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**WORKFORCE HOUSING SCORECARD:
LOS ANGELES NOT MAKING THE GRADE**

*Massive influx of workforce housing is needed near job centers;
Collaboration of public and private sectors critical to bridge jobs/housing gap*

Los Angeles, Calif. (September 2, 2008)— A woeful lack of workforce housing in major employment centers in Southern California, combined with poor public transit options in the region, severely undermines the competitiveness of Los Angeles County employers by driving up costs, hindering recruitment, and reducing the quality of life and productivity of workers, according to the *Workforce Housing Scorecard* released today by the Los Angeles Business Council (LABC).

The Scorecard, to be discussed in greater detail at this Friday's Mayoral Housing Summit at the Hyatt Regency Century Plaza Hotel, describes the factors leading to the significant jobs/housing imbalance and quantifies the severity of the problem. For example, between 1990 and 2007, Los Angeles County reported a net gain of 1,433,531 new residents but added only 194,554 housing units – a seven-fold differential.

According to the Scorecard, nearly two decades of rising housing costs have squeezed low and middle income residents, causing many to sink an increasingly large share of their income into their place of residence. In 2007, a family earning the countywide median income of \$53,000 per year spent more than 50 percent of their earnings to purchase a home in Los Angeles County – far greater than the 30 percent recommended by experts.

Put another way, fewer than 11 percent of the homes for sale in the Los Angeles-Long Beach area were affordable to median-income families, according to the NAHB-Wells Fargo Housing Opportunity Index for the 1st quarter of 2008. Rental prices have skyrocketed as well, doubling since 1990, while wages have increased by only 18 percent, and have fallen when adjusted for inflation.

Southern California's housing price/wage gap, the largest in the country, has caused many middle-income workers to move farther away from job centers, enduring longer and more arduous commutes or forcing them to leave the region altogether. As the Scorecard points out, this migration has deprived the region of much-needed labor for essential services like teaching, hospital support, and public safety.

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High housing costs are also driving out many highly skilled young adults, who will serve as the future drivers of the economy. According to the Scorecard, from 1990 to 2005, County residents between the ages of 25 and 34 declined in population by 18.6%.

“The *Scorecard* documents a reality that employers have been dealing with for years in Los Angeles”, said Antonio Manning, First Vice President of Washington Mutual and committee chair of the project. “A lack of housing near jobsites consistently serves as one of the major obstacles to doing business in this region, and the situation is getting worse.”

A majority of Los Angeles County’s largest employers participated in the *Scorecard*, including such firms as Vons, Cedars Sinai, Wells Fargo and Raytheon. This is a first-of-its-kind effort by local business leaders to address the critical problem of workforce housing.

While the Scorecard identifies small geographic pockets with a successful jobs/housing balance, the overall picture for the county indicates a dearth of workforce housing near the region’s top employment centers. Los Angeles County has one of the highest ratios of new jobs to new housing in the nation, with 2.71 jobs created for every additional housing unit built in 2006. This is significantly higher than the ideal ratio of 1.5 and the national average of 1.15.

This growth in employment and population, when combined with the substantially longer daily commutes, has nearly broken the region’s existing transportation system. Some areas with significant growth in new housing units, such as Palmdale and Lancaster, have not experienced a similar expansion in jobs, according to the Scorecard. Rising gas prices and a lack of viable public transit options to job centers put increasing stress on workers who live far from their place of employment.

Sheriff Lee Baca, pointing out that the County of Los Angeles is the region’s largest employer, said: “For years, high home prices have forced middle-income workers to live farther from their jobs. Those long commutes are now hitting them in their pocketbook, with some employees paying up to \$500 a month for gas. People need relief in the form of quality housing closer to the workplace – and transit solutions to ease their commute.”

Nearly 6 million daily roundtrips are made in Los Angeles County, along with more than 1.4 million workers who commute into or out of the County. The result is clogged freeways and tons of emissions spewed into the air. As of 2006, more than 72% of the workers in Los Angeles County commuted alone in their cars. Looking to the future, the Los Angeles County MTA estimates that average peak hour freeway speeds in the region could drop to 20 miles per hour by 2030.

“Policy leaders cannot address the jobs/housing imbalance without seriously investing in a public transportation system that works,” said committee co-chair Jacob Lipa, President of Psomas. “Meaningful public transit investment and planning are critical facets to any solution to the workforce housing crisis our region is facing. Residents need the option of getting out of their cars and bypassing the region’s increasingly congested highways.”

LABC President Mary Leslie said the Housing Summit provides an opportunity for private and public sector officials with expertise in housing, transportation, development, financing and planning to share ideas and collaborate on regional solutions, emphasizing the pressing need for action. “Los Angeles must act immediately to remain competitive,” Leslie said. “If we don’t adequately fund public transportation and provide incentives for workforce housing development near job centers, our region will be left with an aging, less educated workforce and increasingly arduous commute times before we know it, while other cities that have invested in this infrastructure, like San Francisco, Portland and Seattle will be able to attract new businesses and employees seeking livable communities.”

The Summit will bring together Los Angeles Mayor Antonio Villaraigosa and other elected officials, along with business leaders from across the region, to discuss a variety of approaches to improve the region’s housing situation. “Jobs, housing and transportation policy all go hand-in-hand,” Villaraigosa said. “LABC’s *Scorecard* highlights the importance of fixing our transportation system. We need to invest in workable transit solutions that will improve our residents’ quality of life and keep good jobs here. That’s why I’m a strong proponent of the ½ cent sales tax that will fund our long-term transportation priorities.”

State Senator Darrell Steinberg, who will also participate in the Summit, said: “The LABC’s Housing Scorecard highlights the need for a fundamentally different growth strategy in California. The traffic, pollution, and global warming associated with sprawled development are no longer costs that we can bear. That’s why I’ve proposed SB 375, which would provide new incentives for compact growth.”

Copies of the *2008 Workforce Scorecard for Los Angeles* and an agenda and speakers’ list for the LABC Mayoral Housing Summit can be found at www.labusinesscouncil.org. An attached fact sheet highlights some of the key statistics from the *Scorecard*.

About the LA Business Council

The Los Angeles Business Council is an advocacy and educational organization dedicated to serving local businesses while informing and impacting positive change at multiple layers of city government. For over 70 years, the Council has been an influential link between business and city government and has had a major impact on education, housing and sustainable development policy

About the Workforce Housing Scorecard

The Workforce Housing Scorecard serves as part of the LABC’s continued effort to encourage the development of an adequate workforce housing supply in Los Angeles County. A renowned panel of scholars oversaw the development of the inaugural study, which uses a combination of interviews with major regional employers and statistics to evaluate the affordable housing supply in each of the 88 cities in Los Angeles County.