



February 5, 2018

**Re: Councilmember Cedillo motion to exempt workforce housing from linkage fee -
SUPPORT**

Dear Council President Wesson:

Please accept this letter of support for Councilmember Cedillo's motion to exempt workforce housing from the City of Los Angeles' new linkage fee.

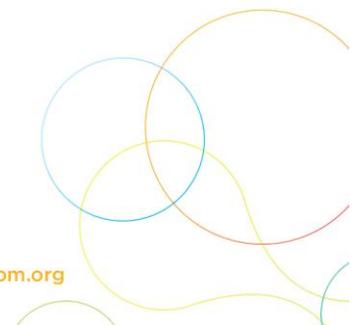
Biocom is the largest, most experienced leader and advocate for California's life science sector. We work on behalf of over 1,000 members to drive public policy, build a network of industry leaders, create access to capital, introduce cutting-edge STEM education programs, and create value-driven purchasing programs.

According to Biocom's 2017 Economic Impact Report, there are 2,448 life science establishments in Los Angeles County, operating in the areas of research and lab services, medical devices and diagnostic equipment, life science wholesale, biopharmaceutical manufacturing, and bio-renewables. The area has the largest employment figure of any county in the state, employing almost 70,000 people. The industry generates \$40.3 billion in annual economic activity in the county.

Councilmember Cedillo's motion proposes to exempt housing developments that contain ownership units affordable to middle-income households, defined as those making 120 to 150 percent of Area Median Income, or \$72,101 to \$135,150 for a family of four. The average life science employee in Los Angeles County earns an annual salary of \$72,577 – this is the very population that would be served by the building of additional middle-income units.

It is evident that there is an extreme shortage of units available to this population. According to the Regional Housing Needs Assessment (RHNA) for the City of Los Angeles, 112,876 additional housing units need to be built during the years 2014-2021 to meet the City's anticipated housing needs. Between 2013 and 2015, the City of Los Angeles entitled 132 units at the moderate income level; the RHNA indicated that 19,304 units needed to be built, meaning that 0.68% of needed units were constructed in this category during these years. Moderate income housing made up 4.2% of total units built.

Many of those in the life science workforce make too much to receive subsidized housing but not enough to comfortably afford market rate housing. Exempting moderate income housing from the linkage fee could incentivize building in this category, therefore ensuring additional housing for the ever-growing life science workforce in Los Angeles.





BIOCOM

Sincerely,

Joe Panetta, President & CEO
Biocom

CC: Los Angeles City Councilmembers

