



BRIEFLY

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Managing Growth is a Balancing Act

Imbalances in the location of jobs and housing are an increasing problem in the most heavily urbanized areas of Washington. These imbalances lengthen commute journeys and increase congestion.¹ Moreover, the shortage of housing near to centers of employment pushes up house prices.

In the metropolitan Puget Sound region, in particular, conditions have significantly worsened in recent years. Unless the urban center increases the housing supply to accommodate workforce growth, the consequence will be a growing lack of housing affordable to middle-income workers, more arduous commutes, and a stifling of economic vitality.

Importantly, when the state adopted the Growth Management Act, maintaining an acceptable “jobs-housing” balance was a clear objective. In the state’s fastest growing region, however, job growth has far outpaced housing supply, aggravating the problem growth management attempted to relieve.

There are significant jobs-housing imbalances in the central Puget Sound region

The State Growth Management Act, enacted in 1990, increased the powers of urban counties to regulate land use and requires the counties to use these powers.

The Act requires urban counties and their cities to adopt comprehensive plans to manage growth. These plans should channel development to urban areas and reduce sprawl. Most development is to be confined within an urban growth boundary.

Vision 2020 is the regional growth strategy for the central Puget Sound region adopted by the Puget Sound Regional Council under the Growth Management Act. Development is to be concentrated in urban growth areas. The urban areas in turn should be made up of compact communities, with jobs and housing concentrated in centers. As a result, it should be easier for people to walk, bike, and use transit. The centers will be framed by open space.

Achieving an acceptable jobs-housing balance is an explicit goal of Vision 2020.

In spite of growth management, however, jobs-housing imbalances in the location of jobs and housing are worsening across King, Pierce and Snohomish counties.

Growth over the past 30 years has resulted in significant disparities between new jobs and new housing.

Since 1970, the metropolitan region added more than a million jobs and just over 600,000 housing units. By 1999, there were 1,817,000 jobs and 1,254,000



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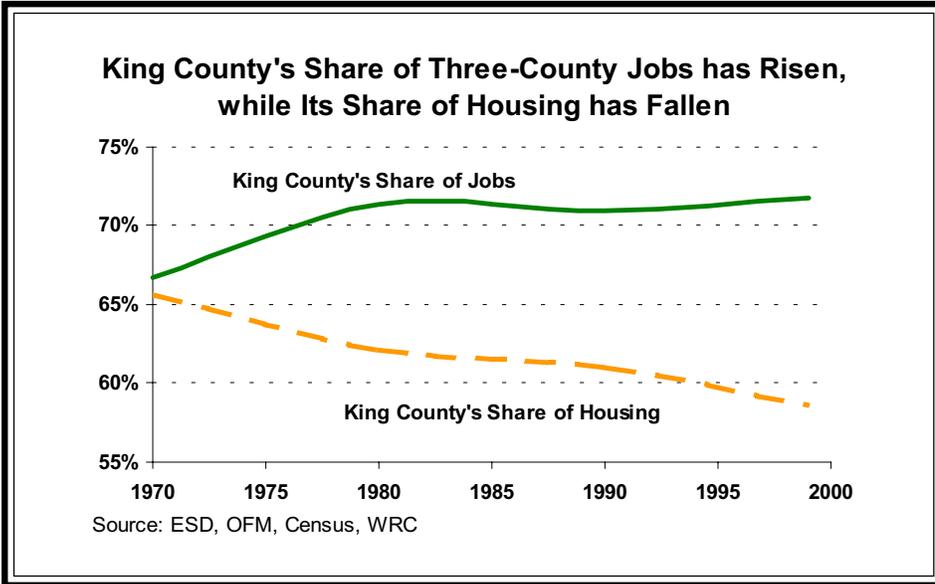
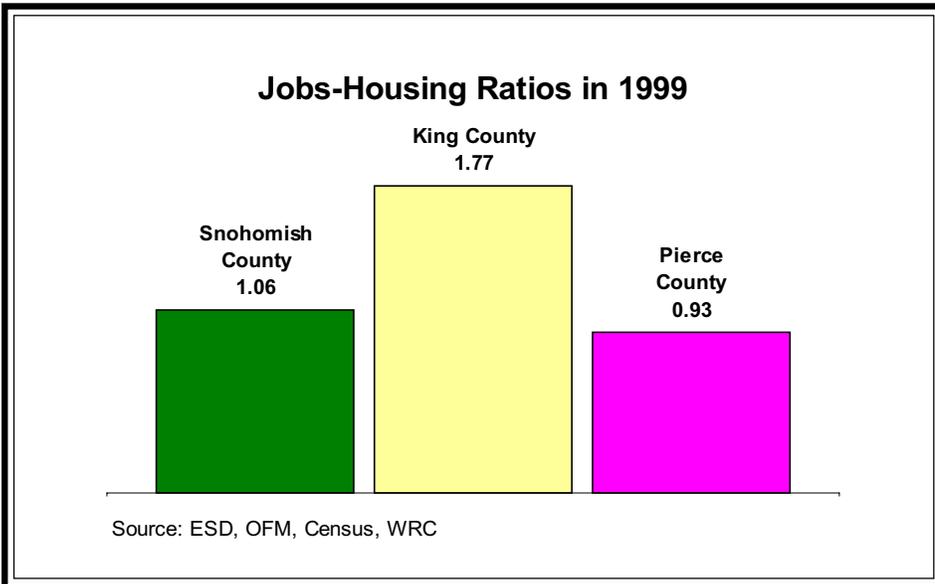


CHART 1

CHART 2



housing units in these three counties, a ratio of 1.45 jobs for each unit of housing. Three-quarters of the new employment landed in King County, but the county added only half of the new housing units. The county's share of the three-county job total increased from 67 percent to 72 percent over the period, while its share of total housing fell from 66 percent to 59 percent.² (See Chart 1.)

Between 1990 and 1999, King County added 262,000 jobs and 88,000 units of housing, three new jobs for each new housing unit.

As a result King County's jobs-housing ratio of 1.77 was significantly higher than the three-county average. Correspondingly, the ratios for Pierce County, 0.93, and Snohomish County, 1.06, were well below the average. (See Chart 2.)

The long commutes that are encouraged by these imbalances are a contributing factor to the region's infamous traffic congestion.

As well, the growing imbalance has contributed to escalating housing prices. Where the jobs-housing balance is most severe, housing costs have risen most dramatically. In December 2000, the median selling price of a house was \$250,950 for King County. For Pierce County, the median price was \$150,000; for Snohomish County, \$199,950.³

The GMA embodied elements of what some have termed "Smart Growth." Although the term that is subject to varying interpretations, GMA proponents were drawing on a fairly specific academic and planning tradition.

Let's briefly review.

Balance is a key goal of Smart Growth

During the 1990s planners adopted the term Smart Growth to stand for a collection of principles for shaping regional development. Smart Growth favors mixed land uses, compact building design, and walkable communities with a strong sense of place. Center cities and existing older suburbs should encourage



infill development. New suburban development should be compact, to economize on infrastructure costs and facilitate pedestrian and transit access. Open space should be preserved.

Smart Growth emphasizes balancing jobs and housing to reduce the reliance on automobiles and the resulting traffic congestion. The goal is to provide people with the opportunity to live near to where they work.

The movement of jobs to the suburbs has not reduced congestion

Large-scale jobs-housing imbalances appear to be less of a problem in Washington's metropolitan areas away from the central Puget Sound region. For 1999, the countywide jobs-housing ratio for Clark County was 0.99; for Spokane County, 1.24; for Whatcom County, 1.07. There may be smaller scale imbalances that do not appear in the countywide data.

The natural process of urban growth leads to a concentration of employment.

In the early stages of metropolitan growth, jobs tend to concentrate in downtown business districts, which are the focus of the metropolitan transportation system. Employers find it more profitable to locate at the urban center and bid up the price of land there. Residential uses move to the periphery of downtown where land is cheaper and eventually, if growth continues, to the suburbs.

Initially, the suburbs are simply bedroom communities. But as growth continues, the commute from the suburbs to downtown becomes increasingly difficult. Employment begins to move to the suburbs. As a consequence, the ratio of jobs to housing tends to grow over time in the suburbs.⁴

This shift of jobs to the suburbs might be expected to reduce commute times. However, Professor Robert Cervero of the University of California observes that “despite the steady migration of jobs to the suburbs . . . many suburban residents commute further than ever.” The reason, Cervero believes, “is a widening jobs-housing imbalance” within the suburbs.⁵ Many suburban workers are forced into long commutes because they are unable to find affordable housing near their jobs.

Cervero identifies five forces that have contributed to these jobs-housing imbalances. Some suburban jurisdictions practice *fiscal and exclusionary zoning*. They use their zoning powers to encourage commercial and industrial developments for the bountiful taxes that these generate. At the same time the jurisdictions discourage housing for the people who work in these developments. Jurisdictions also impose *growth moratoria* to prevent the construction of new single family or multifamily homes, limit the number of permits that they will issue, or raise the minimum lot size for homes.

Restricted housing supplies raise the cost of housing, leading to *worker earnings/housing cost mismatches*. Moderately paid workers cannot afford the housing prices near many suburban job centers and are thus forced into long commutes. In the case of *two wage-earner households* it simply may not be possible to locate close to both places of work. Increasing rates of *job turnover* are a second demographic trend that contributes to jobs-housing imbalances. When workers have short expectations for job tenure, the incentive to move closer to the workplace is reduced.

Cervero finds considerable empirical support for the proposition that high suburban housing prices and high suburban jobs-housing ratios exacerbate congestion.



In a study San Francisco Bay area cities based on 1980 census data, Cervero found a negative correlation between the jobs-housing ratio and the percentage of the city's jobs that were filled with local residents.⁶ In a subsequent study with 1990 census data, Cervero and Michael Bernick found that Bay area cities with high housing prices tended to have very high shares of their workers living elsewhere. Those who worked in cities with high jobs-housing ratios tended to have longer commute times.⁷

In a study focusing on suburban congestion, Cervero found that higher jobs-housing ratios were associated with increasing peak-hour freeway congestion.⁸

Laurence Frank and Gary Pivo found, in a study of the Puget Sound area, that those living in more balanced areas had shorter commutes, both in time and distance.⁹ Reid Ewing used data from the 1990 census to study commute trips by residents of 500 Florida cities. He found that the more balanced were a city's jobs and housing, the more likely were residents to work in the city they lived in.¹⁰

Conclusion

Done thoughtfully, growth results in more prosperity and more opportunity for the people who live here.

As the Research Council has previously observed, "the issue is not growth versus no-growth or, indeed, whether we should grow. When an area has been identified to be attractive, as Washington State obviously has, growth is inevitable. The issue is how we should grow."¹¹

With the possible exception of those who would pull up the drawbridges and try to stop growth altogether, Washingtonians recognize that sensible ("smart") growth requires an adequate supply of housing affordable to people at all income levels. In the decade since the passage of GMA, residents of the Puget Sound region have seen an erosion of that housing supply. The present jobs-housing imbalance contributes to a deterioration of the regional quality of life, extending commute times and increasing congestion.

Increasing the amount of housing close to the work place, as anticipated by the GMA, will certainly require some changes in existing regulatory policy and, perhaps, in public opinion. But the benefits are clear. Until the housing supply catches up with employment growth in the metropolitan region, the potential of Smart Growth will remain unrealized.

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Endnotes

- ¹ Anthony Downs, *Stuck in Traffic: Coping with Peak-Hour traffic Congestion*, Washington, D.C.: 1992, p. 98.
- ² Employment estimates based on data from the state Employment Security Department, adjusted to include workers not covered by unemployment insurance. Housing estimates from the Census and the state Office of Financial Management.
- ³ Northwest Multiple Listing Service.
- ⁴ Downs, pp. 101-102.
- ⁵ Robert Cervero, "Jobs-Housing Balancing and Regional Mobility," *American Planning Association Journal*, Spring 1989, p. 136.
- ⁶ Cervero, p. 138.
- ⁷ Michael Bernick and Robert Cervero, *Transit Villages in the 21st Century*, New York: McGraw-Hill, 1997, p. 91.
- ⁸ Cervero, p. 145.
- ⁹ Laurence Frank and Gary Pivo, "The Impacts of Mixed Use and Density on the Utilization of Three Modes of Travel: The Single Occupant Vehicle, Transit, and Walking," *Transportation Research Record*, Vol. 1466, 1994. Cited in Bernick and Cervero p. 90.
- ¹⁰ Cited in Bernick and Cervero, p. 90.
- ¹¹ Washington Research Council, *A Decade of Growth and Prosperity*, ePB 00-35, December 4, 2000, p. 4.

