



Caltrans Division of Research,  
Innovation and System Information

Research

Notes

Planning  
Policy  
Programming

DECEMBER 2015

Project Title:  
The Effect of State and Federal Housing  
Policies on Vehicle Miles of Travel (VMT)

Task Number: 2976

Start Date: October 1, 2015

Completion Date: September 30, 2016

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## Effect of Housing Policies on Vehicle Miles Traveled

Identifying the effectiveness of supply- and demand-side policies at locating housing in lower VMT neighborhoods and the cost of policy changes.

### WHAT IS THE NEED?

Senate Bill 375 (SB 375) tasks California's metropolitan planning organizations (MPOs) with reducing regional per-capita greenhouse gas (GHG) emissions through changes in land use and transportation planning. A key mechanism by which these reductions are to be achieved is through the promotion of infill housing construction and transit-oriented developments (TODs), which links high density housing and jobs with high quality transit to increase accessibility, shorten trip distances, reduce trip making, and induce mode shift, with the consequential result of reducing vehicle miles traveled (VMT). Jurisdictions interested in increasing high density housing in infill and transit-rich areas, however, face a complicated array of incentives embedded in affordable housing financing programs, some of which almost certainly result in housing construction in low-accessibility communities.

Current policies either promote development in areas with lower employment access, or promote high density housing construction, which often means placement in already dense areas with higher poverty rates, or enable rapidly growing, jobs-rich suburban areas to set aside units for low income households that may otherwise be commuting to those suburbs for work. There is a lack of a comprehensive assessment of which of these supply-side housing policies is best at locating affordable housing in line with the goals of SB 375. Similarly, demand-side programs, like Section 8 housing vouchers, may be concentrating low income households in jobs- and transit-poor areas, acting in opposition to the stated goals of SB 375. This research evaluates supply and demand incentives for affordable housing and examines how these incentives can be used to help ensure low income families have access to transit- and jobs-rich neighborhoods.



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## WHAT ARE WE DOING?

The aim of this project is threefold: 1) to quantify how successfully current affordable housing incentives direct the placement of affordable housing with respect to VMT reduction and transit access; 2) to model how changes in federal and state housing incentive policies might redirect undesirable outcomes; and 3) to quantify the cost, on a per-unit or per-voucher basis, of aligning state and federal housing policies with VMT-reduction goals.

This study will commence with a systematic literature review on the topic of jobs-housing balance, state and federal policies around housing tax credits, and policies around housing vouchers. The research team will then compile a database of affordable housing units produced in the San Diego Association of Governments (SANDAG) and the Sacramento Area Council of Governments (SACOG) regions (the team already has a database established for the Association of Bay Area Governments (ABAG) region). A supply-side analysis will examine how each funding source performs in financing housing units in communities with different socioeconomic and accessibility characteristics. For the demand-side analysis, the team will build a dataset of housing units on the market for rent in the San Francisco, San Diego, and Sacramento areas. They will then calculate each mapped unit's voucher eligibility under current policies, and examine the Section 8 program's current effectiveness of placing voucher recipients in jobs-accessible and transit-rich communities. From this they will produce alternative Section 8 policy scenarios, and measure how each scenario performs in improving the jobs and transit accessibility of voucher eligible units across all three regions.

Finally, the research team will examine the intra-regional variation in affordable housing construction costs to produce "heat maps" of per-unit affordable housing costs across each region using the most accurate methods identified in the literature on housing price modeling. This will enable them to estimate the per-unit cost changes born by placing units in areas with fewer jobs than housing, in areas with higher transit access, and in areas with lower poverty rates.

## WHAT IS OUR GOAL?

The goal of this research is to identify the relative effectiveness of both supply- and demand-side interventions and to identify potential policy changes that would help to lower VMT through housing policies. The end products will include a final report documenting the results on the relative impact of different housing policies, incentives and funding sources in placing housing and households in jobs- and transit-rich areas. Additionally, the datasets on affordable housing produced in each MPO will be published for academic, practitioner and public use.

## WHAT IS THE BENEFIT?

The results of the analysis will serve as a guide for future reforms to state and federal housing policies aimed at bringing them in line with the goals of SB 375 and other major "smart growth" legislation. This research will also help to identify the spatial attributes of affordable housing placement, as well as the relationship between affordable housing and available jobs.

## WHAT IS THE PROGRESS TO DATE?

This Task Order was given Notice to Proceed on October 23, 2015. As of mid-December, the literature review has been completed.