

Preferential Employer Assisted Hsng + Low Income Upward Mobility

- Steve Raney, Cities21
- The most cost-effective suburban traffic reduction policy. $A \leftrightarrow B$ (swap)
- Improvement on Employer Assisted Housing (purchase subsidy, etc)
- Thanks to federal government for funding (EPA's Transforming Office Parks into Transit Villages study)
- Acronym: PEAH+LIUM. (helium).

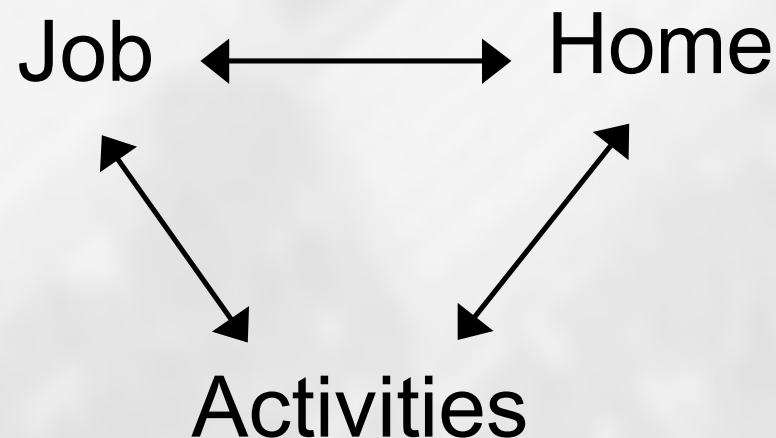


Better Home Location Choice

- Problem: few innovative housing choices:
- 1) Zimmerman / Volk. Home industry: "lumbering giants." No genuine innovations. No "meaningful improvement of the product offered to the consumer"
- 2) Smart Growth America: "Homes are like pork bellies, all essentially the same, rather than as consumer products like cars or clothing, which vary greatly according to people's preferences."
 - Fannie Mae's Housing Policy Debate (Volume 12, Issue 4. 2001)
- New choice: short commute apts and condos.

Co-Location

- Influence “good” location decisions → “co-locate” job & home (walk to work).
- Minimize SOV mileage. For each human, minimize the distances in the triangle below. Job \leftrightarrow Home equals 7,500 miles per year
- Change measure from miles to feet.



3 Steps for Housing Preference

- 1) a city agrees to a preference scheme designating:
 - a) qualifications for entering households to achieve preferred status and
 - b) financial incentives for developers who adopt such schemes
- 2) applicable rental/for-sale housing units are priced to ensure high demand (must have a waiting list)
- 3) preferred people are granted priority for those housing units
- NOT: teacher / police preference
 - INSTEAD IT IS: “commute impact.”

PEAH for Suburban Office Parks

- Best: Suburbs w/ congestion + expensive housing
- ULI's *Transforming Suburban Business Districts*
- Calthorpe "We didn't focus on office parks. Huge mistake. Need powerful strategies for these."
- Shoup (... *Parking*) - Parking lots → land bank
- Duany: "Upper Rock" business park → TOD
- Rail~Volution session: Tyson's → edgy TOD
- Potential: **1M new condos and apts** in largest 200 office parks. (jobs/hsng)
 - Private sector: density bonus, reduced pkng, small units.

Most cost-effective congestion reduction

- Tumlin: “most cost-effective peak hour trip reduction: provide housing for workers”
- Cross-disciplinary topic, so tricky when dealing with “housing-only” or “transportation-only” specialists
- Anthony Downs (*Still Stuck in Traffic*): a) learn to cope with traffic congestion in the short run, b) in the long run, jobs and housing will eventually co-locate
- Cervero: co-location hasn't been happening. "Average journey to work distance has been increasing, jobs/housing continues to exacerbate"
- Thus, co-location is crucial, and PEAH is needed.

Win⁴ – cities, workers, employers, developers

- Decrease commute time, emissions, auto mileage, gas use
- Allow workers to walk and bike to work
- Reduce the cost of living for co-located folks via reduced auto costs. Note also that location efficient mortgages are enabled
- Reduce regional pressure to grow outside the inner-ring.
- Increase the profitability of in-fill development by reducing mitigation fees and parking construction costs
- Enable land-constrained cities to meet state mandated "fair share" housing production goals
- Reduce employee turnover by providing better quality of life because of more free time caused by shorter commutes
 - Employee retention economics: Turnover is 20% to 50% per year. \$100K to replace a tech worker (headhunter, job training, lost productivity, time spent interviewing). 20K workers per big office park. 1% of workers = 200. Reduce turnover by 1% = \$20M
- Improve areas afflicted with jobs/housing imbalance.

Research: Thought Leaders

- Origin: Cervero advised masters thesis
- Aug 30 “coffee roundtable” at EPA’s SF office
 - Larry Rosenthal, Berkeley Program on Housing
 - Paul Smith, HUD
 - Jim Grow, National Housing Law Project
 - Linda Nichols, CA State Housing & Community Development – housing policy
 - Mark Stivers, CA Senate transportation and housing committee
 - Alex Amoroso, Alameda County and ABAG (COG) planning
 - Valerie Knepper, MTC (regional transportation)
- Catalog of 17 SF Bay Area ad-hoc preference schemes
- ULI, William Fulton, Fannie Mae Foundation, Berkeley/Stanford profs, CA Affordable Housing Law Project, developers, facilities mgrs, etc.

??? Give the “Haves” a break ???

- Two tier suburban society. Educated folks => high income. Historical discrimination and segregation
 - Hsng affordability crisis → increased segregation
 - Katrina: third world city in first world country
- Silicon Valley: Haves: white & Asian, HaveNots: Latino (growing) & African American.
- CA Guv: “each community should house its own”
- Must mitigate. Is inclusionary zoning / affordable housing production sufficient?
- LIUM should be added: {package deal: job, home, job training, better schools for kids, more family time.}
Boost up the ladder
 - Not just “sink or swim.”

LIUM {package} details

- ZERO suburban housing affirmative action programs
- U MI law school admissions: {disadvantaged background, low income, race/ethnicity, etc}
- Targeted marketing to low income communities
- WELCOMING: Latino themed architecture. Buttress grocery ethnic sections. Latino-serving first floor retail & community services. Cultural events
- Employer coalition: job placement & mentoring
 - Temps, contractors, & “first floor” jobs count too
 - Employer pays LIUM \$ to reserve PEAH DUs
- I Have a Dream Foundation, after school programs
- Pilot projects with measurement & mid-course adjustments. Propagate effective programs & set measurable goals
 - Employees volunteer (within walking distance).

Fair Housing / Civil Rights Law

- Discrimination law is a confused, contradictory mess
- Slim chance of successful **legal** challenge to PEAH
 - 0 challenges to elite suburban preferences
 - Courts: No reqt to remedy historical discrimination
 - U.S.: fix educational opportunity
 - disparate impact on *qualified* population per Ward's Cove
- < 5K DUs → “below the radar”. (15%+ affordable)
- > 5K DUs – political (not legal) mitigation reqd
- City attorneys should be risk averse, but only 30% preference in Novato project
- Politicians: do something about the problem – not the best thing.

Implementation: Handcuffs, etc.

- Gate: good commute hurdle to enter housing
 - Tiered preference: 1 mi commute, 2 mi, 3 mi, non-SOV
- Handcuffs. Monthly \$100 price Δ between good and bad commutes. Condo assn fees or personal commute mitigation tax
 - Stanford West Apts: annual re-qualification with eviction for bad commutes
 - Condo deed restriction to re-sell to good commuter.

Political strategy: employers

- Coalition of employers, employer advocates (SVMG), tech-company foundations (Packard, Google, Gates)
 - 2 of top 4 corporate issues over past 6 years: congestion & housing affordability
 - SVMG \$20M hsng fund, Orange County \$50M fund
 - Foundations can boost LIUM funding
 - William Fulton advocates for local employer coalitions
 - Not quite a company town
 - National umbrella organization facilitate local efforts
- Government as a helpful follower
- NGOs: crucial for LIUM. Hard to influence coalition
 - Stop insincere, but well-spun, mitigation.

Economic theory

- Bad location decision creates “negative economic externality” for society. PEAH “internalizes” the cost, creates a more efficient housing market
- Reduced labor mobility (but that’s exactly the point for employers: increased employee retention)

1M DUs - Thumbs up/down?
Implementation issue? Bad idea?

Call to action

- Join the discussion – steve_raney@cities21.org
 - E-mails, working papers, etc
 - USC September 19
 - EPA DC October 19
 - Bay area roundtables (policy, employer coalition, LIUM, change discrimination law via a test case)
- Provide an influential statement of support
- Promote: > 50 DU projects, city genl plans, regional, state, & national..

THE END