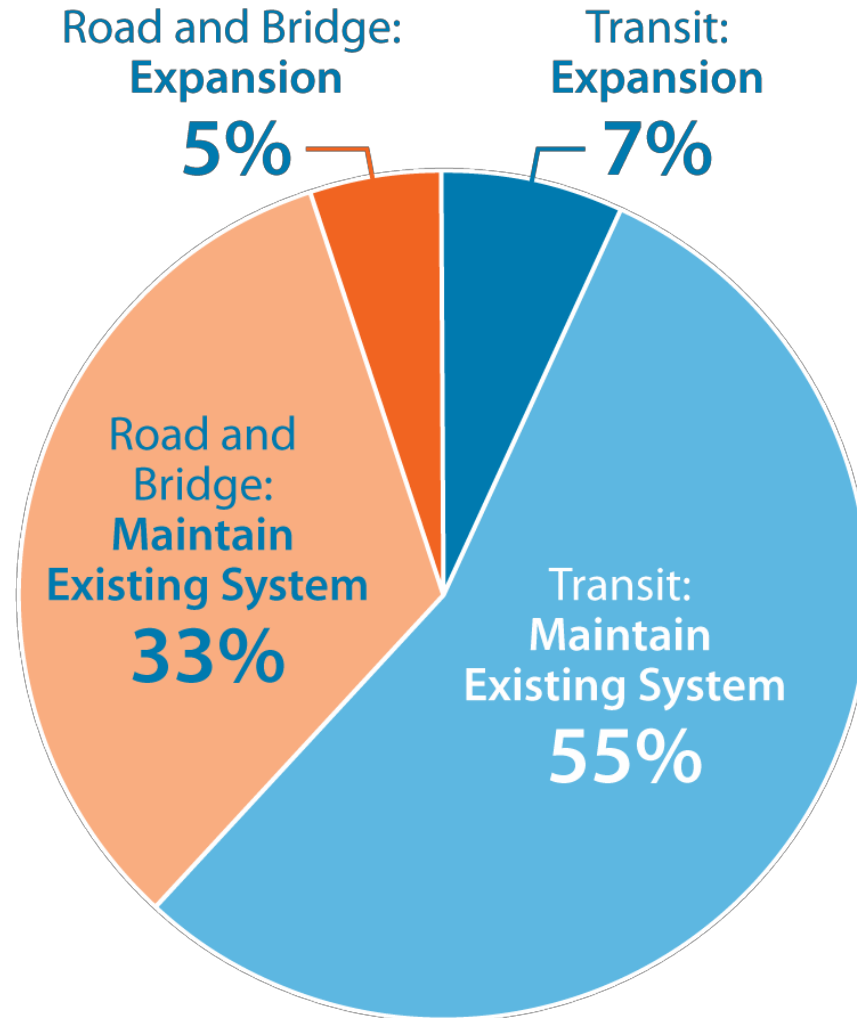
Future Growth Strategy

- Prioritizing infill and transit-accessible development
- Focusing on using existing infrastructure
- Protecting open space and other natural resources
- Creating new tools for infrastructure financing
- Mitigating impacts on disadvantaged communities



Plan Bay Area Investments

\$289 billion over 25 years



Transit-Oriented Affordable Housing

- \$50 million Revolving Loan Fund
- Projects must be transit-accessible or in PDAs
- Supports affordable and mixed income housing



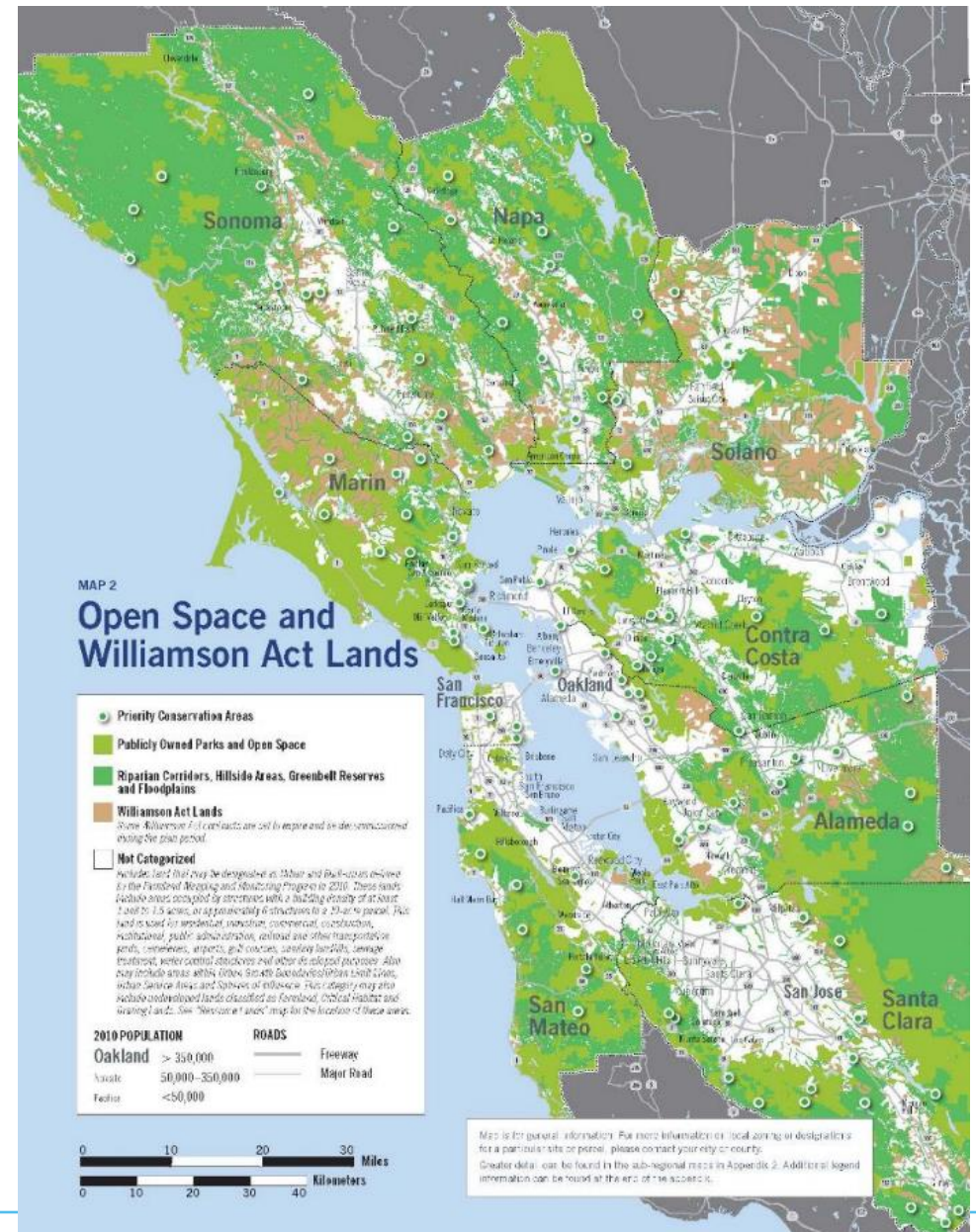
Eddy + Taylor Family Housing project in San Francisco

One Bay Area Grant Program

- Incentives to build housing near transit
 - Planning grants
 - Infrastructure investments

- Regional framework
 - Priority Development Areas
 - Priority Conservation Areas

- Supportive regional policies and programs
 - Resolution 3434
 - Performance targets



PDA Planning Grant Program

- Grants for PDA plans and growth strategies
- Technical assistance (for e.g., on parking policies)



Other Regional Programs

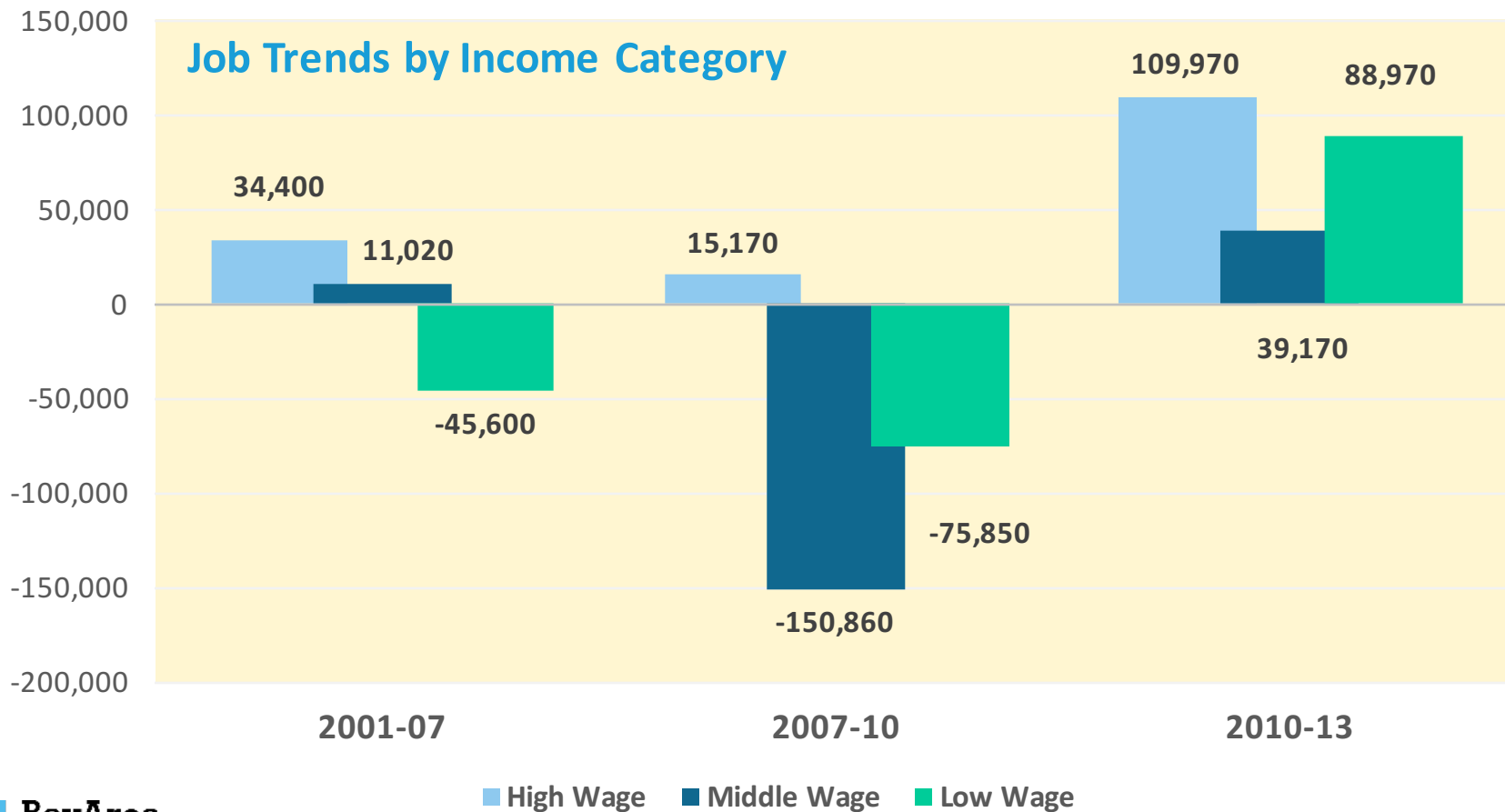
- **Community-Based Transportation Plans**
- **Mobility Management and Lifeline Transportation**
- **Means-Based Transit Fare**
- **Regional Goods Movement**
- **Active Transportation and Bike-Share**
- **Climate Adaptation**



Jobs, Housing and Transportation
Key Challenges and
Opportunities

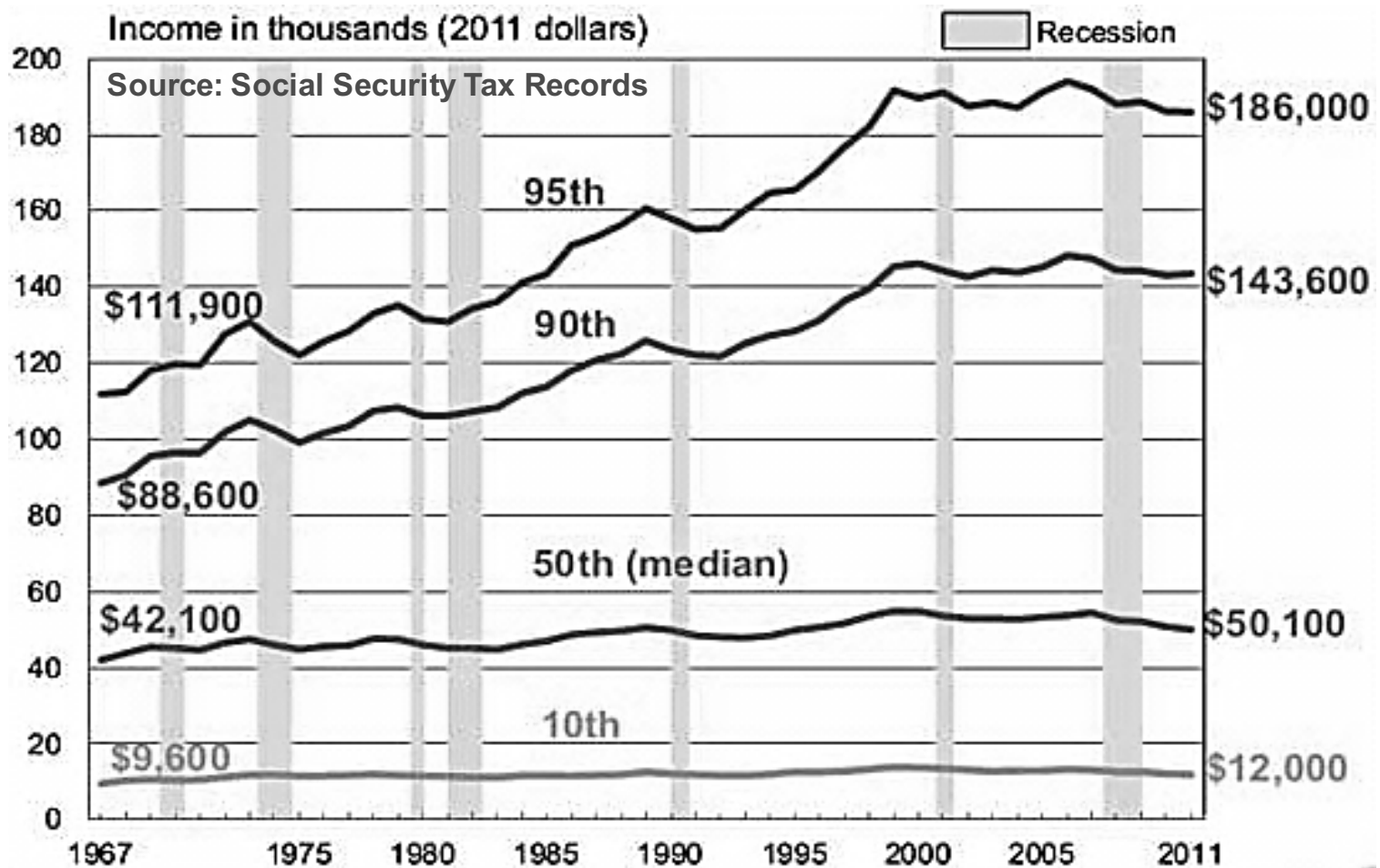
Challenges

- **Loss of middle-wage jobs is accelerating**
Higher proportion of lower-wage jobs added during the recovery



Challenges

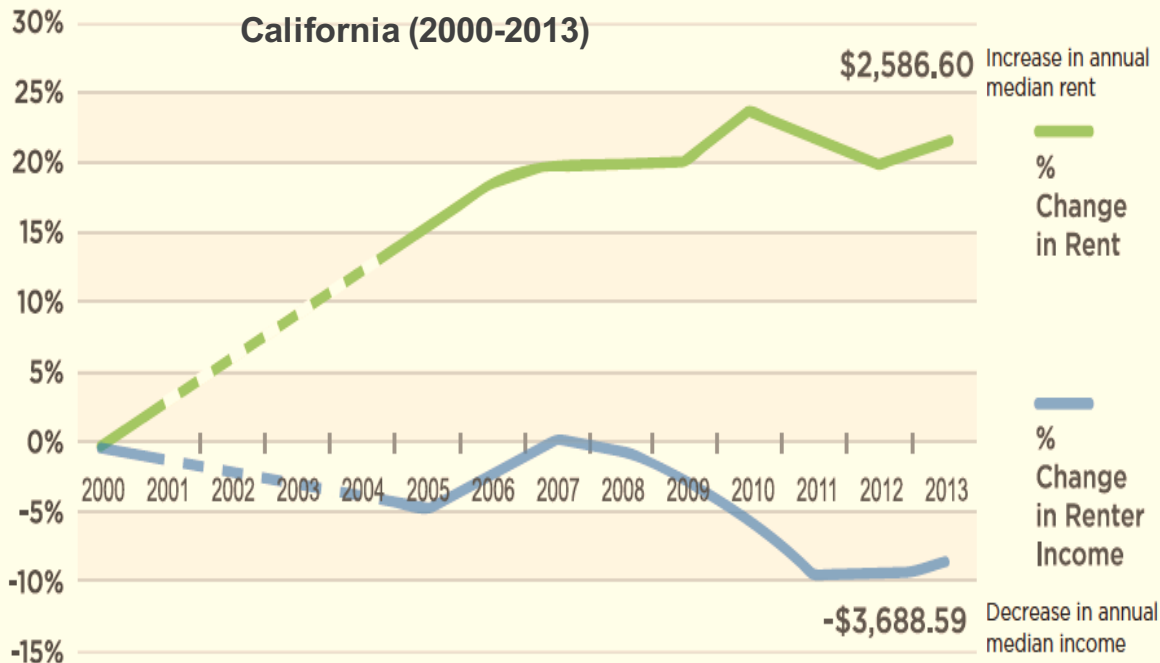
- Real wages for lower-wage workers have stagnated
Least gains for middle- and low-wage workers for over 50 years



Challenges

- Housing cost risen much faster than median wage**
 Majority of lower-income residents severely rent burdened. Burden on renters worse than on owners.

CHANGE IN INFLATION ADJUSTED MEDIAN RENT AND RENTER INCOME 2000-2013



Source: CHPC analysis of 2000-2013 of Census and ACS data. Median income and rent from 2001-2004 are an estimated trend.

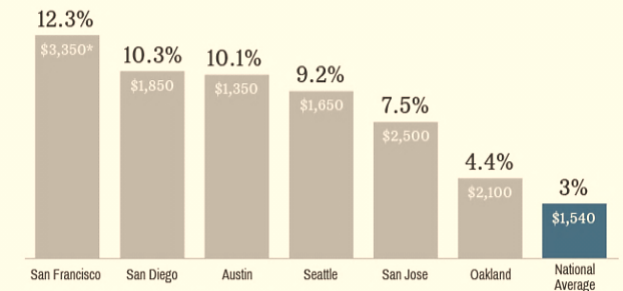
Tech workers squeezing out renters in San Francisco, Seattle

By Les Christie @CNNMoney February 7, 2014: 9:36 AM ET

Recommend 1.3k

Twitter Facebook Google+ Print

Annual rent increases in major tech cities



*NOTE: (JANUARY 2014 MEDIAN RENT PER MONTH FOR A 2-BEDROOM)

SOURCE: TRULIA

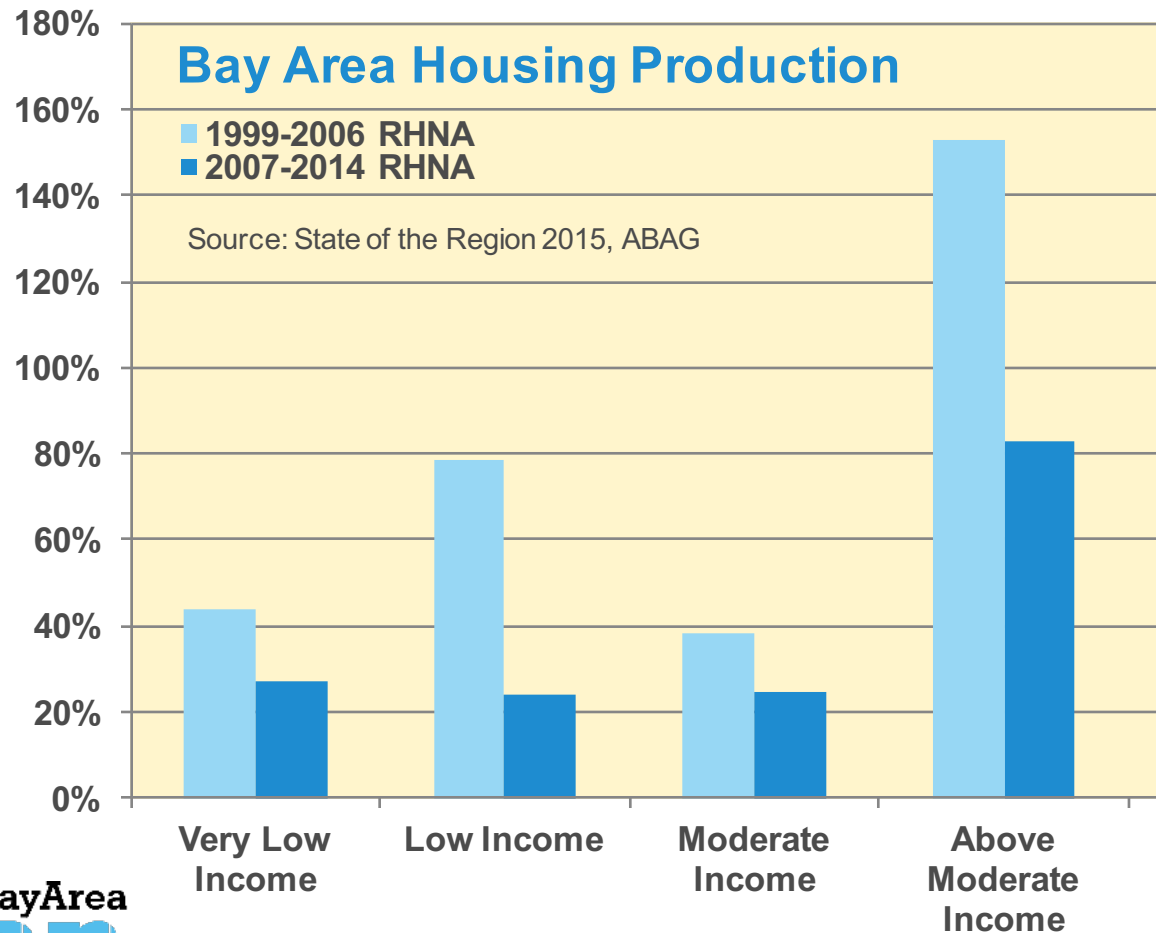
NEW YORK (CNNMoney)

Low- and middle-income residents of San Francisco, Oakland, Seattle and other metro areas, are getting pushed out of their homes as an influx of deep pocketed tech workers drive up rents.

Rental rates for the 10 metro areas most dominated by tech companies rose by an average of 5.7% year-over-year through January, nearly twice the average 3% increase seen in the nation's 90 other largest cities, according to Trulia. Certain cities have seen far bigger hikes: rents in San Francisco rose by 12.3%, to a median of \$3,350 a month in January.

Challenges

- **Affordable housing production has lagged demand**
Cuts in state and federal funding a major contributor.



— **\$3.2 billion gap**
each year for the
next 25 years

Challenges

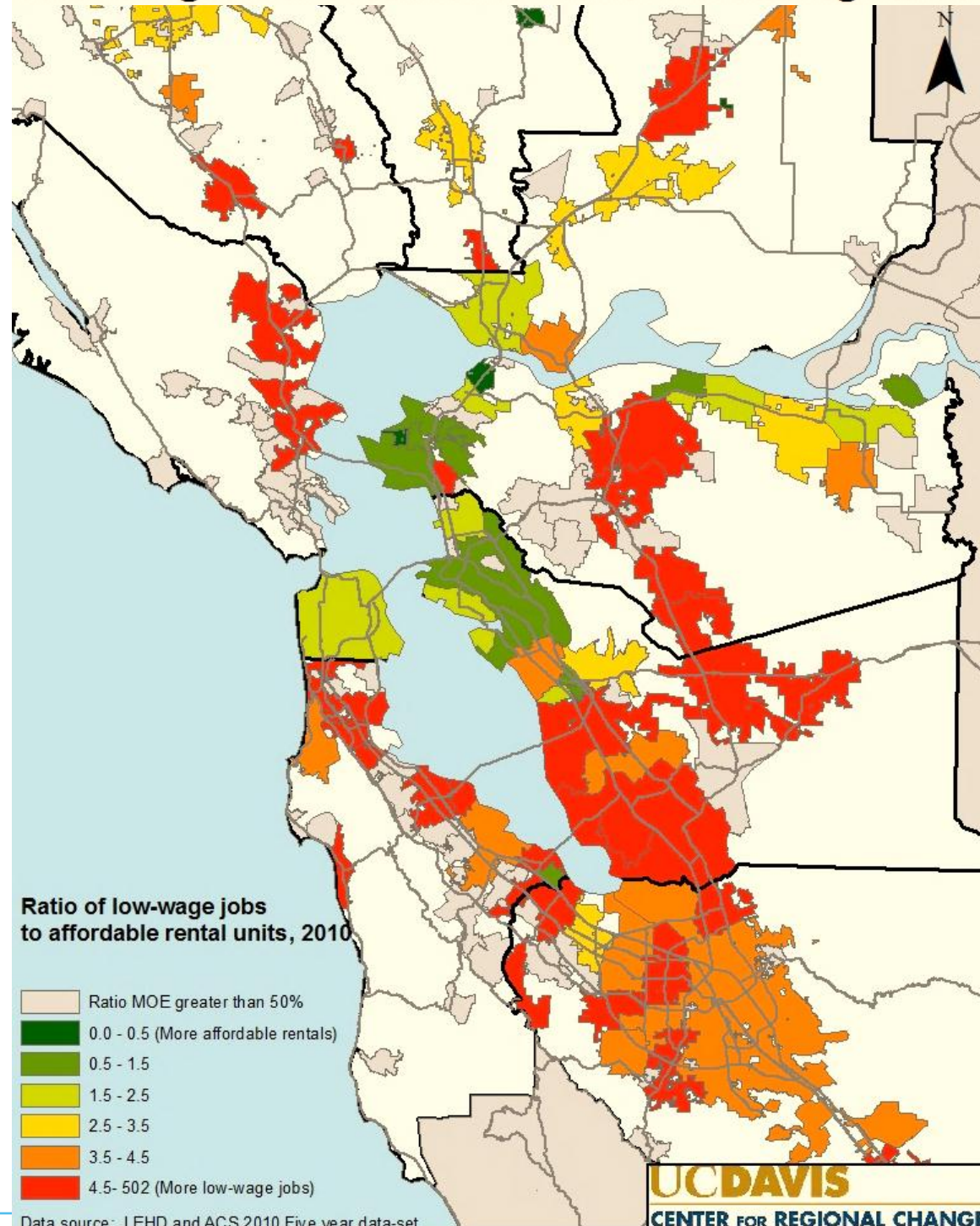
- Low-wage workers most at risk

Low-wage job growth
without housing affordable to
low-wage workers



Overcrowding, higher risk of
displacement or longer
commutes
for lower-income residents
near jobs and transit

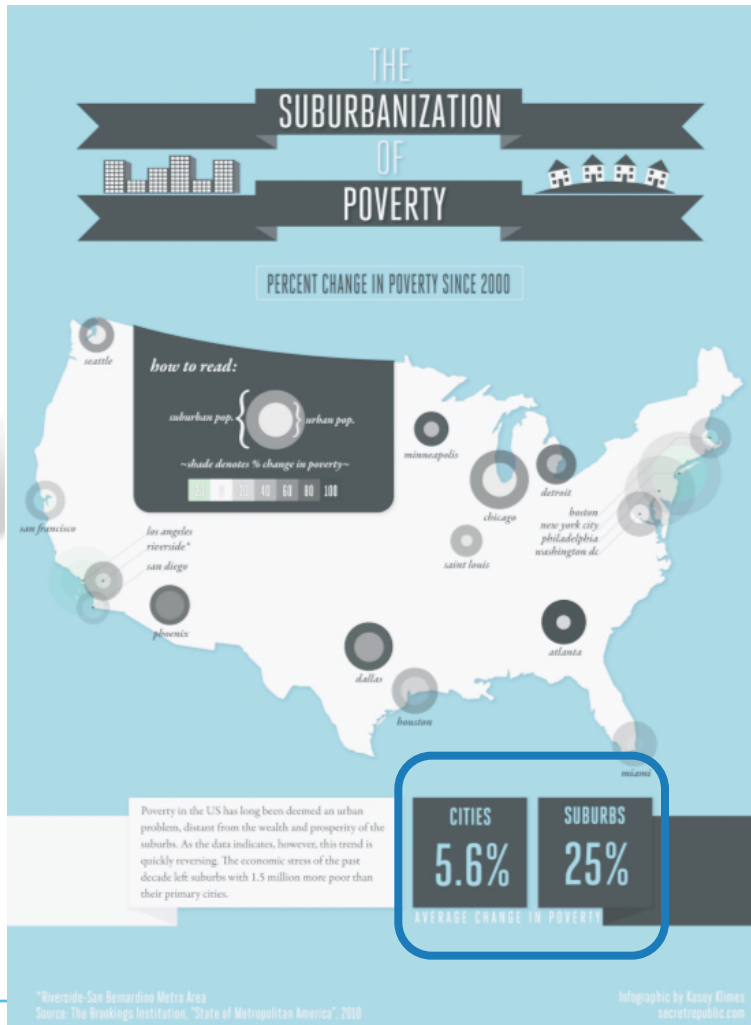
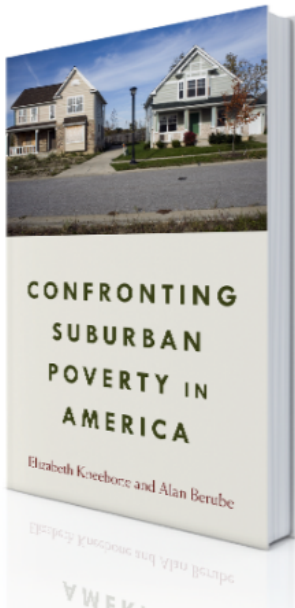
Low-Wage Jobs/Affordable Rental Housing Ratio



Data source: LEHD and ACS 2010 Five year data-set

Challenges

- Poverty is increasing most in the suburbs



“You want us to do what now?!”

What’s the appropriate role for a regional agency?



**METROPOLITAN
TRANSPORTATION
COMMISSION**



Association of Bay Area Governments

Serving the counties, cities and towns of the Bay Area since 1961



**BAY AREA AIR QUALITY
MANAGEMENT DISTRICT**

A HEALTHY BREATHING ENVIRONMENT FOR EVERY BAY AREA RESIDENT



San Francisco Bay
Conservation & Development
Commission

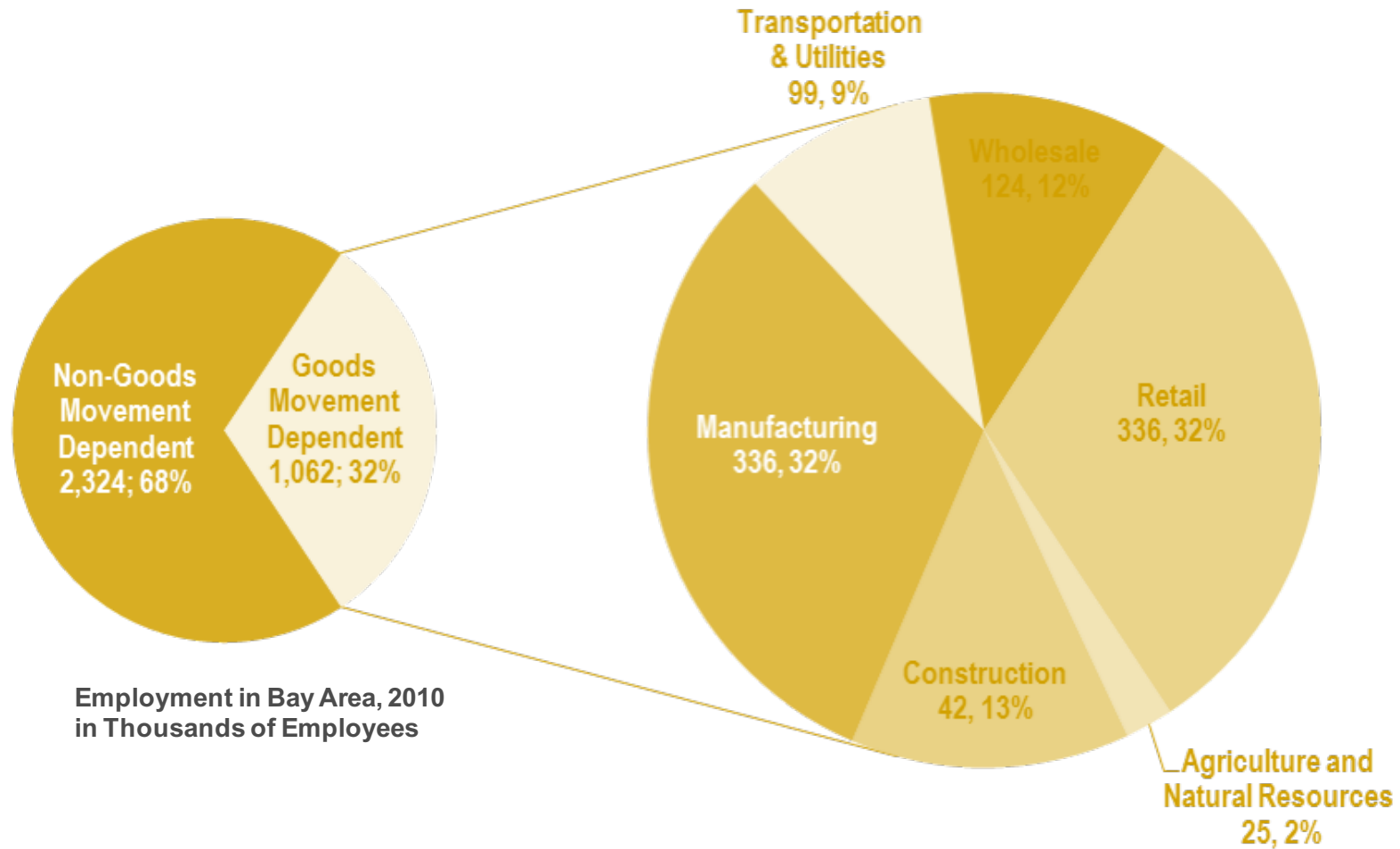
Northern Waterfront Economic Development Initiative

East Contra Costa County

- Industrial land revitalization (cleanup and remediation)
- Quality jobs for lower-income residents
- Reduce congestion, improved air quality
- Infrastructure investments and improvements
- Regional model . . .

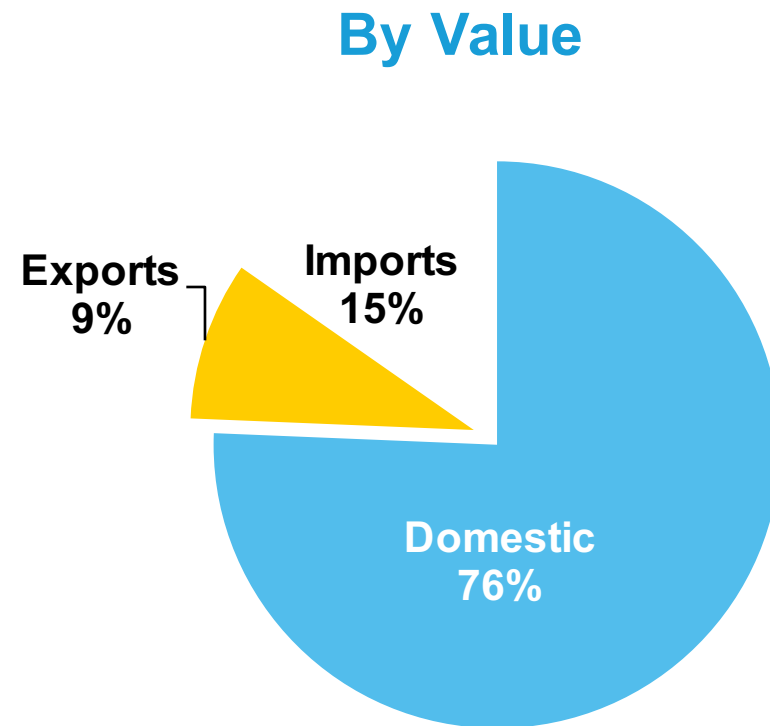
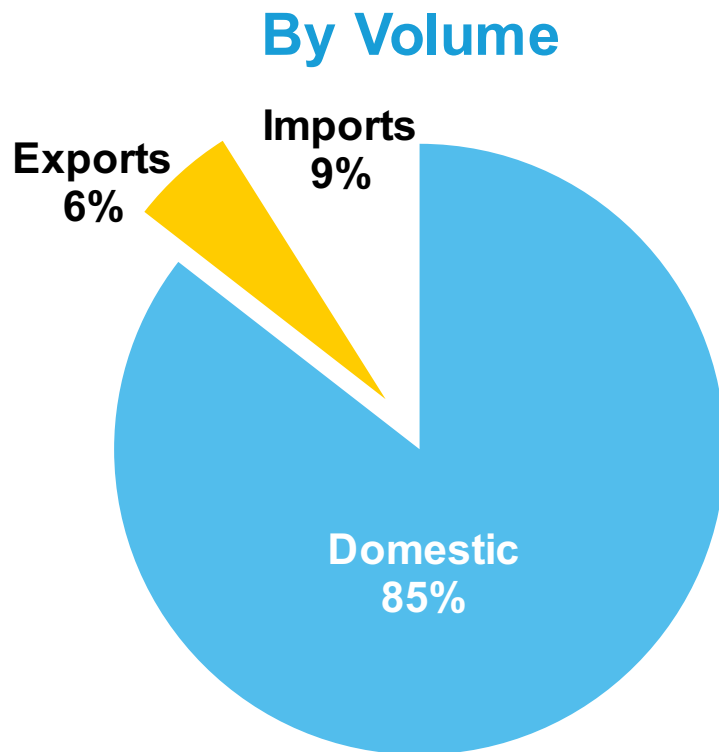


Goods Movement Dependent Industries in the Bay Area



Source: ABAG Plan Bay Area Economic Forecasts; factors from CCSCE and Cambridge Systematics Analysis.

Goods Movement Flows and Land Use Implications



Source: Cambridge Systematics FAF3 2012 Disaggregated Database

Plan Bay Area

- Reduce GHG emissions
- House future growth within region
- Grow middle-wage jobs (near transit)
- Build more affordable housing near transit
- Achieve a jobs-housing fit as well as balance



Tools for Achieving Jobs-Housing Fit and Avoiding Displacement in Smart Growth Areas

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