JOBS/HOUSING FIT AND THE EFFECTS ON BAY AREA HEALTH, EQUITY AND ENVIRONMENT

WHAT DO WE MEAN BY JOBS/HOUSING FIT (JHFIT)?

The economic recovery has seen the number of low-income jobs increase, with a net loss of middle-income jobs, and cities are not building homes for the largest growing segment of workers – those earning between $19,700 to $55,700 annually.
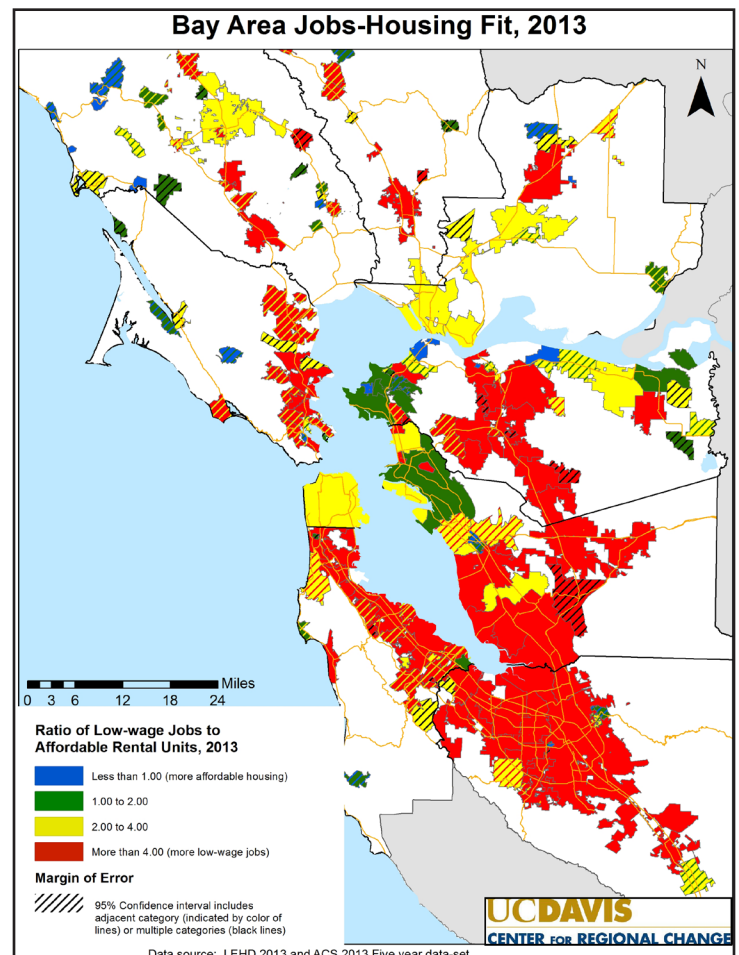
Historically, jurisdictions have planned for housing needs using a jobs housing balance, a 1:1 ratio comparing the number of jobs created to the number of homes needed. Data collected over the past several years has shown that this measurement is flawed, as 1 high-income job (let's say a computer engineer) creates the need for 3 or more low-income jobs (i.e. a shuttle-bus driver, coffee barista, janitor, etc.), which then creates the need for homes for all of these workers.

Jobs/Housing Fit (JHFit) is a newer metric that measures the imbalance between a city's total number of low-wage workers and the quantity of homes affordable to them. JHFit is a step in creating a more accurate picture of the jobs-housing connection and will better prepare jurisdictions for the number of homes needed across the income spectrum.

JHFit is an EQUITY issue. By growing jobs without planning for homes for low-income workers, most cities in our region are failing to create inclusive communities and forcing low-income workers to choose between paying a disproportionate percentage of their income on housing, living in substandard and/or overcrowded conditions in order to afford housing, or enduring long commutes (and incurring costs for transportation) in order to find affordable housing in areas further away from job centers.

Data has shown that a better JHFit reduces Vehicle Miles Traveled (VMT) thereby reducing greenhouse gases emitted and mitigating the ENVIRONMENTAL IMPACTS associated with commuting. A better JHFit also has positive HEALTH IMPACTS on workers and their families. When employees live closer to their jobs and in suitable homes that are not overcrowded, they experience reduced stress, a better quality of life and have more time to spend with their families.

INEQUITY AND IMBALANCE ACROSS THE BAY AREA: LOW-INCOME WORKERS ARE FORCED TO CHOOSE BETWEEN HIGH RENTS, LIVING IN SUBSTANDARD CONDITIONS OR ENDURING LONG COMMUTES

Bay Area Jobs-Housing Fit, 2013

Ratio of Low-wage Jobs to Affordable Rental Units, 2013
- Less than 1.00 (more affordable housing)
- 1.00 to 2.00
- 2.00 to 4.00
- More than 4.00 (more low-wage jobs)

Margin of Error
- 95% Confidence interval includes adjacent category (indicated by color of lines) or multiple categories (black lines)

UC DAVIS CENTER FOR REGIONAL CHANGE

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

Shown above, RED areas indicate a severe shortage of affordable rental homes while BLUE areas indicate an excess of affordable rental homes in relation to available low-wage jobs.

HOW MANY HOMES DOES YOUR CITY NEED?

Assuming two workers to a household, a JHFit value of 2 means a city has an equal number of households and affordable units – an ideal JHFit. A JHFit value of 24, seen in Pleasanton on the chart below, means 24 low-income workers (or 12 low-income households) compete for every ONE affordable home within the city. As you can see below, the majority of Silicon Valley and East Bay cities have a JHFit >5. The greater the JHFit, the higher the mismatch between low-income workers and homes they can afford.*

Due to the slow release of government data, the below chart depicting Oakland as a housing positive city, does not accurately represent the worsening state of the housing crisis there today. This chart will be updated as new data is released.

Bay Area Jobs-Housing Fit, 2013			
COUNTY	CITY	LOW-WAGE JOBS/ HOUSING FIT RATIO	AFFORDABLE RENTAL DEFICIT OR SURPLUS (TO REACH JHFIT OF 2)
Alameda	Berkeley	2.22	(657)
Alameda	Fremont	8.30	(5,984)
Alameda	Hayward	5.13	(4,023)
Alameda	Oakland	1.49	6,626
Alameda	Pleasanton	23.93	(4,891)
Alameda	San Leandro	3.97	(2,247)
Contra Costa	Concord	6.02	(4,215)
Contra Costa	San Ramon	19.04	(2,829)
Contra Costa	Walnut Creek	9.69	(3,808)
San Francisco	San Francisco	2.31	(7,770)
San Mateo	Redwood City	7.12	(2,425)
San Mateo	San Mateo	8.25	(3,556)
San Mateo	South San Francisco	5.70	(2,212)
Santa Clara	Milpitas	9.82	(3,388)
Santa Clara	Mountain View	5.26	(2,363)
Santa Clara	Palo Alto	6.82	(3,940)
Santa Clara	San Jose	4.37	(21,173)
Santa Clara	Santa Clara	8.39	(5,010)
Santa Clara	Sunnyvale	4.69	(2,712)
Sonoma	Santa Rosa	3.64	(3,806)
Source: Chris Benner, UC Santa Cruz, compiled from LEHD 2013 and ACS 2013 five year data-set.			

*As a note, the Federal government defines housing as affordable if it consumes no more than **30%** of a household's income.

SOLUTIONS AND NEXT STEPS

While non-profit developers struggle with limited financial resources to create affordable homes and compete with the market over scarce land, cities, counties, staff and advocates must seize the practical solutions available to solve our housing crisis.

PLAN REGIONALLY:

- Bay Area cities must work together! This will require carrots and sticks to incentivize more communities to create their **fair share of affordable housing**.
- Local governments must do more inter-agency **collaboration** across cities, coordinating between housing, planning, and community development departments.
- We must plan for both job and housing growth, **particularly at the lower-income levels,** instead of prioritizing one over the other.

LOCAL GOVERNMENTS CAN IMPROVE JHFIT:

- Develop baseline **goals** and monitor through a county-wide task force on affordable housing and jobs.
- Create an inventory of **publicly held parcels** that are underutilized or vacant, and prioritize them for affordable housing.
- Adopt **Housing Impact** and **Commercial Linkage fees.**
- Secure adequate sites that are **properly zoned** for affordable housing.
- **Streamline** the entitlement process for affordable housing.
- Reduce **parking** requirements for transit-oriented affordable homes.
- Adopt **inclusionary** ordinances to generate new homes affordable to lower-income households.
- Develop **anti-displacement strategies** to promote community stability so that lower-income renters are not priced out of their homes.

ADVOCATES must better articulate the community benefits of **equity and diversity** to influence policymakers, business leaders and elected officials.

NPH is working with our partners to execute a regional strategy to improve JHFit values in key Bay Area jurisdictions. Become an NPH member, join a regional action team and advocate for a more balanced and equitable Bay Area by contacting Michael Lane at **Michael@nonprofithousing.org**.