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**Update On the Workforce Housing Crisis:  
Addressing The Imbalance Between Jobs and Housing**

**By**

**John J. Delaney  
Linowes and Blocher LLP  
Bethesda, Maryland**

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# Update On the Workforce Housing Crisis: Addressing The Imbalance Between Jobs and Housing

*John J. Delaney*

- I. DESPITE GROWING ATTENTION TO THE AFFORDABLE HOUSING CRISIS, THE SITUATION CONTINUES TO WORSEN THROUGHOUT THE COUNTRY, PARTICULARLY WITH REGARD TO “WORKFORCE HOUSING.”**
- A. **Definition:** “Workforce Housing” is housing that fits the budget of a median income household, *i.e.*, jobholders and their families who work within the community.
- II. MEDIAN SINGLE-FAMILY HOME PRICES CONTINUE TO ESCALATE IN MANY SUBURBAN COMMUNITIES AROUND THE COUNTRY.**
- A. According to the National Association of Realtors, the greatest rate of growth in home sales (25 to 47%) is occurring in Las Vegas, Nevada, San Bernardino and Sacramento, California, Washington, D.C. and six communities in Florida including West Palm Beach, Boca Raton and Melbourne.<sup>1</sup>
- B. **California** continues to be the most expensive state in which to live, with the San Francisco metropolitan area leading the pack (\$656,000 median home price), followed by Orange County (\$627,000) and San Diego (\$570,00). The New York City area’s median single-family home price now exceeds \$400,000 and the D.C. region is over \$370,000.<sup>2</sup> In **Silicon Valley**, where the median income in **Santa**

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<sup>1</sup> Patrice Hill, “Median Home Price Breaks D.C. Record”, The Washington Times, February 16, 2005 at A1. The rate of home sales growth in the top 10 ranked communities ranges from 47% in Las Vegas, to approximately 35% in San Bernardino and West Palm Beach, and Boca Raton, to 26% in Sarasota. Source: The National Association of Realtors.

<sup>2</sup> *Id.*

**Clara County** is \$105,000 and the median house price is over \$500,000, two-to-three hour commutes for workers are not uncommon.<sup>3</sup>

**III. LOCAL GOVERNMENTS, REFLECTING THE PREVAILING WILL OF MANY OF THEIR RESIDENTS, ARE OFTEN UNRECEPTIVE TO ACCOMMODATING THEIR MEDIAN INCOME WORKERS.**

- A. Last year in **San Francisco**, a ballot initiative “Proposition J”, supported by business interests, builders and City officials, to build “owner-occupied housing for people earning 80 to 120 percent of the area’s median income” was defeated by well over a two-to-one margin.<sup>4</sup>
- B. In **Massachusetts**, the state’s affordable housing law (Chapter 40B) continues to be opposed by local governments who are concerned about the cost of schools and municipal services. A new statute, Chapter R, offers state financial incentives (\$3,000 per unit) to local governments that create smart growth districts, such as multi-family housing in town centers.<sup>5</sup>
- C. In the **Washington, D.C.** region, according to cooperative forecasting by the Metropolitan Washington Council of Governments (“COG”), regional employment is projected to “increase 50 percent from 2000 to 2030 [and] will

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<sup>3</sup> (See, Tim Sullivan, “Putting The Force In Workforce Housing, PLANNING, November 2004 at 28 (American Planning Association).

<sup>4</sup> Tim Sullivan, “Putting the Force in Workforce Housing”, PLANNING, November 2004, at 30 (American Planning Association). The proposal would have relaxed height and density restrictions in the City’s downtown and waterfront areas and expedited permit reviews. *Id.* See also PLANNING, May 2004 at 36. However, newly passed legislation in California may have increased density bonuses and concessions available to developers of affordable housing. Planning & Environmental Law, April, 2005, Vol. 57, No. 41, p. 28 (American Planning Association).

<sup>5</sup> “Putting the Force In Workforce Housing”, *supra*, FN. 3 at 29.