

# Bay Area to Central Valley Migration and its Impacts

## SUMMARY AND POLICY RECOMMENDATIONS

**USC Price**

Sol Price School of Public Policy

**OXY** Occidental  
College

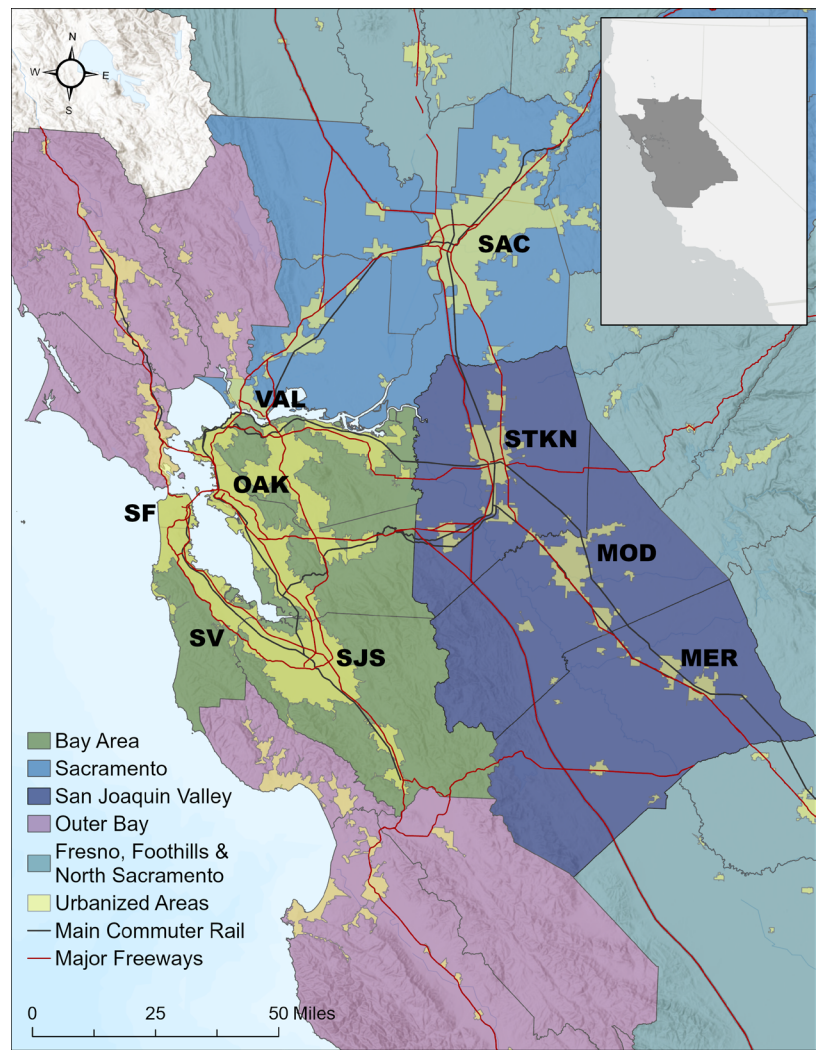
**UC DAVIS**  
Center for Regional Change

California is facing a triple crisis of housing affordability, transportation equity, and climate action. Each policy area has traditionally been siloed, yet each crisis interacts with the others. Each problem – housing, transportation, climate sustainability – are different windows into the broader question of how we plan for and build our state’s future. This report, the result of three years of data collection, analysis, and community outreach, bridges those gaps in the Northern California Megaregion.

The Northern California Megaregion is the combined San Francisco Bay Area and the counties of the Central Valley within a two-hour drive of the Bay Area (see map below). Those areas – once distinct – are merging as persons and firms increasingly move back and forth between the two. This study analyzed 29 counties in this megaregion, looking at a region spanning from San Francisco to the Sierra Nevada foothills, and from north of Sacramento to as far south as Fresno. The megaregion is home to the largest technology concentration and one of the most productive agricultural areas in the world.

Each chapter of the report brings new data sources, never before used together, to get insights into migration, transportation, housing, and local government finance. Through data agreements with the California Franchise Tax Board, anonymized income tax records (analyzed in fully secure computing

environments) are used to quantify migration between the Bay Area and Central Valley. Cell phone location data, aggregated to make it impossible to identify individuals, track commute flows. A unique survey of local governments tracked municipal response to the COVID-19 pandemic and recovery. The research relies on a combination of quantitative and qualitative methods to reflect the complexity of the megaregion and diversity of stakeholders.



## The key findings paint a picture of the megaregion.

🌀 The Central Valley was home to 40 percent of the megaregion's population in 2000, but in the twenty years to 2020 the Central Valley accounted for over half of the megaregion's population growth.

🌀 Household movements from the Bay Area to the Central Valley are 2/3 larger than the reverse movement from the Central Valley to the Bay Area from 2000 to 2019.

🌀 Supercommutes, longer than 50 miles one-way, are increasingly common in the Central Valley. In San Joaquin County, almost four percent of all morning commutes are supercommutes. In Merced County, that fraction is six percent.

🌀 The Bay Area had a housing supply shortfall, from 1990-2020, estimated to range from 130,000 to 250,000 units. To keep pace with the growth of jobs and population in the Bay Area, that region needed to build 130,000 to 250,000 more units than were permitted over the past thirty years. Closing that supply gap – simply catching up with past growth – will take from one to two decades at the pace of building in the Bay Area from 1990-2020.

🌀 In the Fall of 2020, twenty-five percent of surveyed municipalities reported using their rainy day (reserve) funds to cover budget shortfalls from the pandemic. The rapid provision of federal and state aid and the rapid economic recovery allowed many local governments to quickly stabilize their fiscal position.

## The report has several policy recommendations. The most important are below:

🌀 Speed housing permitting and construction: We recommend fast-tracked, ministerial approval for housing projects near both transit and highway links from the Central Valley into the Bay Area.

🌀 Provide relief for cost-burdened renters now, while being cautious to avoid reducing the supply of rental housing: Rent burden is a serious issue. Yet we suggest caution not to risk reducing long-term rental supply. A fruitful approach would include local emergency low (or zero) interest revolving loan programs for rent relief, and state support to expand rental voucher assistance.

🌀 Provide incentives and policies that can deliver work-from-home benefits to a broader range of workers: COVID-19 increased work from home in upper-income, often managerial and professional occupations, leaving essential workers struggling with the burden of long commutes. Policies that encourage four-day work weeks, flexible hours, and hybrid work arrangements should be explored. Also, local governments might explore incentivizing locating services (daycare, education, medical services) near commute origins, allowing long-distance commuters to coordinate trips.

🌀 The state should stress test municipal government reserve funds to assess the adequacy of rainy-day funds to different economic shocks.

This project looks at the many impacts of regional migration from the San Francisco Bay Area to the Central Valley, including demographic change, transportation and commuting, housing, and local government fiscal health. The project also examines how COVID-19 has accelerated and exacerbated these impacts. This project was made possible with support from the [Chan Zuckerberg Initiative](#). For more information, please visit our [project webpage](#).

*Disclaimer: Any opinions expressed in this report are those of the authors, not official positions of the California Franchise Tax Board.*

**Marlon G. Boarnet**

Sol Price School of Public Policy  
University of Southern California  
boarnet@usc.edu

**Seva Rodnyansky**

Urban and Environmental Policy  
Occidental College  
srodnyansky@oxy.edu

**Bernadette Austin**

Center for Regional Change  
University of California, Davis  
braustin@ucdavis.edu