

The Affordable Housing Crisis in Los Angeles: An Employer Perspective



March 2017

Report and Survey Prepared for the LA Business Council Institute

This research was conducted by a research team led by Dr. Raphael W. Bostic, who is the Judith and John Bedrosian Center on Governance and the Public Enterprise in the Price School of Public Policy at the University of Southern California. The team consisted of Brigid Kelly, Timothy (TJ) Norton, Heidi Phillips, Victor Sanchez, Monica Santander, Caroline Servat, and Charlene Unzueta contributed to this project. We acknowledge financial support from JP Morgan Chase Foundation, California Community Foundation, Enterprise Community Partners, Federal Home Loan Bank of San Francisco, and Habitat for Humanity.

About Raphael Bostic

*Judith and John Bedrosian Chair in Governance
and the Public Enterprise*

Ph.D. in Economics

Stanford University

Dr. Raphael Bostic is the Judith and John Bedrosian Chair in Governance and the Public Enterprise and Chair of the Department of Governance, Management and the Policy Process at the Sol Price School of Public Policy at the University of Southern California.



Raphael Bostic

Dr. Bostic served for 3 years in the Obama Administration as the Assistant Secretary for Policy Development and Research at the U.S. Department of Housing and Urban Development. In that Senate-confirmed position, Dr. Bostic was a principal advisor to the Secretary on policy and research, with the goal of helping the Secretary, and other principal staff, make informed decisions on HUD policies and programs, as well as budget and legislative proposal. Bostic led an interdisciplinary team of 150 which had expertise in all policy areas of importance to the department, including housing, housing finance, rental assistance, community development, economic development, sustainability, and homelessness, among others. During his tenure and with his leadership, PD&R funded more than \$150M in new research, became an important advisory voice on departmental budget and prioritization decisions, and reestablished its position as a thought leader on policies associated with housing and urban development.

Dr. Bostic arrived at USC in 2001, where he served as a professor in the University of Southern California's School of Policy, Planning, and Development. His work spans many fields including home ownership, housing finance, neighborhood change, and the role of institutions in shaping policy effectiveness. A particular emphasis has been on how the private, public, and non-profit sectors interact to influence household access to economic and social amenities. His work has appeared in the leading economic, public policy, and planning journals. He was Director of USC's Master of Real Estate Development degree program and was the founding director of the Casden Real Estate Economics Forecast. Prior to that, he worked at the Federal Reserve Board of Governors, where his work on the Community Reinvestment Act earned him a Special Achievement Award.

In an earlier stint at HUD, Dr. Bostic served as a special assistant to Susan Wachter when she served as the Assistant Secretary for PD&R. He earned his Ph.D. in Economics from Stanford University and his BA from Harvard University.

Beginning June 2017, Dr. Bostic will be on leave from USC as he transitions to a 5-year appointment as President and CEO of the Federal Reserve Bank of Atlanta.

TABLE OF CONTENTS

- 4** [Letter to Community and Business Leaders](#)
- 5** [Executive Summary](#)
- 6** [Introduction](#)
- 9** [Survey Results](#)
- 14** [Cost of Living and Employer Departures From the Region](#)
- 15** [What Have Employers Tried and What Can We Learn?](#)
- 18** [Key Takeaways and Recommendations](#)
- 22** [References](#)
- 24** [Appendix 1. Survey Methodology](#)
- 25** [Appendix 2. Survey Instrument](#)
- 36** [Appendix 3. Survey Responses](#)
- 49** [About the Los Angeles Business Council Institute and the Los Angeles Business Council](#)

April 11, 2017

Dear Business and Community Leaders:

The LABC Institute is proud to release its newest survey, *The Affordable Housing Crisis in Los Angeles: An Employer Perspective*, authored by USC Professor Dr. Raphael Bostic. This report is a follow-up to the *Los Angeles Employer Assisted Housing Handbook*, a 2009 report released by the Los Angeles Business Council (LABC) that proposed a number of strategies for employers to adopt to lessen the extent of the region's affordable housing crisis, an issue that has become more acute since 2009.

While the issue of affordable housing is often examined in terms of the impact it has on those seeking rental or permanent housing, there is another factor that receives less attention.

Employers in the region are having difficulty with recruiting and retaining their workforce due to the high cost of housing and the availability of affording housing. Professor Bostic and his team of researchers surveyed fourteen major employers in the Los Angeles Region, representing over 200,000 employees in both the public and private sector, spanning key sectors of the regional economy including utilities, healthcare, education and finance.

The survey yielded several key findings:

- > Employers universally recognized the cost of living is high, but this was a problem only in attracting workers from outside the region.
- > Employers are most concerned about acquiring "high performers."
- > The high cost of housing has led large percentages of employees to endure long commutes.
- > Supporting the production of workforce housing has proven to be an effective strategy, though few employers will be able to pursue this strategy.

The LABC Institute convened a roundtable discussion of experts to discuss the survey's findings and made recommendations, which include:

- > Actively engaging with the planning process to ensure development around transit includes housing at all price points.
- > Employers should engage more in the transportation planning process.
- > Engaging other employer segments to determine whether there are specific sectors in the region struggling more acutely due to the region's high costs of living and housing.
- > Increasing density to offset high costs of land and housing.
- > Designing buildings with the ability to adjust for future growth and density needs, such as developing parking that can later be converted into housing units.
- > Creating an inventory of single-story buildings, such as grocery stores and public markets, that can utilize airspace to develop affordable housing.
- > Calling for density maximums in urban centers and transportation hubs.

We would like to thank Professor Bostic and his team for their work and the advisors who participated with their vital input. We are very grateful to our financial supporters: JPMorgan Chase & Co., California Community Foundation, Enterprise Community Partners, Federal Home Loan Bank of San Francisco and Habitat for Humanity, without whom our research would not have been possible. We hope that this report sheds light on an issue that affects nearly all Angelenos and lays the groundwork towards ameliorating this problem.

Sincerely,

Mary Leslie
President, LABC

Brad Cox
Chair, LABC Institute

Executive Summary

This report is a follow-up to the Los Angeles Employer Assisted Housing Handbook, a 2009 report issued by the Los Angeles Business Council (LABC) that proposed a number of strategies that employers might adopt to lessen the extent of the region's affordable housing crisis, which has become more acute since that report was issued. It presents information about how employers and businesses have reacted to the high cost of living and of housing in Los Angeles.

Over the course of 3 months, a team of USC researchers surveyed 14 major Los Angeles employers to get their views on how high costs have affected their ability to attract and retain workers, how their employees are handling the high costs, and their efforts to help alleviate the pressures that arise from living in a region with such high housing costs.

The survey yielded several key findings:

- Employers universally recognized the cost of living is high, but this was a problem only in attracting workers from outside the region.
- Employers are most concerned about acquiring “high performers.”
- The high cost of housing has led large percentages of employees to endure long commutes.
- Supporting the production of workforce housing has proven to be an effective strategy, though few employers will be able to pursue this strategy.

These findings led us to develop the following recommendations:

- Vigorously examine the ability to take the LAUSD approach of producing workforce housing to a larger scale.
- Identify and promote density-related solutions to the affordability challenge.
- Identify strategies to increase the intensity of land use and, by extension, the density of housing, and then run pilots to assess their viability.
- Actively engage with the planning process to make sure that development around transit includes housing at all price points.
- Scrutinize what transportation projects to support, to ensure they are efficiently linking where people live with where they work.
- Engage other employer segments to determine whether there are employers in the region that are struggling more acutely due to the region's high costs of living and housing.

Introduction

This report is a follow-up to Los Angeles Employer Assisted Housing Handbook, a 2009 report issued by the LABC that proposed a number of strategies that employers might adopt to lessen the extent of the region's affordable housing crisis. In the intervening years, the crisis has not lessened. Rather it has become even more acute. This section details the nature of the crisis in housing affordability, and then introduces the subject of this report - a survey of employers regarding their views on how the high costs of living and of housing are affecting their ability to do business.

In 2014, 11.4 million households paid more than half of their income for housing

The lack of affordable housing is a national problem. In 2014, 11.4 million households paid more than half of their income for housing, a record number for a single year (Harvard Joint Center for Housing Studies, 2015a). Data from 2013 show that over 24 million families with incomes under \$30,000 paid more than 30 percent of their income for housing (Dreier and Bostic, forthcoming).¹ Importantly, having a job does not inoculate families from facing housing affordability challenges, with many workers who are employed full time still not earning enough to afford prevailing market rents.

Moreover, the trends have been going in a troubling direction. A recent analysis of changes in rental affordability between 2000 and 2010 found that affordability worsened for households at all income levels except for the highest 20 percent of earners in virtually every metropolitan area in the country (Schwartz, et al., 2016). Collinson (2011) shows that these problems are the result of the combination of stagnant or declining incomes among renters and steadily increasing rents. A similar study quantified the rise in cost-burdened renter households and found that the number paying more than 30 percent of their income for housing rose from 14.8 million in 2001 to 21.3 million in 2014.



¹ 30 percent is the federal standard for the amount a household should reasonably be expected to pay for housing. (HUD)

Projections suggest that the number of renter households paying more than 50 percent of their income for housing will rise from 11.8 million in 2015 to 13.1 million in 2025 (Charette, et al. 2015; Joint Center for Housing Studies 2015b).

The housing affordability crises in California and Los Angeles are direr than what the national picture shows. A California Legislative Analyst Office report on the state's housing markets shows that renters in California metropolitan areas on average devote a larger fraction of their incomes for housing than the average fraction spent on housing nationally (California Legislative Analyst's Office, 2015, Figure 11). Moreover, the high cost of housing is a statewide problem. Green (2014) estimated housing burdens for every California metropolitan area and found that housing costs exceeded 30 percent in virtually every one.

Recent state reports point to two factors that have contributed to the poor state of housing affordability in California. First, the production of housing has not kept pace with the growth in the population. In only 3 years since 2000 has the number of new units coming to market exceeded the 180,000 new homes needed on an annual basis to accommodate the state's population growth (California Department of Housing and Community Development, 2017: Figure 1). New production did not exceed 100,000 units in any year between 2008 and 2015, leaving a sizable shortfall in supply that helped drive up rents.

Residential land in coastal California is almost 8 times more costly than the cost of residential land in the average U.S. metropolitan area

A second issue is the combination of the high cost of land and an inability to build at sufficient densities. Land in California is expensive. For example, residential land in coastal California is almost 8 times more costly than the cost of residential land in the average U.S. metropolitan area (California Legislative Analyst Office, 2015). This drives up the cost of developing a building, which drives up rents. The upward pressure on rents could be alleviated if more units were built on a given parcel, but the tendency in California and Los Angeles has been to not permit high densities. The result has been new buildings that feature rents that are affordable only to those with the highest incomes. These new units thus offer, at best, limited relief for the ongoing affordable housing problem.

While many have discussed this in terms of the quality of life for people looking for housing, there is another aspect to the housing crisis that often receives less attention. That is the plight of employers and businesses that seek to produce, thrive and grow in the Los Angeles region. This report is an attempt to fill this void, by presenting information obtained by a USC research team regarding how employers have reacted to the high costs of living and of housing in Los Angeles. The USC team examined the issue using a multipronged strategy.

First, the team conducted a survey of major employers in the region in order to gain a better sense of how employers are grappling with the current high cost landscape of Southern California. Second, the team researched reports of high profile departures from the region by important employers to ascertain whether high living and housing costs were culprits in driving decisions to leave. Third, the team sought out case studies of examples of employers that followed the prescriptions laid out in the *Los Angeles Employer Assisted Housing Handbook*.

This report summarizes these efforts. The next section describes the survey and its results. The third section provides a snapshot of the circumstances underlying the departure of several key companies from the region. A fourth section highlights some solutions that have been tried to address the housing affordability problem. The report closes with key conclusions and implications for future policies and private action.



Photo by Zhejia Dai of Century Villages at Cabrillo, an affordable housing community funded by LABC member Century Housing Corporation.

Survey Results

Fourteen major Los Angeles employers responded to the survey. These public and private sector employers account for nearly 200,000 jobs and span many key sectors of the regional economy, including utilities, healthcare, education and finance. This section summarizes their survey responses.²

How does the general cost of living affect the employer-employees experience?

There was broad consensus that the general cost of living adversely affected the employees and influenced how employers did business. Almost 60 percent of respondents agreed that the general cost of living is a challenge for retaining employees, with more than one quarter strongly agreeing with the statement. Only 21 percent of respondents disagreed with this notion.

Almost 60 percent of respondents agreed that the general cost of living is a challenge for retaining employees

Similarly, nearly 60 percent indicated that the general cost of living influenced the way that employers set salaries. Some employers explicitly tied their compensation to the cost of living by using the consumer price index as a basis for salary increases. Others made adjustments to salary on a case-by-case basis, with factors considered including whether the employee or candidate was transferring from another region and if the position was sufficiently important.

There was a clear split among employers when they were asked if the cost of living in Los Angeles was something that they considered when hiring new employees. While about 57 percent stated that they did incorporate this into their decision-making, more than 42 percent reported that they did not. That said, about two-thirds (65 percent) of respondents indicated that their company's hiring package incorporated the Los Angeles cost of living. A majority of these adjustments were oriented towards management-type positions, rather than lower-paying entry-level jobs.

Interestingly, though employers recognize that the high cost of living is a potential issue for employers, a minority of them believed that they had lost employees because of this. That said, one respondent made an interesting distinction between single-earner households and others, and opined that this was a much more significant issue for single-earner households.

² Details on the survey and its methodology are reported in Appendix 1.

How does the cost of housing affect the employer-employees experience?

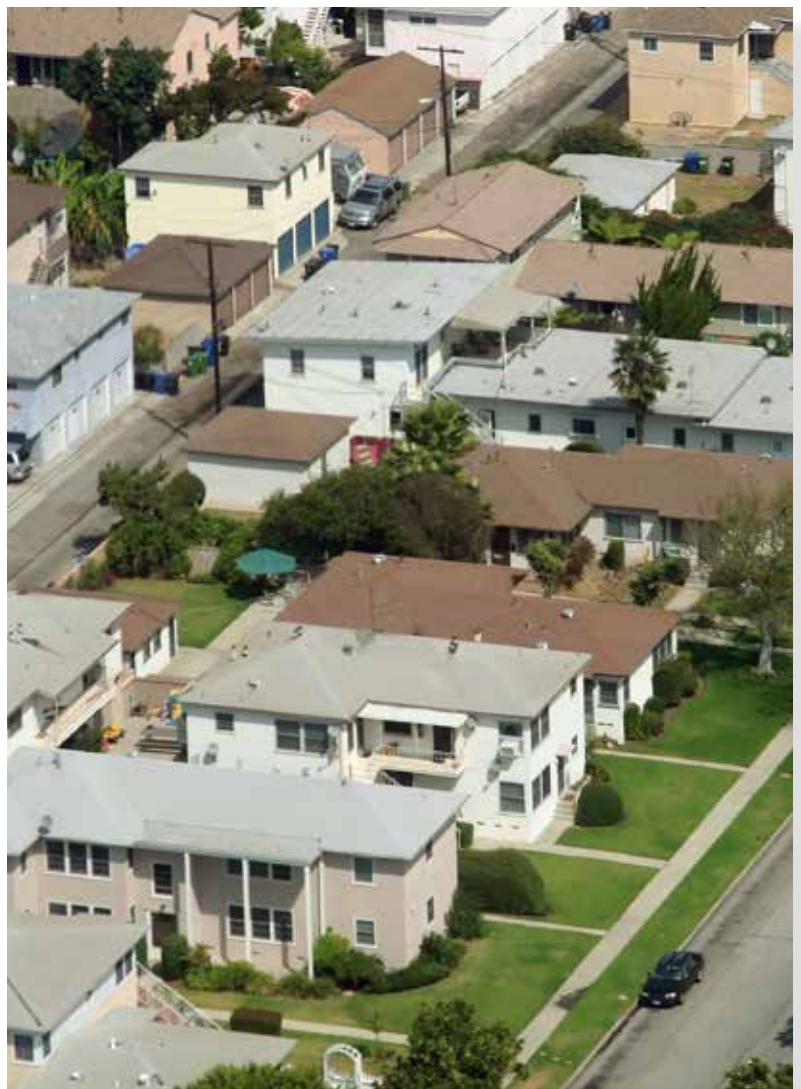
Nearly three-quarters of respondents believe that the high cost of housing is an important challenge for retaining employees. Perhaps because of this, about two-thirds of respondents indicated that they consider the cost of housing when setting salaries. This is consistent with how employers viewed salaries in the context of the general standard of living.

Seventy percent of employers with knowledge reported that their companies have lost employees due to the high cost of housing

Almost every employer (10 of 13, with one not knowing) reported that the high cost of housing has been a barrier to hiring new employees. This is a stronger response than the response to the same question regarding the cost of living in Los Angeles. The stronger response may be, in part, due to the fact that housing costs are one of only a few high profile upfront costs that prospective hires will become aware of and face before they arrive in a job. If they believe that they cannot live comfortably on the salary offered, this alone can cause them to turn a job down (California Legislative Analyst's Office, 2015).

Seventy percent of employers with knowledge reported that their companies have lost employees due to the high cost of housing. (Q9a, 4 did not know) It thus appears that high housing costs are a broad-based concern for employers where employee relations are concerned.

Nearly three-quarters of respondents believe that the high cost of housing is an important challenge for retaining employees



How the cost of living and of housing are affecting employees

This concern is reflected in the hiring packages that employees are offered, as twice as many respondents indicated their hiring packages were tailored to account for high housing costs. Features included relocation bonuses, a generous moving allowance, additional allowances for apartment hunting, and salary adjustments to move employees to the top of their range.

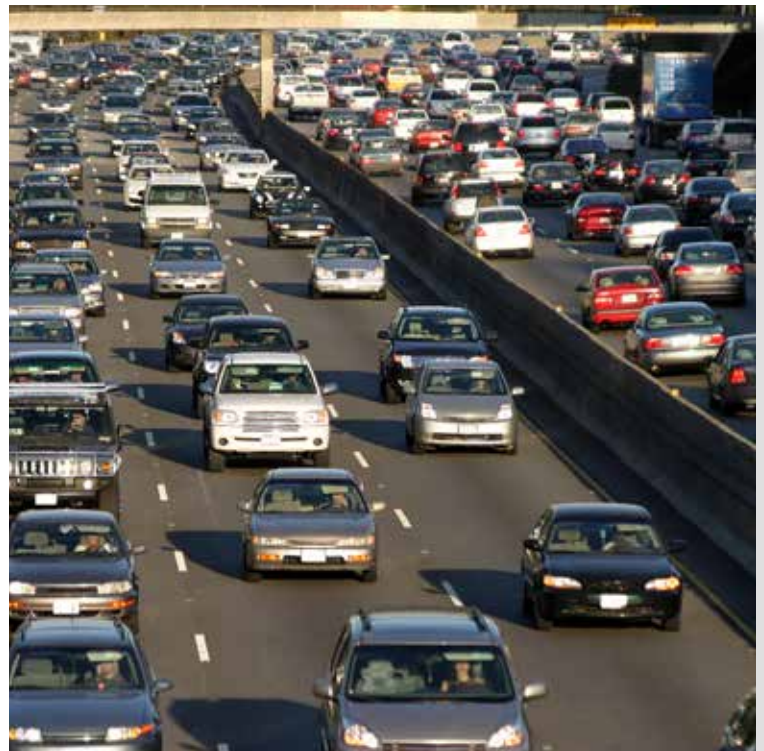
Almost every employer in the survey felt that their employees were facing strains due to high housing costs. While many employers felt this was a general problem for all of their workers, single-earner families, families with lower wage levels, part-time workers, and families considering buying a home were more commonly mentioned by respondents. Interestingly, some employers identified managers as a group that attention was given to, suggesting that employers are concerned about those employee segments that involve specialized skills that are scarcer in the workforce. For other groups of employees, the responses are consistent with a view that employers see them as easily replaced in a large market with many workers seeking full employment.

Almost every employer in the survey felt that their employees were facing strains due to high housing costs

This split consideration is reflected in the fact that only five respondents indicated that the strains faced by some groups of employees were a problem in maintaining and bolstering their workforce. The remainder either

definitively stated that they did not represent a problem or didn't know, the latter of which suggests that employee strain caused by housing is certainly not a top line concern.

In terms of effects on employees, over 90 percent of employers answered that more than 25 percent of their workers had a one-way commute of 45 minutes or more. We asked this because one possible response to high housing costs is to live less centrally, in lower-cost and more-remote communities, and then travel longer distances to get to and from work. Our employers report that this is, in fact, the choice that a significant fraction of workers is making. Large proportions of the workforces of these employers are choosing to substitute transportation costs, which include time, costs of transit or driving (gas, etc.), and stress, for paying higher housing costs.



Employer provision of housing-related assistance

The *Los Angeles Employer Assisted Housing Handbook* identified a number of ways that employers might provide housing-related assistance. These include earmarking resources to offer rental assistance, mortgage assistance, a match for employer savings to build a down payment, and homebuyer education and counseling.

Half of the employer respondents have implemented programs to assist employees in reducing their financial burdens. These programs are generally narrowly tailored. A majority feature low-cost or forgivable loans to employees that can be used to buy a home. In nearly every case, these programs are targeted, and typically available only for more senior staff and company executives. Two employers reported that they offered assistance in the form of a housing allowance that could be used in limited circumstances. In one case, the allowance was available only for an introductory training program; in another, only employees working in one particular city could take advantage of the program. Half of those employers that have programs report that the programs have

succeeded in reducing burdens. The other half is unclear whether they have.

Half of the employer respondents have implemented programs to assist employees in reducing their financial burdens

That said, there are mixed perspectives on how these programs have worked relative to expectations. Only four of the employers with assistance programs felt that the programs met or exceeded expectations. The others felt that their experiences with these programs had either fallen short not provided a clear enough signal regarding impacts to draw a conclusion. Thus, the landscape is relatively lukewarm along this dimension, even among those employers who have pursued the strategy of providing housing-related assistance.



For those employers that did not offer housing-related assistance programs, the survey probed to better understand why this is the case. The reasons why employers decided against offering these programs fell into two categories. First, some employers did not believe that high housing costs was a competitive problem. These felt that their full-time employees were not struggling in this regard and further had not felt that they had become less competitive for employees on the job market. Second, several employers expressed a concern that such programs would be costly. One even offered a view that providing these programs would likely result an increase in the price charged to customers, which could potentially cause a backlash that could affect the bottom line.

Employer support of workforce housing construction

As noted earlier in the report, one reason why there has been a persistent affordable housing challenge is that there has been insufficient production of housing units. Thus, one possible way that employers could ease housing burdens is by providing resources to support the production of affordable housing.

Our survey indicates that few employers have added support of the production of workforce housing as part of a strategy to ease employee cost burdens. Only two of the employer respondents devoted resources to assist in increasing the size of the affordable housing stock. One employer built new workforce housing, while the other has invested in multiple projects as part of a community development initiative. Interestingly, both employers felt that their efforts had succeeded and had either met or exceeded expectations. There is evidence that investment in workforce housing can be a positive experience for employers.

Most employers (10/13) have not considered investing in workforce housing. The main reasons for this fell into two categories. First, the respondents highlighted reasons associated with the expertise required to produce such housing, such as staff lacking the expertise to determine needs precisely, their neighborhoods having a shortage of developable land, staff having limited understanding about available resources. A second group of reasons pointed to a mismatch between core business activities and producing housing, such as not having a budget for housing activities and fearing that the use of resources for housing would require increasing prices for core products, which could produce a consumer backlash. That said, a majority of employers were aware that investment in workforce housing production was a viable strategy. It just did not work give most employer's circumstances.



Cost of living and employer departures from the region

While there is always a churn in business, recent studies suggest that disinvestment is a larger problem in California and Los Angeles than in other places. For example, California ranked 48 among the states in new facilities per capita, and Los Angeles County has the worst ranking “in part...because doing business is costlier in Los Angeles than in just about any other California location outside of the San Francisco Bay Area” (Chen 2016).

SpaceX’s decision in 2015 to locate a satellite development facility in Seattle (without receiving local incentives) rather than in Los Angeles represents another high profile recent example of this disinvestment (Hull and Johnson 2015). In the same year, Boeing decided to stop producing the C-17 military cargo jet at its Long Beach facility. California fought to keep production of the 777X in the state, but Boeing ultimately decided to locate the production in the Puget Sound area (Vranich 2016).

doing business is costlier in Los Angeles than in just about any other California location

What drove these departures? In some instances it is clear. Writing for the Dallas Business Journal, Bill Hethcock reports on an account by Albert Niemi Jr., Dean of the Cox

School of Business and Southern Methodist University and an inside consultant for Toyota, “It wasn’t so much that we don’t tax income,” he said. “It was really about affordable housing. ... They had focus groups with their employees. Their people said, ‘We’re willing to move. We just want to live the American Dream.’ Indeed, housing costs in Los Angeles County are three times per square foot the cost of a house in DFW. Niemi went on: “They’re paying the same salary. So in real terms, they’re going to triple the affordability of housing they can buy if they move to Texas” (Hethcock 2015).

Similarly, an aerospace analyst had this comment on the Boeing decision: “You have expensive real estate, tight labor supply, union issues, environmental regulations and geographic constraints. No one’s really thinking, Oh, it’s perfect for large, heavy scale manufacturing. It doesn’t quite add up” (Vranich 2016, p. 90). In other cases, there are hints. For example, SpaceX founder Elon Musk commented that his move would ease hiring “some top rocket engineers who ‘just refuse to live in L.A.’” (Hull and Johnson 2015). High housing costs are just one key factor.



What Have Employers Tried and What Can We Learn?

A goal of this research was to establish whether employers had adopted the recommendations offered in *Los Angeles Employer Assisted Housing Handbook* and, if so, what the experience has been.

One class of strategies encouraged in the Handbook was to offer housing-related assistance to reduce an employee's financial burden. As suggested by the responses to our survey, few employers have adopted this as a general companywide strategy. Rather, they have tended to offer the support to targeted subsets of their workforce, with the most frequent target being higher-wage and more senior workers. Such a narrow approach represents a more limited application of the strategy than was perhaps conceived, and limits the likelihood of it being a major reducer of housing cost pressure.

By contrast, an employer has implemented a second type of strategy lifted up in the Handbook – supporting the production of workforce housing.³ The Los Angeles Unified School District (LAUSD) is perhaps the most energized employer in the region when it comes to supporting the construction of workforce housing. LAUSD has produced



two workforce housing projects – the 90-unit Sage Park Apartments complex in Gardena, done in partnership with Bridge Housing, and the 66-unit Selma Community Housing complex, done in partnership with Abode Communities and located across from Selma Elementary School in Hollywood. Sage Park opened in 2015 while Selma opened in 2016. LAUSD is currently pursuing a third project, the 44-unit Norwood Learning Village near USC, in partnership with Thomas Safran & Associates Development Corporation. Norwood Learning Village is slated to open in late 2017.

LAUSD's Selma Community Housing | Photo Courtesy of Abode Communities. Jim Simmons Photography.

³ Banking institutions are consistent supporters of efforts to build new and preserve existing affordable housing, due in part to their obligations under the Community Reinvestment Act (Avery, et al. 2000).

The model for these developments is straightforward. LAUSD implements a joint occupancy agreement with a developer who is interested in producing workforce housing. Once the agreement is established, LAUSD provides the developer with unoccupied land and the developer builds the proposed project. When construction is completed, a fraction of the units in the project is reserved for members of LAUSD's workforce who earn between 30 and 60 percent of the area median household income.

Each of the projects has been very successful in terms of leasing and occupancy. Both projects had 100 percent occupancy within days of opening, and the demand for the units far outstripped what was available. At Selma Community, for example, there were more than 900 applicants, 400 of which were LAUSD employees, for the 66 units in the project. This large applicant pool is nearly 14 times the number of available units. If one considers just the LAUSD employee applicants, the pool still was 6 times larger than the number of units available. The robust response to the possibility of gaining access to Sage Park and Selma Community is a clear demonstration of the great demand and need for affordable housing units, both among LAUSD employees and more broadly.



LAUSD staff and teachers had a preference in 83 and 33 of the units in Sage Park and Selma Community, respectively. In both cases, the reserved units all went to staff, including low wage cafeteria workers, bus drivers, and special education assistants (Phillips, 2016).⁴ An initial LAUSD hope was that teachers would occupy some of the units, but teacher salaries exceeded the maximum income threshold for the projects (Phillips, 2016).⁵

⁴ LAUSD staff rent five units in Selma Community that were not reserved, as LAUSD staff were eligible for the lottery to assign the non-reserved units (Phillips, 2016). All of the units at Norwood Learning Village will be reserved for LAUSD staff and teachers.

⁵ Each project relied upon multiple funding sources, and these sources have rules that identify maximum earnings thresholds.

LAUSD is exploring ways to raise the income thresholds to up to 80 percent of the area median income, which would permit teachers to qualify for unit occupancy.

The projects also supported daytime activities at the schools located close to them. Each project featured an underground parking structure, and a number of the spaces in the structures are reserved for LAUSD employees.

From a financial perspective, these projects have been relatively inexpensive for LAUSD. Because the district already owned the property, there was no need to use capital to purchase land, meaning that LAUSD avoided the high cost of land acquisition that drives rents higher. Moreover, costs to review proposals to build on the sites were largely reimbursed from the proceeds raised to complete project development. That said, there is always an opportunity cost, as the district has lost the ability to do something else with the property in the future, such as build a new school if the number of students in the district rises.

On net, LAUSD's investment in workforce housing has represented an across the board victory, as the district, the developer partners, and the LAUSD staff living in the projects all view the effort as a success. The experience with Sage Park and Selma Community demonstrates the potential of this strategy to produce positive benefits for employers and employees that can endure for decades. It should inspire other employers to consider more seriously whether pursuit of this strategy makes sense for them.



Key Takeaways and Recommendations

Los Angeles features one of the highest cost of living in the country, and the cost of housing is a major contributor to this. While much attention has been focused on how families are dealing with these high costs, far less focus has been placed on the employer perspective. This initiative sought to provide some insight in this regard.

There are several key takeaways from this research:

1. Every employer surveyed acknowledged the high cost of living, but felt that it was mainly a problem in attracting workers from outside the region.

Employers reported that they had not seen a reduction in their ability to attract people from the local workforce. They stated that this was likely the case because people already living in Los Angeles are well aware of the high costs and have found ways to adapt to them. This is not the case for people living in other regions, for who the high costs might induce a sticker shock that could lead them to get cold feet and decline a job offer.

2. Employers were most concerned about attracting “high performers” (more senior levels).

Employers acknowledged that there is high competition for all jobs, but this has different implications depending on the level of the position. For mid- and upper-level jobs, there is a strong concern that employers will lose out in hiring highly-skilled workers to other firms not located in high cost markets due to the cost. As a result, a majority of businesses had some assistance programs in place to sweeten the job offer. For lower-level jobs, by contrast, the prevailing view is that there is an abundant supply of non-specialized (and lower-skilled) workers locally, meaning that no special efforts are needed to attract employees in the current environment. Thus, there is little that is available for this group.

3. Long commutes, when known, are experienced by large percentages of staff.

There is a general employer awareness that a significant share of their employees have adapted to Los Angeles’ high cost situation by living far from their place of employment. What is less clear is whether this causes employees to be better off. Though housing may be more affordable in distant locations, transportation costs are elevated due to the need to commute long distances.

This is one reason why some have advocated for a more inclusive consideration of costs that incorporates the cost of both housing and transportation (Boarnet, et al. 2017). Ultimately, the extent to which elevated transportation costs associated with living less centrally offset the savings in housing costs will determine whether families making such a choice will enjoy any positive net benefit.

4.

Supporting the production of workforce housing is an effective strategy, though relatively few employers will be able to use it.

This approach directly provides units at needed price points, thereby helping to alleviate the acute need that prevails. The tremendous interest in the project – 900 applicants for 66 units at Selma, for example – shows the need, but also demonstrates that scale is important. Scaling will be difficult, however. This strategy worked in the case of LAUSD only because the district had unused parcels of land. Few employers are in this position, and so will not be able to take this approach without acquiring land specifically to build the housing. In other words, employers would need to become developers.

Given these findings, we offer the following recommendations:

Vigorously examine the ability to take the LAUSD approach of producing workforce housing to a larger scale. The market response to the two LAUSD projects was dramatic and clear, and suggests there is tremendous appetite in the market for these projects. We have noted that it will not be possible for many employers to take this on. However, despite these challenges, we believe it is important that employers at least consider this strategy, as such could cause them to think about all their land holdings and determine whether any are feasible for producing workforce housing. The policy community might facilitate such a review by identifying and approaching the largest landholders in Los Angeles and engaging them in a conversation on this topic. Specific asks for these landholders might include conducting an inventory of parcels to determine whether any are underutilized or truly surplus and whether any sites might accommodate mixed uses that include housing. More generally, creating an inventory of underutilized or surplus land, regardless of who owns it, would be a fruitful exercise, as it would place a focus on those properties with the highest potential to add to our housing stock.

Identify and promote density-related solutions to the affordability challenge.

Because the high cost of housing is vitally linked to the high cost of land, a direct way to increase affordability is to increase the cash flow associated with a given property, which is best achieved by increasing density.

(We are currently pursuing the other alternative approach, which is to charge high per unit prices.) We must work to identify feasible policies that increase density, such as density minimums – rather than density maximums – in key urban centers. In addition, given that Los Angeles has been consistently down-zoned since the 1970s, it will be critical that this issue be engaged on a political level. The business community should join with the housing, community development, civil rights, and developer communities to establish a ubiquitous presence in favor of the density that this city needs if it is to make progress against the housing affordability challenge. The recent victory against the anti-development Measure S in Los Angeles makes clear that coordinated efforts can yield important successes.

Identify strategies to increase the intensity of land use and, by extension, the density of housing, and then run pilots to assess their viability. Los Angeles needs to be more creative in finding ways to increase the intensity of land use, which will in turn put downward pressure on prices.

- One possibility is to create an inventory of single-story buildings, such as grocery stores and public markets, that have airspace that is available for the development of affordable housing. One example of a success story in this regard is the Hollywood Walgreens at Sunset and Vine, which has 4 floors of housing above its street-level storefront.
- Another possibility is to permit the development of housing which provides no parking, which should reduce development costs considerably and reduce the need for developers to set high per unit prices.⁶ Though some have expressed concerns this would worsen street parking, an alternative outcome could be that such buildings will be occupied largely by people not wanting to own a car. Such an outcome seems more likely in today's environment, where Uber, Lyft, Zipcar, and expanded Metro system, and other transportation services are making getting around without a car ever easier.
- Finally, developers are experimenting with building their projects with flexibility of use embedded in their designs. For example, some parking structures are being built at specifications that would permit their conversion in to housing.

The city and region should conduct pilot programs that provide incentives to pursue these and other similar creative strategies so that we can learn what approaches can produce meaningful benefits.

Actively engage with the planning process to make sure that development around transit includes housing at all price points. The feedback from employers makes clear that there are concerns about the choices that the high cost of housing is forcing employers to confront, and that these concerns exist for all employees.

⁶ Parking requirements as established by the Los Angeles building code accounts for 25 percent of development costs (Cox, 2017).

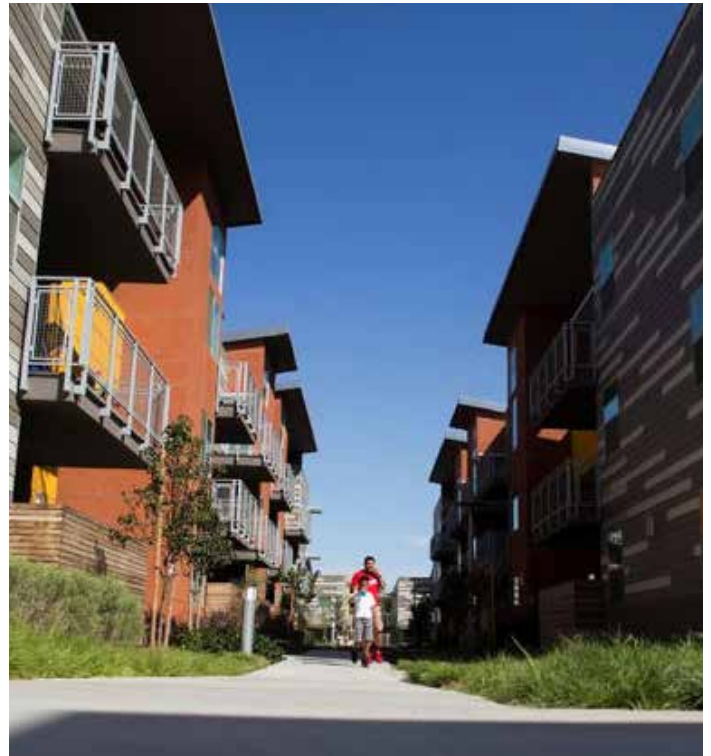
The regional competitive environment has skewed employer programs toward serving more senior and higher paid workers, though. Planning and development processes should incorporate this reality into decisions about what type of housing is produced, and make sure that there is a reasonable share of affordable units among the new units produced. This will be especially important in the proximity of transit stations.

Scrutinize what transportation projects to support, to ensure they are efficiently linking where people live with where they work.

In the November 2016 election, Los Angeles voters approved Measure M, a tax measure that will generate significant funds to be used to augment the regional transportation system (Walker 2016). Given the reality that so many in the Los Angeles workforce are commuting long distances, we recommend that every effort be expended to ensure that these funds are used to reduce the collective commuting cost – in terms of both money and time – associated with living far from one’s workplace. Available data should be used to identify key commuting corridors and generate plans to build road and transit capacity to maximize efficiency, and then the new funds should be deployed to execute those plans.

Engage other employer segments to determine whether there are employers in the region that are struggling more acutely due to the region’s high costs of living and housing.

This effort sought out the experiences of the largest employers in Los Angeles, which are large and mature institutions. It is possible that the experiences of smaller companies and companies from particular sectors differ in significant ways. Small companies may draw from a smaller worker pool or need workers with specialized skills. This could be particularly true for small manufacturing, which has a major presence in the Los Angeles region. We recommend that the first set of summits be convened focusing on the experiences of employers in light manufacturing, healthcare, and newer, fast growing sectors, each of which is quite important for Los Angeles’ business prospects. Light manufacturers offer high paying jobs that require fewer high human capital skills than other employers. Healthcare is a large sector that is likely to remain large and potentially grow. Finally, newer fast growing sectors – think technology – are the future in terms of growth and prosperity. We must ensure that these sectors, as well as others, remain vibrant and are not hindered by regional housing conditions. The summits can be a source of additional data that can inform the set of policies that might be established to address the broader housing affordability challenge.



References

- Avery, Robert B., Raphael W. Bostic, and Glenn B. Canner. 2000. "CRA Special Lending Programs," *Federal Reserve Bulletin*, 86 (11 November), 711-731.
- Boarnet, Marlon G., Raphael W. Bostic, Danielle Williams, Raul Santiago-Bartolomei, Seva Rodnyansky, and Andy Eisenlohr. 2017. *Building Affordable Housing in Transit-Oriented Developments: Impacts on Driving and Policy Approaches*, University of Southern California white paper.
- California Department of Housing and Community Development. 2017. *California's Housing Future: Challenges and Opportunities - Public Draft*, January, Sacramento, CA.
- California Legislative Analyst's Office, California's high housing costs: Causes and consequences, March 2015, accessed at <http://www.lao.ca.gov/reports/2015/finance/housing-costs/housing-costs.pdf>.
- Charette, Allison, Chris Herbert, Daniel T. McCue, Ellen Tracy Marya. 2015. Projecting Trends in Severely Cost-Burdened Renters, 2015-2025, Enterprise Community Partners and the Harvard Joint Center for Housing Studies report. <http://www.jchs.harvard.edu/research/publications/projecting-trends-severely-cost-burdened-renters-2015%E2%80%932025>.
- Chen, I-Chun. 2016. "California's tax, regulatory policies causing businesses to flee (and it's about to get worse)," L.A. Biz, August 12, accessed at <http://www.bizjournals.com/losangeles/news/2016/08/12/california-regulatory-policies-businesses-flee.html>.
- Green, Richard. 2014. "Cognitive Dissonance Alert: America Has A Housing Affordability Problem, And America Is Cheap" Forbes, August 5, accessed at <https://www.forbes.com/sites/richardgreen/2014/08/05/cognitive-dissonance-alert-america-has-a-housing-affordability-problem-and-america-is-cheap/#13cb1a3f4de0>.
- Harvard Joint Center for Housing Studies, 2015a. *The State of the Nation's Housing 2015*, <http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/jchs-sonhr-2015-full.pdf>.
- Harvard Joint Center for Housing Studies. 2015b. *America's Rental Housing: Expanding Options for Diverse and Growing Demand*, http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/americas_rental_housing_2015_web.pdf.
- Hethcock, Bill. 2015. "Here's the main reason Toyota is moving from California to Texas," Dallas Business Journal, December 11, accessed at <http://www.bizjournals.com/dallas/blog/2015/12/heres-the-main-reason-toyota-is-moving-from.html>.

Hull, Dana and Julie Johnson. 2015. "SpaceX chief Elon Musk has high hopes for Seattle office," The Seattle Times, January 14, accessed at http://old.seattletimes.com/html/business/technology/2025451224_muskseattlexml.html.

Phillips, Anna M.. 2016. LAUSD teachers earn too much to live in the affordable housing apartments built for them. Los Angeles Times. October 19. Accessed at <http://www.latimes.com/local/education/la-me-edu-teacher-housing-20161019-snap-story.html>.

Schwartz, Heather L., Raphael W. Bostic, Richard K. Green, Vincent J. Reina, Lois M. Davis, and Catherine Augustine, *Preservation of Affordable Rental Housing: Evaluation of the MacArthur Foundation's Window of Opportunity Initiative*, 2016, Rand Corporation: Santa Monica, CA.

Vranich, Joseph. 2016. *California Business Departures: An Eight-Year Review 2008-2015*. Spectrum Location Solutions report.

Walker, Alissa,. 2016. "Angelenos vote to tax themselves for better public transit," *Curbed Los Angeles*, November 9, accessed at <http://la.curbed.com/2016/11/9/13573924/measure-m-los-angeles-public-transit-results>.

Appendix 1. Survey Methodology

In building the survey, the USC team conferred with staff from the Los Angeles Business Council Institute and survey experts on campus to determine the scope of the questionnaire, the questions to be asked, and the types of responses to be elicited. The team settled upon using a qualitative 5-level Likert response approach (“Strongly agree”, “Somewhat agree”, “Neither agree nor disagree”, “Somewhat disagree”, “Strongly disagree”). We also allowed for less structured follow-up responses to some of the questions to allow respondents to add detail to their answers. The questions were tested to determine whether any questions were unclear or elicited biased answers, and were further modified given the responses.

The final survey instrument was divided into five sections. The first two sections asked the employers about their views on how the general cost of living and the cost of housing affect their experiences with employees and how they approach hiring them. A third section asks their views about how employees have responded to the regional housing costs. Finally, in a previous report, the LABC identified two potential strategies employers might pursue to help their employees have an easier time managing the high cost of living and high housing costs that prevail in Los Angeles: providing housing-related assistance and supporting the production of workforce housing. The final two sections explored the extent to which the employer respondents have pursued either strategy to alleviate the stresses their employees may face. Appendix 2 shows the survey as it was administered.

The survey target population was largest employers in Los Angeles. We initially identified these employers using data compiled by the California Employment Development Department, The Los Angeles Business Journal, and the Los Angeles Almanac. This produced a list of nearly 50 employers. We then worked with the Los Angeles Business Council to identify points of contact for organizations on the list and reached out to those contacts. For those organizations for which we did not have contacts, we “cold called” the companies and sought representatives who might be survey respondents. Ultimately, we were able to receive responses from 15 employers. This represents about a 30 percent response rate.

In conducting the survey, we were aware that some employer representatives might not have the information required to answer every question. This proved to be true, with the result that some respondents answered survey questions with a “Don’t know” response. In reporting response frequencies below, we do not include “Don’t know” responses in our tallies of how employers answered the questions. The full responses, including the “Don’t know” responses, are included in Appendix 3, which documents how employer respondents answered every survey question.

Appendix 2. Survey Instrument

2016 LABC EAH SURVEY INSTRUMENT

Interviewer: Good morning/afternoon. Thank you for agreeing to meet with us to answer some questions on the cost of living and the affordability of housing in Los Angeles. We are conducting this survey on behalf of the LA Business Council, and we are particularly interested in your company's experiences with these issues.

All of the responses that we gather from this and other interviews are anonymous. They will be compiled into a report that summarizes the collective findings. This report may include selected quotes from participants, but no identifiable information will be included.

We expect this interview to last no more than one hour.

Finally, participation in the survey is voluntary. You are under no obligation to be a survey respondent and you may refuse to answer any question or end the interview at any time.

Before we begin, I would like to verify that you are okay with participating. (Get a verbal assent)

Also, we would like to record this interview, to make our transcription easier. Are you okay with this? (Get verbal assent)

Are you ready?

General Cost of Living

This first set of questions focuses on the cost of living in Los Angeles. For this section, you should consider the cost of living excluding housing costs, as we will discuss those costs a bit later.

For the next few questions I will read a statement. After I've read the statement, I will read the possible answers. Some questions will ask for your general opinion on a statement, and we will ask you if you "strongly agree," "somewhat agree," "neither agree nor disagree," "somewhat disagree," "strongly disagree," or "don't know." Other questions are more direct "yes/no" questions. After some of your responses, I may ask follow up questions to get more information.

1. The cost of living in Los Angeles is a challenge for retaining employees.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Don't know
- Refused to answer (don't read aloud)

2. The cost of living in Los Angeles has influenced the way salaries are set.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Don't know
- Refused to answer (don't read aloud)

3. The cost of living in Los Angeles is not an issue you consider when trying to hire new employees.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Don't know
- Refused to answer (don't read aloud)

4. Our company has lost employees due to the cost of living in Los Angeles.

- Yes
- No

4b. If yes, ask how many.

Now I'll ask some more specific questions about your company.

5a. Our company's hiring package incorporates the cost of living.

_____ Yes (Interviewer's Note: If the respondent answers yes to 5a, include 5b.)

_____ No (Interviewer's Note: If the respondent answers no to 5a, skip to 6.)

5b. Which employees' hiring packages includes adjustments for the cost of living?
(Prompt: all employees, some employees, managers, etc.?)

Cost of Housing

This next section focuses on housing affordability in Los Angeles as it relates to your business's employees.

As for the last section, I will read a statement and then read the possible answers. After, I've read the statement, please tell me whether you "strongly agree," "somewhat agree," "neither agree nor disagree," "somewhat disagree," or "strongly disagree." After some of your responses, I may ask follow up questions to get more information.

6. The cost of housing in Los Angeles is a challenge for retaining employees.

_____ Strongly agree

_____ Somewhat agree

_____ Neither agree nor disagree

_____ Somewhat disagree

_____ Strongly disagree

_____ Don't know

_____ Refused to answer (don't read aloud)

7. Our company does not set salaries by taking into account the cost of housing in Los Angeles.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Don't know
- Refused to answer (don't read aloud)

8. The cost of housing in Los Angeles has been a barrier to hiring new employees.

- Strongly agree
- Somewhat agree
- Neither agree nor disagree
- Somewhat disagree
- Strongly disagree
- Don't know
- Refused to answer (don't read aloud)

9a. Our company has lost employees due to the high cost of housing in Los Angeles.

- Yes
- No
- Don't know
- Refused to answer (don't read aloud)

9b. If yes, ask how many.

10a. Our company's hiring package addresses housing affordability challenges.

- Yes (Interviewer's Note: If the respondent answers yes to 10a, include 10b.)
- No (Interviewer's Note: If the respondent answers no to 10a, skip to 11.)
- Don't know
- Refused to answer (don't read aloud)

10b. Which employees' hiring packages addresses housing affordability? (Prompt: all employees, some employees, managers, etc.?)

Employee experiences

Now I'd like to talk with you about your employees and how living and housing costs may be affecting them.

11. Do you feel there are groups of your employees that are facing particular strains due to high (non-housing) living costs?

- Yes
- No
- Don't know
- Refused to answer (don't read aloud)

11b. If yes, then follow up by asking who.

11c. Are you finding that these strains pose a problem for you in attracting and retaining workers in this group?

- Yes
- No
- Don't know
- Refused to answer (don't read aloud)

11d. If yes, follow up by asking if there is high/costly turnover in this group. You might also ask if there is a robust or limited pool of qualified workers for those occupations in the region and if the organization face difficult competition with other companies to fill those positions.

12. Do you feel there are groups of your employees that are facing particular strains due to high housing costs?

- Yes
- No
- Don't know
- Refused to answer (don't read aloud)

12b. If yes, then follow up by asking who.

12c. Are you finding that these strains pose a problem for you in attracting and retaining workers in this group?

_____ Yes

_____ No

_____ Don't know

_____ Refused to answer (don't read aloud)

12d. If yes, follow up by asking if there is high/costly turnover in this group. You might also ask if there is a robust or limited pool of qualified workers for those occupations in the region and if the organization face difficult competition with other companies to fill those positions.

13. More than 25 percent of my workers commute longer than 45 minutes one way.

_____ Yes

_____ No

_____ Don't know

_____ Refused to answer (don't read aloud)

13b. If yes, follow up by asking for the actual percentage (if they know).

Housing-related solutions

Now I'd like to turn to some housing-related solutions you may have considered. I'm going to start by asking about your company's experiences with two housing-related strategies to ease burdens.

Providing housing-related assistance to reduce financial burden

14. The first strategy is providing housing-related assistance to employees so they face a lower financial burden. This support could be targeted to rental assistance, mortgage assistance, matching employee savings for a downpayment, and providing homebuyer education and counseling, among other possible methods of support.

14a. Have you implemented any programs to assist employees in reducing their financial burdens?

Yes

No

Don't know

Refused to answer (don't read aloud)

If no, then skip to 14g.

If yes, then proceed as follows:

14b. Please describe what you've done to assist employees in this way.

14c. What was the cost of providing this assistance?

14d. Do you feel that providing this housing-related assistance has succeeded? Explain. (Be sure to ask about the metric of performance and the return to the investment, if known.)

Yes

No

Don't know

Refused to answer (don't read aloud)

14e. Has your experience in providing the assistance exceeded, met, or fallen short of your expectations?

Exceeded

Met

Fallen short

Don't know

Refused to answer (don't read aloud)

14f. Please explain.

(GOTO 15.)

14g. Has your company considered providing housing-related assistance – such as rental or mortgage assistance, help with saving, or counseling – to help employees manage financial burdens?

- Yes
- No
- Don't know
- Refused to answer (don't read aloud)

If no, then proceed to 14i.

14h. If yes, why did the company decide to not pursue these sorts of assistance programs?

14i. If no, why not? What barriers do you perceive there to be in providing housing-related assistance to employees?

14j. Before we mentioned housing-related assistance to employees to help ease their financial burdens, were you aware of this as a possible solution?

- Yes
- No
- Don't know
- Refused to answer (don't read aloud)

Supporting the construction of workforce housing

15. The second strategy is supporting the construction of workforce housing. This support could be in the form of investing in new construction, providing funds to help employees renovate their homes, providing loans to developers, or using their financial capacity to help developers get higher loan amounts or better interest rates.

15a. Have you implemented any programs to support the construction of workforce housing?

- Yes
- No
- Don't know
- Refused to answer (don't read aloud)

If no, then skip to 15g.

If yes, then proceed as follows:

15b. Please describe what you've done to facilitate the construction of workforce housing.

15c. What was the cost of doing these efforts to support the construction of workforce housing?

15d. Do you feel that your efforts to support the construction of workforce housing have succeeded? Explain. (Be sure to ask about the metric of performance and the return to the investment, if known.)

- Yes
- No
- Don't know
- Refused to answer (don't read aloud)

15e. Have your efforts to support the construction of workforce housing exceeded, met, or fallen short of your expectations?

- Exceeded
- Met
- Fallen short
- Don't know
- Refused to answer (don't read aloud)

15f. Please explain.

(GO TO END)

15g. Has your company considered supporting the construction of workforce housing?

Yes

No

Don't know

Refused to answer (don't read aloud)

If no, then proceed to 15i.

15h. If yes, why did the company decide to not support the construction of workforce housing?

15i. If no, why not? What barriers are preventing you from supporting the construction of workforce housing?

15j. Before we mentioned supporting the construction of workforce housing, were you aware of this as a possible solution?

Yes

No

Don't know

Refused to answer (don't read aloud)

END:

That's all the questions we have for you today. Thank you so much for your participation. If you have questions or issues that you would like to raise, please reach out to Raphael Bostic, who is a professor at USC and the principal investigator for this project. I will leave a form with you that includes his contact information.

FOR COMPANIES THAT HAD PROGRAMS IN Q14 OR Q15:

Someone may also follow up with you regarding the efforts associated with providing housing-related assistance or supporting the construction of affordable housing that you highlighted in your responses. The LABC has interest in knowing more detail about these experiences.

Thanks again for help out with the survey.

Survey on the cost of living and cost of housing in Los Angeles

If you have questions or issues that you would like to raise, please reach out to Raphael Bostic, who is a professor at USC and the principal investigator for this project. His contact information is listed below.

Title:

Judith and John Bedrosian Chair in Governance and the Public Enterprise
Chair, Department of Governance, Management, and the Policy Process
Sol Price School of Public Policy
University of Southern California

Mailing address:

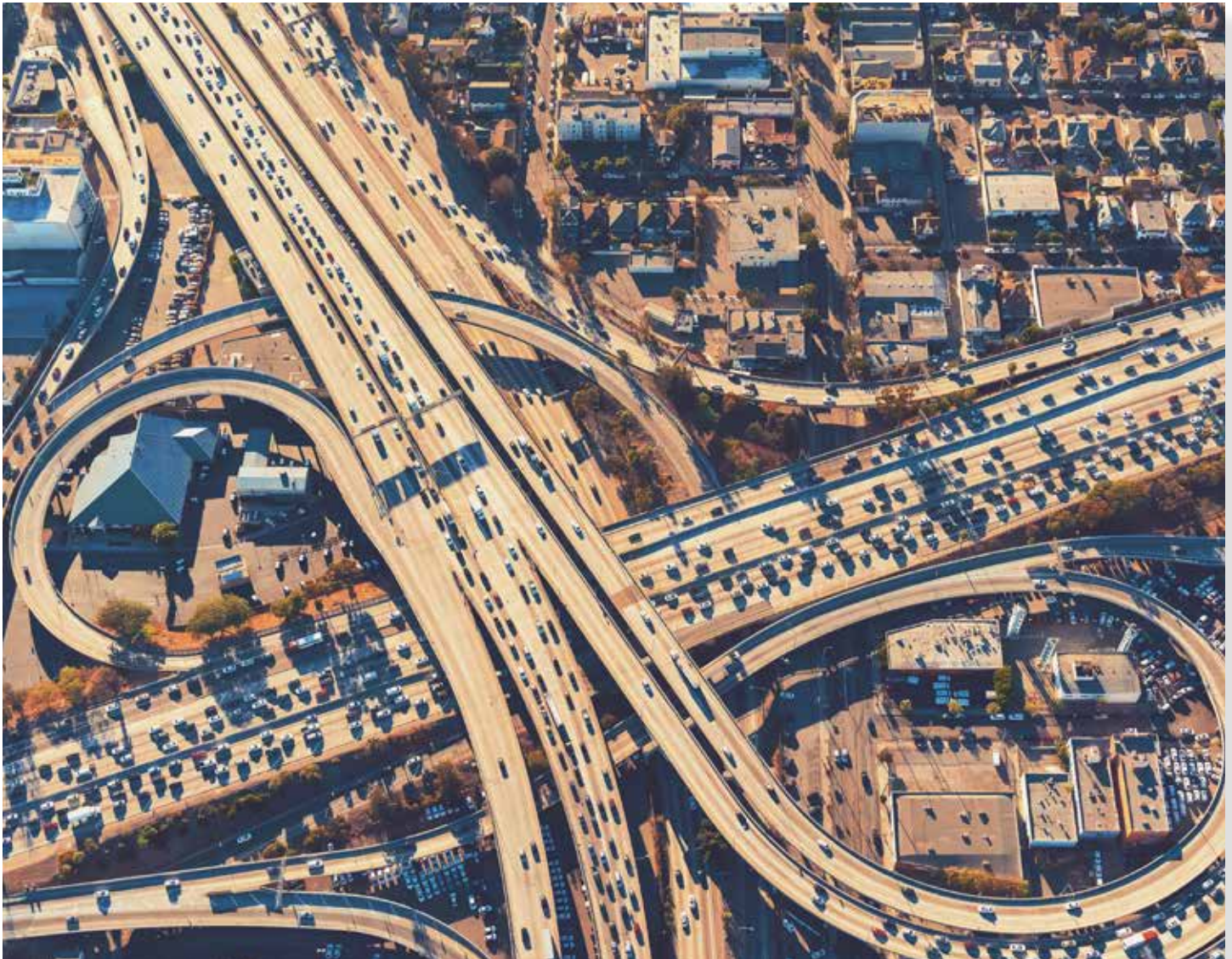
650 Childs Way
Ralph and Goldy Lewis Hall 201
Los Angeles, CA 90089-0626

Phone:

213-740-1220

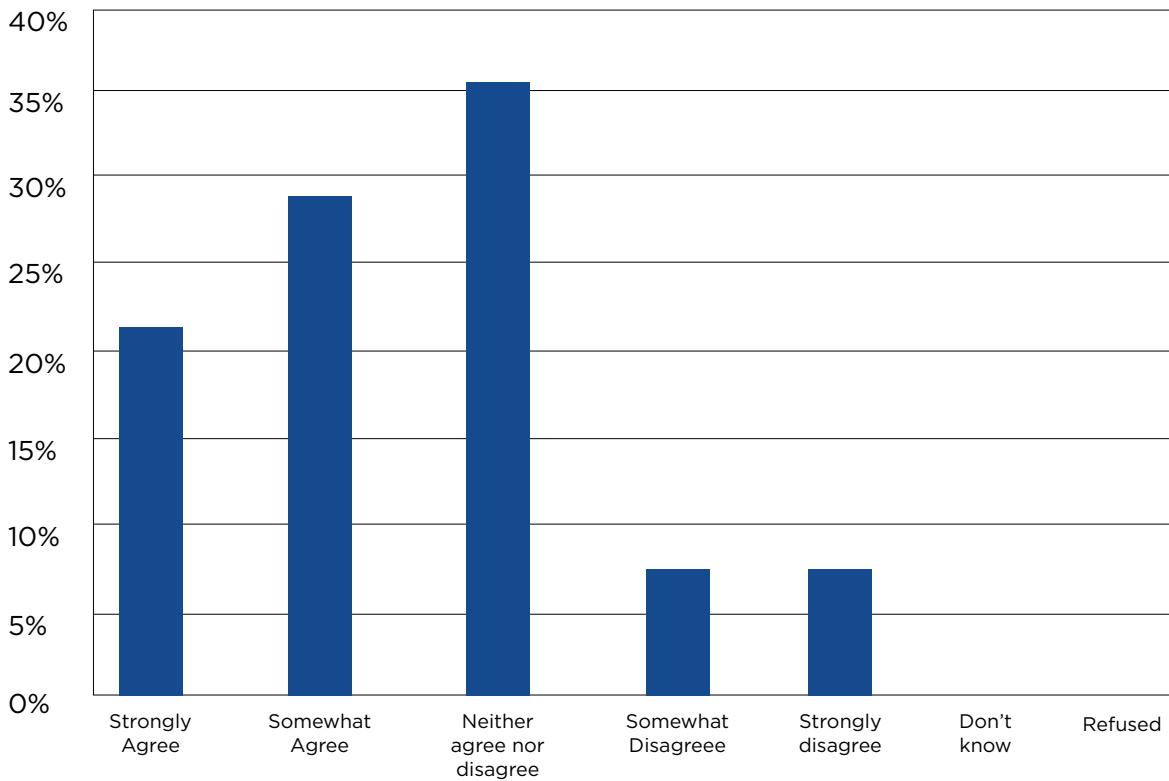
Email:

bostic@usc.edu

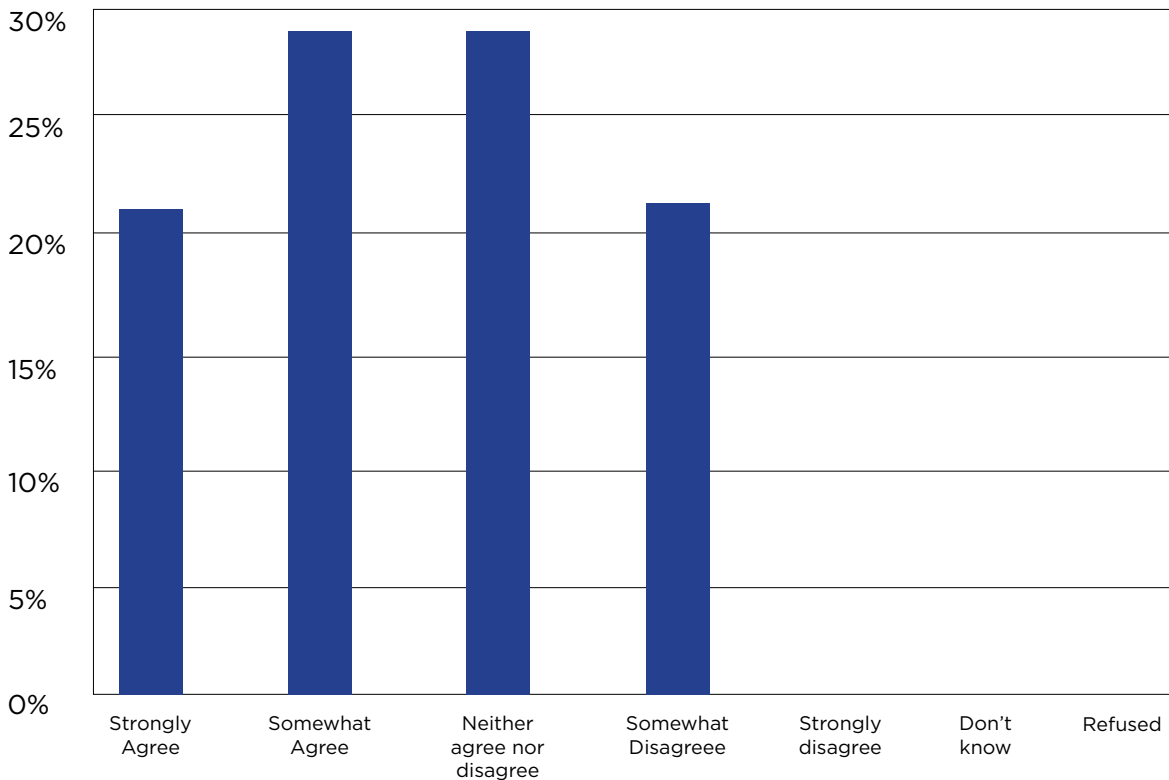


Appendix 3. Survey Responses

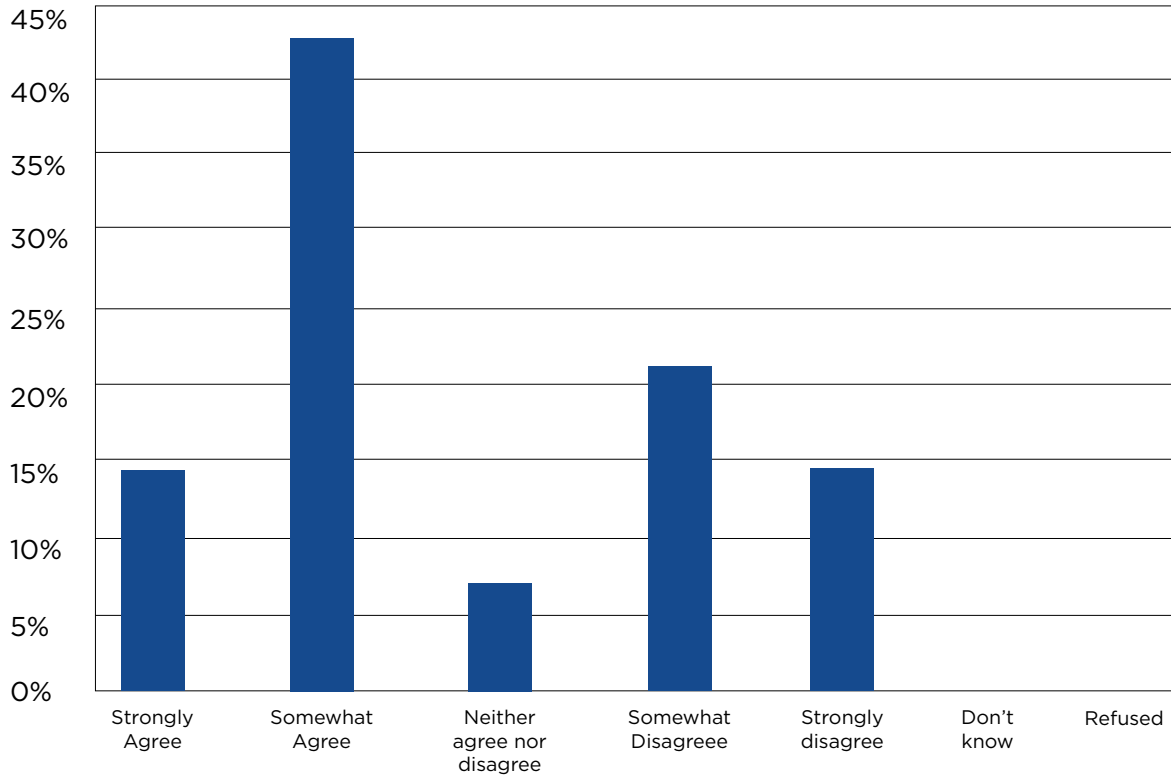
The cost of living in Los Angeles is a challenge for retaining employees



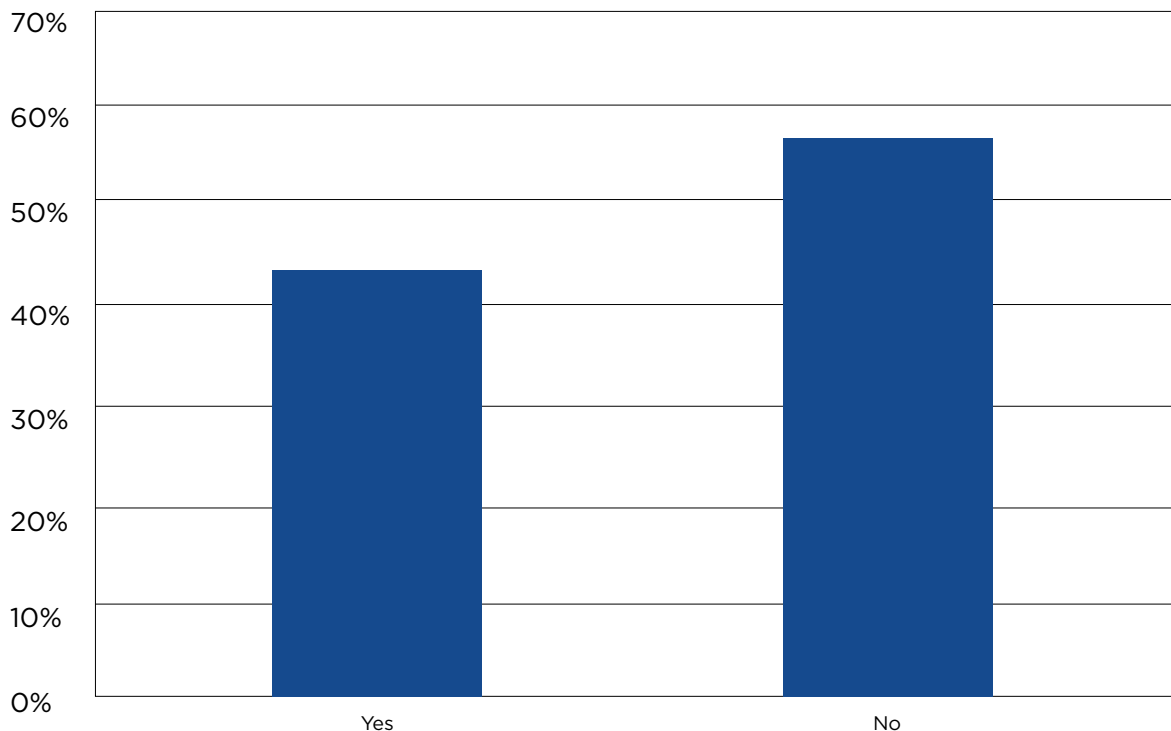
The cost of living in Los Angeles has influenced the way salaries are set



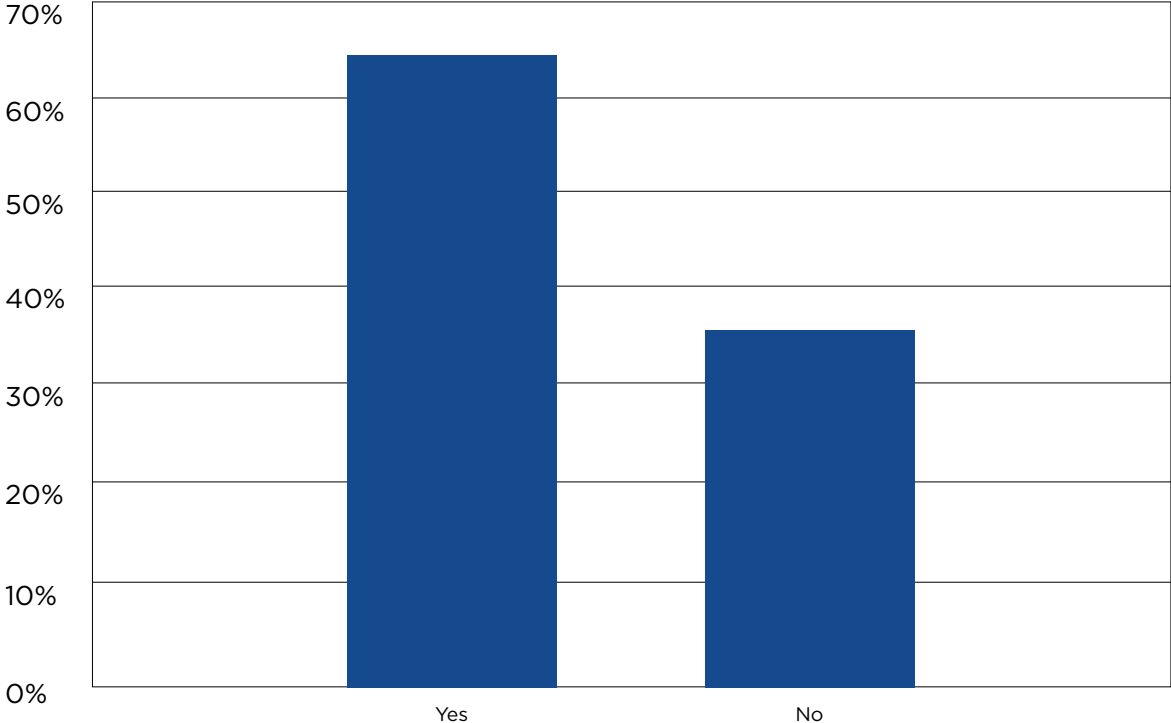
The cost of living in Los Angeles is not an issue you consider when trying to hire new employees



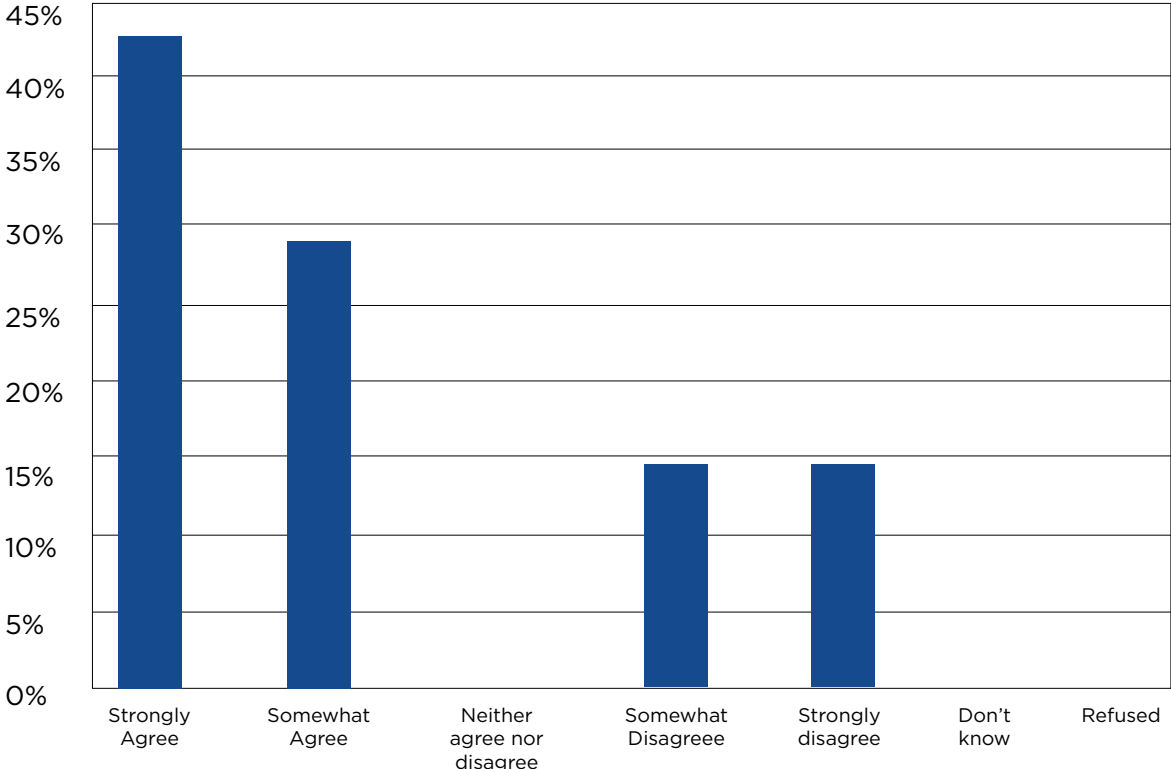
Our company has lost employees due to the cost of living in Los Angeles



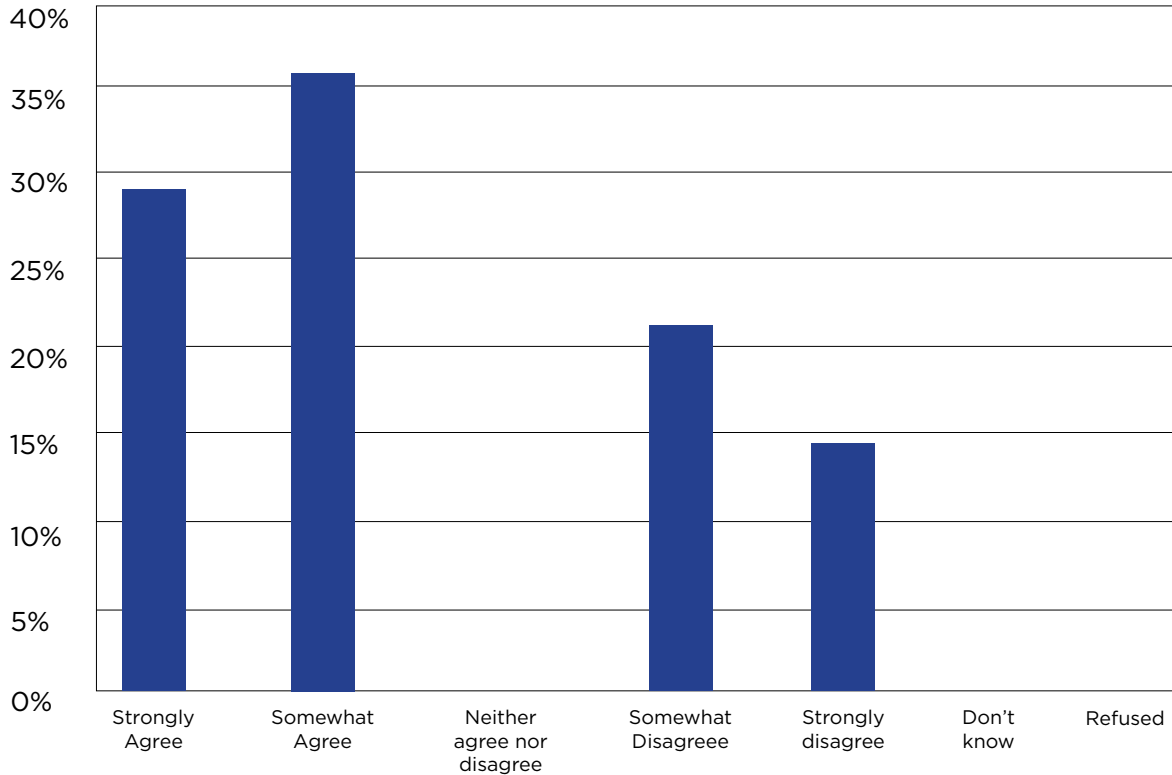
Our company's hiring package incorporates the cost of living



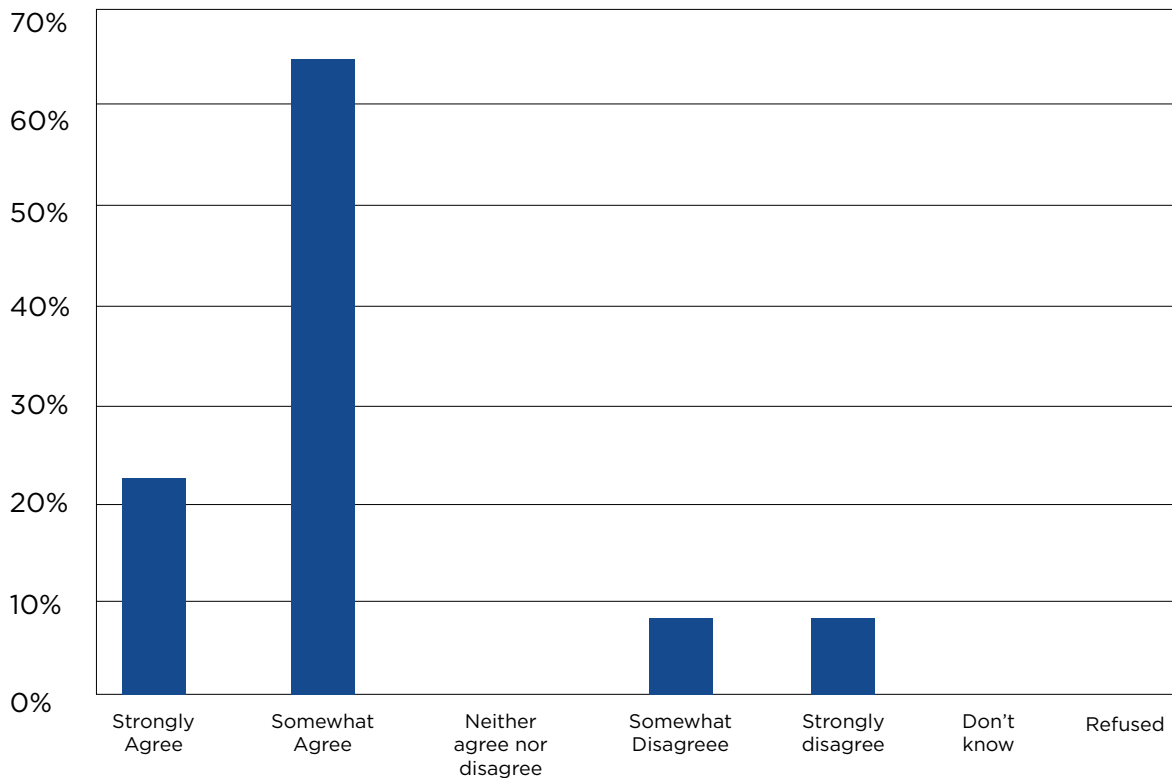
The cost of housing in Los Angeles is a challenge for retaining employees



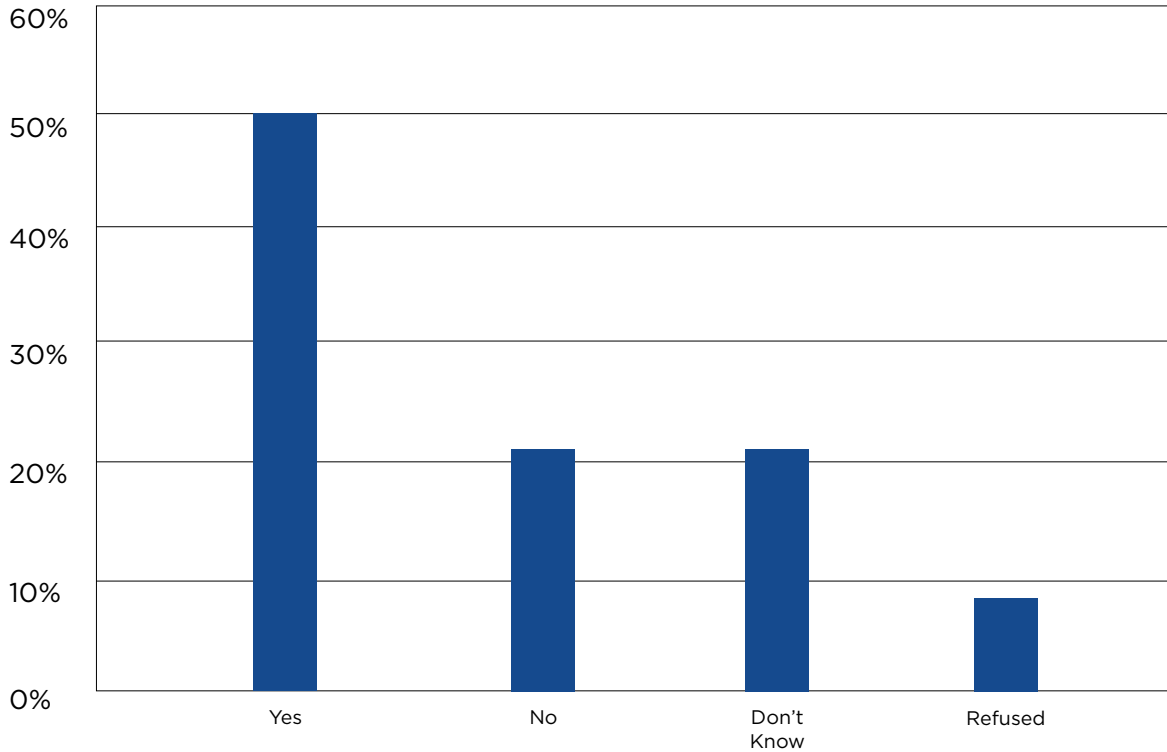
Our company does not net salaries by taking into account the cost of housing in Los Angeles



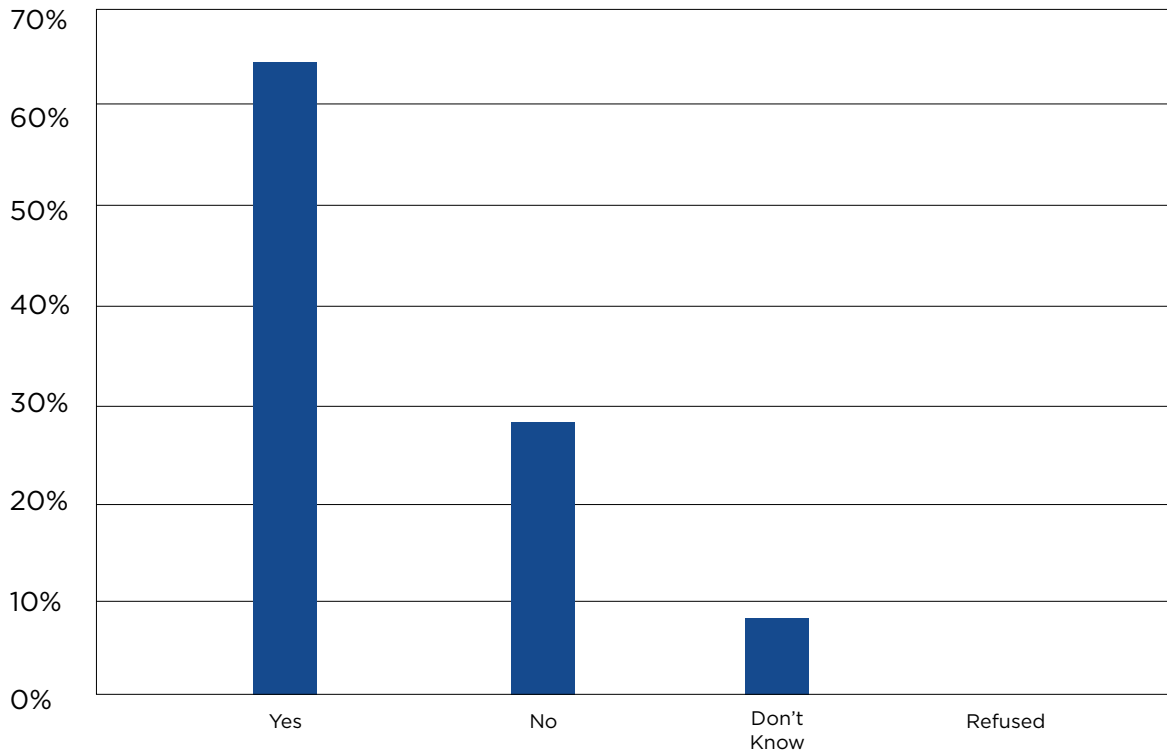
The cost of housing in Los Angeles has been a barrier to hiring new employees



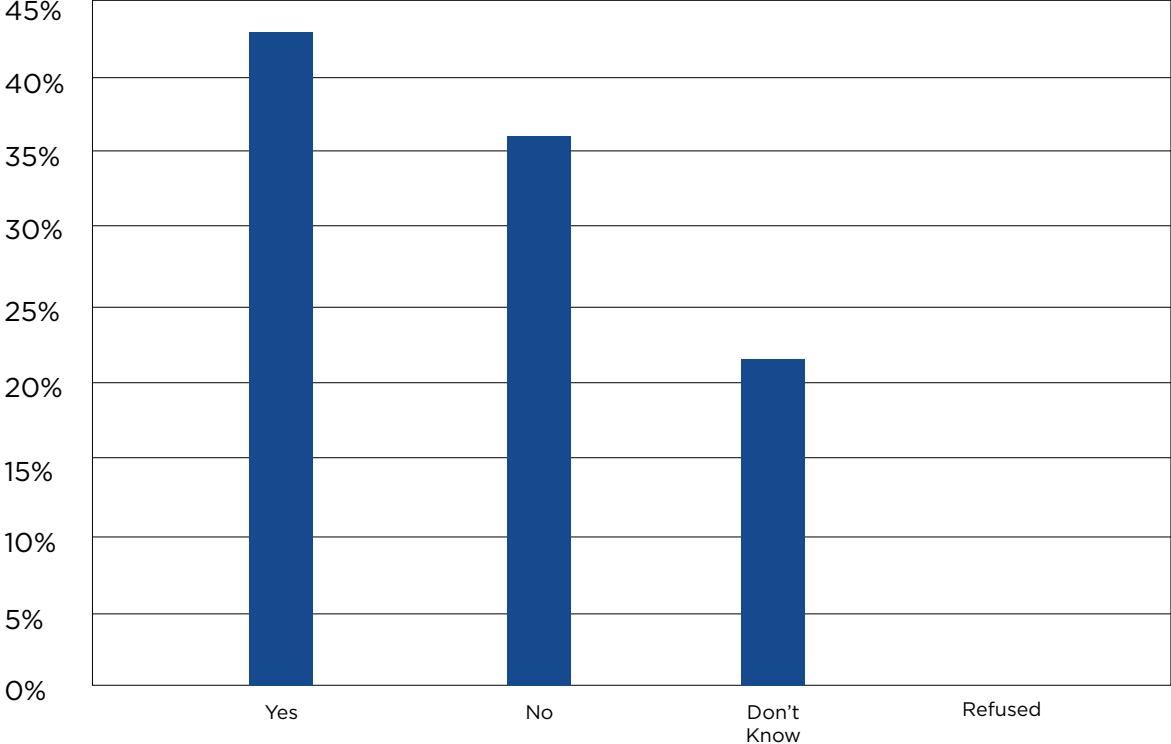
Our company has lost employees due to the high cost of housing in Los Angeles



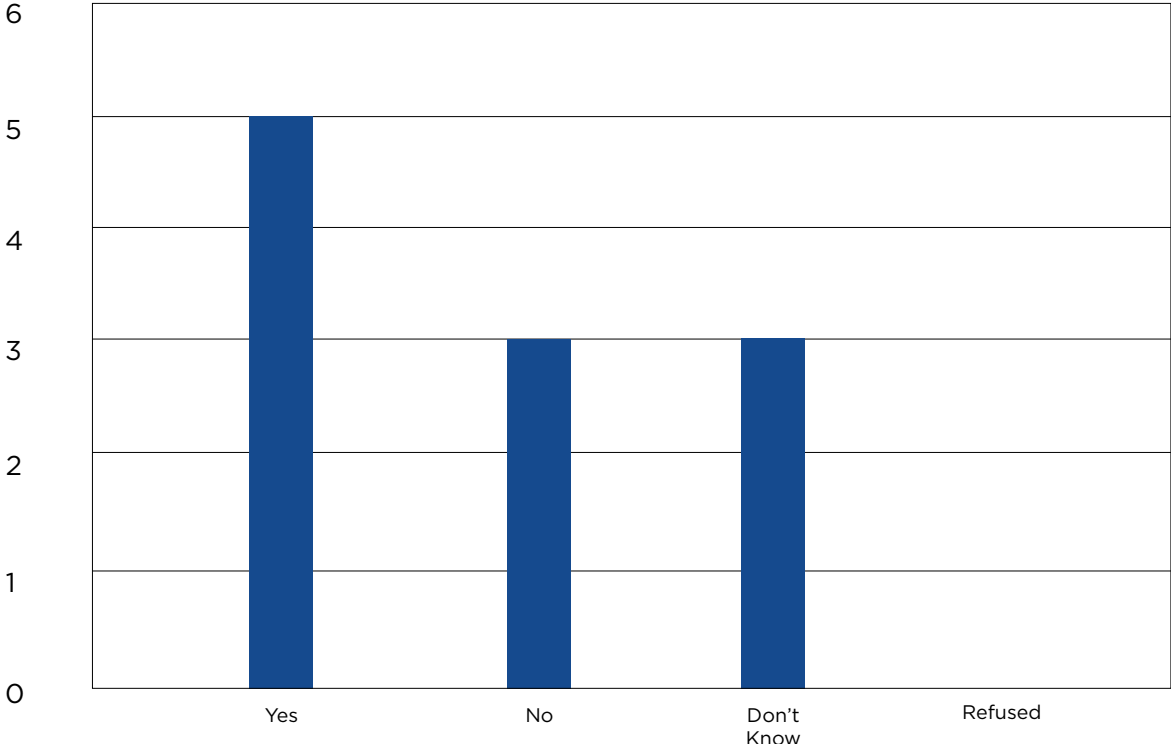
Our company's hiring package addresses housing affordability challenges



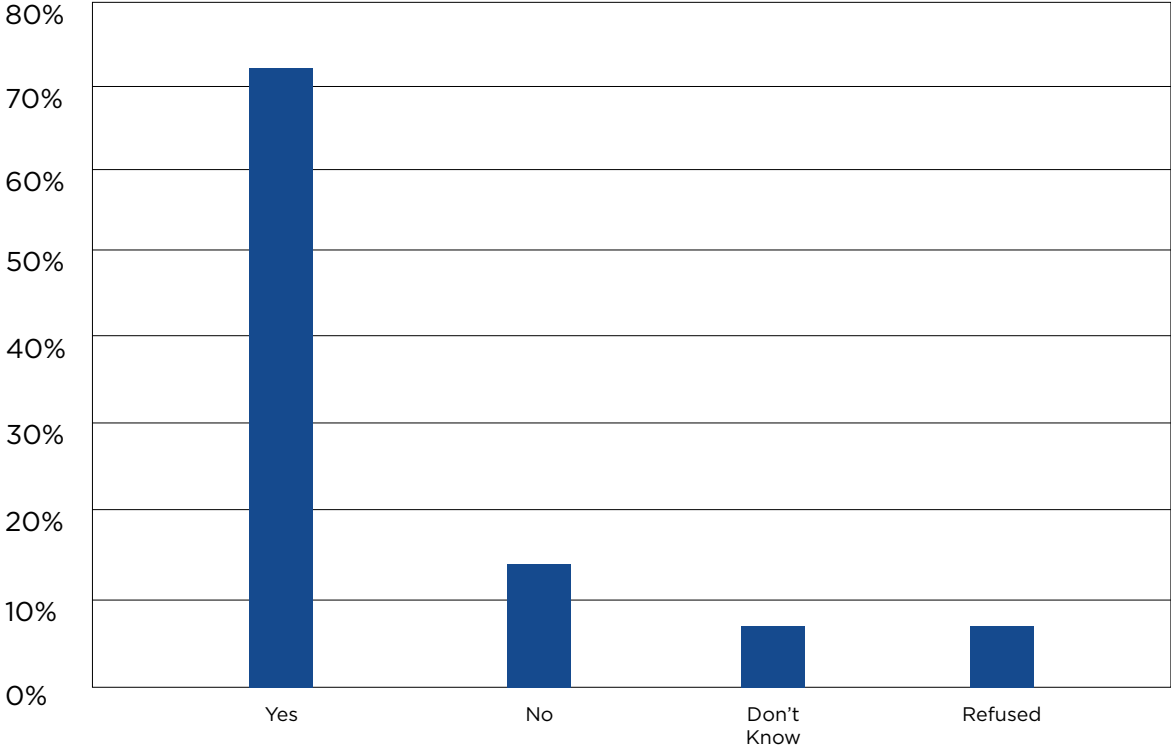
Do you feel there are groups of your employees that are facing particular strains due to high (non-housing) living costs?



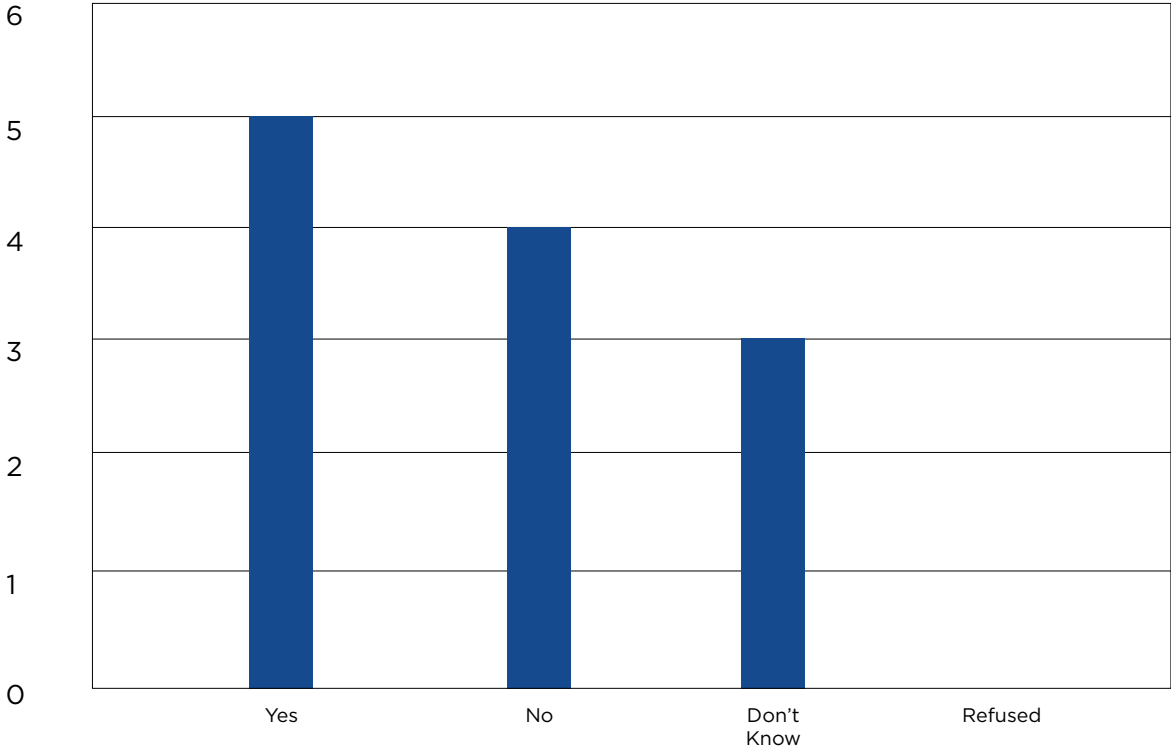
Are you finding that these strains pose a problem for you in attracting and retaining workers in this group



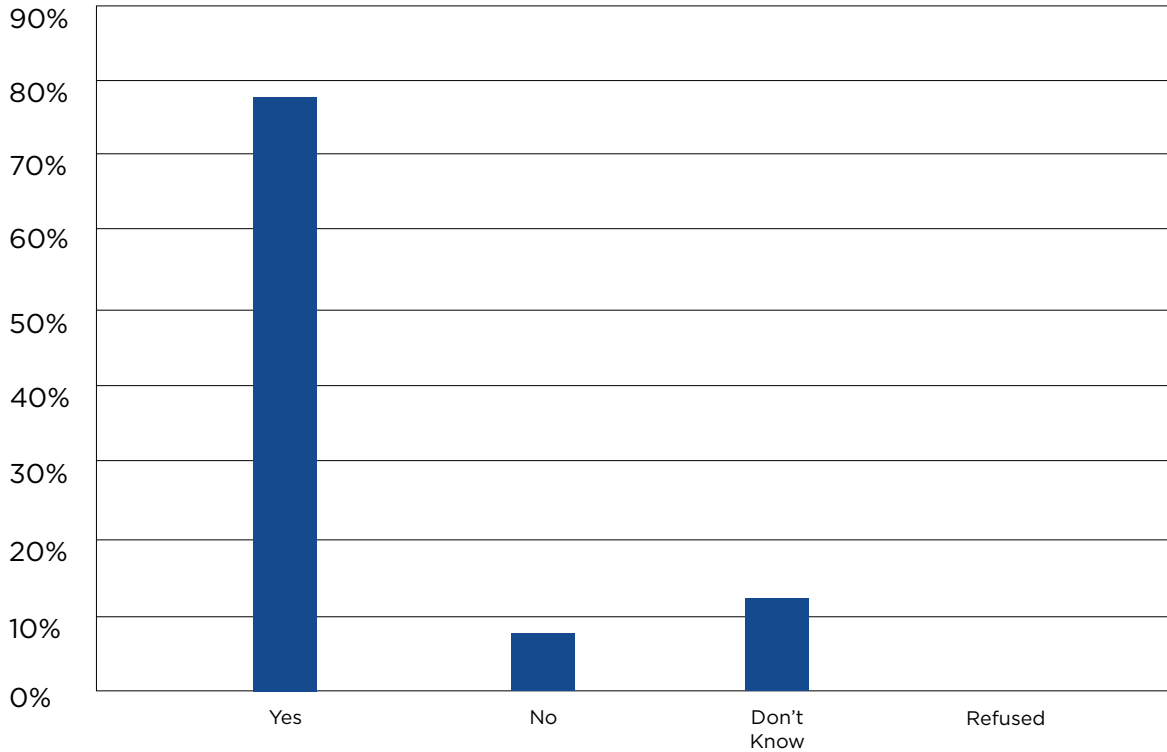
Do you feel there are groups of your employees that are facing particular strains due to high housing costs?



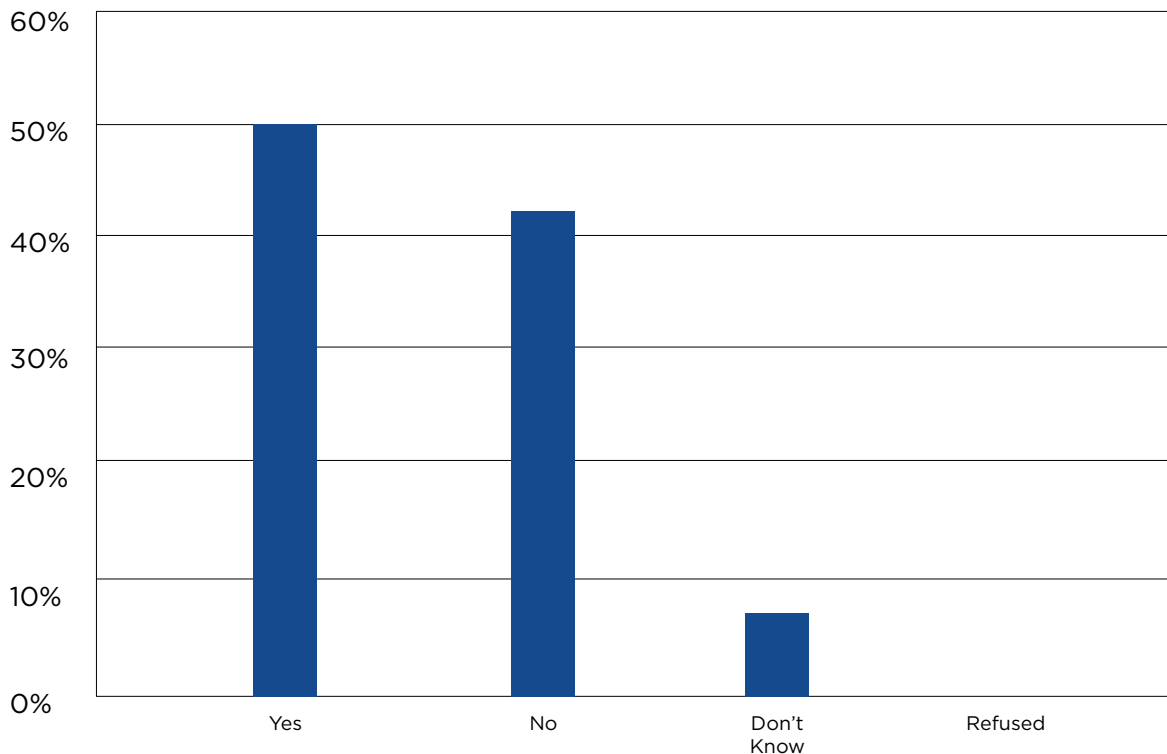
Are you finding that these strains pose a problem for you in attracting and retaining workers in this group?



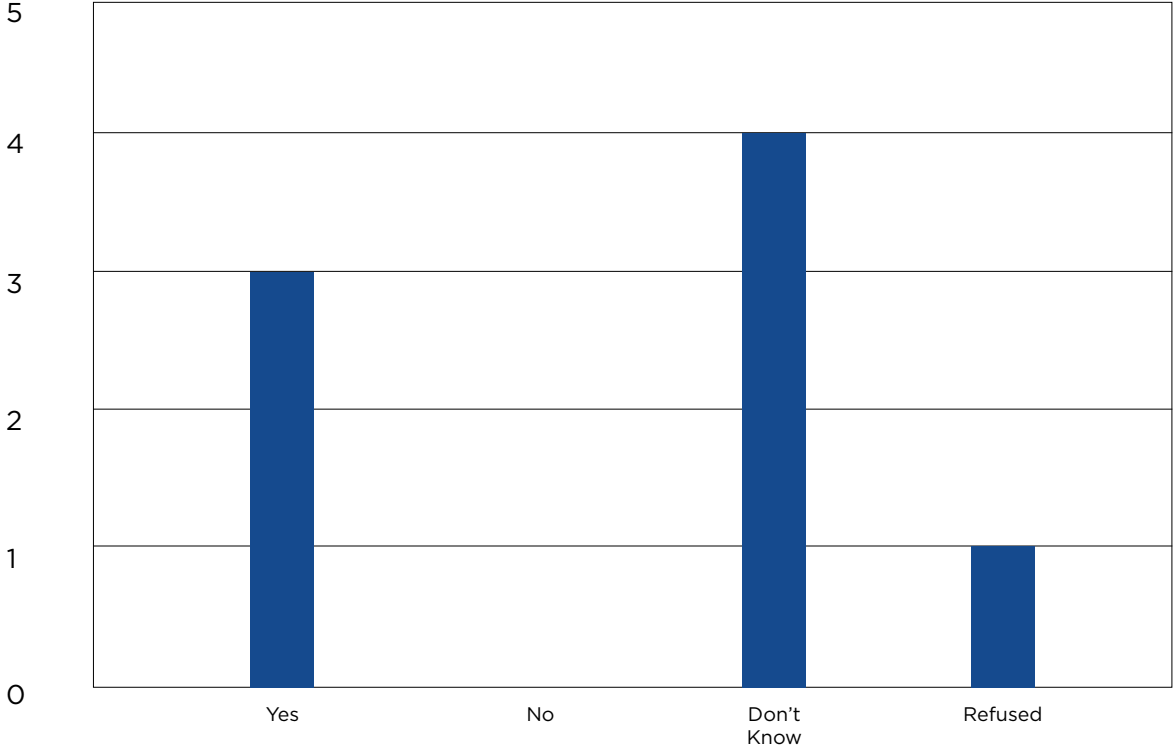
More than 25 percent of my workers commute longer than 45 minutes one way



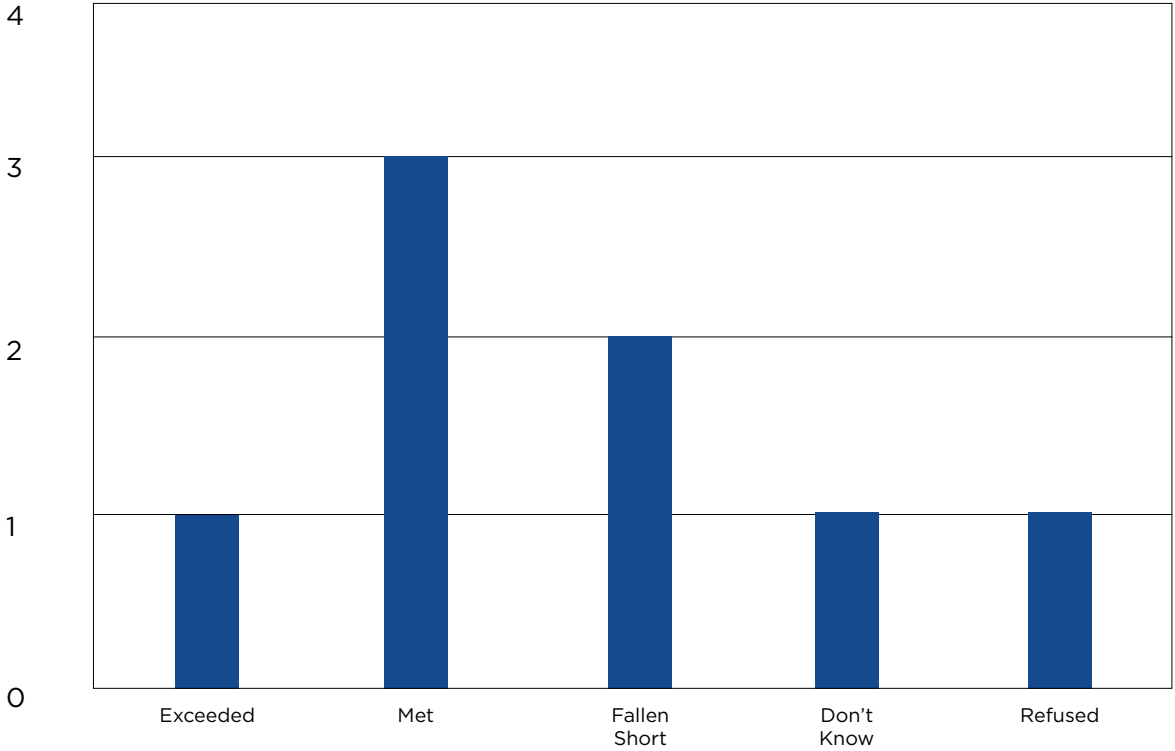
Have you implemented any programs to assist employees in reducing their financial burdens?



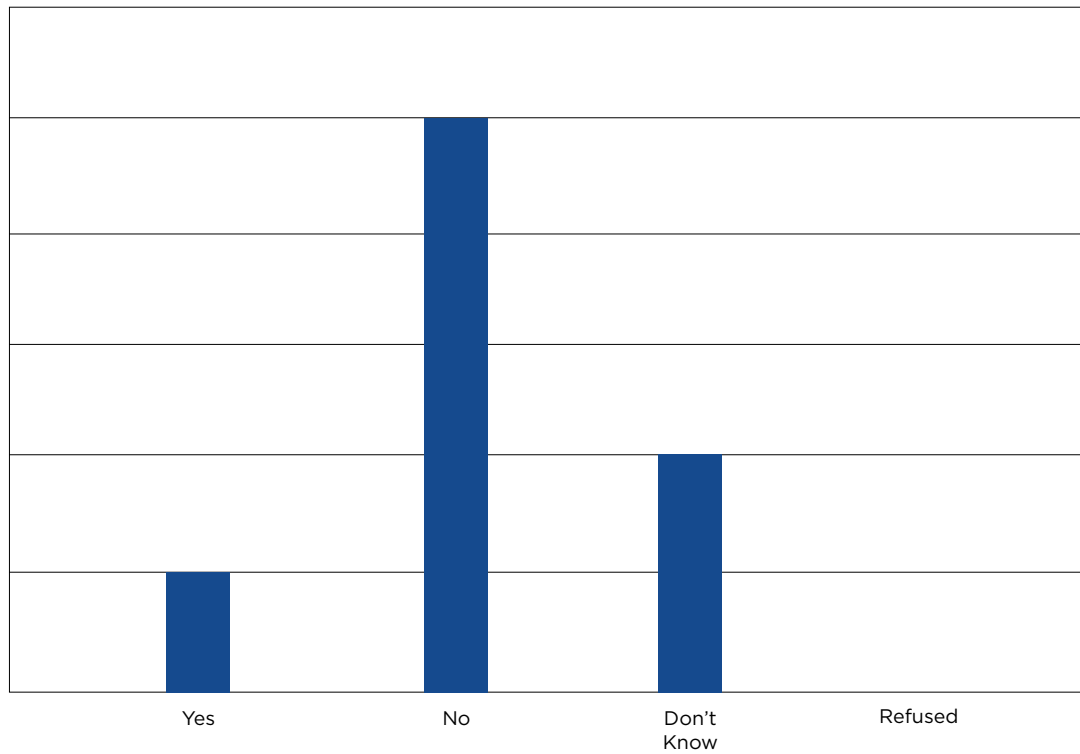
Do you feel that providing this housing-related assistance has succeeded?



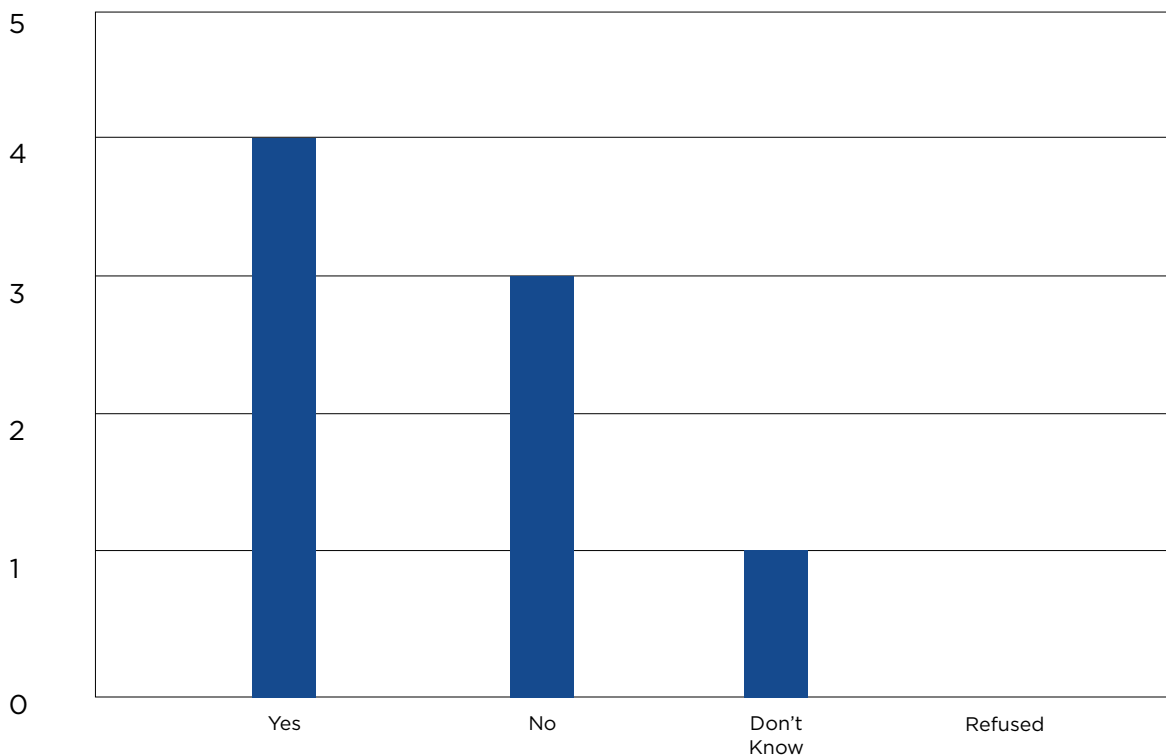
Has your experience in providing the assistance exceeded, met, or fallen short of your expectations?



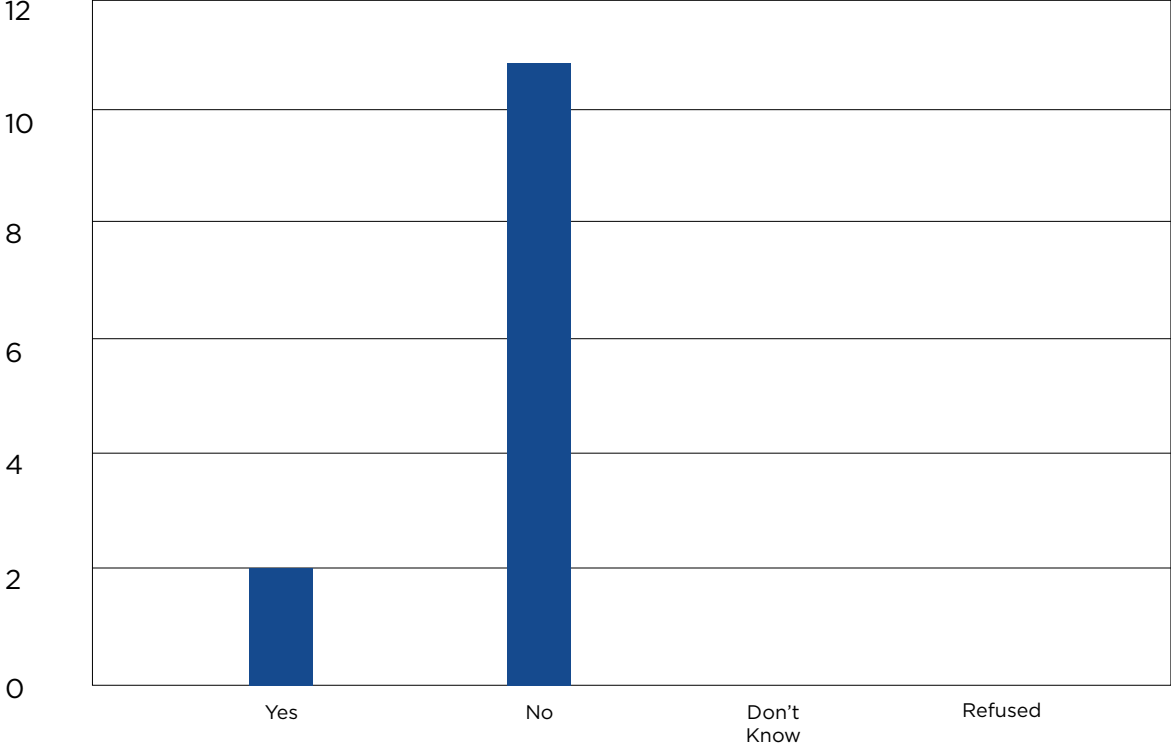
Has your company considered providing housing-related assistance - such as rental or mortgage assistance, help with saving, or counseling - to help employees manage financial burdens?



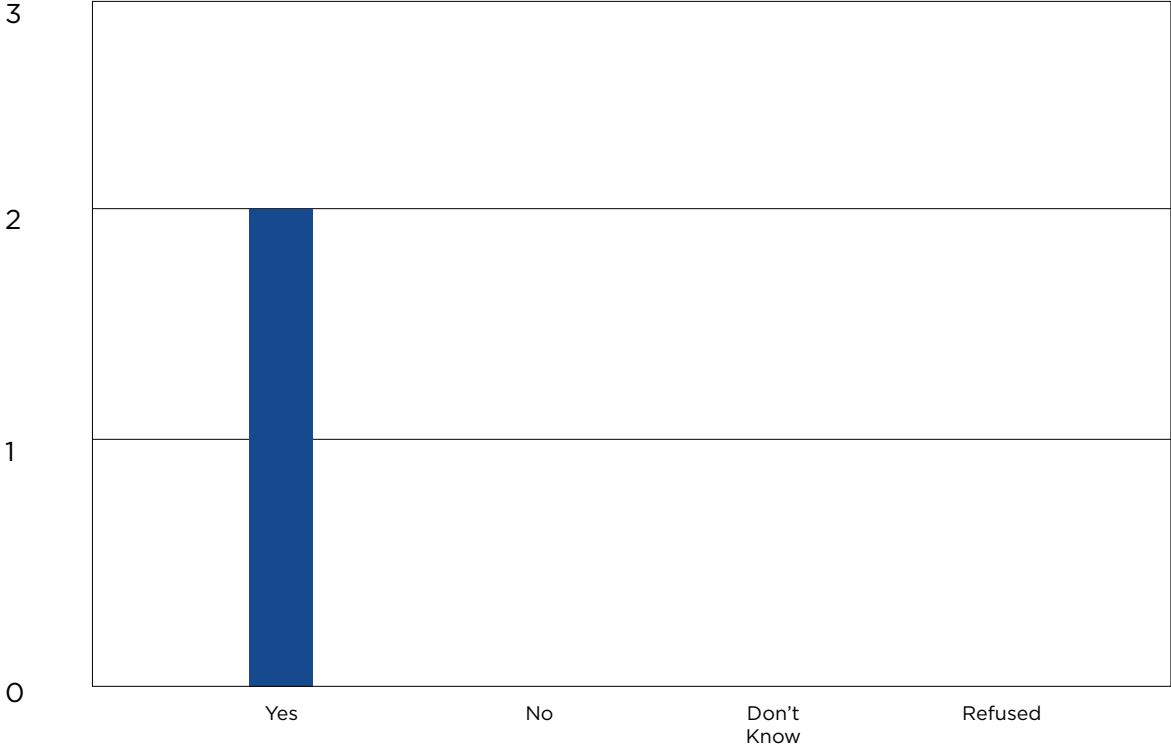
Before we mentioned housing-related assistance to employees to help ease their financial burdens, were you aware of this as a possible solution?



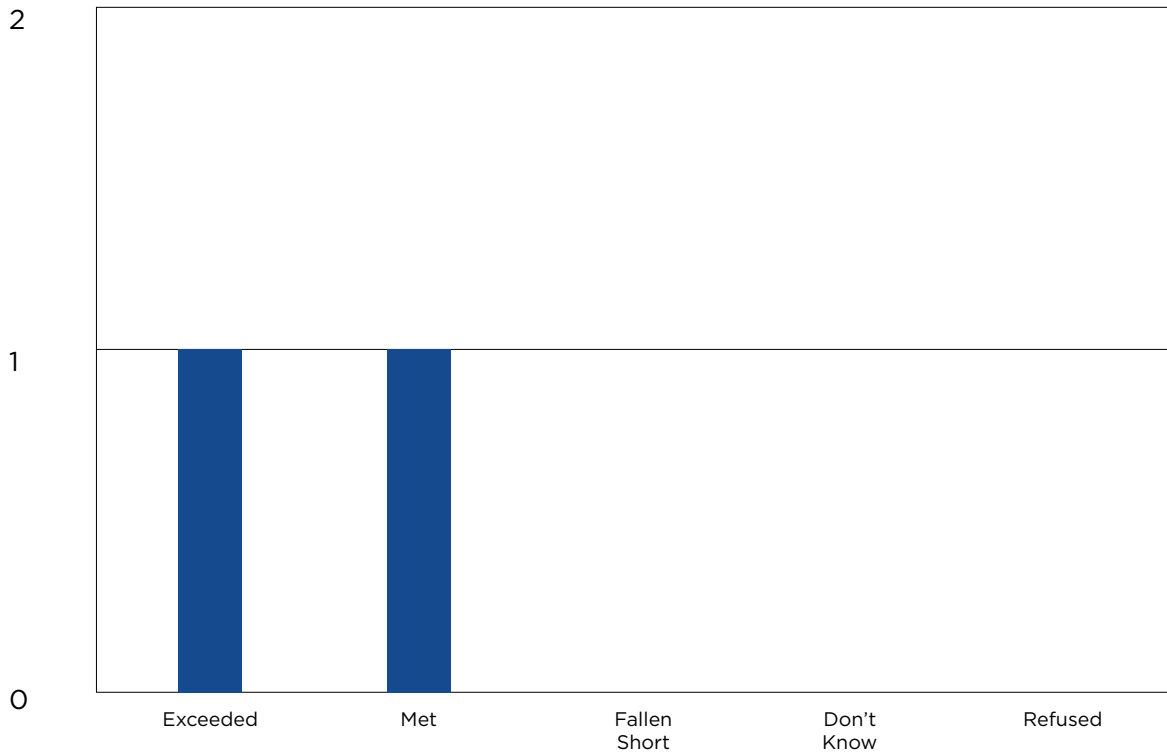
Have you implemented any programs to support the construction of workforce housing?



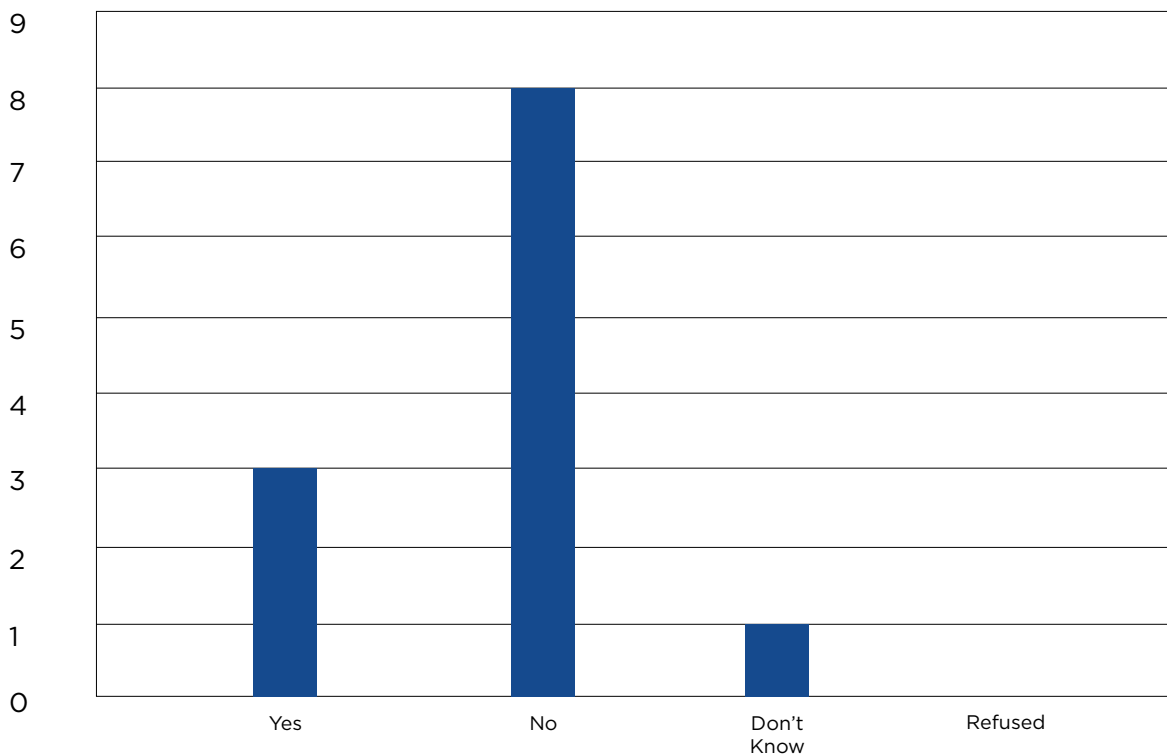
Do you feel that your efforts to support the construction of workforce housing have succeeded?



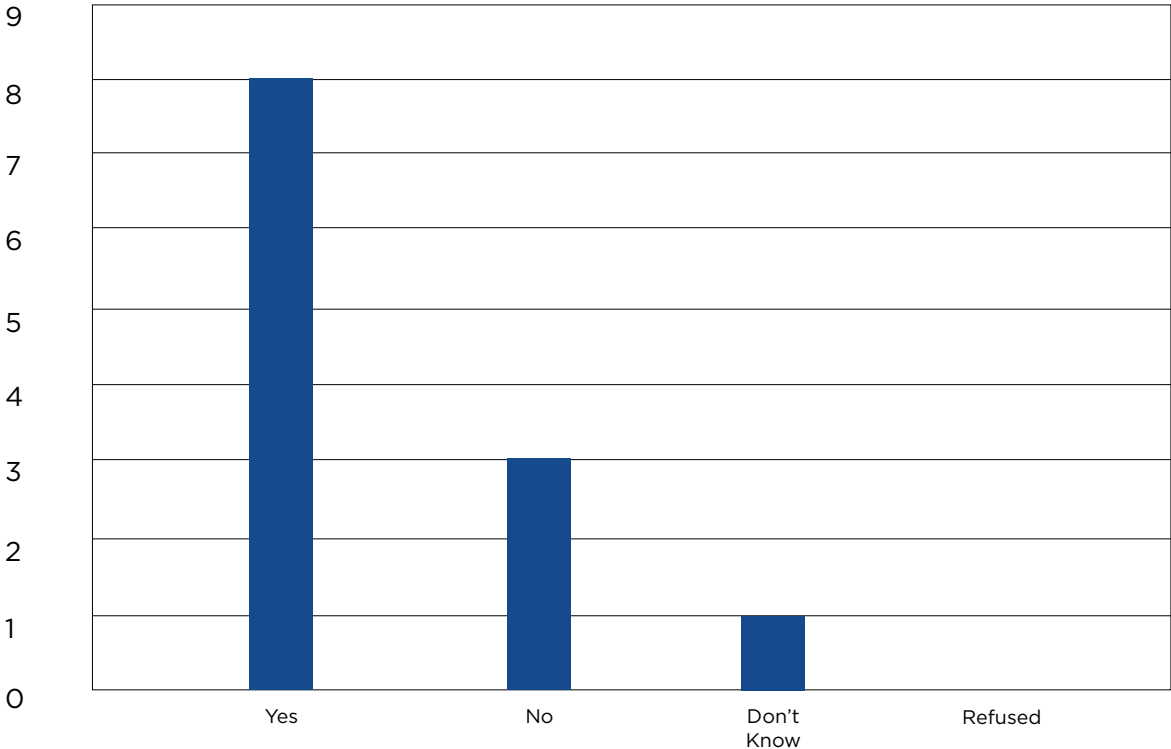
Have your efforts to support the construction of workforce housing exceeded, met, or fallen short of your expectations?



Has your company considered supporting the construction of workforce housing?



Before we mentioned supporting the construction of workforce housing, were you aware of this as a possible solution?



Executive Officers

Richard Ziman,
Founding Chair
Rexford Industrial
Realty

Brad Cox,
Chairman
Trammell Crow
Company

Antonio Manning,
Vice Chair
Affordable Living
for the Aging

Mary Leslie,
President
LABC President

Ellen M. Berkowitz,
Secretary
Akerman, LLP

David C. Sears,
Treasurer
Pacific Reach Partners

Board of Directors

Linda Bernhardt
AMBOO Corporation

**Honorable Henry
Cisneros**
CityView

Kendra Doyel
Ralphs Grocery Store

Jorg Heinemann
Sunpower Corporation

Lew Horne
CBRE

Joanne Kozberg
California Strategies

Jacob Lipa
Micropolitan
|Psomas

Noor Menai
CTBC Bank USA

David Nahai
David Nahai
Companies

Dan Rosenfeld
SunCal

Gene Seroka
The Port of LA

About the LABC Institute

The LABC Institute is the 501 (c) 3 designated research and educational arm of the LA Business Council. The LABC Institute produces cutting-edge research to strengthen the sustainable economy of the Los Angeles region. Founded in 2010, the LABC Institute provides a bridge between LA's business, government, and environmental communities to develop and promote effective, forward-thinking public policy.

In its brief history, the LABC Institute has produced ground-breaking studies on the economic, energy and workforce potential of an in-basin rooftop solar program in Los Angeles. This has led to the CLEAN LA Solar policy, a groundbreaking new program at the LA Department of Water and Power, which is introducing the first 10 MW demo now with plans for a 150 MW program by 2016. This research and policy proposal attracted over \$ 1/4 million of national foundation support in 2011. We are currently expanding our focus to include sustainable redevelopment, energy efficiency and cleantech business development, among other areas.

The LABC Institute capitalizes on the renowned scholars and academic expertise present in the Los Angeles area. Partners have included many of the region's leading research institutions, including the University of Southern California; University of California, Los Angeles; Loyola Marymount University, and California Institute of Technology. Continued collaborators include the California Governor's Office, the Los Angeles Mayor's Office, the California Air Resources Board, and the California Public Utilities Commission.

The LABC Institute's goal is to facilitate new ideas that lead to policies and programs that advance the environmental and economic sustainability for the City of LA.

To learn how to get involved, please contact Lauren Courtney at lcourtney@labusinesscouncil.org.

About the Los Angeles Business Council



Our mission is uniting the power of business with the power of government for education and advocacy to promote environmental and economic sustainability.

The Los Angeles Business Council (LABC) is renowned for its effective advocacy and educational programs throughout the region, and is a vital representative of business leaders from all industry sectors. The LABC provides its members with strong conduits to local, state and federal officials through targeted policy recommendations and key issue briefings, and annually hosts the influential Mayoral Housing, Transportation and Jobs Summit, Sustainability Summit and Los Angeles Architectural Awards luncheon.

The LABC targets three key issue areas that are integral to our city's economic competitiveness and quality of life:

Energy & Environment
Housing & Transportation
Economic Development

History

The Los Angeles Business Council has been impacting the Los Angeles business landscape for over 70 years. Originally founded as a West Los Angeles-based organization that facilitated the growth of the University of California Los Angeles' burgeoning campus, the LABC quickly expanded its role in both education and advocacy. In the process, the Council became an influential link between business and city government and has had a major impact on sustainability, workforce housing, transportation, job creation, education and business development policy.

Today, the LABC is considered one of the most effective and influential advocacy and educational organizations in California. The LABC unites the power of business with the power of government for education and advocacy to promote environmental and economic sustainability. By carefully targeting policy areas and creating a holistic, broad-based approach to problem resolution, the LABC is able to serve businesses while informing and impacting positive change at multiple layers of city government.

About Us

Approach

Remaining true to its academic roots, the LABC informs its advocacy initiatives by scholastic research. Key representatives from area universities and research organizations are LABC members or partners, and help to analyze and articulate the complex issues that impact our region. Coupled with intensive dialogue between key business and government leaders, the LABC is able to advocate for comprehensive solutions that best serve our broad member base and the communities in which they live and work.

Collaboration

LABC builds strong, broad-based coalitions in support of our initiatives including business, nonprofit, academic, environmental, and union organizations. Further, LABC continues to develop its collaborative capacity in the social media realm and is developing powerful online advocacy tools to engage the broader public in supporting our initiatives.

For more information on the Los Angeles Business Council and membership, please call **310-226-7460** or visit our website as labusinesscouncil.org.

The Affordable Housing Crisis in Los Angeles: An Employer Perspective



March 2017

LABusinessCouncil.org

LABCInstitute
LOS ANGELES BUSINESS COUNCIL

*Research and education for a
sustainable Los Angeles.*