

# “People Not Trees”: A Proposal for an Environmentalist/ Housing Advocacy Coalition

## PREFACE

Contrary to popular belief, environmentalists and advocates of low income housing can work together to bring housing opportunities closer to employment opportunities that are increasingly located in nonmetropolitan areas. It is important that these groups work together because the stakes are high. As jobs continue to move away from the central city, to areas such as Santa Barbara, (where oil development spurs employment), the provision of low income housing outside the central city ghetto becomes essential to the battle against high rates of minority unemployment. Also, environmentalists must promote the orderly development of population expansion into nonmetropolitan areas in order to minimize the environmental damage done by such expansion. This paper intends to demonstrate how a coalition between environmentalists and low income housing advocates will benefit both groups, and why such a coalition is important.

The first three sections of the article present the background to the problem. Section I presents a review of the research concerning the relationship between minority housing opportunities and the employment rate. By the early 1970's, scholars agreed that segregation reduced minority employment opportunity, and substantially contributed to the high minority unemployment rate.

Section II updates the research discussed in Section I. Most of the writing in this area was published during the early 1970's. More recent statistics, from the 1980 census, show that the distance between minority housing and employment opportunities has increased since the original research was completed. Jobs are now moving beyond the suburbs as natural resource-based manufacturing employment creates opportunities in small cities and nonmetropolitan areas.

Section III presents an example of natural resource-based employment growth beyond the suburbs of the large metropolitan areas. Santa Barbara is a small metropolitan area, with a small minority population. Oil development will bring a substantial in-

crease in employment opportunity across all class lines. The environmental review process would have been an appropriate and ideal time to raise the issue of housing provision. However, the issue was virtually ignored, and Section III discusses the ineffectiveness of Santa Barbara's plan to accommodate low income and minority workers and the potential legal remedies available to correct the deficiencies.

With this background, Section IV calls for a coalition between environmentalists and minority housing advocates. Section IV presents the argument that a coalition between environmentalists and minority housing advocates would be mutually beneficial. Furthermore, Section IV discusses the coalition's possibilities for success, and the obstacles to formation.

SECTION I  
A THEORY ON SEGREGATION AND EMPLOYMENT  
OPPORTUNITY

Urban economists generally agree that "journey-to-work" time is the prime determinant of Americans' residential choice.<sup>1</sup> John F. Kain, an urban economist at MIT, is a strong proponent of this theory and best known for his work in the area of residential preference.<sup>2</sup>

However, in 1964, Kain surprised his colleagues by arguing that the accepted model of residential behavior did not fit American nonwhite populations. Housing segregation prevented the exercise of free choice. Furthermore, the segregation of nonwhite households increased the level of nonwhite unemployment.<sup>3</sup>

Kain's study gained a great deal of attention.<sup>4</sup> The study sparked debate about the validity of its conclusions and its policy implications. The debate spilled over from academic journals into the public eye when the McCone Commission was asked to discover the

1. Kain, *Housing Segregation, Black Employment, and Metropolitan Decentralization: A Retrospective View*, in PATTERNS OF RACIAL DISCRIMINATION VOL. I: HOUSING 5 (1974).

2. See generally Kain, *The Journey-to-work as a Prime Determinant of Residential Location*, THE REGIONAL SCIENCE ASSOCIATION PAPERS AND PROCEEDINGS (1962); and Kain, *Commuting and the Residential Decisions of Central Business District Workers*, TRANSPORTATION ECONOMICS (1965).

3. Kain, *The Effects of the Ghetto on the Distribution and Level of Nonwhite Employment in Urban Areas*, AMERICAN STATISTICAL ASSOCIATION, PROCEEDINGS OF THE SOCIAL STATISTICS SECTION (1964).

Kain followed the above article with: Kain, *Housing Segregation, Negro Employment, and Metropolitan Decentralization*, 82 Q.J. OF ECON. 175 (1968).

4. Kain, *supra* note 1, at 6.

roots of the Watts riots in Los Angeles.<sup>5</sup> The Commission acknowledged a link between segregation and employment level. However, the Commission did not follow Kain's policy recommendations. Kain advocated the integration of blacks into the suburbs and other growing areas of the city.<sup>6</sup> Instead, the McCone Commission recommended that public transportation be improved so that blacks could have better access to jobs outside the ghetto.<sup>7</sup>

Why did the Commission recommend improved transit instead of integrated housing? One may argue that racism was the answer. Integrated housing was bad politics. To be generous to the Commission, a housing integration program may appear to be difficult to administer, require more resources and take longer to implement than a program of improved intra-urban transportation. Several scholars, however, would applaud the Commission's recommendation to eschew integration in favor of improved transportation. These scholars argue that black concentration in the central city has beneficial social and economic effects that should be retained. Therefore, in order to improve access to jobs, the government should improve transportation and not try to force housing integration on unwilling people.<sup>8</sup>

This section and Section II address the debate over how to best improve minority employment opportunities. Should resources be concentrated on obtaining equal housing opportunity in the suburbs, or should resources be spent on improving transportation so that minorities who live in the central city can more easily reach suburban jobs?

### Kain's Theory

Kain compared the amount of segregation in urban areas to levels of employment. The comparison was designed to test three hypotheses. First, segregation in the housing market affects the distribution of black employment. Second, segregation in the housing market reduces job opportunities. And third, post World War II suburbanization has exacerbated the employment problem.<sup>9</sup>

Kain found a strong correlation between level of employment and

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5. CALIFORNIA GOVERNOR'S COMMISSION ON THE LOS ANGELES RIOTS, VIOLENCE IN THE CITY—AN END OR A BEGINNING? (1965) cited in Kain, *supra* note 1, at 16.

6. Kain, *supra* note 1, at 5.

7. CALIFORNIA GOVERNOR'S COMMISSION, *supra* note 5, at 16.

8. See the writings of Roger Noll, Joseph Mooney, Stanley Masters, and Bennett Harrison, *infra* text accompanying notes 16-32.

9. Kain, *supra* note 1, at 6.

housing segregation. To explain this result, Kain reversed the normal assumption that Americans choose their residence based on the location of their jobs. Because black residential choice is so severely constrained by housing market discrimination, Kain set up a model where blacks have a fixed residential location and select a workplace with reference to that residential location. This model best explained black behavior and the absence of blacks from jobs located in the suburbs.<sup>10</sup> Because amorphous concepts such as "degree of segregation" are difficult to measure, Kain admits that his quantitative measures of correlation may not be accurate. But, after ten years and a barrage of criticism, Kain remained "convinced that they [results of his 1960's studies] are qualitatively correct and that severe restrictions on the housing choices of black households reduce both the earnings and employment of black workers."<sup>11</sup>

Kain attributes the high correlation between unemployment and housing segregation to three major factors. First, blacks lack access to information about available jobs outside of the ghetto. Kain notes that many studies suggest that friends and neighbors are a major source of available job information, particularly among low income populations. Since the majority of the black population is located within one core area of the city, no one has access to information about available employment in the outlying areas and suburbs.<sup>12</sup>

Secondly, transportation to available suburban jobs often requires a large expenditure of time and money.<sup>13</sup> Even in cities where intra-city transportation is well developed, these systems are scheduled to bring people from the suburbs to the central city in the morning, and take them out of the central city at night. This makes the transportation system less accommodating to the central city dweller and adds to the personal cost of transportation. The cost of travel discourages people from both seeking and accepting suburban jobs.<sup>14</sup> Pervasive employment discrimination magnifies the relative cost of traveling to the suburbs. Employment discrimination reduces the likelihood that the investment in travel will be rewarded with a job offer. Therefore, the cost of transportation can become a

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10. *Id.* Of course, within the segregated markets, Blacks performed more conventionally and chose residential location with reference to job location.

11. *Id.* at 8.

12. *Id.* at 6, 7.

13. *Id.*

14. *Id.* at 6-9.

significant disincentive to minorities seeking suburban employment opportunities.

Finally, racial discrimination also decreases access to suburban jobs in a more direct manner. Kain argues that employers in all-white neighborhoods fear retaliation and loss of clientele if the employer brings blacks into the neighborhood. Even employers who have no personal objection to hiring blacks will refrain from doing so.<sup>15</sup>

### Early Criticism of Kain's Theory

Although no one challenged Kain's finding that blacks were segregated into inner city ghettos, and no one challenged Kain's assertion that segregation led to a decrease in suburban employment opportunities, Kain's conclusion that segregation ultimately decreased black employment and income levels received a great deal of criticism.

For example, Roger Noll did his own study on black employment opportunities.<sup>16</sup> Noll did not believe that black suburbanization would increase black employment and income levels and his study concluded that jobs for blacks are more plentiful in the central core of the city. "[A]ll of these findings indicate that jobs, particularly for the less skilled, are easier to find in the central city. They also suggest that suburbanization of employment may be a response to labor market conditions rather than a cause of unemployment."<sup>17</sup>

Noll's two conclusions deserve comment. Noll's first finding, that the inner city still provides many jobs for less skilled workers, is important. Policy makers must realize that the inner city is not a wasteland that deserves no attention. However, the high level of black unemployment in the central city ghettos demonstrates that existing employment opportunities in the central cities are not enough.

Access to suburban housing and employment would relieve a portion of the burden on the central city economy. Furthermore, access to the suburban economy would not significantly decrease black employment opportunities in the central city. Noll's finding indicates that a dual policy should be pursued. We must preserve existing employment opportunities in the inner city, and allow those

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15. *Id.* at 7.

16. Roger Noll, *Metropolitan Employment and Population Distribution and the Conditions of the Urban Poor*, in FINANCING THE METROPOLIS, VOL. 4 OF THE URBAN AFFAIRS ANN. REV. (1970).

17. *Id.* at 501.

who cannot find employment to escape the area in search of other opportunities.

Noll's second finding also deserves consideration. Noll believes that suburbanization may be a "response to labor market conditions rather than a cause of unemployment."<sup>18</sup> Many analysts would agree that suburbanization is a response to the labor market. However, while this may be true, suburbanization still appears likely to contribute to increased unemployment among the nonwhite population. The population that lives in suburban areas is predominantly white and is increasingly wealthy.<sup>19</sup> If jobs are moving to the suburbs in response to "labor market conditions," then it would appear that the jobs are attempting to accommodate the white, higher paid, workers that live in the suburbs. So, the suburbanization of employment seems to be a response to only a certain segment of the labor market, and not a response to the demands of low income, black workers.

Kain had one all-encompassing reply to Noll's conclusion that segregation does not have a negative net impact on black employment and income: "[A]dding a constraint to any maximization problem must yield the result that a constrained population can do no better, and typically will do worse, than an unconstrained population."<sup>20</sup> Thus, if it were true that black employment opportunities existed mostly in the central city, then blacks would remain there. However, if Noll's findings are not universal, then blacks will suffer by a failure to pursue open and adequate low income housing in the suburbs and small Standard Metropolitan Statistical Areas (SMSA's).

Two urban economists also challenged Kain's finding that housing segregation substantially contributes to the level of black unemployment. Joseph Mooney conducted a study that found the correlation between segregation and employment to be less than Kain's model suggested.<sup>21</sup> Stanley Masters, in his model, found the correlation between segregation and unemployment to be practi-

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18. *Id.*

19. The phenomenon of "white flight" and "middle class flight" from the central city has been well documented. For an interesting analysis of flight from the central city, see FRANKLIN D. WILSON, *RESIDENTIAL CONSUMPTION, ECONOMIC OPPORTUNITY AND RACE* (1979). See also, *infra* notes 36-50 and accompanying text.

20. Kain, *supra* note 1, at 10.

21. Mooney, *Housing Segregation, Negro Employment, and Metropolitan Decentralization: An Alternative Perspective*, 83 Q.J. OF ECON. 299 (1969).

cally nonexistent.<sup>22</sup>

In 1973, Kain responded to each of these studies. Kain claimed that Mooney's study actually supported Kain's conclusion. Mooney's model found only a moderate correlation between segregation and employment level. While segregation was not as determinative of black employment as the overall unemployment rate in the metropolitan area, the correlation between segregation and employment was sufficiently significant to warrant attention.<sup>23</sup>

Kain criticized Masters' study for its poor methodology.<sup>24</sup> Masters' study examined several urban populations and performed regression analysis of white to nonwhite incomes over a series of variables. However, the analysis was inadequate because there were no measures of: (1) job distribution between the central city and suburban areas; (2) the tightness of the submarkets; (3) the juxtaposition of residential areas and job concentration; or (4) the accessibility of suburban areas to black workers. Without these measurements, a determination of the actual effect of segregation on employment is open to question.

Finally, Bennett Harrison also challenged Kain's conclusions by examining the relative income levels of "black suburbanites," "central city, nonpoverty area residents," and "ghetto residents."<sup>25</sup> Harrison concluded that suburbanization will not have a positive impact on black income levels because black suburbanites did not have higher income levels than their central city counterparts. Harrison found that the income of black suburbanites was greater than that of ghetto residents, but less than that of "central city, nonpoverty area" blacks. In comparison, white suburbanites did have the highest income, as expected.<sup>26</sup>

Kain explained that Harrison's findings are due to the difference between current white and black suburbs. Most upper income whites move to the suburbs, whether or not they work in the central city, because the housing in white suburbs is high quality, low density housing, and land is less expensive than land in the central city.<sup>27</sup> On the other hand, blacks do not have access to these sub-

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22. Masters, *A Note on John Kain's 'Housing Segregation, Negro Employment, and Metropolitan Decentralization'*, 88 Q.J. OF ECON. 393 (1974).

23. Kain, *supra* note 1, at 11.

24. *Id.* at 12.

25. Harrison, *The Intrametropolitan Distribution of Minority Economic Welfare*, J. OF REGIONAL SCIENCE (April, 1972).

26. *Id.*

27. Kain, *supra* note 1, at 12-14.

urbs.<sup>28</sup> Most black suburban residents live in segregated suburbs. These suburbs date back to the early part of the twentieth century and contain low quality housing.<sup>29</sup> Hence, upper income blacks move to where there is high quality housing, accessible to blacks. This housing is located in the transitional areas on the periphery of the city, areas that are presently experiencing "white flight." Therefore, Harrison found that the highest income blacks lived in the city, and lower income blacks lived in the suburbs.<sup>30</sup>

Harrison also failed to examine the transportation infrastructure between black and white suburbs. Employers are fleeing to the newer, white suburbs. If there is no transportation between areas of growing employment and the older, black suburbs, then the locational advantages of suburban housing are destroyed. Jobs are no more accessible to these suburbanites than to their ghetto counterparts.

### Reconciliation of Kain and his Critics

Both Kain and his critics did the majority of their work during the middle and late 1960's. In 1973, the major actors mentioned above met at a conference held at Indiana University.<sup>31</sup> What emerged from the conference was a consensus that segregation did have a negative impact on black employment and income levels. However, conference participants felt that a policy of abandoning the ghetto completely was inappropriate.

Bennett Harrison, summarizing the results of the conference, concluded that there was "substantial agreement that ghetto dispersal and ghetto development are *not* mutually exclusive strategies for relieving the relative employment disadvantage imposed upon urban blacks by residential discrimination."<sup>32</sup> Of course, the conferees still debated the appropriate mix of remedies.

In the spirit of agreement, the conferees established a policy agenda<sup>33</sup> which called for increasing black access to suburban jobs. First on the agenda was the stringent enforcement of open housing laws. Secondly, the conferees called for public financing of an ex-

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28. The tools of suburban racial discrimination, such as restrictive zoning laws and covert discriminatory covenants, are well known.

29. Kain, *supra* note 1, at 13.

30. *Id.*

31. The conference was entitled, simply, "Conference on Discrimination" and explored more than the topics discussed in this paper.

32. Harrison, *Employment and the Location of Black Households: A Policy Agenda*, PATTERNS OF RACIAL DISCRIMINATION VOL. I: HOUSING 97 (1974).

33. *Id.* at 97-100.

cess supply of suburban housing. This excess supply would reduce the affordability problem. Third on the agenda was the elimination of large lot zoning laws. Fourth, also in order to reduce housing costs, the relaxation of medium quality (low income) construction codes was encouraged. Fifth, the conferees suggested that demand be encouraged by providing housing vouchers or other forms of supply side subsidies. Finally, the conferees recommended that private firms be encouraged to provide housing in the communities where these firms create a demand for housing. Encouragement would come through government procurement contracts and tax policies.

### Updating the Research

Perhaps because the academic community had reached a consensus about the effect of segregation on black employment, or perhaps because research money dried up, very little was written after the early 1970's about the need for integrating nonwhite populations into communities experiencing economic growth. Section II updates Kain's analysis by examining economic growth in the 1970's, where that growth took place,<sup>34</sup> and whether blacks have made inroads into these geographic areas of economic growth. In light of the statistical updating, the article will try to determine whether Kain's analysis and conclusions regarding suburbanization are still appropriate and relevant in the 1980's. Finally, the policy agenda of the 1973 Indiana University Conference, will be explored in order to determine which of the many policy recommendations are feasible today.

## SECTION II UPDATING THE THEORY ON SEGREGATION AND EMPLOYMENT

After World War II, white America began the move to suburbia.<sup>35</sup> John Kain and his colleagues observed this trend, and correctly concluded that, during the sixties, black movement to the suburbs would have been an important step toward improving black employment opportunities.<sup>36</sup>

In 1986, is black movement to the suburbs still the answer? In

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34. Because of the unreliability of data concerning national growth during the 1980's, data gathered by the 1980 United States Census was utilized.

35. See *supra* note 19.

36. See *supra* section I.

other words, are the suburbs still the hotbed of employment growth? In the following section this article will point to statistics accumulated during the 1970's which indicate that suburbs are still gaining employment and that blacks remain in the central city. However, in addition, an examination of 1970's data indicates that smaller SMSA's, and even nonmetropolitan areas are experiencing the same type of growth.

### Population movement

The population trends underlying Kain's analysis remain constant. Since the 1960's, the lowest income groups have steadily migrated into the central city. Before 1960, most low income persons lived in rural areas. By 1977, sixty percent of the low income persons resided in metropolitan areas, and sixty percent of those in metropolitan areas resided in SMSA central cities.<sup>37</sup> In 1977, the suburban poverty rate was below seven percent. In contrast, the poverty rate in the central cities was close to sixteen percent.<sup>38</sup>

As might be expected, blacks are heavily concentrated in the central city. In 1977, outside the South, suburban blacks remained less than four percent of the total black metropolitan population.<sup>39</sup>

Population movement in the 1970's generally continued to follow the regional migration pattern of the 1960's in the move away from the Northeast and toward the South and West.<sup>40</sup> However, it is important to note that the metropolitan growth has taken place, for the most part, in the smaller metropolitan areas. Western and southern metropolitan areas of less than one million increased their populations by 16.4% in the western central cities and 19.1% in the southern suburban areas.<sup>41</sup>

As one might expect from growing areas, the smaller SMSA central cities have a significantly lower poverty rate, at less than three percent, than central cities in the large SMSA's, which have a pov-

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37. U.S. DEP'T OF HOUSING AND URBAN DEVELOPMENT, 1980 PRESIDENT'S NATIONAL URBAN POLICY REPORT 1-13 (1980).

38. *Id.*

39. U. S. BUREAU OF THE CENSUS, SERIES P-23, NO. 75, CURRENT POPULATION REPORTS, SOCIAL AND ECONOMIC CHARACTERISTICS OF THE METROPOLITAN AND NONMETROPOLITAN POPULATION, 1977 AND 1970, Table F (1980).

Eleven percent of the Southern Black metropolitan population resides in the suburbs. This high percentage is due to the number of blacks who still live in historically segregated suburban ghettos.

40. U.S. DEP'T OF HOUSING AND URBAN DEVELOPMENT, *supra* note 37, at 1-6.

41. *Id.* at 1-13.

erty rate of over eight percent.<sup>42</sup>

The population statistics indicate that the poor and black continue to migrate to and remain in the large central cities of large SMSA's despite the fact that these cities are losing their upper income populations. These statistics demonstrate the continuing segregation of low income black populations into the central cities of large SMSA's. Population, however, is only half of Kain's analysis. One should also note whether jobs are continuing to leave the central city, and more importantly, where those jobs are going.

### Economic Growth

During the 1970's employment opportunities did continue to leave the cities for suburban areas. Between 1962 and 1976, suburbia's share of total metropolitan employment rose from forty-three percent to nearly sixty percent.<sup>43</sup> But, Kain's analysis, and that of his critics, is only partially appropriate for the post-1960's economy.

In addition to suburban growth, during the 1970's two different kinds of growth also began to emerge. This new growth was shifted away from the large metropolitan areas and was directed into small SMSA's and nonmetropolitan areas. The location of this new growth indicates that improved transportation and open housing laws may not be enough to stimulate black employment.

Much of the 1970's urban growth took place in small and mid-size cities in the Midwest. These cities are located away from black population concentrations. In 1970, 7% of all Blacks lived in "low need" small cities.<sup>44</sup> This percentage was smaller than in 1960.

Even more surprising was a shift of employment to nonmetropolitan areas altogether. During the 1970's, for the first time in recent history, the nonmetropolitan areas of the United States gained population and employment.

Between 1973 and 1976 nonmetropolitan and small metropolitan area growth outstripped the growth of large metropolitan areas. 1.4 million jobs were added in the former areas, while only 1.1 million jobs were added in the 209 largest SMSA's.<sup>45</sup> Between 1970 and 1980, nonmetropolitan production employment increased in all cen-

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42. *Id.* at 4-3.

43. *Id.* at 1-18.

44. *Id.* at 2-12. Four factors are analyzed to determine a city's "need": (1) the percentage of population below the poverty level in 1969; (2) the net per capita income between 1969 and 1975; (3) the percentage of growth in per capita income between 1969 and 1975; and (4) the level of employment in 1978.

45. *Id.* at 1-22.

sus divisions except the New England and Mid Atlantic divisions. This increase took place in thirty-nine of the fifty states.<sup>46</sup> These statistics demonstrate the widespread growth of nonmetropolitan employment.

Much of the growth in both small SMSA's and nonmetropolitan areas can be attributed to the growth of natural resource-based industries.<sup>47</sup> Natural resource-based industries either help refine natural resources for human consumption, depend on a natural resource for energy or material to produce a product, or depend on natural resources for the delivery of recreational services.

Nonmetropolitan areas increased their manufacturing employment by 12.1% between 1970 and 1978.<sup>48</sup> The most common industries experiencing growth are all natural resource-based.<sup>49</sup> These industries included pulp and paper mills, logging and wood products, coal and metal mining, primary aluminum plants, poultry processing, and textile mills.<sup>50</sup> These statistics do not include the secondary employment effects created by the need to service the industrial workers.<sup>51</sup>

### Analysis

In light of the economic growth trends of the 1970's and the politics of the 1980's, the policy recommendations of Kain and his critics should be reviewed to determine if they are still appropriate or practical.

Several of Kain's critics believe that segregation was at most a minor contributor to black unemployment.<sup>52</sup> If jobs existed in the suburbs, they argued, then the government should provide public transportation to these jobs.<sup>53</sup>

As jobs move to the smaller SMSA's and nonmetropolitan areas, the transportation solution becomes less effective. As the 1970's data indicates, blacks and the poor continue to migrate to the large metropolitan area central cities. As jobs move beyond the suburban fringe of these cities, transportation costs become prohibitive.

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46. *Id.* at 1-23.

47. *Id.* at 2-10.

48. *Id.* at 1-22 - 1-23.

49. *Id.*

50. *Id.*

51. *Id.*

52. *See supra* notes 16-29 and accompanying text.

53. *Id.*

Blacks and the central city poor will be unable to reach these new jobs.

Alternatively, resources could be devoted to increasing low income housing opportunities in areas experiencing economic growth. With this in mind, this article will update the policy recommendations of the 1973 Indiana University Conference.<sup>54</sup>

The Indiana conferees first recommended stringent enforcement of "open housing" laws.<sup>55</sup> This is an important step because open housing is essential if blacks are going to be capable of moving to locations of employment opportunity. However, open housing laws are not enough. The first problem with open housing laws is effective enforcement. No matter how stringent the law, it is ineffective unless local officials vigorously pursue the offenders. Furthermore, prosecution depends upon a complaint, and unfortunately, there is little motivation to complain. Remedies for discrimination are slight, and even if the victimized persons were awarded the opportunity to reside at the location in question, few people desire to live with a hostile landlord or neighborhood.

Secondly, even stringent open housing laws do not address the problem of supply. Although the market may demand an increase in supply, communities have begun to enact growth control statutes to thwart the market.<sup>56</sup> Growth control statutes seek to preserve the "small-town character" of the city, and keep the tax rate down. The "small-town character" often seems to mean "white character". Still, open housing laws do not address this problem. Furthermore, no-growth statutes are hard to fight because they are justified on grounds unrelated to discrimination. These justifications include aesthetics and lack of water, sewage, or power facilities.<sup>57</sup>

The conferees' second recommendation was a publicly financed excess supply of suburban housing.<sup>58</sup> The excess supply, the conferees argued, would bring housing prices down. Thus, low income minorities could afford to move into areas with employment opportunities. However, there are problems with this recommendation. First, the plan would have to overcome the no-growth statutes of

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54. *See supra* notes 31-33 and accompanying text.

55. Open housing laws are laws that prohibit housing discrimination. *See supra* note 33 and text accompanying.

56. BERNARD J. FRIEDEN, *THE ENVIRONMENTAL PROTECTION HUSTLE* at 4, 161-162 (1979).

57. *Id.* at 4, 5.

58. *See supra* note 33 and accompanying text.

some cities. Secondly, this plan would have to overcome political realities of the 1980's. Neither federal nor state governments plan to devote much money to the problem of low income housing. This attitude was dramatically demonstrated at the third annual Donald Hagman Memorial Conference held at UCLA. Henry Felder, Deputy Assistant Secretary for Policy Development at the United States Department of Housing and Urban Development, pledged that the federal government would continue to cut funding to housing programs.<sup>59</sup>

Similarly, the prospect is bleak for increasing low income access to housing through demand side subsidies. In this context, demand-side subsidies are grants to low income persons. These grants would enable the consumer to purchase housing that would normally be unaffordable for that consumer. Such demand-side subsidies may be more palatable to legislators who are trying to reduce government regulation, but they face the same funding problem mentioned above.

Recommendations for relaxing minimum lot size and minimum construction standards could be implemented as a positive move toward low income housing access.<sup>60</sup> These recommendations are actually the focus of the Reagan administration's plan to increase access to new low income housing.<sup>61</sup> The efficacy of such recommendations is, however, questionable. Minimum lot size and minimum construction standards are used to prevent blacks and other low income people from moving to the suburbs but the elimination of these tools alone will probably have little impact. For example, while discriminatory zoning and regulatory practices were struck down in New Jersey,<sup>62</sup> that action had little real impact on black access to New Jersey suburbs.<sup>63</sup>

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59. Comments by Henry Felder, Deputy Director of the U.S. Department of Housing and Urban Development, at the UCLA Donald Hagman Commemorative Program, Rental Housing in California: Are Market Forces and Public Policies on a Collision Course? (Sept. 27, 1985).

60. See *supra* note 33 and accompanying text. In order to restrict the influx of low income residents, cities will enact zoning regulations that require houses to be built on large lots with extensive safety requirements. Such houses, therefore, must be expensive and inaccessible to low income people.

61. Henry Felder, *supra* note 59.

62. Southern Burlington County NAACP v. Township of Mt. Laurel, 336 A.2d 713 (N.J. 1975) [Mt. Laurel I], *cert. den.*, 423 U.S. 808 (1975).

63. In Mt. Laurel I, the New Jersey Supreme Court ruled that a municipality must affirmatively afford a realistic opportunity for the construction of its fair share of the present and prospective regional need for low and moderate income housing.

In 1983, that same court consolidated several cases seeking to enforce the Mt. Laurel I ruling. (Southern Burlington County NAACP v. Mt. Laurel Township, 456 A.2d 390

The last conference recommendation has the most appeal in the 1980's. The conferees recommended that private firms be encouraged to provide housing in the communities to which they relocate.<sup>64</sup> The encouragement could come in the form of a "carrot"—the government could provide tax benefits to industries that provide housing. Or, the encouragement could come as a "stick"—the government could require housing provision in its procurement contracts.

The political atmosphere of the 1980's, however, may not be receptive to either approach, especially at the federal level of government. First, any carrot approach must face budgetary constraints. Conversely, such "back door" subsidies as tax breaks may not be as difficult to get through Congress.

Second, the Reagan administration dislikes the "stick" approach as well. The Administration seeks, as much as possible, to cut government regulation of private industry, and the administration is committed to its anti-regulation policy.<sup>65</sup>

Alternatively, state governments could require new industry to provide housing for workers when that new industry enters an area that has a low income housing shortage. Of course, states typically display aversion to business regulation because the states fear that the businesses will locate elsewhere. Because a new business contributes to the tax roll and employs citizens, competition between states for new business can be intense. Thus, the states' fear of over-regulation is well founded.

In fact, some may argue that a housing provision law would have the opposite effect of that intended. The regulation is aimed to increase black employment opportunity, but if the regulation drives the business elsewhere, there will be less total employment opportunity.

Certain industries, however, are not free to locate where they choose. These are the natural resource-based industries. These industries are tied to the location of the resources they exploit. States and localities can thus regulate these industries with little fear of retaliatory relocation. Here, profitability is the major constraint on relocation. As long as the business earns a profitable rate of return

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(N.J. 1983) [Mt. Laurel II]). The court admitted that its first ruling failed to accomplish its proposed task. Also, the court specifically noted that the mere elimination of discriminatory regulations had not and would not work to remedy past discriminatory practices. (Mt. Laurel II at 443, note 26).

64. See *supra* note 33 and accompanying text.

65. Felder, *supra* note 59.

on its investment, that business will not relocate because the business is tied to its resource location.<sup>66</sup>

Furthermore, the incentive for regulation is high. State and local governments, pressured to keep taxes low, should be attracted by a plan to shift the cost of low income housing to the private sector.<sup>67</sup> Equity considerations also demand that industry pay for the cost it imposes on the community due to its need for workers. There is no reason for the local population to subsidize the exploitation of local resources. If the industry is going to profit by its use of local land, water, or minerals, then that industry should have to pay for the costs it imposes on the community by bringing in new residents.

By internalizing the externality of housing costs, the price of using our natural resources will be more truly reflected in the cost of the resulting products. Perhaps a beneficial side effect of this housing plan may be conservation of our natural resources—as the price of these products rises, consumption will diminish.

What kind of community would actually institute such a program, and how would it work? Furthermore, when industries object to the imposition of this requirement, who will lobby for imposing this cost on natural resource-based industries?

The next two sections address these questions. Section III examines the recent growth of Santa Barbara County, California. The Santa Barbara area is an example of a small SMSA that is experiencing growth due to the reclamation of oil off its coast, but is not accessible to low income residents of the inner city, as it has no-growth regulations that prevent the market from providing housing for low income people. Santa Barbara County has, however, instituted an industry-funded housing program that is very similar to the one recommended by the Indiana Conference and this article.

Section IV examines the possibility of forming a coalition of housing and environmental activists that might lobby for state and local requirements that natural resource-based industries internalize the housing costs that these industries impose on the surrounding community.

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66. This may be an oversimplification in the case of resources that are available in more than one location. However, some resource pools, such as the oil fields off the coast of California, cannot be duplicated elsewhere.

67. In fact, some local governments have shifted some housing cost to the private sector through linkage programs. See *Los Angeles Times*, February 2, 1986, § 8, at 21 col 1; and *SAN FRANCISCO CAL., MUNICIPAL CODE (CITY PLANNING CODE)*, § 313 [Ordinance No. 358-85 (effective August 18, 1985), Office of Affordable Housing Production Program].

SECTION III  
SANTA BARBARA: AN EXAMPLE

Santa Barbara is a good example of natural resource-based employment moving away from the large SMSA's. Santa Barbara is a small city of 74,414 people, located in a small urbanized area of 150,173 people.<sup>68</sup> Santa Barbara expects to experience a tremendous amount of growth due to off-shore oil exploration, and on-shore reclamation and processing.<sup>69</sup>

Santa Barbara County officials recognize the impact that the added employment will have on their small community. Employment predictions and housing demands created by the oil development were specifically calculated in the joint Environmental Impact Report/Environmental Impact Statement (EIR/EIS) submitted to the county.<sup>70</sup> Unfortunately, county officials have brushed aside the problem of increased growth by creating only a toothless plan for an industry-funded low income housing program.

Currently, the Santa Barbara - Ventura - San Luis Obispo tri-county area is not prepared for an explosion of housing demand. In 1983, Santa Barbara County had total housing inventory of 119,499 units.<sup>71</sup> The vacancy rate was estimated at a low 4.01%.<sup>72</sup> In addition, the shortage of available housing is worsened by the fact that many of the vacant units are not available to rent or purchase. According to the 1980 census, out of 5405 vacant units in 1980, only 59% were available to rent or purchase.<sup>73</sup> Finally, even without the

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68. U.S. BUREAU OF THE CENSUS, GENERAL POPULATION CHARACTERISTICS: CALIFORNIA, SUMMARY OF GENERAL CHARACTERISTICS 1980, table 14, (1980).

The Santa Barbara SMSA consists of the Santa Barbara, Ventura, and San Luis Obispo tri-county area.

69. Public relations officials from the United States Department of the Interior, Minerals Management Service, predict that by the year 1992 oil drilling in the Santa Barbara Channel and Santa Maria Basin will have increased 800% to 1,000% over 1985 levels. (Biliana Cicin-Sain, Offshore Oil Development in California: Challenges to Governments and to the Public Interest 5 (August 1985) (unpublished manuscript).

70. DAMES AND MOORE INC., JOINT EIR/EIS FOR THE CHEVRON/PT. ARGUELLO PROJECT (1984).

An Environmental Impact Report is required by the State of California, and an Environmental Impact Statement is required by the United States Congress. These documents, which were prepared together, must describe (1) the impact that a proposed project will have on the surrounding community; (2) possible mitigation efforts that will lessen the impact; and (3) alternatives to the proposed project and their environmental impact. See 42 U.S.C.A. § 4332(c) (West 1977 and Supp. 1986) and CAL. PUB. RES. CODE § 21002.1(a) (West Supp. 1986).

71. *Id.* at 2-3.

72. *Id.*

73. *Id.*

addition of the oil industry population, vacancy rates are predicted to decline in the future due to controls on building, water, and other resources.<sup>74</sup>

Available housing in Ventura County and San Luis Obispo County is no less in demand. The total housing stock in Ventura County is only 173,000 units. Of these, only 60,000 are rental units.<sup>75</sup> The vacancy rate hovers at about 5% for rental units.<sup>76</sup> In the event of oil development, the Environmental Impact Report predicts that the possible demand for housing units in Ventura County will exceed 24,000 units.<sup>77</sup> This number is approximately 15% of the total housing stock and over one third of the existing rental stock.

San Luis Obispo is a smaller county. The total housing stock consists of 58,000 units; 23,000 of these units are rental units.<sup>78</sup> Furthermore, the vacancy rate in the city of San Luis Obispo is extremely low: 2.8%.<sup>79</sup> Still, oil development is expected to create a demand of up to 2400 units in San Luis Obispo County,<sup>80</sup> which is 10% of the existing rental stock.

As a whole, the Santa Barbara SMSA housing stock is expected to be strained throughout the area. "Peak housing demands are such that important impacts are likely to be felt in the housing submarkets of all three counties in the region,"<sup>81</sup> predicts the EIR/EIS. Under varying scenarios of cumulative development, the region will experience a predicted minimum demand of nearly 27,000 units within three years of project start-up. Over 60% of the permanent demand is categorized as "low or moderate affordable" housing demand.<sup>82</sup> Alternative cumulative development scenarios predict demand for as much as 32,000 units within three years. Again, 60% of that demand will be for "low and moderate affordable" units.<sup>83</sup>

Even these staggering predictions are underestimates. The EIR/EIS underestimates housing unit demand by making two assumptions. First, the EIR/EIS assumes that project construction and

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74. *Id.*

75. *Id.* at 2-7.

76. *Id.*

77. *Id.* at 2-24.

78. *Id.* at 2-7.

79. *Id.* at 2-6.

80. *Id.* at 2-21.

81. *Id.* at 2-18.

82. *Id.* at 2-19.

83. *Id.* at 2-24. These figures represent peak year demand. Demand will eventually level off to 17,000 units (*Id.* at 2-19). This demand pattern leads to "boom town" problems that are beyond the focus of this paper.

drilling workers will require only temporary housing.<sup>84</sup> This housing need can supposedly be met by providing these workers with recreational vehicle space, hotel space, or campgrounds.<sup>85</sup> While it is true that these workers will only be working in the Santa Barbara area for a limited amount of time, temporary housing is defined as housing for less than one year. It is safe to assume that over the course of one year, at least some of these workers will desire more comfortable residences. The EIR/EIS predicts that these workers will demand between 900 and 1100 temporary units within three years of project start up.<sup>86</sup> If some of these workers pursue more permanent units, the added demand will further exacerbate the strain in the housing market.

The EIR/EIS contains a second, and more severe, defect in its methodology. The EIR/EIS assumes that, "workers who are not accompanied by families are assumed to share housing units, so that one additional housing unit would be demanded for every two of these in-migrant workers."<sup>87</sup> The EIR/EIS does not explain why this assumption was made. The assumption is unrealistic. Even assuming that the increase in demand triggers an increase in the price of housing, and some workers are forced to share occupancy, it is doubtful that a full one hundred percent of the workers will elect to share living space.

Despite its dire predictions, the EIR/EIS delivers a recommendation so weak and non-specific as to be almost useless. The entire "Recommended Mitigation" section reads as follows:

Demand for permanent housing would be primarily due to population in-migration resulting from indirect project-related employment. As many of the indirect housing requirements are in the "affordable" range, an appropriate mitigation measure would be for the applicant to monitor and assess the need to develop and contribute funds to an affordable housing finance program. Such a mitigation would be most effective if, in the cumulative case, all applicants contributed to this effort. It is important to note, however, that the feasibility and effectiveness of this mitigation are unproven.<sup>88</sup>

One might expect the EIR/EIS to downplay the socioeconomic effects of oil development and the need for a major program to handle

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84. *Id.* at 2-8.

85. ENERGY DIVISION, SANTA BARBARA COUNTY RESOURCE MANAGEMENT DEPARTMENT, FINAL PERMIT ACTIONS CHEVRON PT. ARGUELLO/GAVIOTA OIL AND GAS DEVELOPMENT PROJECT (Dec. 21, 1984) at V-29.

86. EIR, *supra* note 70, at 2-19, 2-24.

87. *Id.* at 2-8.

88. *Id.* at 2-26.

those effects. The EIR is authored by a consulting company that is chosen by the oil company seeking approval for the oil company's project. If a consulting company writes a radical (or honest) evaluation of the anticipated effects of the project, and the needed mitigation measures, that company will not be rehired. The consulting company has incentive to downplay the probable effects of oil development and the amount of resources necessary to mitigate those effects.<sup>89</sup>

### Problems With the Santa Barbara Program

Santa Barbara's program<sup>90</sup> to provide low and moderate income housing goes beyond the EIR/EIS recommendation. Nevertheless, the program is merely a shell. The program sets no concrete goals, and allows Santa Barbara to discretely avoid providing additional housing for low and moderate income workers.

Santa Barbara's program is glaring in its lack of concreteness. First, no program will be enacted until after approval of the oil development project's final plan. After approval of the development, but before construction begins, the county requires that an oil company outline ways to mitigate 30% of the impact attributed to the project by the EIR/EIS.<sup>91</sup> Hence, the County will not even outline a low income housing program until public scrutiny of oil development impacts diminishes. This procedural device increases the chances of backroom politics or administrative delay resulting in an adequate program to handle the projected housing needs of low income workers.<sup>92</sup>

Also, the program is substantively inadequate. The program does not provide for new housing. Oil companies are required to develop a mitigation program that utilizes such measures as "in-lieu financial contributions [housing vouchers], rental subsidies, and direct financing [paying the workers' rent]."<sup>93</sup>

Because the supply of housing is limited by growth control regulations,<sup>94</sup> the provision of subsidies will not solve the problem of demand or affordability. Since the high demand for housing cannot

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89. The consulting firm has some incentive to be realistic. If the EIR/EIS is found inadequate, the delay will be costly to the consulting firm's client.

90. FINAL PERMIT ACTIONS, *supra* note 85.

91. *Id.* at V-28.

92. Of course the program must be consistent with the housing element of Santa Barbara's local development plan. Compliance with this requirement will be discussed at notes 99-111 *infra*.

93. FINAL PERMIT ACTIONS, *supra* note 85, at V-28.

94. *See supra* note 74 and accompanying text.

be accommodated by increased supply, the addition of subsidies to the market will merely increase demand and drive housing prices higher. Hence, although Santa Barbara's program appears to mitigate the housing problem of low income workers, in reality it exacerbates the affordability problem in Santa Barbara and forces other communities to absorb the low income workers.

Forcing low income workers into other communities creates regional problems. Low income residents demand many services from the local community. These vary from social services to residential services such as water, sewage, and power. By forcing these workers into other counties, Santa Barbara imposes on neighboring counties the cost of providing for these workers. Yet, these counties cannot afford to provide new services because their tax base has not been increased by new industry. The oil development that is taking place in Santa Barbara, therefore, is bestowing a tax windfall on Santa Barbara County while imposing costs on the surrounding cities.

Furthermore, the program speaks only of housing low and moderate income workers. There is no discussion or attempt to encourage minority access to jobs or housing.

Finally, as noted before, the County only requires that oil developers outline a program to mitigate 30% of the projected impact.<sup>95</sup> Other mitigation programs will be required only when a socioeconomic monitoring committee recommends that further mitigation is needed.<sup>96</sup> The socioeconomic monitoring committee will monitor the in-migration of workers and determine the threshold level of impact that requires mitigation.

However, the Santa Barbara program does not define "impact." If the restricted supply of housing drives low income workers out of Santa Barbara County, or even the Santa Barbara SMSA, will this effect be considered an impact requiring mitigation? As the affordability problem worsens, overcrowding will naturally increase. Will the overcrowding of low income units be considered an impact worthy of mitigation? Will the monitoring committee track the average occupancy rate of low income units?

Unless the committee is genuinely concerned about low income and minority housing, and dedicated to internalizing the cost of oil development, many "impacts" can go unnoticed. Unfortunately, the committee members are not likely to search carefully for im-

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95. See *supra* note 91 and accompanying text.

96. FINAL PERMIT ACTIONS, *supra* note 85, at V-28.

pacts because they are not representatives of either low income workers or communities outside Santa Barbara County. The committee will be composed of: (1) two representatives from the cities of Santa Barbara County; (2) one representative from Santa Barbara County; (3) one representative from each affected oil and gas company (to a maximum of four representatives); and (4) a lone representative from San Luis Obispo County.<sup>97</sup>

Except for the one San Luis Obispo representative, these committee members represent groups that have an interest in either keeping program costs low, or keeping low income workers and minorities out of the Santa Barbara County area. The committee's incentive is to recognize as little impact as possible, thus spending less money for a mitigation program, and thereby imposing the costs of low income housing on the surrounding communities, and limiting the access of minorities to the representatives' communities.

In sum, Santa Barbara is a prime example of the employment opportunities inaccessible to low income and minority workers. Small SMSA's with growing natural resource-based economics are excluding not only minorities, but other low income workers as well. Furthermore, the impacts are not simply metropolitan, but are regional. Santa Barbara's no-growth policy imposes costs on the surrounding counties.

The Santa Barbara experience also demonstrates the difficulty of finding an adequate solution to the problem of housing segregation. Ostensibly, Santa Barbara provides for low income and minority needs. Santa Barbara has instituted a housing program in order to satisfy its Housing Element policies and the requirements of the California Environmental Quality Act ("CEQA").<sup>98</sup> However, upon closer examination, Santa Barbara's program allows the county to comply with these state mandates while denying access to low income and minority workers.

### Challenging the Housing Program Under Local Planning Law

Presently, both California local planning requirements and California environmental law provide a basis for challenging Santa Barbara's failure to adequately address low income and minority

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97. *Id.* at V-23.

98. CAL. PUB. RES. CODE § 21002 (1986) forbids public agencies from approving projects that do not include means to mitigate environmental effects caused by that project. CAL. GOV'T. CODE § 65580 *et seq.* (1986) requires a "housing element" in every local government's general plan.

housing needs. Unfortunately, it is unlikely that a challenge under either set of regulations would be successful.

California Government Code Section 65580 *et seq.* mandates a "housing element" in every local government's required general plan. Local legislative bodies are to adopt general plans and local planning agencies are to investigate and recommend methods to implement the plan. These agencies should balance the needs of "orderly growth and development, preservation and conservation of open space land and natural resources, and the efficient expenditure of public funds . . ." when considering the plan.<sup>99</sup> This general statement of duty demonstrates the difficulty of challenging local growth plans. The locality is given wide discretion to balance competing interests.

Section 65580 *et seq.* imposes specific duties on local government to meet low and moderate income housing demand. The housing element must first identify and analyze existing and projected housing needs.<sup>100</sup> The planning agency must then set forth objectives<sup>101</sup> for fulfilling housing needs, and finally, the agency must adopt a five year program to meet the objectives.<sup>102</sup> The program should

identify adequate sites which will be made available through appropriate zoning and development standards and with public services and facilities needed to facilitate and encourage the development of a variety of types of housing for all income levels. Assist in the development of adequate housing to meet the needs of low and moderate income households . . . Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing . . . Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color.<sup>103</sup>

However, the housing element requirement contains a loophole. Government Code Section 65583(b) recognizes that localities may not be able to afford to meet the total housing need identified by the housing element. Therefore, the locality's housing objectives need not be identical to the housing needs of the community. The loophole is slightly diminished by the requirement that the locality establish a maximum number of units that can be constructed, rehabilitated, and conserved over a five year time period.<sup>104</sup>

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99. CAL. GOV'T. CODE § 65400 (West Supp. 1986).

100. *Id.* at § 65583.

101. *Id.* at § 65583(b).

102. *Id.* at § 65583(c).

103. *Id.*

104. *Id.* at § 65583(b).

The housing element also requires an analysis of housing needs to include "the localities' share of regional housing."<sup>105</sup> Furthermore, this fair share policy "shall seek to avoid further impaction [sic] of localities with relatively high proportions of low income households."<sup>106</sup> The distribution of housing shares takes into consideration "market demand for housing, employment opportunities, the availability of suitable sites and public facilities, community patterns, [and] types and tenure of housing needs . . . ."<sup>107</sup> Santa Barbara will have trouble avoiding this fair share requirement because the California Department of Housing and Community Development determines housing market areas and defines each locality's share.<sup>108</sup>

If housing advocates challenge Santa Barbara's housing element because it does not set fair share objectives, Santa Barbara will raise its sewer and water moratoria as a defense. However, the housing element legislation does not allow no-growth ordinances to justify a reduction in a local government's regional housing share unless the growth moratorium is finite and designed to "preserve and protect public health or safety."<sup>109</sup> Thus, Santa Barbara's growth moratorium could also become an issue for litigation.

Even if housing activists successfully challenged Santa Barbara's housing element, the result may not be worth the effort. The state has little control over implementation of the housing element. Although the Department of Housing and Community Development can assign a regional share of housing to Santa Barbara, the department does not have authority to "revise, approve, or disapprove the manner in which the local government's share of the regional housing need is implemented through its housing program."<sup>110</sup> Apparently, Santa Barbara could continue to rely on subsidies as its whole program. In fact, under this section, localities cannot be required to expand local revenues for the construction of housing, housing subsidies, or land acquisition.<sup>111</sup> The focus of the local planning law is to make future growth comply with these local plans. The coercive power of the law is limited when applied to a city that does not desire to grow.

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105. *Id.* at § 65583(a)(1).

106. *Id.* at § 65584(a).

107. *Id.*

108. *Id.* at § 65584(b).

109. *Id.* at § 65584(d).

110. *Id.* at § 65584(e).

111. *Id.* at § 65589 (West 1983 and Supp. 1986).

### Challenging the Housing Program Under CEQA

Environmentalists can argue that the California Environmental Quality Act requires Santa Barbara to provide adequate housing. Only very recently has CEQA been used to force socioeconomically fair developments. Activists have relied on one CEQA passage (contained in Guidelines for Implementation of the California Environmental Quality Act) that seems to require a limited consideration of the socioeconomic effects of development:

Economic and social effects of a physical change may be used to determine that the physical change is a significant effect on the environment. If the physical change causes adverse economic or social effects on people, those adverse effects may be used as the basis for determining that the physical change is significant. For example, if a project would cause overcrowding of a public facility and the overcrowding causes an adverse effect on people, the overcrowding would be regarded as a significant effect.<sup>112</sup>

However, the CEQA Guidelines also state that economic and social changes, by themselves, shall not be treated as significant effects on the environment.<sup>113</sup> Only within the past year has this conflict been addressed by the courts for the first time. The court in *Citizens Association for Sensible Development of Bishop Area v. County of Inyo*,<sup>114</sup> held that lead agencies, reviewing the environmental impact of development, must consider the environmental consequences of social and economic effects of development. The court ordered that, on remand, "the lead agency should consider the physical deterioration of the downtown area to the extent that potential [deterioration] is demonstrated to be an indirect environmental effect of the proposed shopping center."<sup>115</sup>

In the case of Santa Barbara, environmentalists could argue that the local government failed to consider and mitigate the environmental effects of overcrowded housing and exclusionary practices. Forcing workers to reside in distant communities increases the environmental damage caused by transportation needs. Air pollution, noise pollution, energy consumption, and the use of open space for roads (or tracks) are all costs of increased "journey-to-work" distance. Also, overcrowding can lead to environmental damage. For example, overcrowded units strain the area's existing infrastructure.

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112. CAL. ADMIN. CODE tit. 14, § 15064(f) (1983).

113. *Id.*

114. *Citizens Ass'n for Sensible Dev. of Bishop Area v. County of Inyo*, 172 Cal. App. 3d 151 (1985).

115. *Id.* at 171.

This strain could result in sewage system deterioration that may lead to leaks.<sup>116</sup> Alternatively, the increased population could overload the system and cause poorly processed or unprocessed sewage to be dumped into the environment.

In sum, as this brief discussion demonstrates, there is much potential for litigation over Santa Barbara's failure to provide for low income and minority housing. However, both the chance for success and benefits of a victory are small. Local planning laws cannot require Santa Barbara to increase its housing stock, and the use of CEQA to challenge socioeconomic impacts is in its infancy.

In order to prevent the county from ignoring the needs of low income and minority workers, a political lobbying effort must be undertaken to prevent Santa Barbara, and cities like it, from developing hollow programs, and making backroom decisions. Furthermore, an organized effort must be maintained to prevent initial housing decisions from going unscrutinized in future cities experiencing growth.

The next section explores the possibility of an alliance between housing advocates and environmentalists. The alliance could pressure cities experiencing natural resource-based industrial growth to make fair, equitable, and environmentally sound housing decisions.

#### SECTION IV AN ENVIRONMENTALIST/HOUSING ADVOCACY COALITION

Many housing advocates dismiss the possibility of a coalition with environmentalists. According to many, "environmentalists prefer trees to people."<sup>117</sup> However, the environmental movement has been misperceived. Further, a coalition between environmentalists and housing advocates can be advantageous to both sides. Despite apparent obstacles, there are issues on which the coalition can work.

#### A Misperception of the Environmental Movement

Many people equate the environmental movement with the no-growth movement. This misperception is understandable because many growth opponents masquerade as environmentalists.

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116. For an example of this problem and its effect on Los Angeles, see Los Angeles Times, April 7, 1986, § 2, at 1, col. 1.

117. See for example, JOHN MCPHEE, ENCOUNTERS WITH THE ARCHDRUID, at 95 (1971).

Many growth opponents use environmental arguments to mask other motives, such as fears of property tax increases or anxieties about keeping their community exclusive. Environmental rhetoric has become a valid currency for public debate, with much greater voter appeal than arguments that appear more narrowly self-interested. As a result people who are not environmentalists in any sense often borrow it for their own purposes.<sup>118</sup>

However, the public perception of environmentalists' attitude is not without foundation. Even in times of high unemployment, environmentalists may object to the expansion of natural resource-based industry into nonurbanized areas if they see a threat to the character of that area. In these situations, the stereotypical "trees before people" perception comes closest to the truth. Without debating the merits of jobs versus environmental preservation, it should be noted that there is much incentive and opportunity for environmentalists and housing advocates to work together after the industry decision to locate has been made.

Although environmentalists sometimes challenge residential developments because these developments threaten environmentally sensitive areas, it is unlikely that such challenges would be brought against projects that would house low income or minority groups. Environmentally sensitive areas are designated as such partly because these areas are aesthetically pleasing. These areas may be located on lakeshores, coastlines, or other desirable locations. Because of the desirable locations, land prices in these areas are usually high and housing developments are therefore designed to house the wealthy.

It would be naive and foolish for environmentalists to be local no-growth advocates. Environmentalists realize that industry will attract workers and workers will require housing. Opposition to housing developments does not prevent residential development. Local opposition to residential development merely forces that growth into other communities, or forces overcrowding of existing facilities. Neither alternative is environmentally preferable to increasing the local housing supply.

As discussed above,<sup>119</sup> forcing workers to reside in distant communities increases environmental damage caused by transportation needs. Air pollution, noise pollution, energy consumption, and the use of open space for roads (or tracks) are all costs of increased "journey-to-work" distance.

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118. FRIEDEN, *supra* note 56, at 8.

119. See *supra* note 116 and accompanying text.

Also, overcrowding can lead to even greater environmental damage. For example, overcrowded units strain the area's existing infrastructure. This strain could result in sewage system deterioration that may lead to leaks. Alternatively, the increased population could overload the system and cause poorly processed or unprocessed sewage to be dumped into the environment. The results can be horrific for all forms of life, including the residents of the city.

Hence, although environmentalists may oppose the entry of industrial development into a nonindustrialized area, once industrial growth is inevitable, environmentalists are rarely no-growth advocates. Environmentalists may fight residential development in sensitive areas. But, when employment creates a demand for local housing for low income and minority groups, environmentally prudent policy dictates an increase in local housing supply.

#### Advantages for Parties to a Coalition

Environmentalists should not only be interested in the provision of local, low income housing, but also in an environmentalist/housing advocacy coalition. Both housing advocates and environmental activists could benefit from such a coalition centered around the low income housing issue. In addition to the environmental advantages listed above, both groups could broaden their political base, reduce government resistance to their goals, and share the financial burden of a political battle.

First, the environmental movement could significantly broaden its political base if it could attract support from lower income groups. In the United States, the environmental movement has never received significant support from minority and low income activists groups.<sup>120</sup> Yet, minorities and low income groups appear to suffer the worst effects from environmental pollution. These groups live in the least desirable areas, often near factories or other areas of environmental health risks. There is nothing inherent in the environmental movement that prevents a broader coalition between environmentalists and other activist groups. The successful "Green Movement" in Europe is evidence of the potential for coali-

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120. For example, a Sierra Club study showed that more than two-thirds of its membership were professionals and more than one-half had a post graduate education. *The Club Looks at Itself*, SIERRA CLUB BULLETIN 57, July-Aug. 1972, at 3-4.

tion in America.<sup>121</sup> A coalition surrounding the housing issue may be a first step toward a broader coalition around environmental issues that directly affect low income and minority groups. The chance to broaden the environmental movement's political base should be a significant incentive for a coalition.

Low income and minority housing advocates should also be interested in a broader political base. These groups lack political influence in small, exclusive, white communities because they lack political clout. Since few minorities live in these areas,<sup>122</sup> the groups have little money and no significant voting bloc. Both fundraising and voter support might be increased if the housing supply issue could be partially characterized as an environmental issue.

Secondly, both movements would benefit by approaching the local government as a united front on the housing issue. By providing a joint program for low income and minority access to housing, the groups could improve their chances for successfully lobbying local government. Environmentalists would benefit from input into a low income housing program by influencing the location of the proposed housing project and preventing the development of environmentally sensitive areas. Further, housing advocates could assure reduced opposition to their program if environmental groups support the plan. Finally, by presenting a concrete program to the local government, the groups would reduce the workload of county officials. The officials will be more amenable to minority, low income, and environmental concerns if these plans do not face vocal opposition, requiring county planners to amend their plan.

Sharing the financial burden of litigation is a third incentive to forming a coalition.<sup>123</sup> If the coalition feels that local government has not adequately addressed environmental and housing concerns, then it is in the interest of both groups to combine forces and challenge local government approval of the development and thus share the burden of expensive and protracted litigation. Furthermore, evidence regarding government failure to adequately address the impacts of development will have a cumulative effect on the reviewing court. After reviewing Santa Barbara's failure to adequately address

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121. For an introduction to the Green Movement, see J. PILAF, *ECOLOGICAL POLITICS: THE RISE OF THE GREEN MOVEMENT* (1980).

A conference entitled "International Green Movements and the Prospects for a New Environmental/Industrial Politics in the U.S." was sponsored by the UCLA Graduate School of Architecture and Urban Planning and the UCLA Environmental Law Society, during April 17-19, 1986.

122. See *supra* note 19 and accompanying text.

123. The potential issues for litigation are discussed *supra* notes 97-113.

housing impacts, a court may skeptically view Santa Barbara's attempt to address environmental impacts as well.

### Obstacles to the Coalition

Three advantages accruing to both groups in an environmentalist/housing advocacy coalition have been discussed. First, both groups could broaden their respective political bases. Second, a united front on the housing issue heightens the chances of an environmentally sensitive low income and minority housing program. Third, combined resources would conserve funds during a long battle over proper development. Furthermore, it should be remembered that the coalition is based on the mutual interest in low income housing provision. Housing advocates seek to provide employment access to minorities and decent living quarters for all low income workers. Environmentalists hope to prevent the increase in travel and/or the overcrowding that would result from a shortage of local housing.

However, there are major obstacles to such a coalition. The environmental movement risks alienating a significant portion of its constituency. In 1972, more than two-thirds of the Sierra Club membership were professional workers. Over half of these members had some form of post-graduate education.<sup>124</sup> The upper class, white constituency of the Sierra Club, and similar groups are people who live in "no-growth communities" like Santa Barbara. These people fund the environmental movement through their donations and may resent the group's promotion of low income housing in their own backyards.

Even if one assumes that Sierra Club members, and other environmentalists, are enlightened, and would welcome low income housing, the environmental movement could alienate another source of support. No-growth advocates are a strong source of ad hoc political and financial support for battles to keep industry or residential development out of environmentally sensitive areas. These people support the environmental movement to keep their community exclusive. They would not support an effort to increase low income and minority housing in their community.<sup>125</sup>

Housing activists also face disincentives to a coalition. Some housing activists feel strongly about the need to house low income

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124. SIERRA CLUB, *supra* note 120, at 3-4.

125. Still it is likely that the no-growth proponents will continue to support the environmental movement on an ad hoc basis. When environmentalists oppose development, "no-growthers" will support the cause.

and minority households in single family residences that characterize these small communities. Only this kind of growth, they argue, will result in true integration and equality of housing opportunity. This kind of single unit, land intensive, sprawling growth, is anathema to environmentalists.

In sum, both housing advocates and environmentalists will need to make concessions in order to form a coalition concerning housing issues. The environmental movement risks the possibility of losing some support from its upper income benefactors. The housing advocates will have to concede to environmentally efficient multifamily low income housing.

Despite these obstacles, a powerful coalition is needed to combat the political forces that encourage cities like Santa Barbara to avoid confronting the need for local, low income housing. The absence of such a coalition in Santa Barbara has allowed the oil development review process to pass without a close inspection of the plan to mitigate housing impacts. Without the coalition, environmentalists are not motivated to address the housing issue and housing advocates lack the political clout to influence a local government that serves very few low income or minority workers.

#### CONCLUSION

Two principal ideas are presented by this article: the increasing importance of providing minority and low income housing near employment, and the need for an environmentalist/housing advocacy coalition to achieve this end.

The segregation of blacks and other minorities into the inner city significantly affects the minority employment rate. As jobs continue to move to the suburbs and beyond, the transportation cost for the inner city resident becomes prohibitive, it is more difficult to obtain information concerning job availability, and white employers may be more reluctant to bring minority employees into the community.

The original studies regarding housing's effect on minority employment were concerned with the suburbanization of employment opportunities. While the suburbanization of employment opportunities continued during the 1970's, a new trend emerged. For the first time in recent history, the nonmetropolitan areas of the country exceeded the largest metropolitan areas in employment growth.

However, while employment opportunities continue to move to the suburbs and beyond, population statistics from the 1970's indicate that blacks continue to migrate to the inner cities of the country's largest metropolitan areas.

Most people assume that environmentalists would not support a movement to increase the housing stock in nonmetropolitan areas. Environmentalists seek to preserve the character of nonmetropolitan areas for both preservationist and aesthetic reasons. However, once an industry is established in a nonmetropolitan area, it is in the interest of environmentalists to support low income and minority housing opportunities near the site of employment.

The case of Santa Barbara oil development is a prime example. Without an adequate plan to provide housing for low income workers, high demand for low income housing coupled with low supply will create overcrowding and sprawl around Santa Barbara. Both overcrowding and sprawl have deleterious environmental effects.

Furthermore, both groups would benefit from a broad political coalition. Historically, in the United States, the environmental movement has not received widespread support among low income and minority groups. A coalition regarding the housing issue may be a first step toward broadening the base of the environmental movement.

Also, it is difficult for low income and minority housing advocates to influence political decisions in nonmetropolitan areas because there is no constituency demanding low income and minority housing. Low income and minority housing advocates could benefit from the political power of environmental groups. The environmental movement often has established political power and support groups in nonmetropolitan areas.

Still, two significant questions remain unanswered. First, why has there not been a coalition? Section IV mentioned several obstacles to formation. The environmental movement would risk alienating wealthy benefactors, and housing advocates would have to conform to environmentally sensitive housing plans. However, perhaps the greatest obstacle is inertia. It is easier to rely on old perceptions than forge new coalitions.

Secondly, what can be done to encourage these groups to cooperate? This question deserves the attention of another article. An analysis of Europe's "Green Movement" and the Green Movement's relevance to the United States might provide an answer. The "Green Movement" is a broad social movement that encompasses environmental, social, political, and equity issues. Perhaps we can look to Europe for an example of a concerted effort to accomplish common goals.

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