

Press Release

BRIDGING LA'S HOUSING AFFORDABILITY GAP

New UCLA Study Calls for Action to Develop Workforce Housing Along Region's Expanding Transit Corridors; Introduces Development "Opportunity Index"

LOS ANGELES (October 18, 2013)—With housing prices climbing dramatically this year, the region's expanding transit corridors may offer the best opportunity for the development of new workforce housing development that can help bridge a widening affordability gap faced by a majority of middle-class families in the county, according to a new UCLA report commissioned by [the Los Angeles Business Council](#) and released today at the LABC's Mayoral Transportation, Housing and Jobs Summit.

The *2013 Livable Communities Report: A Call to Action* applies a new Livable Community Opportunity Index to identify areas with the greatest market potential for development near transit stations that would serve to ease the acute shortage of housing that middle-income earners can afford. The Index ranks 104 station areas and is based on six key demographic and market indicators – population, housing density, income, employment, transit ridership and land values – to evaluate whether a given market can support the type of mixed-use, mixed-income and higher-density development that comprises livable communities.

[Click here to read the report.](#)

The Opportunity Index classifies station areas as hot, warm, or cool markets for livable community development. Areas identified as "hot" are dispersed throughout the county, demonstrating great potential for affordable development region-wide.

The report includes an in-depth examination of the Orange Line's Van Nuys station and the upcoming Crenshaw Line's Florence/La Brea station in Inglewood. These case studies offer insight into both opportunities and challenges for development strategies that are also relevant for other opportunity sites throughout the county.

Housing experts consider the development of moderately priced new housing to be critical to addressing the affordability gap faced by most Los Angeles renters and homeowners, especially middle-income earners who do not qualify for public assistance. The UCLA 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.

Among the impediments to developing ample workforce housing in the region are high land and construction costs. These market-driven impediments highlight the need for public-sector support to make these projects financially viable, the report says. In addition to identifying ways to bridge the affordability gap, the study also demonstrates the quality-of-life conveniences, economic benefits and environmental value of providing residents with more convenient access to the region's growing transit system.

"Identifying the hottest areas of the region for workforce housing is important, but it's only part of the equation," said UCLA Anderson School of Management Professor Paul Habibi, the study's principal author as well as a multi-family apartment developer. "Meaningful public-sector

incentives are still required to attract investment and make these new livable communities financially feasible, especially given the demise of redevelopment agencies that traditionally led these efforts. Policymakers have the tools to make these projects attractive to potential investors and builders, and it's time to use them."

As a means of starting a conversation with political, civic and business leaders at the Summit, the study proposes a variety of specific policy recommendations for local cities and county government to incentivize private investment and narrow the financial gap that is holding back the development of workforce housing. A brief summary of those recommendations is below.

"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. "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."

Policy Recommendations from *The 2013 Livable Communities Report: A Call to Action*

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 within each recommendation can be found in the report.

"Quality housing that families can afford is critical to LA'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 LA County to ensure we have adequate funding to develop livable communities."

The UCLA study also promotes the creation of mobility hubs that can extend the reach and impact of public transit on the communities surrounding each station, and cites the Long Beach Transit Mall in Downtown Long Beach as a model. That transportation center includes a street closed to automobile traffic, with the Blue Line light rail running down the centerline, as well as bus-only lanes, landscaped pedestrian sidewalks, and buffered bicycle lanes. According to the report, "the multimodal connections are enhanced by the Long Beach Bikestation which provides bike rentals, short- and long-term bike storage and facilities for cyclists."

"We need to stop thinking in terms of development projects and start thinking about building sustainable neighborhoods and communities for working families," said Councilmember Mike Bonin, chair of the Los Angeles Transportation Committee and a member of the Los Angeles County Metropolitan Transit Authority Board. "We need to envision and build communities

where people are free to choose to leave their cars behind and walk, bicycle, or commute to work or play by bus or train. That means more affordable housing, smart jobs, and mixed use -- in close proximity to safe and convenient transit services.”

The Van Nuys Orange Line station has significant upside potential for the development of up to 3,000 units of workforce housing within a half-mile area, according to the UCLA project team. “The pieces are there for a mobility hub that could extend the reach of the station by at least a half mile, encompassing 125 acres of land,” Habibi said.

Metro owns an opportunity site at the Van Nuys Orange Line station that could yield up to 344 units of new housing. And the area is well-suited for a mobility hub: it is near a bike path and several north-south bus routes along Van Nuys Boulevard, and has available property for bike parking, bike-share facilities and pedestrian connections to the bus stops and commercial buildings along Van Nuys Boulevard.

In Inglewood, the future Crenshaw Line project also presents significant opportunities for workforce housing development. The UCLA team believes the catalyst for development is a prime 3.5-acre site adjacent to the Florence/La Brea station already owned by the City of Inglewood. “This is a transit gateway to the surrounding community,” said Inglewood Mayor James T. Butts. “We embrace the report’s conclusion that this site can spur retail and housing development within a half mile of the station, providing a great opportunity for new housing for thousands of residents nearby in the years ahead.”

However, the report also makes clear that most of the highest-opportunity transit sites face financial hurdles. “Market forces alone are not sufficient to deliver the mixed-income workforce housing products that are so desperately needed throughout the County,” said John Huskey of Meta Housing Corporation. “Once we narrow the financing gaps with public-sector incentives, we can make huge progress on helping families find housing they can afford.”

“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.”

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