

W e s t s i d e S u b r e g i o n W o r k f o r c e H o u s i n g S t u d y

Recommendations

Westside Cities Council of Governments - Strategic Goal for Housing 2008-2010 Proposed Work Programs

Develop baseline information and specific recommendations and measures to address regional housing needs, improve housing options and affordability in the sub-region.

To: Executive Director, Westside Cities COG

**From: Workforce Housing Working Group of the Subregional
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Recommendations for Implementing Collaborative Workforce Housing Strategies

Summary

This report identifies three primary workforce housing strategies which would be most effective if carried out in a collaborative manner. These strategies are discussed first. Five other strategies are also identified and briefly outlined which may lend themselves to collaborative efforts.

Recommended Strategies for COG Implementation

The Workforce Housing Working Group (WHWG) proposes that the three COG Subcommittees (Transportation, Sustainability and Homeless Issues) review and recommend that these seven strategies be integrated into the COG's "action plan" (see the summary chart on the last page).

Also, the WHWG asks the Subcommittees to recommend a ranking of strategies based on the importance, potential for success, community acceptability and available funding.

Background

At the regular meeting of the Westside Cities COG in November 2008, the Westside Working Group and consultant Bay Area Economics presented a feasibility study for workforce housing. That study identified a number of key strategies the Westside COG and member cities could use to generate housing options that would be affordable to the local workforce. In concluding the discussion that followed, the voting membership of the Westside COG directed staff to report back with a

recommendation on which strategies to implement collaboratively and how to best move forward.

1- Build a coalition of Westside employers and local governments to develop workforce housing

This action would entail the formation (or collaboration with an existing non-profit) of a Westside non-profit organization that acts as a “gatekeeper” of information and resources for workforce housing on the Westside. This entity could be modeled after Santa Barbara’s Coastal Housing Partnership¹ which is comprised of local employers who pay membership dues as a part of the agency’s revenue structure. In this example, these employers have joined together to offer their employees a *Housing Assistance Benefits Package* that is designed to overcome some common obstacles to purchasing a home, such as the upfront costs and lack of information about the home buying process.

In addition to homeownership, the Westside Cities may choose to set up a pilot project to explore lease/rent reductions which might encourage landlords to rent to middle income workers who are 120% to 180% of Area Median Income (AMI).²

Action Outline:

- What: Non-profit housing partnership that links employers together in order to address issues related to workforce housing
- Who’s Involved: Westside Employers, Local Government
- How It Works: Companies join the coalition for a set cost based on the number of employees. Employees of those companies then become eligible for rent reduction from pre-selected property managers, or for first time homebuyer or mortgage refinance assistance.
- Example: In Santa Barbara, companies that have fewer than 25 employees can sign up with the Coastal Housing Partnership for \$750 a year. The CPH offers workers rebates on rent, and cash assistance for mortgage refinance or first-time home buyers¹.
- Funding Needed: Startup monies might be available from foundations, grants from local banks, or Community Partners, an incubator for social and civic entrepreneurs and community initiatives in Southern California.

2- Establish an online Westside cities workforce housing clearinghouse

The second recommendation is to establish a clearinghouse, perhaps within the COG website or as a group on the League of Cities website, LinkedIn or Facebook that would provide connectivity for workforce housing programs on the Westside. This clearinghouse could be used by employers, employees, relocation realtors,

¹ Coastal Housing Partnership’s mission is to help employers recruit and retain quality employees by offering solutions to facilitate local home ownership, thereby enhancing economic stability and vitality for our communities. www.coastalhousing.org

² The HUD 2009 income levels for 120% of AMI is \$66,000, thus 180% of AMI would be \$99,900

banks and others who are a part of providing or seeking workforce housing, owned or rented. It could help reduce duplication of efforts and include linkages to the Los Angeles Business Council's Housing Agenda, the City of Los Angeles 5 Year Plan which includes policies supportive of workforce housing in the plan, the City of West Hollywood's landlord's rental list, the West Hollywood moderate income inclusionary housing program information³ and the City of Santa Monica Tenant Ownership Rights Shared Appreciation Loan Program and other resources.

Action Outline:

- What:** Online clearinghouse of rental and ownership opportunities for the workforce housing category. The website would also display regional initiatives for the development of workforce housing, and a transparent open source forum for discussion.
- Who's Involved:** Local Government, realtors and rental agents, employers, planners, architects, builders and developers, officials, policy makers, employees, etc....
- How It Works:** Contributors to the site can post news and current events across a range of categories from housing opportunities and financial lenders, to build/design teams, community land trusts, or news media.
- Example:** The Florida Workforce Housing Network provides a comprehensive clearinghouse for workforce housing issues in Florida. They monitor and present federal, state, local, cultural and academic activities and events that impact Florida workforce housing.⁴
- Funding Needed:** Startup monies might be available from foundations, grants from local banks. Or, this could be accomplished by the various Westside cities committee with a rotating committee of city manager, housing, economic development or planning staff.

3- Link workforce housing to climate change strategies

This recommendation asks local governments to integrate emerging state and regional regulations on climate change into city policy in order to include and provide incentives for the development of workforce housing near transit facilities, services and amenities. The state mandated development of a collaborative Sustainable Communities Strategy (SCS) could provide an early framework for policy development and implementation.

If existing staff resources are inadequate, cities could establish or connect with environmental education organizations such as Sustainable Works⁵ in Santa Monica to author new policy and/or zoning ordinance language.

³ Moderate is defined as a one person household earning between \$42,994 and \$53,743, two person household earning between \$46,434 and \$58,042, and a one bedroom rent at \$843 per month.

⁴<http://www.floridaworkforcehousing.net/>⁴

⁵ Sustainable Works is a non-profit environmental education organization and a project of Community Partners. Their mission is to foster a culture of sustainability in cities, colleges, and businesses.
www.sustainableworks.org

Action Outline:

What:	Integration of state laws (AB32, SB375, AQMD2301) dealing with Vehicle Miles Traveled (VMT) and Greenhouse Gas (GHG) emission reduction into sub-regional and local policies that promote workforce housing as one of the solutions.
Who's Involved:	Westside Cities Council of Governments, Beverly Hills, Santa Monica, West Hollywood, City of LA and Culver City.
Next Step:	1) Develop sub-regional Sustainable Community Strategy (SCS) required under SB 375 that links housing affordable to the local workforce directly to GHG reductions based on reduced VMT. In addition to the work of measuring and calculating GHG emissions/carbon foot printing within the sub-region, for workforce housing, the SCS might also: <ul style="list-style-type: none">• Link availability of housing affordable to the local workforce to reductions in footprint.• Formulate life-cycle analysis for housing affordable to the local workforce as a function of air quality, VMT, GHG emissions, carbon footprint, and other variables affecting climate change. 2) Coordinate with non profit or other City-sponsored agency to author local policy that is reflective of prevailing state and regional legislation on GHG emission and VMT reduction.
Funding Needed:	Dependent on level, depth and breath of studies. Potential for cost sharing with development of the SCS required under SB375

4- Leverage available financing sources

Promote use of private funds to develop housing that is affordable for higher AMI level workforce (120% – 180% AMI).

Action Outline:

What:	Creation of mechanism to connect financing sources with project sites and developers. Could involve both public and private dollars.
Who's Involved:	Developers, employers, public and private housing funds, staff with knowledge and technical know-how of existing funding sources.
How it Works:	Better connect available funding to developers and sites via a marketplace event or connecting to existing economic development programs/events. Might also involve developing employers housing fund options (see above).
Funding Needed:	Costs could be combined into Recommendation #1 above

5- Refine transit-oriented development incentives

In anticipation of new transit opportunities (EXPO, Subway to the Sea, enhanced bus services), it is recommended that the Westside Cities re-evaluate their land use and transportation plans for the purpose of incentivizing mixed-use workforce housing development near transit hubs and facilities.

Action Outline:

- What: Tailored strategy for refined TOD/Workforce Housing in each Westside City.
- Who's Involved: Westside Cities, SCAG technical assistance TOD planning toolkit on Housing and Transportation Costs Index (to evaluate TOD opportunities)
- How it Works: Each city refines existing land use plans (General Plan land use designations, Zoning Ordinance) to permit mixed-use workforce housing in and around transit facilities. This may also include density bonuses, relaxation of parking standards, and use of public transportation and housing funds.
- Next Steps: Maintain community, political and financial support of Westside mass transit options, especially subway and light rail. Craft tailored TOD workforce housing Strategies for each jurisdiction
- Funding Needed: The costs of a consultant to analyze options for unbundling parking.

6- Produce workforce housing through inclusionary ordinances

Develop a "Model Inclusionary Ordinance for Workforce Housing" that might include:

- Eligibility for those who "work on the Westside", i.e. within 5 miles of the regional map or another AQMD standard.
- Parking incentives for moderate income housing located within a given number of miles from a locally based employer.
- Design policy options to expand the AMI criteria for workforce housing. For instance, the study found that some inclusionary ordinances in California have included housing eligibility as high as 200% AMI.

Action Outline:

- What: A model ordinance for requiring market rate developers to set aside a certain portion of units in a development for income-restricted workforce housing.
- Who's Involved: Local jurisdiction, for-profit and not-for-profit housing developers, economists.
- How it Works: A model inclusionary ordinance could provide cities with an expanded mechanism which would include workforce housing units by requiring a certain percentage of new housing developments to set-aside units for sale or lease to the 80 to 180 percent AMI category.
- Funding Needed: None

7- Facilitate purchase of foreclosed properties or stopped developments to increase housing inventory including mixed-income housing.

In light of recent economic conditions whose impacts have reverberated through the housing market, it is recommended that the Westside Cities examine the possibility of acquiring foreclosed properties or stalled developments as a way to provide or preserve workforce or other affordable housing. Reselling distressed properties to workforce housing developers at a below-market rate could reduce or eliminate financing pitfalls typically associated with non-market-rate development in areas of high land value.

Action Outline:

- What: Housing program geared towards purchasing and reselling foreclosed properties or stopped developments
- Who's Involved: Westside Cities, non-profit housing organizations, state and federal funding agencies
- How it Works: Review foreclosed or halted residential developments and identify ways to involve non-profit housing partners in bringing project through to completion with the inclusion of affordable housing.
- Individual Cities to provide COG with summary reports.
 - COG reviews reports and identifies properties of interest.
 - COG provides a list of potential non-profit partners.
 - Individual Cities work with preferred non-profit to complete project.
- Funding Needed: Funded by each city

8- Dedicate land to reduce the cost of assembling and building workforce housing

This recommendation seeks to identify underutilized publicly-owned or employer-owned properties for in-fill housing potential. To accomplish this, the Westside Cities could oversee a collaborative study of available lands within the four member cities and adjacent areas of City of Los Angeles and Los Angeles County.

Action Outline:

- What: Identification of underutilized publicly-owned and privately-owned lands for the purpose of programming new mixed-use workforce housing.
- Who's Involved: Westside Cities, large employers and land owners
- How it Works: Using a variety of tools, Cities can identify vacant or underutilized publicly-owned lands (maintenance yards, airports, schools) and/or privately-owned lands (education, medical, industrial) in order to develop model strategies to creatively integrate housing into mixed use projects as these facilities are redeveloped.
- Example: League of California Cities smart growth strategies.
- Funding Needed: Land acquisition, pre-development and development costs

RECAP of Workforce Housing Strategies

STRATEGY	DESCRIPTION	PARTICIPANTS	PROCESS	FUNDING	SUSTAINABILTY COMMITTEE PRIORITY
1- BUILD COALITIONS	Non-profit housing partnership that connects employers and public agencies to address workforce housing	<ul style="list-style-type: none"> • Westside Employers • Local Governments 	<ul style="list-style-type: none"> • Companies join the coalition for a set cost depending on number of employees. • Employees of those companies then become eligible for rent reduction from pre-selected property managers, or for first time homebuyer or mortgage refinance assistance. 	<ul style="list-style-type: none"> • California Community Foundation • Grants from local banks, or Community Partners, an incubator for social and civic entrepreneurs • Community initiatives in Southern California. 	
2-ESTABLISH A CLEARINGHOUSE	Online clearing house of rental and ownership opportunities	<ul style="list-style-type: none"> • Westside Employers • Local Governments 	<ul style="list-style-type: none"> • Site managed by rotating group of city staff • Contributors post news and current events: <ul style="list-style-type: none"> ◦ housing opportunities ◦ financial lenders ◦ build/design teams ◦ community land trusts ◦ news / media 	<ul style="list-style-type: none"> • Foundations • Grants • City match in staff time 	

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STRATEGY	DESCRIPTION	PARTICIPANTS	PROCESS	FUNDING	SUSTAINABILITY COMMITTEE PRIORITY
3- LINK TO CLIMATE CHANGE	Links reductions in VMT and GHG emission to workforce housing (Integration of state laws - AB32, SB375, AQMD2301)	<ul style="list-style-type: none"> • Westside COG • Employers • Cities • MTA • CalTrans 	<ul style="list-style-type: none"> • Develop sub-regional Sustainable Community Strategy (SCS) linking housing directly to GHG reductions based on VMT reductions. • The SCS would: <ul style="list-style-type: none"> ◦ Link housing availability to reductions in footprint. ◦ Life-cycle analysis for housing as function of variables affecting climate change. • COG-sponsored policy / report on best available science for housing as means of reducing GHG emissions and VMT 	<ul style="list-style-type: none"> • Costs included in development of SCS (required under SB375) 	
4- LEVERAGE FUNDING	Connect finance sources with developers and housing sites	<ul style="list-style-type: none"> • COG • Member Cities • Developers • Employers • Housing non-profits • Housing agencies 	<ul style="list-style-type: none"> • Link available funding, developers and housing sites via: <ul style="list-style-type: none"> ◦ Marketplace event ◦ Economic development programs and events • Develop employers-based housing fund 	<ul style="list-style-type: none"> • Public and private housing funds • Costs combined with Recommendation #1 	
5- TOD INCENTIVES	Model TOD ordinance for workforce housing	<ul style="list-style-type: none"> • COG • Member Cities • Developers • Employers • Housing Non-profits • Housing agencies • SCAG (technical assistance) 	<ul style="list-style-type: none"> • Refine land use plans for TOD • Incentivize Workforce Housing: <ul style="list-style-type: none"> ◦ Density bonuses ◦ Relaxation of parking standards 	<ul style="list-style-type: none"> • Public transportation funds • Housing funds 	

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STRATEGY	DESCRIPTION	PARTICIPANTS	PROCESS	FUNDING	SUSTAINABILITY COMMITTEE PRIORITY
6- INCLUSIONARY ORDINANCES	Model Inclusionary ordinance for workforce housing	<ul style="list-style-type: none"> • COG • Member Cities • Developers • Employers • Housing Non-profits • Housing agencies 	Expanded inclusionary mechanism requiring percentage of new housing set aside for sale or lease to workforce	<ul style="list-style-type: none"> • Public transportation funds • Housing funds 	
7- DIRECT ACQUISITION	Housing program geared towards purchasing and reselling foreclosed properties or stopped developments	Westside Cities, non-profit housing organizations, state and federal funding agencies	Review foreclosed or halted residential developments and identify ways to involve non-profit housing partners in bringing project through to completion with the inclusion of affordable housing. Individual Cities to provide COG with summary reports. COG reviews reports and identifies properties of interest. COG provides a list of potential non-profit partners. Individual Cities work with preferred non-profit to complete project	Funded by each city	
8- DEDICATE LAND	Identification of underutilized publicly-owned and privately-owned lands for the purpose of programming new mixed-use workforce housing	Westside Cities, large employers and land owners			