

Policies to Help Communities Recover: Commuting

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The coronavirus pandemic has caused a steep drop in urban travel, with many working from home or altogether out of work. In Washington, DC, daily Metrorail ridership dropped from 675,000 on March 4, 2020, to 41,000 on March 31, 2020.¹ Similar declines have occurred in other major transit systems.² Driving is down too: in Atlanta, peak morning congestion delayed commutes by 6 percent on June 9, 2020, down from 52 percent the year before.³

Although much of the change is likely temporary, some new patterns may remain or arise during the adjustment to a new normal in 2021 and beyond. In particular, the real and perceived risks of workplace and transit transmission of COVID-19 will lead to enduring changes in work and commuting patterns.

Policymakers should work to accommodate these disruptions by maximizing flexibility for commuters. For those workers who may choose to continue working from home, easing zoning restrictions on home businesses could clear a path for this option. Alternatively, for the millions of workers who are likely to return to conventional workspaces in the near future, congestion pricing to keep traffic moving and viable alternatives to transit will play an essential role in keeping Americans moving.

HOME-BASED BUSINESSES

Even before the COVID-19 pandemic, the fastest-growing commute pattern since 2010 was to have no commute at all.⁴ In 2018, 1 in 20 Americans worked primarily from home,⁵ and more than 1 in 5 performed at least some work from home.⁶ Although predictions of the “death of distance” have been consistently overstated, it is likely that yet more Americans will shift to home-based work in the months and years that follow the current crisis.

In response to the COVID-19 pandemic, the Mercatus Center has commissioned this series of working papers and policy briefs to promote effective ideas among key decision makers. These publications have been internally reviewed but not peer reviewed.

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Home-based businesses, such as tax services providers, daycares, or tailors, have followed the same growing trend. Between 1992 and 2012, the number of home-based businesses doubled, and one in six businesses was based out of a home as of 2014.⁷ These numbers have only increased since and will likely continue to increase in the aftermath of the current crisis. It is a trend that cities should welcome; many large companies, including Amazon, Apple, and even Harley Davidson, started out of a home. Putting aside the likelihood of any business becoming the next Amazon, many home-based businesses are an essential source of income for people who face extra barriers to employment, including single parents, disabled individuals, and those who are recently unemployed.⁸

Local land use regulations in this space are often either out of date or outright antagonistic to home-based businesses.⁹ Many zoning codes restrict home-based businesses to a handful of often-antiquated business types, such as clock repair, while ignoring business opportunities afforded by the internet and expressly forbidding common business activities such as occasionally hosting a client or keeping inventory in a spare room. By combining these tight restrictions on business practices with mandatory permits and fees, zoning effectively forces many small businesses underground. Localities then have to enforce these rules against sympathetic local entrepreneurs, such as a dress seller in Northern Virginia and a music producer in Nashville.¹⁰

State and local policymakers should join those already amending their regulations to expand home-based business rights. San Diego overhauled its home-based business ordinance to eliminate burdensome rules and scrap costly permits, focusing instead on those activities that bother neighborhoods.¹¹ An initiative in Arizona would allow “no impact” home-based business state-wide.¹² California and Colorado have eased rules for common home-based businesses, such as daycares and cottage foods.¹³

Working from home is here to stay, and policymakers should build a flexible regulatory framework to accommodate small business owners as well as employees who want to work from home.

TRAFFIC

The majority of commuters will almost certainly return to their workplaces eventually. In the early stages of the return, when traffic congestion remains mild, some previous transit users will switch to driving. As the economy recovers, however, traffic could become even worse than it was before the crisis. As urban planner Alain Bertaud has persuasively argued, a city economy is defined by its capacity to connect people with job opportunities.¹⁴ Constant congestion seriously diminishes that capacity.

The only proven way to alleviate automobile congestion is through pricing roads.¹⁵ When roads are unpriced, commuters pay with their time, and do not fully take into account the delays their

own trips impose on others. Having citizens pay for road use in money rather than time is a boon to city or state budgets and allows for lower taxes elsewhere.¹⁶

Road pricing can be done bluntly, through constant tolls. Real-time traffic information now allows authorities to adjust tolls through the course of the day to maximize road capacity.¹⁷

In most states, highways and bridges that experience severe daily congestion are the logical place to implement tolls. In the most congested urban centers, the economy would also benefit from a downtown congestion price to keep traffic circulating freely throughout the day. Gothenburg, London, Milan, Singapore, and Stockholm have instituted downtown congestion pricing.¹⁸

In the United States, federal rules prevent tolls on most interstate highways, even in congested urban areas. This restriction should be lifted, and the Federal Highway Administration should work with states to introduce tolls on congested urban interstates.

PEDESTRIANS, BIKES, AND SCOOTERS

For trips taken within the urban core—for deliveries, meetings, shopping, and leisure activities as well as commuting—walking and cycling have long been important alternatives to autos, taxis, and transit. Recently, electric scooters for hire have joined bikes in most major cities. In early 2020, many cities widened sidewalks and closed entire streets to automobile traffic to accommodate a sudden need for outdoor recreation and wider spacing between people.¹⁹ Cities should respond to evolving needs for public space and should especially invest in walking, cycling, and scooter networks that enable purposeful trips.

An early indicator that more people are planning to commute by bike is that electric bicycle (e-bike) sales have been higher than ever before.²⁰ Conventional bikes are also selling faster than they can ship.²¹

State and local governments should ease regulations on electric bikes and scooters, both privately-owned and for-hire. Driver's licenses are required to operate e-bikes in 17 states; those requirements should be dropped.²² Policymakers should replace motorized vehicle bans in bike lanes and multi-use paths with either speed limits or combustion engine bans.²³ And they should accommodate, rather than limit, scooter and bike hire entrepreneurship.²⁴

Local policymakers can accommodate the increased demand by installing sidewalks and cycle tracks, which separate users from vehicular traffic.²⁵ In addition to expanding choice for commuters, improved sidewalks would also help to expand access for urban residents with disabilities and bring cities into compliance with their obligations under the Americans with Disabilities Act.²⁶ Cities should prioritize investments that contribute to a connected network of facilities with low traffic stress.²⁷

CONCLUSION

The COVID crisis has drastically changed American life, most obviously in cities. City and state policymakers should be prepared for a prolonged recession and gradual recovery, potentially accompanied by unprecedented road congestion. To accelerate the recovery and ease the costs of congestion, cities and states should implement congestion pricing and accommodate the demand for safe walking, bicycling, and scooter facilities in urban areas.

Cities will also need to accommodate changes in the ways that people work. Cities should enable more people, including small business owners, to work from home. In two companion policy briefs, we recommend other ways to add flexibility in the face of uncertainty about future patterns of housing and work.²⁸

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NOTES

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