

- *Step 3.* Determine the probable occupations (or qualifications and experience) of residents of the proposed DRI who work.
- *Step 4.* Estimate the number of jobs in the AOI and determine employment by occupation (or qualifications and experience) in the AOI.
- *Step 5.* Compare the occupations (or qualifications and experience) of residents of the proposed DRI who work, by occupation, with the number of jobs in the AOI, by occupation.
- *Step 6.* Answer the question: Do 25 percent or more of the residents of the DRI who are in the labor force have the opportunity to work within the AOI?

PRACTICAL CONSIDERATIONS

Balancing jobs and housing is a deceptively simple concept (Bookout 1990). Because jobs-housing balance implies that placing workers and housing closer together will reduce commuting and traffic congestion, it appears to be a simple and obvious policy to pursue (Giuliano 1991). The relationships between these variables, however, can be quite complex (Hamilton et al. 1991), as the GRTA's rules in the prior section show. And these relationships become more complex when a community tries to balance jobs and housing in practice (Clarke 1991). This section of the report addresses practical considerations such as policy formulation, legal issues, local political acceptance, and administrative and enforcement issues, as they relate to planning for and regulating jobs-housing balance.

Achieving Qualitative As Well As Quantitative Balances

A community might have an equal number of jobs and housing units but may still exhibit a mismatch between the quality of the jobs and housing units. A suburban neighborhood, for example, may have equal numbers of jobs and housing, but if the jobs are hourly service-sector positions and the housing is high-end single-family homes on large lots, the neighborhood will suffer from a qualitative jobs-housing imbalance. The type, condition, affordability, and characteristics of housing in a community, in other words, may not suit the local labor force, even if there are housing units available to labor force participants who work in that given community.

There are places where desirable jobs-housing ratios exist, but qualitative jobs-housing balances do not. Cervero (1989; 1991) found that two San Francisco Bay area communities had balanced ratios (1.3 : 1 to 1.5 : 1), but less than one-quarter of either community's residents worked within the community. Cervero (1996) also found that, despite a jobs-to-employed-residents ratio between 0.96 : 1 and 1.05 : 1, three cities in the Bay Area had fewer than 30 percent of workers residing locally and fewer than 30 percent of employed residents working locally. As another example, the San Fernando Valley was found to be balanced with respect to jobs and housing, yet in 1988, 60 percent of the traffic on local freeways started and ended someplace outside the valley (Clarke 1991).

Similarly, unbalanced jobs-housing ratios do not necessarily imply jobs-housing imbalances. The specific plan for Central City West in Los Angeles had an implicit imbalance with a 3.6 : 1 ratio. Yet suitable, close-by jobs meant that most residents were within an acceptable, lower than average, employment commute time of 15–20 minutes from their homes (Hamilton et al. 1991).

Legal Framework

As a planning tool, jobs-housing balance does not raise any significant legal issues about its applicability. Local governments are generally autho-

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rized to adopt comprehensive plans, and the policy content of those plans is usually left to local governments to decide, although certain state procedures and substantive requirements may apply to local comprehensive plans, as in Georgia and many other states.

Incorporating a jobs-housing policy in a comprehensive plan should be done in the context of a public process with adequate participation and debate by stakeholders about the merits of the policy. It should also identify actions needed to implement the policy. If the implementation strategy for a jobs-housing policy calls for changes to regulations in support of that policy, such regulations must be adopted under appropriate procedures that ensure due process. Any regulations must be fully justifiable with a clearly written rationale describing their public purposes. That rationale should, for example, explain how the regulation promotes the health, safety, and general welfare of the locality.

Mandatory inclusionary zoning is also generally susceptible to challenge as a regulatory taking, although some courts have upheld inclusionary zoning ordinances under regulatory takings challenges. Courts have tended to support inclusionary zoning and linkage programs only in cases where they are expressly authorized or reasonably implied by state enabling legislation (White 1992). Mandatory inclusionary housing and linkage programs might not be legally defensible in states that have no legal enabling authority.

All regulatory activities should be conducted under the guidance of the city or county attorney, as applicable.

Political Concerns and Public Acceptance

There are a number of conditions under which a jobs-housing balance can stir up public debate, if not controversy. Local elected officials are often confronted with conflicting demands from local constituents. A citizen who is opposed to change in his or her community will likely oppose any new policies, especially those that have the potential to alter something as substantial as the community's jobs-housing balance. Officials should also not assume that everyone wants to live close to his or her workplace. Individuals may not want to live and work in the same community, and consequently they may be opposed to balancing jobs and housing.

A jobs-housing balance policy, by definition, calls for an increase in housing or in employment to achieve local parity. There are numerous stakeholder groups and constituencies whose interests may be directly or indirectly affected by a jobs-housing balance policy, from restaurants that may draw more business from workers to homeowners who fear commercial development will attract crime to their neighborhood. The political environment will depend on which of the four types of jobs-housing imbalance the community is experiencing.

Type 1 imbalances. A city or county with lots of entry-level retail and service jobs but little or no low- to moderate-income housing might find it needs to correct its jobs-housing imbalance with a policy that ensures housing meets the price ranges of moderately skilled, lower-wage workers. In a wealthy bedroom community with high-amenity, suburban-style subdivisions, proposals to provide housing that introduces lower-income residents will likely face staunch opposition. Even if developers recognize that a market exists for apartments and other affordable homes in a job-rich area, their efforts to build low- to moderate-income housing can be frustrated by exclusionary zoning practices. Exclusionary zoning techniques are often adopted to block any attempt to balance existing jobs with new affordable housing units. These types of exclusionary practices often impact first-time homebuyers, younger workers, recent graduates, or senior citizens.

Businesses that are experiencing labor shortages might support a jobs-housing balancing strategy designed to better satisfy the needs for housing a working population. Much of the time, members of the business community should be considered potential allies of a jobs-housing balance policy. Certain existing businesses may not support jobs recruitment, however, if the jobs sought by new businesses threaten their market shares.

Type 2 imbalances. A community might find that it needs more high-end residences to house corporate executives and similar high-income professionals. Due to the substantial market demand and the high profits developers draw from new subdivisions targeted at these professionals, however, shortages of high-end housing are rare. Exceptions typically exist in a central-city area that has not established an in-town residential market. In this case, a local government would be wise to begin by performing market research to identify the barriers to market-rate housing, such as a lack of amenities, perceived low quality of public schools, or concern about crime. Introducing upper-income housing in downtowns with a tight housing market must be done carefully with much community input, or it can have undesirable effects, such as displacing urban poor through gentrification. In general, however, local governments will find it easier to secure community approval for higher-end housing than moderate- or low-income housing.

Type 3 imbalances. If it is necessary to bring industrial, storage, trucking, and warehousing types of jobs to a community in order to eliminate a blue-collar job deficiency, such heavy commercial and light industrial uses may not be acceptable to the city or county because the locality may not have the infrastructure requirements or the vacant land to supply them. Neighborhood groups often oppose new development for these uses due to noise, odor, and other off-site impacts. But other types of new employment, such as service, retail, or professional jobs, may not fit the characteristics of the existing residents. Communities that want the additional blue-collar employment provided by companies that may have off-site impacts can mitigate those impacts with performance standards (see Schwab 1993).

Type 4 imbalances. Employers study the strength of the local labor force in terms of workers' skills and education levels and thus tend to locate where highly skilled labor exists. Economic development strategies that seek to capture employers offering jobs with high skill levels are rarely controversial, although "no growth" or "slow growth" advocates might object. Generally, it is easier for a city or county to attract nonresidential development because of the perception (or, in some cases, the reality) that nonresidential development is a net tax generator when compared with the municipal or county services it requires. For these reasons, communities with deficiencies in skilled jobs are far more likely to accept a jobs-housing balancing policy.

Administrative Complexity

As with the legal and political considerations described above, the administrative requirements needed to implement a jobs-housing balance will vary depending on the approach selected. The most difficult task about a jobs-housing balance policy is determining a standard that expresses what the community wants and then gaining consensus for adoption of that standard. As a planning tool, making the concept of jobs-housing balance operational involves several fairly complex considerations. Generally, the more sophisticated the method for determining and achieving jobs-housing balance becomes, the more complex, time consuming, and subjective it is to implement.

Determining qualitative and quantitative balances between jobs and housing often requires a more elaborate set of data than now exists for

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most communities. For instance, if a local government wants to balance quantitatively the jobs and housing in a subarea of a city or county, it might find that data are not readily available and therefore must be compiled for the new unit of geography. Regional commissions typically prepare annual housing and employment estimates for census tracts. These commissions may also have small area estimates of households and employment that are prepared for regional transportation models and tabulated for traffic analysis zones (TAZs). These data sources can also be very helpful in providing documentation for a jobs-housing balance policy. For more information on the reliability and application of these subarea data sources, see the section above on applying the jobs-housing policy in large-scale development review.

Jurisdictions that want to qualitatively balance jobs and housing must do extensive research and must conduct analyses to learn which types and costs of housing units most closely match the needs and demands of area labor force participants. Finding this qualitative balance is, however, an inexact science, as much of the jobs-housing balance literature shows. On the other hand, local governments that want to know in general terms how jobs and housing compare quantitatively in their jurisdictions can study existing data on the total numbers of jobs and housing units. These general numbers can indicate at minimum whether a community needs more jobs or more housing to achieve a balance.

Cost of Implementation

The costs of adopting a jobs-housing balance policy are, simply, whatever costs are necessary to prepare, adopt, and implement the policy through administrative or regulatory means. Like all other legal, political, and administrative matters, these costs will differ depending on the intensiveness of the approach used. A comprehensive plan amendment that adopts a new jobs-housing balance policy will take staff time to prepare, and existing staff may or may not have time to devote to a careful study of the jobs-housing balance issue. Counties and cities with long-range planning staffs should be able to conduct jobs-housing balance studies without additional personnel, particularly if simpler quantitative measures are used. In cases where existing planning staff members do not have sufficient time, or a more sophisticated study is desired, additional assistance from a consultant or regional commission may be needed.

Community consensus on a jobs-housing balance policy can be an elusive goal. Achieving a job-housing balance is a mid- to long-term community goal and therefore should be considered whenever incremental changes are made in the community. If major changes in the community fabric are implied by a particular jobs-housing balance policy, local governments should expect to spend much time (and money) to explain, debate, revise, and build consent for the new policy. Local city or county planning staffs may or may not be in a position to take on these responsibilities; if not, they should consider professionally facilitated sessions, public hearings, and community workshops, all, of course, at potentially substantial costs.

There are some cost efficiencies possible if a community incorporates its study and implementation of jobs-housing balance into a more general update of its comprehensive plan. If the community knows it wants to consider or pursue a jobs-housing balance policy, collecting the necessary data at the same time as other economic development and housing data are compiled can reduce costs of data collection and analysis. Also, local governments that have access to TAZ data via a transportation modeling process can reduce costs by using housing and employment estimates from that work.