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NEW REPORT PROPOSES SOLUTIONS TO BRIDGE L.A.'S HOUSING AFFORDABILITY GAP AND CREATE MORE SUSTAINABLE COMMUNITIES

UCLA Study Commissioned by L.A. Business Council Calls for Action to Develop Workforce Housing Along Region's Expanding Transit Corridors; Solutions Would Raise Ridership, Cut Emissions

LOS ANGELES (November 20, 2013) – The majority of middle-class families in Los Angeles County lack access to affordable workforce housing – and with home prices seeing a steep increase this year, the region's expanding transit corridors may offer the best opportunity to bridge this affordability gap. Specific solutions aimed to strengthen the region's "livable communities" are the focus of a new UCLA report released at the Los Angeles Business Council's Mayoral Transportation, Housing and Jobs Summit and commissioned by the LABC Institute.

As housing prices in Los Angeles continue to rise and the regional transit network is expanded, the *2013 Livable Communities Report: A Call to Action* recommends innovative ways to link housing and job centers, meeting workforce housing needs while attracting additional economic investment. The recommendations would also help decrease the city's reliance on private automobiles, delivering a range of environmental benefits including cleaner air, less-congested roadways and swifter commuting times. LABC research makes clear that employers and workers alike want a livable city where they can ride public transit, bike safely or walk to jobs, shopping destinations and entertainment.

The report develops a novel "Livable Community Opportunity Index" that identifies areas in L.A. County near existing or planned public transit stations with the greatest market potential for development, thereby easing the acute shortage of housing that middle-income earners can afford. This Index ranks 104 station areas based on six key demographic and market indicators— population, housing density, income, employment, transit ridership and land values — to identify prime locations for transit-friendly communities. It also includes in-depth case studies examining two such potential developments— in Van Nuys on the Orange Line Bus Rapid Transit line, and in Inglewood at the Florence/La Brea Station on the upcoming Crenshaw Light Rail line.

"I'm committed to spurring development of sustainable and livable communities in Los Angeles, especially for residents who struggle to find affordable options," said Los Angeles Mayor Eric Garcetti, who attended the LABC Mayoral Summit on October 18. "As we bring jobs and economic development to neighborhoods across Los Angeles, housing— particularly workforce housing— is a vital component. Moreover, we will continue to explore catalysts for more livable community development, like mobility hubs."

The report represents the second partnership between LABC and Paul Habibi, a professor at the UCLA Anderson School of Business and a developer himself. Expanding on 2012's *Livable Communities* report, this year's research provides detailed public policy recommendations for overcoming development challenges and incentivizing the development of workforce housing, defined as housing affordable to families earning between 50-120 percent of the Area Median Income (AMI). That range is currently \$41,400 to \$98,880 for a family of four in L.A. County. The report estimates that more than 60 percent of renters and 50 percent of homeowners are burdened by housing costs that exceed 30 percent of household income— a key indicator of housing affordability.

"The issues of affordable and workforce housing are critical to LA's economic development and competitiveness, so the release of the *2013 Livable Communities Report* could not be more timely," said Ann Sewill, Vice President

LABC Institute 2013 Livable Communities Report / 2-2-2

of Housing and Economic Development at California Community Foundation. "I hope this study and similar research to come will continue to nurture and garner innovative and collaborative ideas that strengthen local communities and the entire region."

The California Community Foundation is the LABC Institute's newest funder. Other funders include JPMorgan Chase, the 11th Hour Project, the Sierra Club, the Rockefeller Brothers Fund, the Bank of America Charitable Foundation, Edison International/Southern California Edison, Enterprise Community Partners, the Rosalinde and Arthur Gilbert Foundation, the Ralphs Foundation, the Vons Foundation, Natural Capitalism Solutions and the Wells Fargo Foundation.

The report issues a number of recommendations and development incentives that can guide future efforts in transit-oriented development.

Project Finance

- Establish Dedicated Source for Housing Trust Funds in L.A. County
- Pursue Creative Use of Existing Funding Sources
- Establish Financing Districts to Recapture Benefits to Land

Development Incentives

- Utilize Mobility Hubs to Catalyze Livable Development
- Increase Density Bonuses for Mixed-Income Development
- Reduce Parking Requirements Near Transit
- Reduce Development Fees for Livable Community Development

Details of each recommendation can be found in the report, linked here: [2013 Livable Communities Report](#).

"Quality housing that families can afford is critical to L.A.'s ability to compete against other cities and attract and retain job-creating businesses," said LABC President Mary Leslie. "Perhaps the most important step we can take is to secure the housing trust fund revenue streams in L.A. County to ensure we have adequate funding to develop livable communities."

"Thanks to the LABC-commissioned study, we now have a clear roadmap to create livable communities around transit hubs throughout the region," said LABC Institute Board Chair Brad Cox. "Implementing these concepts will enhance our residents' quality of life, spur new investment around transportation centers, and make our region more appealing to retain and attract job-creating businesses. Let's move forward and act on the ideas outlined in the study."

About the Los Angeles Business Council Institute

The LABC Institute is a forward-thinking research and education organization dedicated to strengthening the sustainable economy of California, particularly the Southern California region. Founded in 2010, the LABC Institute is at the forefront of original, primary research on topics that promote sustainable development and nurture healthy communities in Los Angeles. Our efforts have led to significant, influential studies that have helped shape the city's public-policy conversation. The LABC Institute also spearheaded the CLEAN LA Coalition and paved the way for Los Angeles to develop the largest feed-in-tariff program in the nation. The LABC Institute is the research and education arm of the Los Angeles Business Council, one of the most respected business advocacy organizations in Southern California. For more information, please visit www.labcinstitute.org.