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# Is housing affordability associated with shorter commutes for low-income workers?

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#### Issue

Housing prices have increased at an alarming rate: In 2000, the average price of a house in the U.S. was about \$212,000; by the end of 2022, it was more than \$552,000.<sup>1</sup> Rising housing prices in dense urban areas, in particular, may place significant constraints on the residential location of low-income households and, in so doing, limit their ability to live in neighborhoods with suitable employment. Such dynamics are particularly acute in coastal areas, where limited housing supply amidst high housing demand have pushed up housing prices compared to inland areas.

The growing affordable housing crisis has motivated many low-income households of color to seek lower-cost housing in the outer reaches of metropolitan areas, potentially helping to explain recent increases in commute distance. Long-distance commutes can place a heavy time and cost burden on families with the fewest resources; they also can have negative effects on health as well as the environment.

In this study, we examine the relationship between housing affordability and commute distance within two adjacent and diverse Southern California metropolitan areas: the Los Angeles-Orange MSA (characterized by higher costs, coastal location, older, more urban) and the Riverside-San Bernardino MSA (marked by lower costs, inland location, newer, more suburban). Drawing on data from the 2015 Longitudinal Employer-Household Dynamics Origin-Destination Employment Statistics dataset and the 2017 5-year American Community Survey, our research centers on the role of "jobs-housing fit," whether the commutes of low-wage workers are shorter in neighborhoods with a higher ratio of low-wage jobs relative to the number of rental units affordable to low-wage workers.<sup>2</sup>

### **Key Research Findings**

- The average median housing value in L.A.-Orange (\$566,801) is twice that of Riverside-San Bernardino (\$289,369).
- Median commute distances are twice as long for lowwage workers living in Riverside-San Bernardino (24.6 miles) than for those living in Los Angeles-Orange (13.3 miles).
- The jobs-housing fit or the availability of affordable housing relative to low-wage jobs — is worse in Los Angeles-Orange than in Riverside-San Bernardino (Figure 1).
- The jobs-housing fit is associated with longer commute distances in Los Angeles-Orange, whereas there is no significant relationship with commute distance in Riverside-San Bernardino. This finding suggests that residents in Los Angeles-Orange may experience greater difficulty self-selecting into neighborhoods in proximity to jobs.
- While jobs-housing fit is associated with longer commute distance in Los Angeles-Orange, the effect size is small; other factors are more strongly associated with commute distance (e.g., racial composition of





Figure 1. Median commute distance of low-wage workers (left) and low-wage jobs-affordable housing fit (right) by Census tract in Los Angeles, Orange, Riverside and San Bernardino counties. A high fit (>1) indicates insufficient supply of affordable housing relative to the number of low-wage jobs.

neighborhood, neighborhood type, median housing value).

• Lower median housing value is associated with longer commute distances for low-wage workers across both Los Angeles-Orange and Riverside-San Bernardino.

### **Recommendations**

The findings underscore the importance of protecting and expanding the supply of affordable housing in job-rich neighborhoods located in the more expensive, more urban, coastal cities.

Strategies to overcome barriers to affordable housing development include, but are not limited to: zoning reform to increase allowable densities and issuances of multifamily development permits; increasing public funding for affordable housing development by broadening resources beyond bonds and tax credits; and community engagement and education to assuage fears of dense development and to address racism associated with exclusionary zoning and sentiments.

The findings also suggest that improved jobs-housing fit on its own will not bring about substantial reductions in commute distance. If this is an important objective as part of broader efforts to reduce vehicle miles of travel, states and localities will have to adopt additional policy interventions toward managing driving itself.

### **More Information**

This policy brief is drawn from an academic publication: Blumenberg, E., & Wander, M. (2023). Housing affordability and commute distance. *Urban Geography*, 44(7), 1454-1473. <u>https://doi.org/10.1080/02723638.2022.20873</u> <u>19</u>. For more information about the findings in this brief, contact Madeline Wander at <u>mwander@ucla.edu</u>.

<sup>1</sup> U.S. Census Bureau and U.S. Department of Housing and Urban Development, Average Sales Price of Houses Sold for the United States [ASPUS], retrieved from FRED, Federal Reserve Bank of St. Louis; <u>https://fred.stlouisfed.org/series/ASPUS</u>, December 4, 2023.

<sup>2</sup> This measure was developed by Chris Benner and Alex Karner and published in "Low-Wage Jobs-Housing Fit: Identifying Locations of Affordable Housing Shortages." Urban Geography (2016): 37(6):883–903.

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