



## Board Report

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**REVISED**  
**PLANNING AND PROGRAMMING COMMITTEE**  
**JUNE 20, 2018**

**SUBJECT: TRANSIT ORIENTED COMMUNITIES POLICY**

**ACTION: ADOPT THE TRANSIT ORIENTED COMMUNITIES POLICY**

**RECOMMENDATION**

CONSIDER:

- A. ADOPTING the Transit Oriented Communities Policy (Attachment A); and
- B. DIRECTING staff to develop a TOC Implementation Plan including metrics, and report back to the Board with the Implementation Plan in 18 months.

**ISSUE**

The voter-approved Measure M Ordinance identifies “Transit Oriented Community (TOC) investments” as an eligible transportation-related use of Local Return funds. The inclusion of TOC investments is based on the success of the Metro TOC Demonstration Program. However, a formal policy does not exist. A TOC Policy (Policy) will help ensure compliance with the Measure M Ordinance and related Board-adopted Guidelines by the cities and the county. The Policy also clarifies Metro’s role and commitment to leveraging transit investments to enhance and support complete communities.

The TOC Policy, included as Attachment A, was developed through an iterative review and discussion process with a working group made up of members, alternates, and delegates of the Policy Advisory Council (PAC), representing a diverse group of stakeholders (Working Group). The Policy also reflects feedback from the Board as provided at the May 16 meeting of the Planning and Programming Committee.

**DISCUSSION**

**Background**

The concept of Transit Oriented Communities was introduced to Metro in May 2015 by Chief Executive Officer Phillip A. Washington with the development of the TOC Demonstration Program. The aim of the TOC Demonstration Program was to identify ways to look beyond individual transit

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oriented developments and identify how Metro could influence, implement and leverage its investments to have broader positive community impacts that increase ridership and improve quality of life. The TOC Policy is the evolution of the TOC Demonstration Program and will formalize Metro's definition of and approach to TOCs, clarifying Metro's role and commitment to leveraging transit investments for enhanced communities. The Local Return section of the Measure M Administrative Guidelines outlines a series of transportation purposes eligible for Local Return funds. The guidelines include "TOC Activities" as eligible transportation purposes, to be defined by the creation of a TOC Policy. Upon adoption by the Metro Board, the activities established in the Policy will be deemed transportation purposes, eligible for Measure M Local Return funds as well as other Metro transportation funds, subject to any specific compliance, requirements or regulations for those funds.

#### Policy Development and Stakeholder Engagement

The policy development process began at the January 9, 2018 meeting of the PAC. In addition to presenting the Policy, staff participated in a break out session with the PAC and members of the public, which included breaking into groups, brainstorming on key Policy issues to consider and report outs by each group. Following this meeting, the TOC Policy Working Group was established among PAC members, alternates, and delegates, creating a mix of representation across stakeholder groups (consumers, providers and municipalities), with the expectation that these groups collect and reflect feedback from their broader networks. The first Working Group meeting was held on January 22, 2018 and there have since been 9 meetings in total. Before each meeting, a draft section of the Policy was distributed to the Working Group to allow them time to review and engage with key stakeholders in their sectors and bring this feedback to each meeting. This created a collaborative and comprehensive policy development process.

About half-way through the Working Group process, staff returned to the PAC to provide an update on the Policy on March 13, 2018. After additional work with the Working Group, staff presented a draft Policy to the PAC on April 3, 2018. The final proposed Policy was presented at the June 5 PAC meeting.

Internal to Metro, the Policy (and related Nexus document) has been reviewed by County Counsel, the Senior Leadership Team, staff that implements the current Local Return program, and staff working on various workforce development and small business programs. These reviews ensured that language and policy direction is consistent with Metro's existing programs and initiatives and falls within administrative and legal parameters for funding.

Finally, staff participated in a Town Hall meeting hosted by ACT-LA on May 9 and presented the draft Policy to the Planning and Programming Committee at the May 16 meeting. Feedback from these discussions and additional review from the TOC Working Group has been incorporated into the final Policy. In particular, the section below on "Geographic Span" addresses feedback from the Metro Board's Planning and Programming Committee to ensure that TOC Activities have broad impact across Los Angeles County.

#### TOC Demonstration Program: Lessons Learned

Along with direction and feedback from core stakeholders, the TOC Policy was informed by lessons

learned from the TOC Demonstration Program, launched in October 2015. Focusing on eight (8) targeted sites, programs and projects, the TOC Demonstration Program showcased a more holistic approach to considering Metro's impact on and ability to shape transit supportive communities. Quarterly reports on the Demonstration Program shared progress on the sites/projects and also highlighted other efforts across the agency that demonstrate Metro's expansive approach to considering community. Key lessons from this exercise, which are reflected in the goals and activities in the TOC Policy, include:

1. *Clarity and commitment:* Metro must make clear our priorities in ensuring that our transit investments consider a more holistic approach to community development, and our role in identifying and addressing the positive and sometimes more challenging impacts of our investments;
2. *Deep and meaningful community engagement:* The successes realized during the TOC Demonstration Program were reflective of a commitment to meaningfully engage with stakeholders. This means developing new partnerships with organizations that can facilitate deeper engagement of harder to reach stakeholders and innovative approaches to engagement. In particular, programs such as the Business Interruption Fund, the Joint Development process of creating Development Guidelines and the recently adopted Blue Line First/Last Mile Strategic Plan are examples of a new form of partnership and innovation in community engagement.
3. *Enable and incentivize:* Metro does not have jurisdiction over land use or other community development efforts that support TOC goals, and therefore is not the entity that can enact many of the policies or programs that enable TOCs. The agency must identify ways to leverage its power as planner, builder and operator of the transit system, as well as being a major funding entity in Los Angeles County, to enable and incentivize municipalities to embrace and implement TOC supportive goals, policies and programs.
4. *Partnership and coordination:* Building on the notion of enabling and incentivizing, realizing TOC goals requires direct partnerships and close coordination with municipalities, in particular cities (and Los Angeles County), who hold regulatory land use control and ownership of the public right-of-way. Metro's efforts to achieve transit supportive land uses in station areas and corridors, implement first/last mile improvements, and facilitate joint development on Metro-owned land all require cooperation and ownership, at every stage, with cities and LA County.

These key lessons will be summarized in a final report on the TOC Demonstration Program.

#### Policy

The Policy defines the concept of TOCs for Metro, develops a set of goals, and establishes TOC Activities which, upon adoption by the Metro Board, will be eligible for Local Return Funds.

*Definition of TOC:* The Policy defines TOCs as places (such as corridors or neighborhoods) that, by their design, allow people to drive less and access transit more. A transit oriented community maximizes equitable access to a multi-modal transit network as a key organizing principle of land use planning and holistic community development. TOCs differ from Transit Oriented Development (TOD)

in that a TOD is a specific building or development project that is fundamentally shaped by close proximity to transit. TOCs promote equity and sustainable living in a diversity of community contexts by: (a) offering a mix of uses that support transit ridership of all income levels (e.g. housing, jobs, retail, services and recreation); (b) ensuring appropriate building densities, parking policies, and urban design that support accessible neighborhoods connected by multi-modal transit; (c) elevating vulnerable users and their safety in design; and (d) ensuring that transit-related investments provide equitable benefits that serve local, disadvantaged and underrepresented communities.

*Goals:* The Policy establishes the following set of overarching goals:

1. Increase transportation ridership and choice
2. Stabilize and enhance communities surrounding transit
3. Engage organizations, jurisdictions, and the public
4. Distribute transit benefits to all
5. Capture value created by transit

*TOC Activities:* The Policy also defines a set of TOC Activities, which are projects, programs, and policies that support, enable and incentivize TOCs. The TOC Activities in this Policy are intended to capture activities that are not otherwise explicitly defined in existing Metro policies or guidelines, but serve a transportation purpose. Eligible activities identified in the Policy include affordable housing, local business assistance, neighborhood amenities, grant assistance, land use planning, community engagement, and public improvements. While the Policy sets forth specific goals, the TOC Activities remain general in order to allow for innovation and for municipalities and partners to identify the appropriate programs and projects to achieve TOC goals. Staff has developed a Transportation Nexus document, included as Attachment B, to demonstrate how the TOC Activities identified serve a transportation purpose.

*Geographic Span:* The TOC Activities are defined according to 3 geographic areas: (1) “General Activities” which can be funded anywhere in LA County; (2) Within 0-3 miles of a High Quality Transit Stop; and (3) Within 0-1/2 mile of a High Quality Transit Stop. The Policy references the State of California definition of a High Quality Transit Stop (Stop) and notes that stops can be served by any transit operator. There are three factors that drive the use of these radii for determining eligibility of TOC Activities:

- 1) Transportation Nexus: As noted above, Board adoption of this Policy will define TOC Activities as a Transportation Purpose. Staff and our stakeholders referenced over 10 studies on the intersection of transit, land use, affordable housing and community development to develop the Transportation Nexus document (Attachment B). The radii recommendations reflect this research as well as existing Metro Board-adopted policies.
- 2) High Quality Transit Stop areas are broad: The map in Attachment C shows the area captured by the 0-1/2 mile radius around High Quality Transit Stops, for LA County. Review of the map demonstrates that this defined area, which is the most restrictive of the 3 geographic spans in the Policy, is broad and covers every region of LA County,
- 3) Matching Funds: The Measure M Local Return Guidelines require that these funds are

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matched with other funding sources. State and Federal funding for transit oriented real estate activities such as affordable housing and small business development generally target a ¼ - ½ mile radius around transit stations. Matching the TOC geographic span to that of available funding sources can facilitate the ability of projects to secure matching funds.

*Edits to Draft Policy:* After review by the Metro Board, additional stakeholder feedback and a follow up meeting with the TOC Policy Working Group, minor typographical edits were made to the Policy. The only substantive change to the Policy was the addition of a definition for Neighborhood Serving Amenities.

*Implementation:* All TOC Activities are subject to the requirements of the applicable funding program. Many of the TOC Activities outlined in the Policy will be implemented by municipalities and other eligible partners; some will be directly implemented by Metro through existing programs such as Joint Development, First/Last Mile planning and the TOD Planning Grant, and others Metro will allow, enable and incentivize local partners to fund and implement. Metro staff will ask the following questions to determine which TOC Activities Metro will implement directly versus funding, enabling or incentivizing:

- *Jurisdictional role* - Is the TOC Activity within Metro's functional jurisdiction?
- *Funding sources* - Does Metro have the funds necessary to implement the activity and what governs how those funds are spent? Are the funds committed to other projects and programs?
- *Staffing Resources and Expertise* - Does Metro have sufficient and appropriate staffing resources and technical expertise to carry out the TOC Activity without impacting existing priorities, approved programs, projects and service delivery?

### Implementation Plan and Metrics

During the Policy development process, stakeholders were clear in their desire for Metro to build accountability and transparency into its TOC program. Staff recommends that the Board direct development of an Implementation Plan that includes metrics, which, once completed, will be reported on through an annual TOC Report. Development of the Implementation Plan will take place over the next 18 months, concurrent with the development of the Long Range Transportation Plan (LRTP) TOC Policy Framing Paper. The framing document is part of the LRTP process and will provide further clarity on Metro's role in achieving TOC goals over the long term.

### **DETERMINATION OF SAFETY IMPACT**

Adoption of the TOC Policy will not have a direct impact on safety. Implementation of TOC Activities, such as public improvements that lead to Complete Streets and First/Last Mile projects could improve safety for transit patrons, employees and contractors.

### **FINANCIAL IMPACT**

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Adoption of the TOC Policy will not have a financial impact to the agency. TOC Activities can be funded by Measure M Local Return funds, which are dedicated to and controlled by local municipalities, as directed in the Measure M ordinance. Other ongoing activities that realize TOC goals (for example Joint Development, First/Last Mile planning, and the TOD Planning Grant) are already part of the FY19 adopted budget.

Since Metro's internal TOC Activities are multi-year, the cost center manager and Chief Planning Officer will be accountable for budgeting the cost in future years.

### Impact to Budget

Existing TOC Activities across Metro are broad and funded through a variety of sources, including Local - General Fund ROW lease revenues, as well as various grants and sales taxes. There is no one programmatic source of funds for TOC Activities. Generally, these funds are eligible for bus and rail operating and capital expenses. The adoption of the TOC Policy will not impact ongoing bus and rail operating and capital costs, the Proposition A and C and TDA administration budget or the Measure R administration budget as no additional programs or projects are being recommended.

### ALTERNATIVES CONSIDERED

The Board could choose not to adopt the final TOC Policy. This is not recommended, as development of the Policy is a requirement of the adopted Local Return guidelines. In addition, the Policy was developed through a transparent and iterative process with various internal and external stakeholders, with a draft review by the Metro Board.

The Board could chose not to direct staff to develop an Implementation Plan and performance metrics. This is not recommended, as staff received clear indication from stakeholders, including testimony at the May 16<sup>th</sup> Planning and Programming Committee, that this next step is critical to creating a transparent and accountable TOC program.

### NEXT STEPS

With the adoption of the TOC Policy, staff will begin work on a TOC Implementation Plan and metrics, concurrent with the LRTP TOC Topical Framing Paper. The Implementation Plan will be brought to the Board for consideration and will be followed with an annual TOC Report that will be published to ensure accountability and transparency.

The TOC Policy, along with the Implementation Plan, will replace the TOC Demonstration Program as the permanent TOC Program. Staff will prepare a summary document on lessons learned from the TOC Demonstration Program.

### ATTACHMENTS

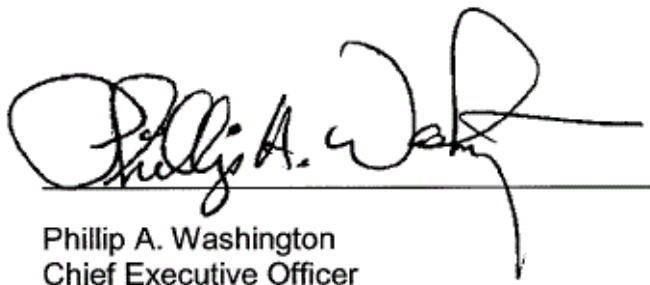
Attachment A - TOC Policy\_Final - REVISED

Attachment B - Transportation Nexus

Attachment C - HQT Map

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Phillip A. Washington  
Chief Executive Officer

## **ATTACHMENT A (REVISED)**

### **METRO TRANSIT ORIENTED COMMUNITIES POLICY**

#### **I. POLICY CONTEXT**

Traditionally transit agencies have focused their mission on a combination of planning, constructing, and operating the public transit system with a focus on moving people from station to station within that system. Community impacts associated with the transit system, both positive and negative, were relegated to local jurisdictions to manage, promote or mitigate. Since the development of the last Long Range Transportation Plan, and with the passage of Measure R in 2008 that started a massive investment in public transportation in Los Angeles County, it has become evident that the regional serving transit systems we plan, construct, and operate have a tremendous impact on the communities we serve. These investments and services can:

- Result in targeted economic development/real estate investments or disinvestments
- Change the perception of a community as a desirable place to live or work, both positively and negatively
- Provide mobility and thus enhance access to jobs, schools, health care and economic mobility
- Accelerate change to the character and cultural cohesion of a community, in both positive and negative ways

Los Angeles made clear its commitment to continuing dramatic growth of its transit system in 2016 when voters approved Measure M and an additional \$120 billion in investment over 40 years. This investment will only be successful if Metro considers: issues of access and connectivity to the system (such as first/last mile connections); a deep understanding of the demographics of the customer base (to target and adjust service); safety, timeliness and consistency of service; and the impact of the system on issues of equity and equitable opportunity in the County. It is imperative for Metro to consider community wide impacts in its planning, development, operations and third-party funding.

To achieve this integrated goal of transit expansion and consideration of community impacts, Metro must forge partnerships with the municipal partners and local communities we serve. One of the most significant ways Metro can understand, define and measure both the possibilities and the impacts of its investments in public transit is to develop policies and procedures that promote Transit Oriented Communities (TOCs), as a path for communities to maximize the benefits of Measure M investments. This



TOC Policy is a step toward defining Metro's goals in how we consider, fund, enable, and/or incentivize activities that support the development of balanced communities throughout Los Angeles County.

## II. PURPOSE

The purpose of this policy is to:

- a. Define the concept of TOCs for Metro and develop the goals and objectives of Metro's approach to enabling TOCs.
- b. Define those "TOC Activities" that will be considered a "transportation purpose" and thus are eligible activities for funding under the Measure M guidelines, by Metro and by its municipal partners through Local Return as well as for other eligible sources at the federal, state and local level.
- c. Establish a set of criteria to determine which TOC Activities Metro will fund and implement directly and which activities Metro will allow, enable and incentivize local partners to fund and implement.

## III. DEFINITIONS (put in alphabetical order)

**Affordable Housing:** The California Department of Housing and Community Development (HCD) and the Federal Department of Housing and Urban Development (HUD) define affordable housing as housing for households earning 80% of the area median income (AMI) and below. This Policy specifically targets households earning 60% of AMI and below, a lower income level than HCD and HUD. In this Policy Affordable Housing is defined as covenanted, income-restricted, housing for households earning income 60% of AMI or below.

Income levels are further defined as:

- Extremely low-income: 0-30% of AMI
- Very low-income: 30% to 50% of AMI
- Low-income: 50% to 60% of AMI; the term may also be used to mean 0% to 60% of AMI

**Geographic Boundaries of TOC:** The span of Metro's TOC program is LA County, with targeted activities, programs and projects: (1) generally, across the County; (2) within 3-miles of a Stop; and (3) within a half mile of a Stop.

**High Quality Transit Stop (HQT):** an existing or environmentally-cleared fixed-guideway transit station or the intersection of two buses with 15 minute headways, or

fewer, at the peak. High Quality Transit Stops may be served by any transit operator. A planned fixed-guideway station may also be considered if its location is the only alternative under consideration for a transit corridor in the planning stages. This definition may change to match changes in the State of California definition of a High Quality Transit Stop. High Quality Transit Stops may be referred to herein as “Stops”.

**Low-income Households:** This policy considers Low-income Households to be households earning annual income at or below 60% of the area median income (AMI).

**Neighborhood-serving Amenities:** community serving uses such as grocery retail, child care, health care, education, and recreational activities.

**Small Business:** a business that is independently owned and operated and adheres to the size standards established by the U.S. Small Business Administration (SBA) in terms of the average number of employees over the past 12 months or the average annual receipts over the past three years. These standards are defined at the following link: [SBA Size Standards Table](#).

**Transit Oriented Communities:** Transit Oriented Communities (TOCs) are places (such as corridors or neighborhoods) that, by their design, allow people to drive less and access transit more. A Transit Oriented Community maximizes equitable access to a multi-modal transit network as a key organizing principle of land use planning and holistic community development. TOCs differ from Transit Oriented Development (TOD) in that a TOD is a specific building or development project that is fundamentally shaped by close proximity to transit.

TOCs promote equity and sustainable living in a diversity of community contexts by: (a) offering a mix of uses that support transit ridership of all income levels (e.g. housing, jobs, retail, services and recreation); (b) ensuring appropriate building densities, parking policies, and urban design that support accessible neighborhoods connected by multi-modal transit; (c) elevating vulnerable users and their safety in design; and (d) ensuring that transit related investments provide equitable benefits that serve local, disadvantaged and underrepresented communities<sup>1</sup>.

**TOC Activities:** Activities identified in this policy that support, enable and incentivize TOCs, and thereby serve a transportation purpose.

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<sup>1</sup> For the purposes of this Policy, where Metro identifies disadvantaged and underrepresented communities, included are lower income households as well as households under the following protected categories as defined by the California Fair Employment and Housing Act (FEHA): race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age for individuals over forty years of age, military and veteran status, and sexual orientation.

## IV. GOALS

The TOC Policy will set direction for how Metro plans and implements new and existing transit corridor projects, for supporting land use and community development around existing transit corridors, and for encouraging and incentivizing partners to pursue the same goals. Specific TOC Goals include *(in no particular order)*:

### 1. Increase transportation ridership and choice

- **Ridership:** Increase system ridership and promote usage of alternate, non-motorized, modes of transportation.
- **Transportation Options:** Leverage land use and urban design to encourage non-single occupant vehicle transportation options both on and off Metro property, through enhanced first/last mile options, travel demand management, and seamless transit connectivity.
- **Safety:** Work to reduce collisions and create welcoming environments for all ages, abilities and protected classes in the planning, construction, and operation of transit oriented community projects.

### 2. Stabilize and enhance communities surrounding transit

- **Housing Affordability:** Prioritize development and preservation of transit-adjacent Affordable Housing.
- **Neighborhood Stabilization:** Protect and support local residents and businesses from displacement.
- **Sustainability:** Ensure that infrastructure investments are multi-beneficial, improving access to transit and enhancing communities' environmental resilience.
- **Economic Vitality:** Promote sustained economic vitality directly benefiting existing communities.

### 3. Engage organizations, jurisdictions, and the public

- **Community Engagement:** Ensure that stakeholders across a broad spectrum, including those that are harder to reach through traditional outreach strategies, are meaningfully engaged in the planning, construction and operation of Metro's transit system.
- **Foster Partnerships:** Through planning, coordination, policy advocacy and funding, foster relationships and partnerships with local residents and

businesses, labor, municipal and institutional entities, community-based organizations, workforce development providers, the private sector, and philanthropy, to realize TOC goals.

4. Distribute transit benefits to all

- **Equitable Outcomes:** Ensure transportation investments and planning processes consider local cultural and historical contexts and improve social, economic, health, and safety outcomes that serve and benefit local, disadvantaged and underrepresented communities.
- **Complete Communities:** Promote and realize complete communities that support a mix of incomes, land uses, transportation choices, and equitable access to safe, sustainable and healthy living.
- **Small Business:** Encourage the utilization of Small Businesses in the contracting opportunities generated by Metro's investments.

5. Capture value created by transit

- **Value Capture:** Capture increased value of properties surrounding Metro's transit investments and re-invest that value into TOC activities.

## V. TOC ACTIVITIES

### Transportation Purpose

Metro can only fund activities deemed to have a transportation purpose. If that transportation purpose is not otherwise explicitly defined in existing Metro policies or guidelines, the Board must make a finding that the activity has a transportation nexus. The Metro Board adoption of this Policy will represent that finding, deeming the TOC Activities in this Policy to have a transportation purpose.

TOC Activities are consistent with responsibilities outlined in Metro's enabling statute in the California Public Utilities Code Section 130001:

*“(e) The Transportation system should offer adequate public transportation to all citizens, including those immobilized by poverty, age, physical handicaps, or other reasons,” and “(h) Transportation planning should recognize that transportation systems have significant effect on the physical and socioeconomic characteristics of the area served, and emphasis should be given to the protection and enhancement of the*

*environment and restoration of blighted neighborhoods near community centers.”*

### TOC Activities by Geography

TOC Activities funded with Metro transportation funds must be within Los Angeles County. Some TOC Activities are general and may not be targeted around one particular High Quality Transit Stop (“Stop”), and others must take place, or be targeted within a half mile of the Stop (often referred to as the walk-shed) or within 3 miles of the Stop (often referred to as the bike-shed). References to “walk-shed” and “bike-shed” are not limited to walking and biking, but include rolling or other alternate modes of mobility. Eligible TOC Activities are characterized by these geographic requirements below.

#### *General activities –*

- Community engagement that targets harder-to-reach communities around/regarding TOC Activities or transit
- Events or programs that promote multi-modal transit options
- Discounted transit passes
- Grants and/or technical assistance to support projects and programs that achieve TOC goals
- Staffing or consultants that can implement TOC Activities
- Transportation related workforce training and education

#### *Within 3 miles of a Stop –*

- First/last mile improvements
- Complete Streets
- Land use planning that promotes TOC goals.
- Value capture studies and formation activities that support investment in TOCs. A value capture district must include at least one transit Stop but may span a broader radius around that Stop.

#### *Within a half mile of a Stop –*

- Public improvements that create stronger and safer connections to transit and improve the transit rider experience recognizing vulnerable users and their safety in design.
- Affordable Housing: Programs that produce, preserve, and protect affordable housing through:
  - Preservation or development of Affordable Housing units.
  - Innovative anti-displacement strategies to protect and retain Low-income Households.
- Small Business preservation: Programs that support and protect Small Businesses.

- Neighborhood--serving Amenities: Programs that preserve, protect and/or produce Neighborhood-serving Amenities.

## **VI. ADMINISTRATION**

### Implementation

Most of the TOC Activities outlined in this Policy will be implemented by municipalities and other eligible partners through Local Return or other eligible transportation funding programs, subject to the legal requirements and/or specifications of those funding programs. Some activities Metro will fund, enable or incentivize through its existing programs, planning work, policies and discretionary funding offered to partners.

Metro will only implement TOC Activities directly if they are within Metro's functional jurisdiction. Specific programs with the objective of meeting TOC goals may be implemented across various Metro departments.

### Compliance with Funding Requirements

TOC Activities funded by Metro and implemented by municipalities and eligible partners must follow the legal requirements, specifications, guidelines and administrative procedures of the applicable funding program and will be subject to any specific limitations that may apply to those funding sources, including matching requirements. Using transportation funds for a TOC Activity may require the implementing entity to provide a clear description of the TOC Activity and how it furthers the TOC Policy Goals defined in Section IV. If municipalities do not pass audits, they may risk losing future funding opportunities.

### Transparency and Accountability

With adoption of the TOC Policy, Metro will establish a TOC Implementation Plan that will include performance metrics. Thereafter, staff will prepare an annual TOC report.

## ATTACHMENT B

### Transit Oriented Communities (TOC) Activities – Transportation Nexus Research

The Transit Oriented Communities (TOC) Policy addresses activities that are not otherwise explicitly defined in existing Metro policies or guidelines. Through this Policy, these activities will be deemed to have a transportation purpose as they support, enable, and incentivize TOCs. The following research demonstrates the transportation nexus of key activities identified in the TOC Policy. Under each category, a statement is followed by data points from research, cited with footnotes.

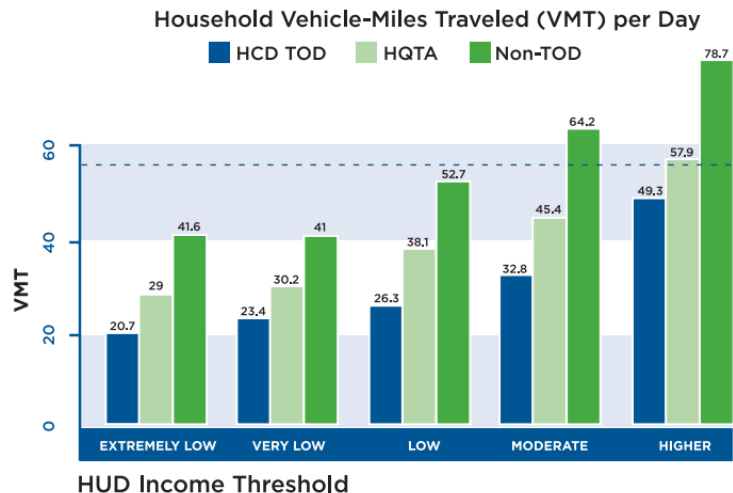
#### Affordable Housing

*The majority of Los Angeles County transit patrons are lower income individuals.*

- In 2017, the median annual income of Metro patrons was \$16,218 for bus patrons and \$24,390 for rail patrons.<sup>1</sup>
- In Los Angeles County, close to 90% of all transit commuters are workers with household incomes of less than \$50,000, and more than 70% have household incomes less than \$25,000.<sup>2</sup>

*Low income individuals have a higher propensity to take transit.*

- Lower Income households drive 25-30% fewer miles when living within 1/2 mile of transit than those living in non-TOD. When living within HCD's 1/4 mile of frequent transit they drove nearly 50% less.<sup>3</sup> (see graph below)



<sup>1</sup> [Metro 2017 Customer Satisfaction Survey](#)

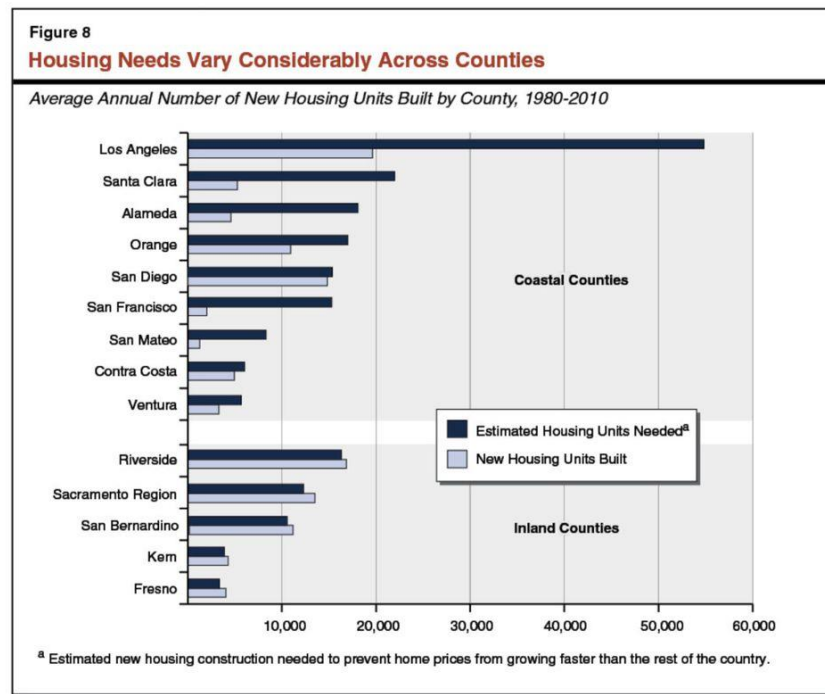
<sup>2</sup> [Incentives to Encourage Equitable Development in Los Angeles County Transit Oriented Districts](#)

<sup>3</sup> [Why Creating And Preserving Affordable Homes Near Transit Is A Highly Effective Climate Protection Strategy](#)

- Higher Income households drive more than twice as many miles and own more than twice as many vehicles as Extremely Low-Income households living within 1/4 mile of frequent transit.<sup>4</sup>

*There is a dire need for more housing serving households of all income levels in Los Angeles, but particularly for low income households*

- *Los Angeles County leads the State in the difference between number of new housing units needed and average number of new housing units built since 1980.<sup>5</sup> See chart below:*



- Los Angeles County has experienced a 64% reduction in affordable housing investment since 2008, and needs 551,807 more affordable units in order to accommodate its lowest-income renters.<sup>6</sup>
- More than 40% of California's homeless population lives in Los Angeles County, while only about 25% of the state's population live in the County.<sup>7</sup>

*Land surrounding transit may increase in value faster than land not served by transit.*

- A 2010 study concluded that all transit-rich neighborhoods show a rise in property value, with a portion rising significantly more than the regional average. It also supported the conclusion that neighborhoods with a large number of renters were more susceptible to gentrification.<sup>8</sup>

<sup>4</sup> [Why Creating And Preserving Affordable Homes Near Transit Is A Highly Effective Climate Protection Strategy](#)

<sup>5</sup> [California's High Housing Costs: Causes and Consequences](#)

<sup>6</sup> [Los Angeles County Renters In Crisis: A Call For Action](#)

<sup>7</sup> [2017 Greater Los Angeles Homeless Count Results](#)

<sup>8</sup> [Maintaining Diversity in America's Transit-Rich Neighborhoods: Tools for Equitable Neighborhood Change](#)



- A map created by UCLA researchers shows gentrified neighborhoods across Los Angeles County. A significant number of these neighborhoods exist along existing and planned transit corridors.<sup>9</sup>

*As land becomes more expensive, residents can be pushed out. Without investing in affordable housing around transit, core transit riders may be pushed further away from transit, requiring additional transit investments be made to reach them, increased frequencies of transit service to further distances, and/or resulting in lower ridership. With any of these outcomes, Metro has a vested interest in protecting, preserving and producing housing serving low income households and protecting transit rich communities from displacement.*

## **Land Use Planning**

Transit-supportive land use planning is crucial to making the most of our transit investments. Without the right uses around transit, patrons will have no housing, jobs, or amenities to travel to or from on our transit. Greater densities of such housing and amenities ensure that more trips can be made and more people can be served with the transit investment.

- Transit use is primarily dependent on local densities and secondarily on the degree of land-use mixing<sup>10</sup>
- Compact development was found to have the strongest impact on personal business trips. The relationship between dimensions of the built environment and travel demands were not inconsequential, thus supporting a city planning process that creates more compact, diverse, and pedestrian-oriented neighborhoods which can influence how people live and travel.<sup>11</sup>
- In the Fargo-Moorhead community, residential density, walkability, and land use-mix were significant in predicting transit ridership.<sup>12</sup>
- A report prepared by TransLink in Vancouver stresses the importance of the design quality of the neighborhood environment at the street level, as it contributes to increased rates of transit use, walking, and cycling. The report also notes that land use diversity is important in providing access to transit, as well as generating ridership at both peak and off peak times.<sup>13</sup>

## **Small Business Preservation/ Neighborhood Serving Amenities**

In addition to housing, it is crucial that jobs, shopping, and other amenities are located near transit in order to connect housing to those jobs and amenities.

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<sup>9</sup> [Mapping Neighborhood Change in Los Angeles County](#)

<sup>10</sup> Zhang, M. (2004). "The Role of Land Use in Travel Mode Choice." Journal of the American Planning Association 70(3): 344-360

<sup>11</sup> Cervero, R. and K. Kockelman (1997). "Travel Demand and the Three D's: Density, Diversity and Design." Transportation Research D 2: 199-219.

<sup>12</sup> [Transit Ridership and the Built Environment](#)

<sup>13</sup> [Transit-Oriented Communities: A Primer on Key Concepts](#)

- Nationwide, 87% of all public transportation trips have an economic benefit. Of those, 49% are to and from work, 21% involve shopping, and 17% are recreational spending.<sup>14</sup>

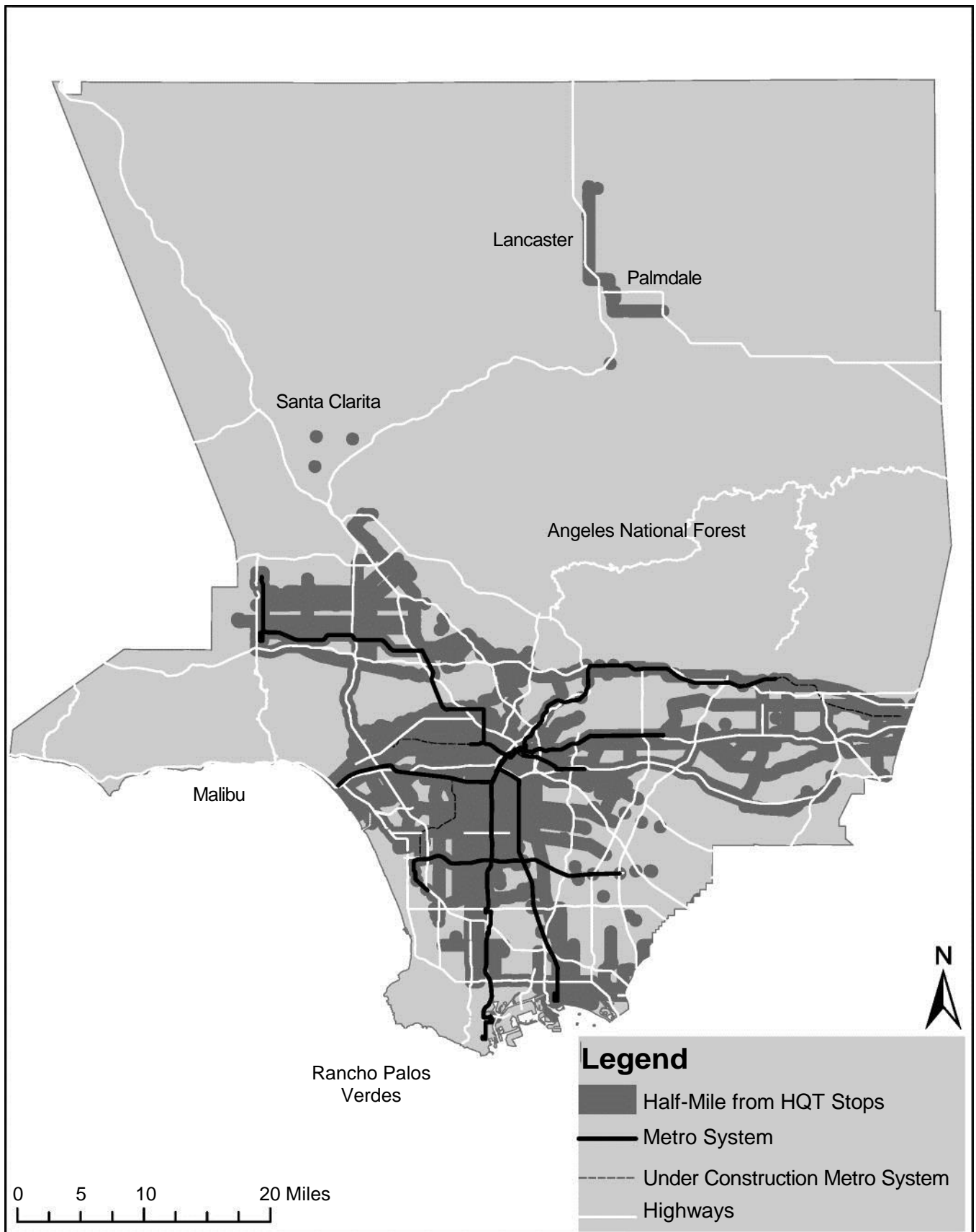
Real estate premiums associated with rail investment can alter the demographic composition of surrounding neighborhoods, and research is finding a link between residential and commercial gentrification, in relation to transit.<sup>15</sup> Both for those who are transit dependent, and to encourage more use of transit, the system must connect people not only to their homes, but to their jobs, community amenities and facilitates and retail that meet their day to day needs. Local businesses and neighborhood amenities, particularly those serving lower income and ethnic minority communities, face displacement pressures when property values and rents rise in the wake of transportation investments. If one is a predictor of the other, we can assume that over time ridership may decrease as a result the combined effects of both forms of gentrification. Supporting these businesses and services increases access to them, which helps to stabilize and enhance these communities while preserving and increasing ridership.

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<sup>14</sup> [Who Rides Public Transportation](#)

<sup>15</sup> [Transit-Oriented Development & Commercial Gentrification: Exploring the Linkages](#)

# Attachment C: Half-Mile Radius Around High Quality Transit Stops (LA County)



# Los Angeles County Metropolitan Transportation Authority



## Transit Oriented Communities Policy



June 28, 2018

# Policy Development Process

- Policy development required as part of Local Return Guidelines
- **Stakeholder-driven process:**
  - **January** : kick off and brainstorming with PAC and stakeholders
  - **Jan – May:**
    - ✓ 8 PAC Working Group Meetings
    - ✓ PAC check-in and draft review (3 meetings)
    - ✓ Meetings with interested stakeholders
    - ✓ Iterative review with County Counsel
    - ✓ Meetings with targeted internal Metro stakeholders
    - ✓ ACT LA Town Hall on TOC Policy and Equity Framework
    - ✓ Metro Board presentation on draft policy



**Metro**



# TOC Definition

Transit Oriented Communities (TOCs) are places (such as corridors and neighborhoods) that, by their design, allow people to drive less and access transit more.

A TOC maximizes equitable access to a multi-modal transit network as a key organizing principle of land use and holistic community development



# TOC Policy Goals

1. Increase transportation ridership and choice
2. Stabilize and enhance communities surrounding transit
3. Engage organizations, jurisdictions, and the public
4. Distribute transit benefits to all
5. Capture value created by transit

# TOC Activities

- Geographic span defined as “General,” “Within 0-1/2 mile of a station” and “0-3 mile of a station”
- Include affordable housing, local business assistance, neighborhood amenities, grant assistance, land use planning, community engagement, public improvements
  - Metro has a history of programs/projects in each of these areas
- Require a “ transportation nexus” (Attachment B)
- Are permissive but not directive



# Next Steps

Within 18 months, return to Board with:

- TOC Implementation Plan and performance metrics
- TOC Annual Report