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3rd Floor, Metro Board Room

Agenda - Final

Thursday, July 17, 2025

11:00 AM

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METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA RULES

(ALSO APPLIES TO BOARD COMMITTEES)

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The public may also address the Board on non-agenda items within the subject matter jurisdiction of the Board during the general public comment period, which will be held at the beginning and /or end of each meeting. Each person will be allowed to speak for one (1) minute during this General Public Comment period or at the discretion of the Chair. Speakers will be called according to the order in which their requests are submitted. Elected officials, not their staff or deputies, may be called out of order and prior to the Board's consideration of the relevant item.

Notwithstanding the foregoing, and in accordance with the Brown Act, this agenda does not provide an opportunity for members of the public to address the Board on any Consent Calendar agenda item that has already been considered by a Committee, composed exclusively of members of the Board, at a public meeting wherein all interested members of the public were afforded the opportunity to address the Committee on the item, before or during the Committee's consideration of the item, and which has not been substantially changed since the Committee heard the item.

In accordance with State Law (Brown Act), all matters to be acted on by the MTA Board must be posted at least 72 hours prior to the Board meeting. In case of emergency, or when a subject matter arises subsequent to the posting of the agenda, upon making certain findings, the Board may act on an item that is not on the posted agenda.

CONDUCT IN THE BOARD ROOM - The following rules pertain to conduct at Metropolitan Transportation Authority meetings:

REMOVAL FROM THE BOARD ROOM - The Chair shall order removed from the Board Room any person who commits the following acts with respect to any meeting of the MTA Board:

a. Disorderly behavior toward the Board or any member of the staff thereof, tending to interrupt the due and orderly course of said meeting.
b. A breach of the peace, boisterous conduct or violent disturbance, tending to interrupt the due and orderly course of said meeting.
c. Disobedience of any lawful order of the Chair, which shall include an order to be seated or to refrain from addressing the Board; and
d. Any other unlawful interference with the due and orderly course of said meeting.

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Live public comment can be given by telephone or in-person.

The Meeting begins at 11:00 AM Pacific Time on July 17, 2025; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-978-8818 and enter
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Public comment will be taken as the Board takes up each item. To give public comment on an item, enter #2 (pound-two) when prompted. Please note that the live video feed lags about 30 seconds behind the actual meeting. There is no lag on the public comment dial-in line.

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Los comentarios publicos en vivo se pueden dar por telefono o en persona.

La Reunion de la Junta comienza a las 11:00 AM, hora del Pacifico, el 17 de Julio de 2025. Puedes unirte a la llamada 5 minutos antes del comienso de la junta.

Marque: 888-978-8818 y ingrese el codigo
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Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting.
Please include the Item # in your comment and your position of “FOR,” “AGAINST,” "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."
Email: BoardClerk@metro.net
Post Office Mail:
Board Administration
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MS: 99-3-1
Los Angeles, CA 90012

CALL TO ORDER

ROLL CALL

APPROVE Consent Calendar Item: 26.

Consent Calendar items are approved by one motion unless held by a Director for discussion and/or separate action.

CONSENT CALENDAR

26. SUBJECT: TITLE VI EQUITY ANALYSIS POLICIES 2025-0463

RECOMMENDATION

ADOPT Title VI Service and Fare Equity Analysis Policies which include:

- Major Service Change Policy (Attachment A);
- Disparate Impact Policy (Attachment B); and
- Disproportionate Burden Policy (Attachment C).

Attachments: Attachment A - Major Service Change (2025)
Attachment B - Disparate Impact Policy (2025)
Attachment C - Disproportionate Burden Policy (2025)
Presentation

NON-CONSENT

27. SUBJECT: ACQUISITION INCENTIVE PILOT PROGRAM 2025-0053

RECOMMENDATION

CONSIDER:

A. RECEIVING AND FILING an update on the Acquisition Incentive Pilot Program (“Pilot Program”) for the East San Fernando Valley Light Rail Project (“ESFV”); and

B. APPROVING amendments to the Pilot Program by adding incentive payments for Improvements Pertaining to Realty (IPR), adjusting relocation benefits to be in accordance with Federal regulations adopted since the approval of the Pilot Program, and adding the Southeast Gateway Line Project (SGL) to the Pilot Program, contingent upon Federal Transit Administration (FTA) approval

Attachments: Presentation

28. SUBJECT: LANDMARK UNSOLICITED PROPOSAL FOR METRO WORKFORCE HOUSING 2025-0566

RECOMMENDATION

CONSIDER:

A. RECEIVING AND FILING a Landmark Unsolicited Proposal to develop Metro Workforce Housing; and

B. AUTHORIZING the Chief Executive Officer (CEO) to proceed with Phase Two evaluation of the Landmark Unsolicited Proposal to develop Metro Workforce Housing adjacent to the Leimert Park K Line Station.

Attachments: Presentation

29. SUBJECT: FEDERAL AND STATE REPORT 2025-0536

RECOMMENDATION

RECEIVE AND FILE July 2025 Federal and State Legislative Report.

Attachments: Presentation

SUBJECT: GENERAL PUBLIC COMMENT 2025-0559

RECEIVE General Public Comment

Consideration of items not on the posted agenda, including: items to be presented and (if requested) referred to staff; items to be placed on the agenda for action at a future meeting of the Committee or Board; and/or items requiring immediate action because of an emergency situation or where the need to take immediate action came to the attention of the Committee subsequent to the posting of the agenda.

COMMENTS FROM THE PUBLIC ON ITEMS OF PUBLIC INTEREST WITHIN COMMITTEE'S SUBJECT MATTER JURISDICTION

Adjournment

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2025-0463, **File Type:** Policy **Agenda Number:** 26.

EXECUTIVE MANAGEMENT COMMITTEE
JULY 17, 2025

SUBJECT: TITLE VI EQUITY ANALYSIS POLICIES

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

ADOPT Title VI Service and Fare Equity Analysis Policies which include:

- Major Service Change Policy (Attachment A);
- Disparate Impact Policy (Attachment B); and
- Disproportionate Burden Policy (Attachment C).

ISSUE

Title VI of the Civil Rights Act of 1964 (Title VI) prohibits discrimination based on race, color, and national origin in programs that receive federal funding. The Federal Transportation Administration (FTA) requires transportation agencies to demonstrate their compliance with Title VI by adopting policies with FTA Circular 4702.1B "Title VI Requirements and Guidelines for Federal Transit Administration Recipients," issued October 1, 2012. FTA requires the Metro Board of Directors to review and approve the Title VI Equity Analysis policies.

BACKGROUND

Section 601 of Title VI states the following:
No person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.
FTA Circular 4702.1B, revised in 2012, requires transportation agencies to develop policies to assist in the evaluation of impacts to minority and low-income riders when considering service and fare changes. Metro's Title VI equity policies were adopted pursuant to the Administrative Code under Part 2-50 "Public Hearings".
The Title VI Equity Analysis policies consist of:

The Major Service Change Policy: This policy defines what constitutes a major service change for the agency which will require a service equity analysis (Attachment A).

The Disparate Impact Policy: Disparate impact refers to a facially neutral policy or practice that disproportionately affects members of a group identified by race, color or national origin, which lacks a substantial legitimate justification, including one or more alternatives that would serve the same legitimate objectives but with less disproportionate effects on the basis of race, color or national origin (Attachment B).

The Disproportionate Burden Policy: Disproportionate burden refers to a neutral policy or practice that disproportionately affects low-income populations more than non-low-income populations (Attachment C).

Metro's Title VI Obligations when evaluating service and fare changes

Metro will utilize the Board adopted Title VI polices included in the agency's Board adopted Title VI Program Update when analyzing service and fare changes. The equity analysis will be completed during the planning stages of the proposed changes. The results of the analysis will be approved by the Board and evidence of the Board action will be included in the next Title VI Program Update submitted to FTA. Metro must submit a Title VI Program Update every three years. The Board last approved the Title VI Policies at its September 2022 meeting. The last submitted Title VI Program Update was on September 29, 2022.

DISCUSSION

Metro, as a fixed route transit provider that receives Federal financial assistance and operates 50 or more fixed route vehicles in peak service, is required to prepare and submit service and fare equity analysis policies to comply with Department of Transportation (DOT) Title VI regulations. Under FTA Circular 4702.1B Title VI Equity Analysis policies are developed by the agency to ensure minorities and low-income communities are not impacted when it conducts Service and Fare Equity (SAFE) Analyses. There are three policies that must be approved by the Board every three years:

1) The Major Service Change Policy. Metro's current policy states that a Title VI Equity Analysis will be completed for all Major Service Changes and will be presented to the Board for its consideration and the results will be included in the subsequent Metro Title VI Program Update with a record of action taken by the Board. There are no recommended changes to this Policy for 2025. The full policy is attached as Attachment A.

2) The Disparate Impact Policy. Metro's current policy states that testing for Disparate Impact evaluates effects on minority riders or populations as compared to non-minority riders or populations. While performing a Title VI Equity Analysis for possible disparate impact, Metro will analyze how the proposed major service change or fare change action could impact minority populations, as compared to non-minority populations. There are no recommended changes to this Policy for 2025. The full policy is attached as Attachment B.

3) The Disproportionate Burden Policy. Metro's current policy states that testing for Disproportionate Burden evaluates potential effects on low-income riders or populations, which Metro defines in the 2025 program update as $69,350 for a four-member household in

Los Angeles County. The line and system level evaluations are identical to those used to determine potential disparate impacts but compare low-income and non-low-income riders or populations rather than minority and non-minority riders or populations. There are no recommended changes to this policy other than the updated increased low-income threshold from $$59,550 to $69,350. Metro's Disproportionate Burden policy is subject to change pending further FTA guidance. The full policy is attached as Attachment C.

The next Title VI Program Update will be submitted on or before the due date of October 1, 2025.

DETERMINATION OF SAFETY IMPACT

The requested action in this report will have no direct impact on the safety of Metro's employees or customers.

FINANCIAL IMPACT

Adoption of the Title VI Equity Policies has no direct impact upon Metro's expenditure or revenues. Approval is consistent with the implementation of service included in the adopted FY2026 Budget.

EQUITY PLATFORM

Title VI Equity Policies address impacts to Minority Communities and Low-Income Communities as required by FTA Title VI Circular 4702.1B. The FTA encourages agencies to evaluate the impacts of service and fare changes on both minority and low-income communities. While there has been no change to the way impacts to minority communities are analyzed, in January 2025, Metro increased the low-income threshold from $59,550 to $69,350, consistent with the California Department of Housing and Community Development's (HCD) increased threshold. This new, increased threshold served to expand the population now classified as "low-income," resulting in a larger share of our customers falling under Title VI protections. This shift reinforces the need to reevaluate service and fare equity analysis to ensure that planned changes do not disproportionately burden these communities. The result is that transit access remains fair, inclusive, and responsive to evolving community needs.

Moreover, although the FTA does not prescribe specific thresholds for identifying disparate impacts or disproportionate burdens, Metro has adopted a more rigorous standard to better address potential inequities. Under Metro's policies, a 5% absolute difference is used to determine whether a major service or fare change results in a disparate impact on minority populations or a disproportionate burden on low-income populations. This threshold is more stringent than the 10% standard used by some other public agencies, reflecting Metro's stronger commitment to equity.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

While this item does not directly encourage taking transit, sharing a ride, or using active transportation, it is a vital part of Metro operations, as it ensures compliance with federal requirements under Title VI of the Civil Rights Act of 1964. Because the Metro Board has adopted an agency-wide VMT Reduction Target, and this item supports the overall function of the agency, this item is consistent with the goals of reducing VMT.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendation supports strategic plan goal # 5, "Provide responsive, accountable and trustworthy governance within the Metro organization" by adhering to civil rights equity requirements mandated by FTA Title VI Circular 4702.1B.

ALTERNATIVES CONSIDERED

The Title VI Equity Analysis Policies require Board approval before being submitted to FTA. Failure to include Board approved policies in the Title VI Program update may result in non-compliance with FTA program requirements and may result in suspension of federal grants by being non-compliant with civil rights requirements.

NEXT STEPS

Once approved, Metro's Title VI Equity Analysis Policies will be included in the Title VI Program Update and will be submitted to FTA before the due date of October 1, 2025.

ATTACHMENTS

Attachment A - Major Service Change (2025)
Attachment B - Disparate Impact Policy (2025)
Attachment C - Disproportionate Burden Policy (2025)

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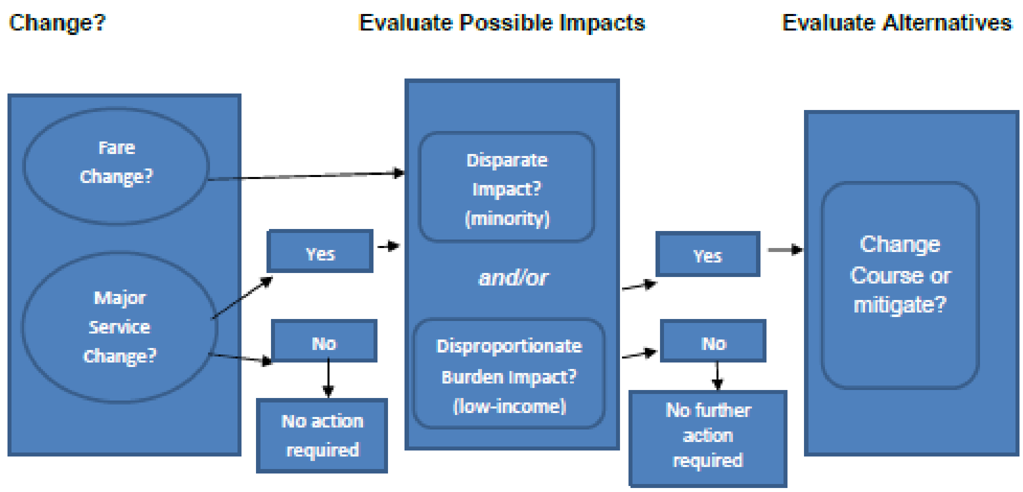
Reviewed by: Nicole Englund, Chief of Staff, (213) 922-7950

Stephanie Wiggins
Chief Executive Officer

Metro Major Service Change Policy

FTA Circular 4702.1B, revised in 2012, requires transportation agencies to develop policies to assist in the evaluation of impacts to minority and low-income riders when considering service and fare changes.

Figure 1: Overview of Metro's Title VI Equity Analysis process



All changes in service meeting the definition of "Major Service Change" are subject to a Title VI Service Equity Analysis prior to Board approval of the service change. A Title VI Equity Analysis will be completed for all Major Service Changes and will be presented to the Board for its consideration and the results will be included in the subsequent Metro Title VI Program Update with a record of action taken by the Board. Service changes considered "Minor" due to not meeting the thresholds of a Major Service Change are also analyzed and alternatives considered are documented, however, a Service Equity Analysis is not performed.

For the 2025 FTA Title VI Program Update Major Service Change is defined as any service change meeting at least one of the following criteria:

1. A revision to an existing transit route that increases or decreases the route miles and/or the revenue miles operated by 25% or more at one time or cumulatively in any period within 36 consecutive months since the last major service change;

2. A revision to an existing transit service that increases or decreases the scheduled trips operated by at least 25% at one time or cumulatively in any period within 36 consecutive months since the last major service change;

3. An increase or decrease to the span of service of a transit line of at least 25% at any one time or cumulatively in any period within 36 consecutive months since the last major service change;

4. The implementation of a new transit route that provides at least 50% of its route miles without duplicating other routes;

5. Six months prior to the opening of any new fixed guideway project (e.g. BRT line or rail line) regardless of whether or not the amount of service being changed meets the requirements in the subsections 1 – 5 above to be inclusive of any bus/rail interface changes.

a. Experimental, demonstration or emergency service changes may be instituted for one year or less without a Title VI Equity Analysis being completed and considered by the Board of Directors. If the service is required to be operated beyond one year the Title VI Equity Analysis must be completed and considered by the Board of Directors before the end of the one year experimental, demonstration or emergency.

b. A Title VI Equity Analysis shall not be required if a Metro transit service is replaced by a different route, mode, or operator providing a service with the same headways, fare, transfer options, span of service and stops.

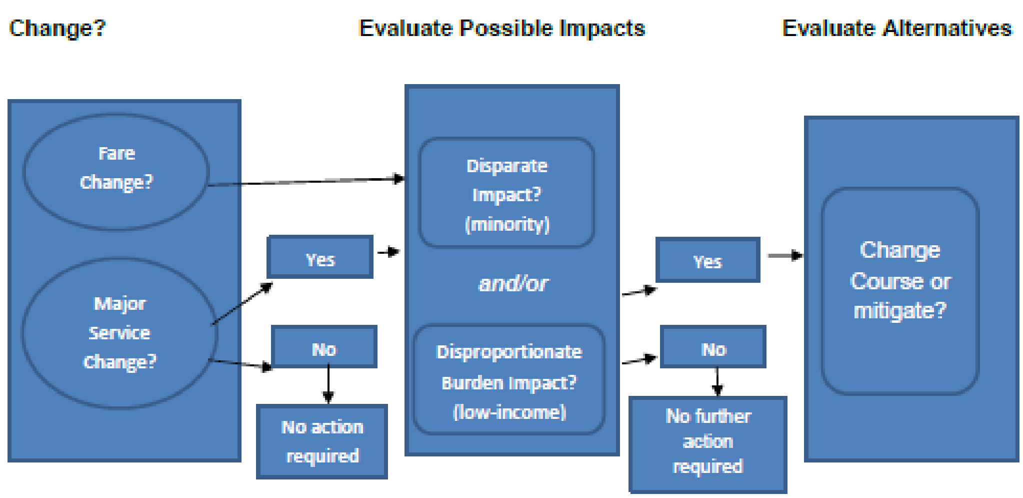
Metro Disparate Impact Policy

FTA Circular 4702.1B, revised in 2012, requires transportation agencies to develop policies to assist in the evaluation of impacts to minority and low-income riders when considering service and fare changes.

Testing for Disparate Impact evaluates effects on minority riders or populations as compared to non-minority riders or populations. “Minority” is defined as all persons who identify as being part of racial/ethnic groups besides white, non-Hispanic.

In the course of performing a Title VI Equity Analysis for possible disparate impact, Metro will analyze how the proposed major service change or fare change action could impact minority populations, as compared to non-minority populations.

Figure 1: Overview of Metro’s Title VI Equity Analysis process



In the event the proposed action has an adverse impact that affects protected populations more than other populations at a level that exceeds the thresholds established in the Board adopted Disparate Impact Policy, or that restricts the benefits of the service change to protected populations, the finding would be considered as a potential Disparate Impact. In the possible scenario of finding Disparate Impact, Metro will evaluate whether there is an alternative that would serve the same objectives and with a more equitable impact. Otherwise, Metro will take measures to minimize or mitigate the adverse impact of the proposed action.

The Disparate Impact Policy defines measures for determination of potential adverse impact on minority populations/riders from major service changes or any change in fares (increase or decrease) The policy is applied to both adverse effects and benefits of major service changes.

All changes in service meeting the definition of “Major Service Change” and any change in fares and/or fare media are subject to a Title VI Service Equity Analysis prior to Board approval of the change. A Title VI Equity Analysis will be completed for all Major Service Changes and all fare and/or fare media changes (increase or decrease). The results of the Title VI Equity Analysis will be presented to the Board for its consideration and the results will be included in the subsequent Metro Title VI Program Update with a record of action taken by the Board. Service changes considered “Minor” due to not meeting the thresholds of a Major Service Change are also analyzed and alternatives considered are documented, however, a Service Equity Analysis is not performed.

For the 2025 FTA Title VI Program Update:

Disparate impact refers to a facially neutral policy or practice that disproportionately affects members of a group identified by race, color or national origin and the policy lacks a substantial legitimate justification, including one or more alternatives that would serve the same legitimate objectives but with less disproportionate effects on the basis of race, color or national origin. This policy defines the threshold Metro will utilize when analyzing the impacts to minority populations and/or minority riders.

a. For major service changes, a disparate impact will be deemed to have occurred if the absolute difference between the percentage of minority adversely affected and the overall percentage of minorities is at least five percent (5%).

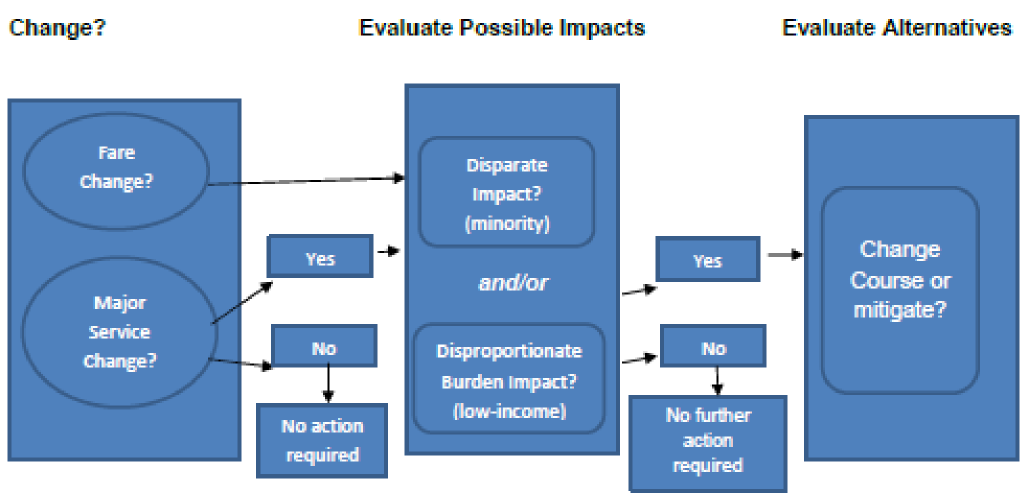
b. For any applicable fare changes, a disparate impact will be deemed to have occurred if the absolute difference between the percentage of minority adversely affected and the overall percentage of minorities is at least five percent (5%).

Metro Disproportionate Burden Policy

FTA Circular 4702.1B, revised in 2012, requires transportation agencies to develop a Disproportionate Burden policy to assist in the evaluation of impacts on minority and low-income riders when considering service and fare changes.

Testing for Disproportionate Burden evaluates potential effects on low-income riders or populations. Metro defines low-income riders as those with an annual income of $69,350 or less for a four-member household in Los Angeles County, using the highest tier break in the American Community Survey (ACS) data that most closely aligns with the 2024 California Housing and Community Development (HCD) thresholds. The line and system level evaluations are identical to those used to determine potential disparate impacts but compare low-income and non-low-income populations rather than minority and non-minority.[1]

Figure 1: Overview of Metro's Title VI Equity Analysis process



Any changes in service meeting the definition of "Major Service Change" and any change in fares and/or fare media (increase or decrease) are subject to a Title VI Service Equity Analysis before the Board's approval of the change. The results of the Title VI Equity Analysis will be presented to the Board for its consideration and the results will be included in the subsequent Metro Title VI Program Update with a record of action taken by the Board. Service changes considered "Minor" due to not meeting the thresholds of a Major Service Change are also analyzed and alternatives considered are documented, however, a Service Equity Analysis is not performed.

[1] Metro's Disproportionate Burden policy is subject to change pending further FTA guidance.

For the 2025 FTA Title VI Program Update:

Disproportionate burden refers to a neutral policy or practice that disproportionately affects low-income populations more than non-low-income populations. A finding of disproportionate burden for major service and fare changes requires Metro to evaluate alternatives and mitigate burdens where practicable.

a. For major service changes, a disproportionate burden will be deemed to exist if an absolute difference between the percentage of low-income persons adversely affected by the service change and the overall percentage of low-income persons is at least five percent (5%).
b. For fare changes, a disproportionate burden will be deemed to exist if an absolute difference between the percentage of low-income persons adversely affected and the overall percentage of low-income persons is at least five percent (5%).

OFFICE OF CIVIL RIGHTS, RACIAL EQUITY AND INCLUSION

Title VI Equity Analysis Policies

Metro

File# 2025-0463

Recommendation

Adopt the Title VI Service and Fare Equity Analysis Policies which include the following:

- Major Service Change Policy
- Disparate Impact Policy
- Disproportionate Burden Policy

Requirement to Evaluate Service and Fare Change

The Federal Transportation Administration (FTA) requires transportation agencies to comply with Title VI by adopting policies per FTA Circular 4702.1B “Title VI Requirements and Guidelines for Federal Transit Administration Recipients”

- Metro Board of Directors is required to review and approve the Title VI Equity Analysis policies for service and fare changes every three years.

Metro Title VI Equity Analysis Policies is required:

- Major Service Change Policy – Establish a threshold for service changes
- Disparate Impact Policy – Impact to minority riders
- Disproportionate Burden Policy – Impact to low-income riders

Major Service Change

Major Service Change Policy defines what constitutes a “Major Service Change” for the agency which will require a Service Equity Analysis.

- Current Metro policy states a Title VI Equity Analysis will be completed for all Major Service Changes presented to the Board

- Results will be included in the Metro Title VI Program Update with a record of action taken by the Board.

- There are no recommended changes to this Policy for 2025.

Disparate Impact Policy

Disparate Impact Policy evaluates the effects on minority riders or populations as compared to non-minority riders or populations.

- Metro will analyze how the proposed service or fare change action may impact minority populations compared to non-minority populations.
- "Minority" is defined as all persons who identify as being part of racial/ethnic groups besides white, non-Hispanic.
- No recommended changes to this Policy for 2025.

Disproportionate Burden Policy

Disproportionate Burden Policy evaluates potential effects on low-income populations, defined in the 2025 program update as $69,350 for a four-member household.

The line and system level evaluations are identical to those used to determine potential disparate impacts

- 2025 policy change increases the low-income threshold from $59,550 to $69,350 consistent with the California Department of Housing and Community Development’s (HCD) increased threshold.

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

File #: 2025-0053, **File Type:** Program **Agenda Number:** 27.

EXECUTIVE MANAGEMENT COMMITTEE
JULY 17, 2025

SUBJECT: ACQUISITION INCENTIVE PILOT PROGRAM

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

A. RECEIVING AND FILING an update on the Acquisition Incentive Pilot Program ("Pilot Program") for the East San Fernando Valley Light Rail Project ("ESFV"); and

B. APPROVING amendments to the Pilot Program by adding incentive payments for Improvements Pertaining to Realty (IPR), adjusting relocation benefits to be in accordance with Federal regulations adopted since the approval of the Pilot Program, and adding the Southeast Gateway Line Project (SGL) to the Pilot Program, contingent upon Federal Transit Administration (FTA) approval

ISSUE

On November 30, 2023, the Board approved the implementation of the Pilot Program for the ESFV Project, to reduce hardships to property owners by incorporating streamlined acquisition and relocation procedures for right-of way delivery. The Pilot Program has been very successful in encouraging property owners to sign voluntary agreements within 60 days. Using this Pilot Program would also benefit the SGL as acquisitions begin this summer.

Furthermore, staff recommends adding incentive payments for Improvements Pertaining to Realty ("IPR") to further encourage voluntary settlements as this continues to remain a challenge. Finally, federal regulations increased the relocation caps similar to the amounts granted by the Pilot Program, and staff recommend aligning Metro's caps with federal caps.

BACKGROUND

The Pilot Program approved by the Board, at its November 2023 meeting, for ESFV included acquisition incentives for owners entering into voluntary settlements within 60 days of receiving Metro's purchase offer. It did not include any incentive for acquisition of IPR's.

IPR's (commonly known as fixtures) also need to be acquired to obtain clear title to the properties. IPR's are not included in the valuation of the real property - they are appraised separately, and a separate unsegregated offer is made to both the owner and the tenant. Prior to LACMTA acquiring or relocating the IPR's, the owner and tenant must reconcile and agree in writing on ownership of the IPR's. Examples of IPR's include surveillance cameras, rolling driveway gates, air compressors, lighting, alarm systems, sinks and other plumbing, and in-ground scales.

The Pilot Program also included raising the relocation benefits caps. The FTA expressed concern about Metro having different relocation caps than the Uniform Assistance and Real Property Acquisition Policies Act of 1970 (URA). However, on May 3, 2024, the Federal Highway Administration (the lead agency for URA) published new increases in federal relocation benefits, which became effective June 3, 2024. The increases are further described in the "Discussion" section below.

Acquisition of property interests is required for the construction and operation of the SGL Project. Metro completed the preparation of the Final Environmental Impact Statement / Environmental Impact Report for the SGL Project, and it was certified by the Board in April 2024. The Project will ultimately provide a 14.5-mile light-rail transit system to connect from the Slauson Metro A-Line Station in the City of Los Angeles to the Pioneer Boulevard Station in the City of Artesia. Metro intends to construct the 14.5-mile segment along the existing right-of-way as an Initial Operating Segment (IOS).

It is anticipated that the SGL IOS Project will require over 40 full-fee acquisitions and over 160 permanent and/or temporary partial acquisitions for four main purposes:

- Construction Staging
- Maintenance & Storage Facility (MSF)
- Stations and Park-and-Ride Facilities
- Traction Power Substation (TPSS)

DISCUSSION

ESFV Acquisitions
Initial offers were made to large industrial and commercial properties needed for the construction and operation of the ESFV Maintenance Storage Facility. The Pilot Program resulted in 12 of the initial 18 property owners accepting the appraised value within 60 days (67% settlement rate). In comparison, Rosecrans/Marquardt Grade Separation Project was a 61% settlement rate, D Line Subway Extension Section 1 - 26%, D Line Subway Extension Line 2 - 69% and D Line Subway Extension Line 3 - 47%. The majority of the D Line Subway Extension Line 2 and 3 acquisitions were subsurface and didn't impact the use of the property, making them easier to attain voluntary settlements. The ESFV properties were high value, complicated acquisitions requiring business relocations. Therefore, it would be anticipated that the ESFV settlement rate would be lower than a subsurface project, but in comparison to the surface projects, and even subsurface, projects, the benefit of the Pilot Program has been clear.

In addition, although the number of days from offer to acceptance was not tracked for those earlier projects, staff spent months and sometimes years negotiating the voluntary transactions. Having these agreements within 60 days is nearly unprecedented.

The total incentive payments made for the 12 ESFV properties were $6,487,000, representing 5.16% of the appraised value for those properties. Based on estimated condemnation fees and potential settlement outcomes, the amount saved by implementing the Pilot Program for these 12 parcels is $20,000,000 to $25,000,000, which does not include the value of being able to deliver property to the contractor months, if not years, earlier. Metro real estate is responsible for managing the overall right-of-way budget for each project, including acquisition, relocation, loss of goodwill, legal fees and contingency. Upon completion of the real estate acquisition and relocation activities, any unused right-of-way budget will be reallocated to other costs within the project.

Based on the early success on ESFV, staff recommends implementing the Pilot Program for the SGL Project.

<u>IPR's</u>

Establishing ownership of the IPR's can be challenging, ownership may depend on the terms of the lease and the method of installation. In addition, some items that were originally considered IPR's may be able to be disconnected and relocated to the replacement location. In order to fully resolve IPR's, Metro, the property owner, and the tenant, must agree on whether or not the items are IPR's or moveable, the value of the IPR's, and who owns the IPR's. If the property owner and tenant do not agree voluntarily to the ownership of the IPR's, Metro's only recourse is to pursue eminent domain to allow the property owner and tenant to resolve the dispute in a court setting. On the ESFV project, 30 IPR offers were at impasse, requiring Metro to pursue the initial stages of eminent domain to resolve the disputes.

The Pilot Program did not have any incentive for acquiring IPR's and encouraging an owner and tenant to expeditiously reconcile ownership. In order to encourage resolution and to expedite the acquisition of the IPR's, staff recommends the following incentive for IPR acquisitions:

- 20% of the appraised value of the IPR's with a minimum payment of $3,500 and a maximum payment of $70,000.
- Offer must be accepted within 60 days from receipt of the offer evidenced by tenant and landlord-signed purchase and sale agreement.
- The IPR incentive will be divided equally between ~~landlord~~ owner and tenant, regardless of the ownership of the IPR's.
- The IPR incentive will be separate and in addition to any other incentive.

Expected benefits of the IPR incentive program are:

- Development of good rapport with the property owners <u>and</u> tenants
- More certainty in the relocation process by defining the IPR's upfront
- Increased number of voluntary settlements that are not delayed by landlord/tenant

negotiations for IPR
- Schedule savings by expedited release of property for construction
- Reduced condemnation costs

To ensure equitable treatment, it is recommended that retroactive IPR incentive payments be made to ESFV owners and tenants who have already settled IPR's. Since the owners and tenants were not provided the IPR incentive at the time of offer, it's recommended that the incentive be retroactively applied for any IPR agreements reached regardless of the agreements being reached within 60 days of the offer. The total amount of additional retroactive compensation would be $109,918 across 10 owners/tenants.

It is also recommended that the incentive be offered to ESFV owners and tenants who have not yet settled IPR's. The amount of these incentives could be up to $525,400 across 52 owners/tenants if accepted by all property owners and tenants. Given that these property owners and tenants have had the benefit of already reviewing the IPR lists and amounts, staff recommend providing 30 days for property owners and tenants to resolve IPR's. If the Board approves this action, staff will make an IPR incentive offer, which would begin the 30-day timeframe.

Metro staff presented this proposed program to FTA, through email and phone discussions. FTA is considering this recommendation and will respond as soon as possible. This amendment to the Pilot Program is contingent upon FTA approval

Relocation Benefits
As Metro was beginning relocation implementation for ESFV, changes were made to the URA that were very similar to those adopted under the Pilot Program. Below is a comparison of benefits established by FHWA in 2005, FHWA increased benefits in 2024, and the Board increased benefits approved in November 2023.

Benefit Category	FHWA 2005 Maximum	FHWA 2024 Final Rule Maximum	Metro Board Approved 11/30/2023 Maximum
Move cost finding	N/A	$5,000	
Search expenses	$2,500	$5,000	$5,000
Reestablishment expenses - nonresidential moves	$25,000	$33,200	$40,000
Fixed payment for nonresidential moving expenses	$40,000	$53,200	$50,000

Given the similarities in the relocation benefit increases, and concerns shared by the FTA regarding the Pilot Program, staff recommends no longer utilizing the Pilot Program relocation benefits and instead utilizing the amounts established in the FHWA 2024 Final Rule Maximum.

Per Federal and State regulations, the SGL is required to prepare a Relocation Plan to demonstrate relocation planning before requiring any tenant to move. Metro submitted a Preliminary Relocation Plan draft to the FTA for review in August 2024 which incorporated the above relocation benefit caps. FTA indicated the relocation plan must include the critical path and complex relocations and Metro's approach/strategy to accomplish those relocations and minimize impacts to the budget and schedule. This information will be obtained during displacee interviews after offers to the property owners are made.

<u>Metrics</u>
As described in the Pilot Program approved by the Board, a series of metrics will be measured. Although some preliminary results have been provided in this board report, it will likely take 2-3 years to have a comprehensive perspective of the benefits/costs of the pilot program. The metrics used for determining the success of acquisition incentives will include the following:

- Number of parcel owners claiming the incentives
- Duration to settle the acquisition
- Total amount of incentives claimed per parcel
- Number of voluntary vs involuntary settlements

.Determination_Of_Safety_Impact
DETERMINATION OF SAFETY IMPACT

The Board's action will not have an impact on Metro's safety standards.

FINANCIAL IMPACT

SGL funding:
The funding for the acquisition of the rights is included in the fiscal year budget under Project #860201, Cost Center 8510 (Construction Project Management), Account Number 53103, (Acquisition of Land), and Fund 6001 (Light Rail).

ESFV funding:
The funding for the acquisition of the rights is included in the fiscal year 2024 budget under Project #865521, East San Fernando Valley Transit Project in Cost Center 8510 (Construction Project Management), Account Number 53101, (Acquisition of Land), and Fund 6001 (Light Rail).

<u>Impact to Budget</u>
Sources of funds for the recommended actions are Measure R 35%, Measure M 35%, and Federal and State Grants. These funds are not eligible for bus or rail operations.

EQUITY PLATFORM

Amendment of the Pilot Program to incorporate IPR's and add the SGL project will allow the pilot program to reduce hardships to impacted property owners and displacees through increased acquisition payments. The program is designed to promote more voluntary sales of property, which in turn promotes more positive sentiment about the process, provides a quicker compensation timeline and is better for businesses who need the funding immediately to afford relocation.

The SGL Project will serve a high-travel demand corridor with a significant population that relies on public transportation. In 2017 (the first year of environmental analysis), Black, Indigenous, and People of Color (BIPOC) residents comprised 65 percent of the total Study Area population, with Hispanic/Latino groups alone accounting for 51 percent of the total population. In addition, 44 percent of Study Area residents live below the poverty level, which is higher than the County average of 33 percent, and 18 percent of households do not own a car. Quicker settlements, promoted by the Pilot Program, will allow for the sooner construction of this much-needed SGL line.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

Vehicle Miles Traveled (VMT) was analyzed through the VMT analysis completed for the Project Final EIS/EIR. The analysis identified a reduction in VMT due to the implementation of the project compared to conditions without the project, which demonstrates a benefit from the project and a less than significant impact from an environmental standpoint. Specifically, the VMT analysis in the Final EIS/EIR identified a reduction in daily regional VMT of 130,900 miles compared to the Horizon Year (2042) No Build Alternative conditions. The VMT analysis for the Cycle 7 TIRCP application identified a reduction in regional VMT of 6.6 billion miles over the life of the project.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Recommendation supports the strategic plan goal 1 to provide high-quality mobility options that enable people to spend less time traveling.

ALTERNATIVES CONSIDERED

The Board could choose not to approve the recommendations, which would mean it would continue to be a challenge to resolve IPR's and the SGL project would not be able to benefit from the benefits of the Pilot Program.

NEXT STEPS

If approved, Metro will implement the Program to expedite ROW delivery for both ESFV and SGL and track the metrics. The SGL relocation plan will be brought to the board for review and approval in the

Fall. Staff will evaluate the cost and benefit of the Pilot Program and return to the Board with a recommendation once there is a clear history of costs and benefits.

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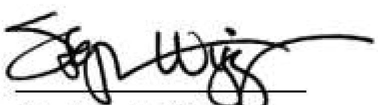

Stephanie Wiggins
Chief Executive Officer

ACQUISITION INCENTIVE PILOT PROGRAM

BR#2025-0053

EXECUTIVE MANAGEMENT COMMITTEE
JULY 17, 2025

Recommendation

Consider:

- RECEIVING AND FILING an update on the Acquisition Incentive Pilot Program ("Pilot Program") for the East San Fernando Valley Light Rail Project ("ESFV").

- APPROVING amendments to the Pilot Program by adding incentive payments for Improvements Pertaining to Realty (IPR), adjusting relocation benefits to be in accordance with Federal regulations adopted since the approval of the Pilot Program, and adding the Southeast Gateway Line Project (SGL) to the Pilot Program, contingent upon Federal Transit Administration (FTA) approval.

Metro

Background

- On November 30, 2023, Board approved the implementation of the Pilot Program for the ESFV Project which included acquisition incentive as follows:
  - 20% of the appraised value with a minimum payment of $3,500 and a maximum of $500,000,
  - Offer must be accepted within 60 days from receipt of the offer evidenced by a seller signed purchase and sale agreement.

- Pilot Program approved increased in relocation caps.

- On May 3, 2024, the federal regulations increased the relocation caps similar to the amounts in the Metro Pilot Program.

- SGL IOS Project will require over 40 full-fee acquisitions and over 160 permanent and/or temporary partial acquisitions.

Metro

Pilot Program Progress to Date on ESFV

- ***Higher percentage of voluntary settlements -*** although high value, complicated acquisitions requiring business relocations, ESFV settlement rate of 67% on initial offers was similar to or better than projects with simpler acquisitions.
    - Rosecrans/Marquardt Grade Separation Project - 61%,
    - D Line Subway Extension Section 1 – 26%,
    - D Line Subway Extension Line 2 – 69%,
    - D Line Subway Extension Line 3 – 47%.

- ***Cost savings*** - total incentive payments to date on 12 ESFV properties were $6,487,000, representing 5.16% of the appraised value for those properties. Savings for the same parcels is $20,000,000 to $25,000,000.

- ***Faster settlement of real estate rights -*** resolution reached months, if not years earlier.

- ***Examples of IPRs:***

In ground truck scale.

Wall shelving.

Fencing.

Metro

Improvements Pertaining to Realty (IPR's)

- IPR's (commonly known as fixtures) include items such as surveillance cameras, rolling driveway gates, air compressors, lighting, alarm systems, sinks and other plumbing, and in-ground scales.
- Metro, the property owner and the tenant, must agree on
  - Whether or not the items are IPR's or moveable
  - The value of the IPR's
  - Who owns the IPR's.
- Staff recommends the following incentive for IPR acquisitions:
  - 20% of the appraised value of the IPR's with a minimum payment of $3,500 and a maximum payment of $70,000.
  - Offer must be accepted within 60 days from receipt of the offer evidenced by tenant and landlord-signed purchase and sale agreement.
  - The IPR incentive will be divided equally between owner and tenant regardless of the ownership of the IPRs.
  - The IPR incentive will be separate and in addition to any other incentive.

Metro

Thank you

Metro

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

Metro

Board Report

File #: 2025-0566, **File Type:** Project **Agenda Number:** 28.

EXECUTIVE MANAGEMENT COMMITTEE
JULY 17, 2025

SUBJECT: LANDMARK UNSOLICITED PROPOSAL FOR METRO WORKFORCE HOUSING

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

CONSIDER:

A. RECEIVING AND FILING a Landmark Unsolicited Proposal to develop Metro Workforce Housing; and

B. AUTHORIZING the Chief Executive Officer (CEO) to proceed with Phase Two evaluation of the Landmark Unsolicited Proposal to develop Metro Workforce Housing adjacent to the Leimert Park K Line Station.

ISSUE

At its April 2023 meeting, the Board approved an amendment by Director Solis requesting staff report back on opportunities to designate new housing units for Metro workforce housing by the Metro joint development program or other appropriate mechanisms.

Treehouse Leimert PropCo LLC (the Proposer) submitted a Landmark Unsolicited Proposal to Metro for the Nathaniel Metro Workforce Housing Project (the Proposed Project or Proposal), a proposed affordable housing and mixed-use development at 4427 Crenshaw Boulevard in South Los Angeles. Located less than 500 feet from the Leimert Park K Line Station, the Proposed Project would create up to 100 apartments reserved primarily for Metro employees.

The Joint Development Unsolicited Proposals focus solely on projects on Metro-owned property. Because the project is not on Metro property, it is proceeding through the Unsolicited Proposals process in the Office of Strategic Innovation, and because the request is in excess of $10 million, it qualifies as a “landmark” proposal requiring Board consultation. Staff determined that early consultation with the Board would benefit this type of proposal rather than waiting until staff has determined that it should advance to implementation as the Unsolicited Proposals process typically contemplates more conventional reverse pitches that would result in a procurement.

BACKGROUND

Since 2016, Metro's UP Policy has been a nimble, industry-accepted procurement tool for new ideas to be received, explored, and implemented to advance Metro's mission and priorities.

In June 2025, the Board adopted updates to the UP Policy to ensure continued alignment with Metro's policies, programs and priorities. The policy was specifically updated to define "landmark" proposals as ones which would require Board notification, following completion of the Phase One process, based on either of the following thresholds:

- Any Unsolicited Proposal recommended to "Advance to Implementation" that introduces a new mode of mobility and/or transit guideway systems that require Metro funding, project management, call for Metro to serve as lead agency in the development of an EIR/EIS, and/or falls under a project subject to CPUC Code 130252; or

- Any Unsolicited Proposal recommended to "Advance to Implementation" that would require Metro to allocate more than $10 million to fulfill a solicitation.

Metro received the Proposal on June 6, 2025. Pursuant to the process prescribed in the UP Policy, staff determined that the Proposal met the threshold requirements for review. Staff assembled an evaluation team comprised of technical and financial subject-matter experts who completed an initial evaluation of the proposal and recommended that it advance to a negotiation phase allowing for additional discovery.

Pursuant to the UP Policy, achieving this milestone in no way binds Metro to proceeding with implementation of this Proposal.

DISCUSSION

The Proposal envisions that Metro participate as an equity partner in the development and financing of the Proposed Project, which would create workforce housing for Metro employees, potentially under Metro ownership, at a location that is transit-accessible and at rents that are affordable to the majority of Metro's workforce.

Project Description

The Proposed Project is designed as a six-story structure that would provide 100 units (comprised of studios, one, two, and three-bedroom units) with common areas and flexible commercial space on vacant and blighted property acquired by the Proposer in 2020. Eighty of the units are proposed to be restricted to households earning between 30% and 80% of Area Median Income, while 20 units would be offered at market-rate to ensure financial viability and long-term affordability of the development.

Approximately 5,000 square feet of adaptable commercial and cultural space would host a neighborhood café and rotating exhibition areas that celebrate Black arts and culture, aligning with

Leimert Park's legacy as LA's cultural epicenter.

Entitlements and Community Engagement

The proposed project is entitled under the City of Los Angeles' Transit Oriented Communities Program (DIR-2021-7732-TOC- DRB-SPP-HCA) and has been determined to be categorically exempt from the California Environmental Quality Act. The Proposer has indicated that extensive community engagement was completed during this process, and the proposed project was received with broad community support.

The Proposer asserts that if a partnership with Metro can be memorialized by the Fall of 2025, a ground-breaking could occur by Q2 2026, with a targeted completion in Q2 2028, which would be optimally timed to support Metro's workforce needs.

Sustainability Features

The Proposed Project's all-electric design, combined with a Title 24/LEED-aligned envelope, smart heat-pump HVAC, and energy-efficient fixtures, targets over 300 metric tons of annual CO_2-equivalent reductions. Low-VOC materials and water-conserving fixtures are proposed to improve indoor air quality and reduce water use, while native shade trees and drought-tolerant plantings in street-front setbacks and landscaped terraces are utilized to mitigate heat-island effects and manage stormwater on site. Collectively, these features are anticipated to not only lower utility costs but also support neighborhood health and climate resilience.

Developer Team

The development team is comprised of Treehouse and Apex Collaborative. Treehouse, led by Prophet Walker, has delivered over 800 housing units and managed more than $350 million in multifamily, retail, and mixed-use projects. Tyler Monroe and Brian D'Andrea of Apex Collaborative, have collectively overseen over 4,500 affordable homes totaling more than $2 billion, including complex public-private partnerships. Together, the development team brings deep expertise in equitable, catalytic real estate that has been designed to uplift underserved communities.

Financial Proposal

An approximately $25 million capital commitment by Metro (which would leverage an additional $30 million in private financing) is proposed to enable the development, which could be structured as either an annual payment structure or a direct, secured debt investment structure.

Under either scenario, the Proposed Project would be fully funded without relying on Low-Income Housing Tax Credits or private activity bonds, both of which feature "public use" limitations that would preclude a preference for Metro employees.

Under the annual payment option, Metro could utilize either (a) a tax exempt "essential function" bond structure whereby the asset would be owned by a Metro affiliate and developed by the Proposing Entity (or affiliate thereof) acting as Project Administrator, or (b) a private ownership structure whereby Metro's annual payments would support the issuance of taxable municipal bonds and execution of the project by the Proposer.

There is a significant difference between the cost of capital of these scenarios: the essential function bond scenario is a more cost-effective option (with projections of annual payments ranging from $3-$3.5 million annually for a 10 year term to $1.6-$1.9 annually for a 30-year term - depending on whether the tax-exempt bonds are rated or unrated), in comparison to the private ownership structure (with projections of annual payment costs ranging from $4 million annually for a 10 year term to $3.1 annually for a 30-year term).

It is expected that by year 20, the property would be in a positive equity position.

Alignment with Metro's Workforce Housing Needs & Housing Goals

The proposed affordability mix is well-aligned with the majority of Metro's employee base, creating an affordable housing option for many Metro employees, including frontline operators, custodians, service attendants, security officers, and administrative assistants, among others, who have increasingly been priced out of local housing markets. The Proposed Project would create a housing resource located at the center of the Metro system, thereby providing efficient access to get to and from work.

Furthermore, in 2021, the Board established a goal of expanding the agency's housing portfolio to 10,000 homes by 2031, with 5,000 of the units to be restricted at affordable rents for lower and moderate-income households. The Proposed Project is aligned with this goal and could serve as an opportunity to pilot a new financing tool that could potentially be utilized for future investment.

Evaluation

The evaluation team found that while the Proposal offered a resource that Metro had not intended to procure or provide through the normal contracting process, it would offer direct benefits to the agency, is consistent with Metro's objectives and goals, and satisfies a need that can be reasonably accommodated in Metro's annual long-term capital and operating budgets without displacing other planned expenditures or placing other committed projects at risk. The evaluation committee recommended proceeding to Phase Two of the Unsolicited Proposal vetting process.

DETERMINATION OF SAFETY IMPACT

No safety impacts are associated with proceeding into a discovery and negotiation phase.

FINANCIAL IMPACT

None at this time. During the next phase of review, staff would further assess the financial viability of the proposal and, if determined to be viable, will return to the Board to confirm Metro's capacity to enter into a contract under its current debt, along with recommendations on key financial terms for proceeding with implementation.

EQUITY PLATFORM

The proposed project aligns with Metro's equity goals by proposing to deliver income-restricted housing for Metro employees with lower incomes, supporting a historically marginalized community with community-serving uses, and supporting the resiliency and economic stability of Metro's workforce. Key areas for consideration during the next phase include the opportunity for future outreach related to the commercial and community uses envisioned and the process necessary to ensure equitable access to workforce housing for eligible employees.

VEHICLE MILES TRAVELED OUTCOME

Vehicles Miles Traveled (VMT) and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

This item supports Metro's systemwide strategy to reduce VMT by locating supporting housing located near sustainable transportation modes. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposal directly addresses numerous Vision 2028 goals including:

- Goal 1 (Less Time Traveling): The Project's location leverages Metro's existing investment in the Crenshaw Corridor and provides high quality workforce housing resulting in less time traveling for Metro employees.

- Goal 3.2 (Transit Oriented Communities): The Project will enable Metro to "implement effective solutions" to address "quality of life issues, such as equity, economic opportunity, gentrification, displacement, affordable housing".

- Goal 3.3 (Genuine Engagement): The Proposer has indicated that there has been robust community engagement in the advancement of the Project, which has built upon numerous other outreach efforts in the surrounding community.

- Goal 4.1 (Community Development): The Project will enable Metro to "implement effective solutions" to address "quality of life issues, such as equity, economic opportunity, gentrification, displacement, affordable housing" to support the goals of the Vision 2028 Plan.

- Goal 5.7 (Workforce/Affordable Housing): The project will create income-restricted homes with a preference for Metro employees to "build and nurture a diverse, inspired, and high-performing workforce".

ALTERNATIVES CONSIDERED

The Board may direct staff to decline to further pursue this proposal. This alternative is not recommended as the proposal provides potentially significant benefits for the agency, as described above, and has been determined to be worthy of further assessment.

NEXT STEPS

As part of the proposal review process, Metro staff, supported by financial and technical consultants, as deemed necessary, will complete the Unsolicited Proposal evaluation process and make a recommendation to the Chief Executive Officer (CEO). The evaluation process will include further assessment of:

- The viability of the proposed project and schedule, as well as Metro's ability to meet activities required;
- The qualifications, capabilities and experience of key personnel who are critical in achieving the proposal's objectives;
- The relative costs and benefits of the proposal;
- The project costs and financial capacity of the Proposer; and
- Metro's capacity to enter into a contract under its current debt authorization.

Should staff find the proposal to be financially sound and advantageous to Metro and the CEO concurs with a recommendation to implement the proposed project, the Board will be presented with a proposed contractual and financial structure for review and consideration.

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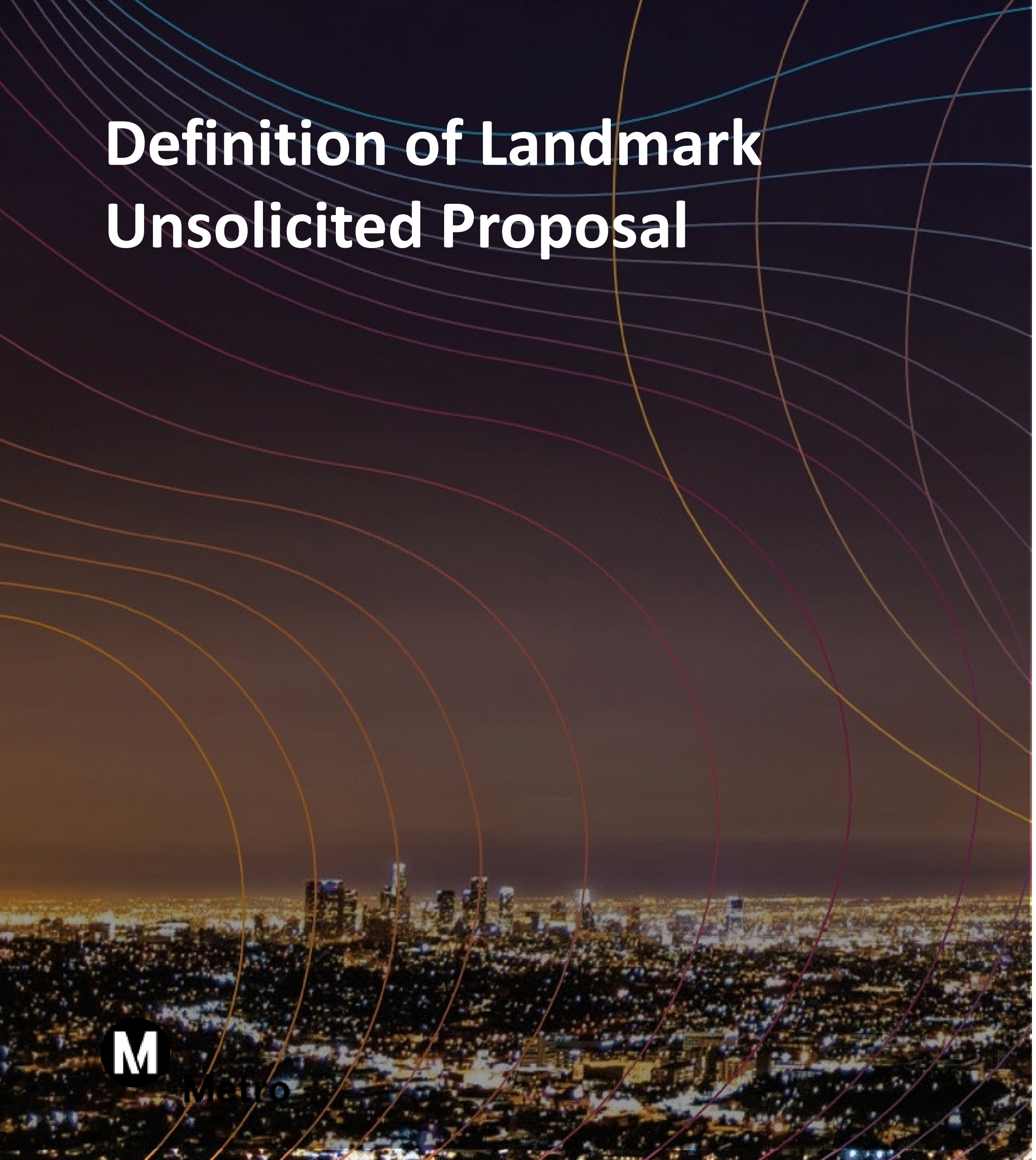
Reviewed by: Ray Sosa, Chief Planning Officer, (213) 922-2920

Stephanie Wiggins
Chief Executive Officer

Landmark Unsolicited Proposal for Metro Workforce Housing

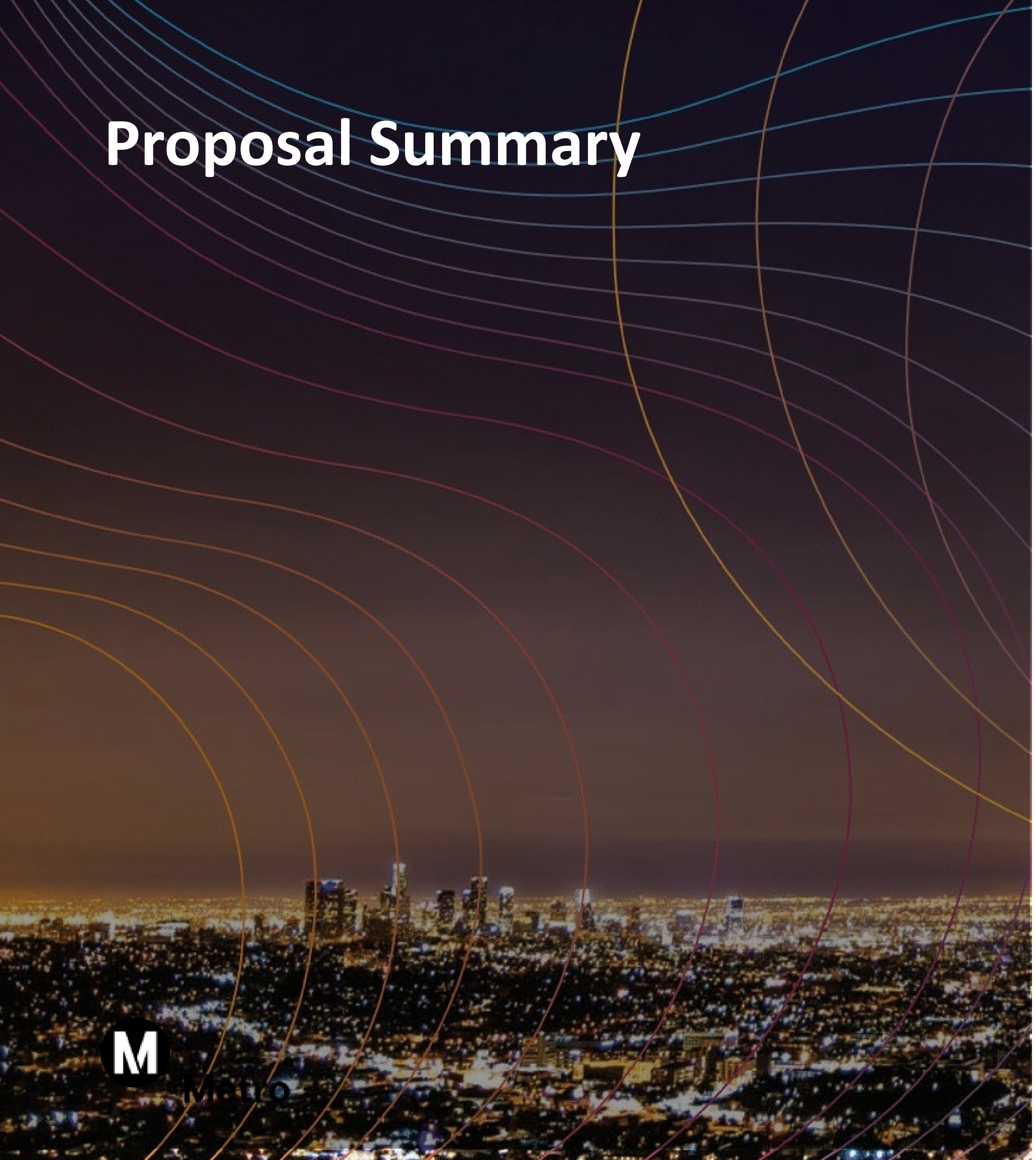
Executive Management Committee - July 17, 2025

Definition of Landmark Unsolicited Proposal



- In June 2024, Board approved establishment of “landmark” Unsolicited Proposals (UP)
- A landmark UP meets or exceeds at least one of the following:
  - Introduces a new mode of mobility and requires Metro funding, project management, and/or calls for Metro to serve as lead agency in the development of an EIR/EIS; and/or
  - Requires Metro to allocate more than $10 million to fulfill a solicitation
- Board input typically sought for landmark UPs that “advance to implementation”

Proposal Summary



Proposer: Treehouse and Community Labs

Title: Nathaniel Metro Workforce Housing Project (4421-37 Crenshaw Blvd, Los Angeles, CA)

Scope

- 100 mixed-income housing units (80% affordable/20% market rate) across from Leimert Park Station
- 80 income-restricted units reserved for qualified Metro employees
- 5,000 SF commercial or cultural space

Funding

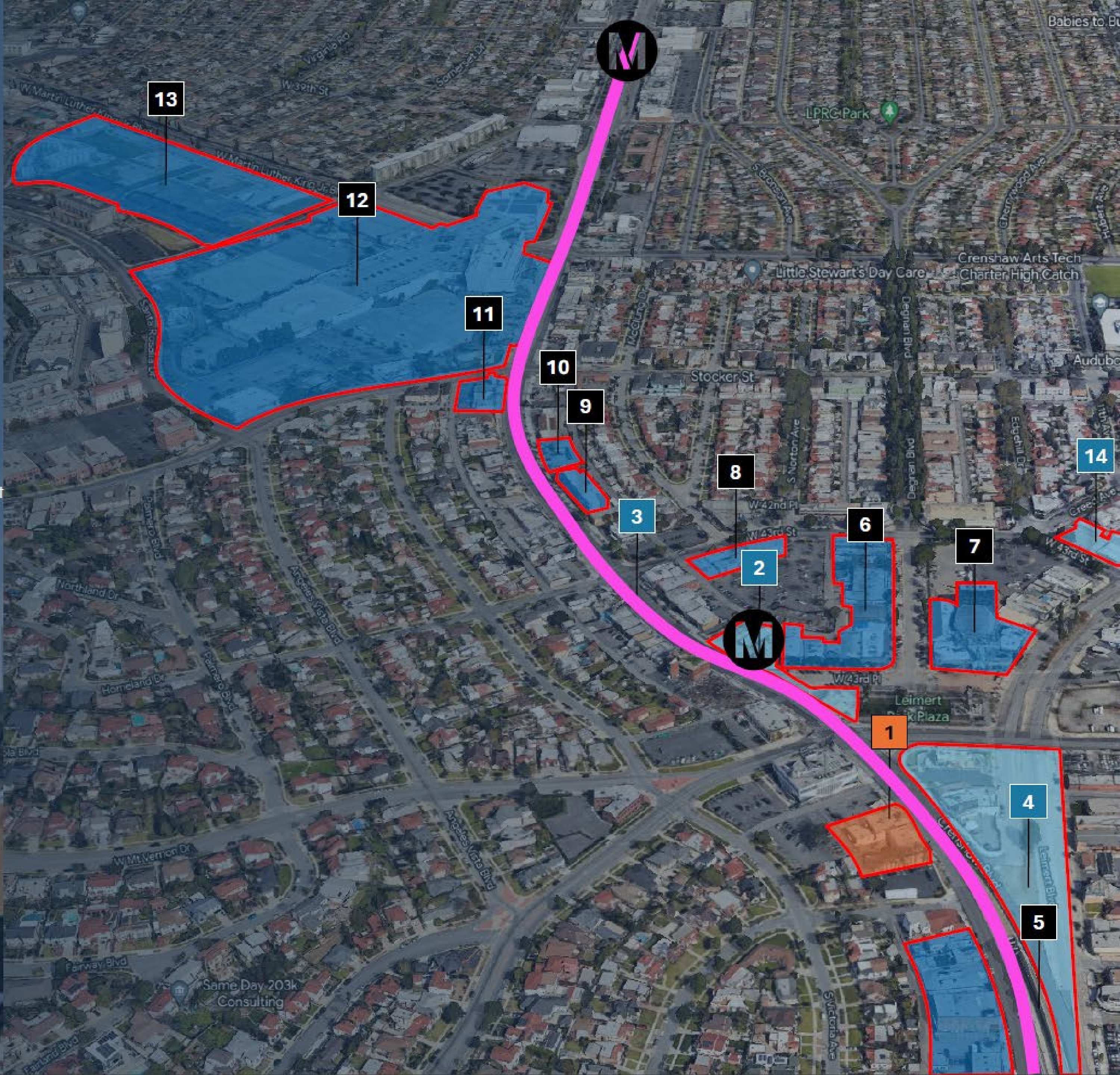
- Proposer requesting $25M Metro investment, direct and/or via bond proceeds

Schedule

- Anticipated start: Q1 2026
- Anticipated completion: Q1 2028

MAP PROVIDED BY UNSOLICITED PROPOSER

1) **The Nathaniel**
2) **Leimert Park Station.** Los Angeles Metro's newly-opened underground light rail station on the K-line, directly connecting LAX & South LA.
3) **METRO K Line.**
4) **Destination Crenshaw.** 1.3-mile open-air museum dedicated to preserving & celebrating African American culture.
5) **LA Metro Transition to Above Ground.**
6) **Leimert Park Plaza.** Redevelopment of Leimert Park's artistic & cultural hub, located in the geographic center of Los Angeles.
7) **Vision Theater.** Renovation of the historic Vision Theater, a centerpiece of the Leimert Park Village.
8) **3450 W 43rd** A 5-story mixed-use project with 56 units & 3,000 SF of ground-floor retail space.
9) **4252 Crenshaw.** A 4-story, 111-unit multifamily project, built using modular construction. (Completed)
10) **4242 Crenshaw.** A mixed-use project with 6,000 SF of commercial space & 124 residential units.
11) **3600 Stocker.** A mixed-use project with 5,000 SF of commercial space & 64 residential units.
12) **Baldwin Hills/Crenshaw Plaza.**
13) **Marlton Square.**
14) **The Garden.** A 20,000 SF commercial campus that includes a food hall, organic grocery store, and member space.



Next Steps

- Currently in Concept Review. Upon Board approval, conduct Supplementary Review with Review Team (OSI, Finance, Joint Development, Chief People Office) and continue evaluation based on:
  - Cost
  - Benefit
  - Feasibility
  - Reception
  - Risk
  - Redundancy
  - Equity

Thank you

Office of Strategic Innovation

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Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA

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Board Report

File #: 2025-0536, **File Type:** Informational Report **Agenda Number:** 29.

EXECUTIVE MANAGEMENT COMMITTEE
JULY 17, 2025

SUBJECT: FEDERAL AND STATE REPORT

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE July 2025 Federal and State Legislative Report.

DISCUSSION

Executive Management Committee
Remarks Prepared by Raffi Haig Hamparian
Government Relations, Executive Officer: Federal Affairs

Chair Dutra and members of the Executive Management Committee, I am pleased to provide an update on several key federal matters of interest to our agency. This report was prepared on July 1, 2025, and will be updated, as appropriate, at the Executive Management Committee meeting on July 17, 2025. The status of relevant pending legislation is monitored on the Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB_Attachments/7%20-%20July%202025%20-%20LA%20Metro%20Legislative%20Matrix.pdf>, which is updated monthly.

U.S. Department of Transportation -2028 Olympic and Paralympic Games

Metro, with the strong support of our Board, continues to advance our request for $3.2 billion in federal funding for mobility projects related to the 2028 Olympic and Paralympic Games. The President's FY26 Federal Budget Request did not include any transportation funding for the 2028 Games. Metro's initial request for this funding was submitted in a letter from our Board to the President-elect on November 21, 2024. More recently, our previous Chair, Director Hahn, sent a follow-up letter to U.S. Department of Transportation Secretary Sean Duffy, reiterating the critical importance of this funding. Chair Hahn received a response from Secretary Duffy dated June 4, 2025, regarding our request. Metro staff continue working with the White House, U.S. Department of Transportation, and other federal stakeholders to ensure this request remains under active consideration

Los Angeles County Congressional Delegation

Metro was pleased to see support for several of our projects in the FY 2026 Community Project Funding (CPF) process. The Los Angeles Metro Regional Bus Stop Enhancement Program received recommendations from Representatives Brownley (CA-26), Gomez (CA-34), Friedman (CA-30), and Rivas (CA-29). In addition, Representative Gomez also recommended funding for the LA River Path project (between Riverside Drive and Atlantic Boulevard). We continue to track CPF outcomes and will provide an update once final selections are publicly released by the House Appropriations Committee in July.

America's Next Surface Transportation Authorization Bill

The current authorization-*the Bipartisan Infrastructure Law* (P.L. 117-58)-is set to expire on September 30, 2026. Congressional committees with jurisdiction over this legislation are expected to begin drafting components of the bill later this year, with the goal of finalizing it in 2026. Metro has successfully secured key legislative recommendations in past federal transportation bills. Notably, our "America Fast Forward" initiative, which reformed the TIFIA low-interest loan program, was included in MAP-21. More recently, working closely with then-Congresswoman Karen Bass, Metro led the effort to include Local Hire provisions in the Bipartisan Infrastructure Law signed by former President Biden in November 2021.

Transit Operator Safety

In alignment with Metro's Board-approved 2025 Federal Legislative Program, staff continues prioritizing transit operator safety and maintaining active communication with the Los Angeles County Congressional Delegation on this issue. The upcoming reauthorization of federal surface transportation programs provides an important opportunity to advocate for enhanced protection and safety measures for transit operators across the country.

Federal Transportation Grants

Metro remains committed to aggressively pursuing competitive federal grants to support a range of transit projects and programs. Consistent with our ongoing efforts, we are working closely with the Los Angeles County Congressional Delegation and strategic partners-including the LA/Orange County Building and Construction Trades Council and the Los Angeles Area Chamber of Commerce-to build support for both current and future applications.

Conclusion

Chair Dutra and members of the Committee, I look forward to providing further updates and expanding on this report during the Executive Management Committee meeting scheduled for July 17, 2025.

Executive Management Committee
Remarks Prepared by Madeleine Moore
Government Relations, Deputy Executive Officer: State Affairs

Chair Dutra and members of the Board, I am pleased to provide an update on several state matters of interest to our agency. This report was prepared on July 2, 2025, and will be updated, as appropriate, at the Executive Management Committee on July 17, 2025. The status of relevant pending legislation is monitored monthly on the Metro Government Relations Legislative Matrix <https://libraryarchives.metro.net/DB_Attachments/7%20-%20July%202025%20-%20LA%20Metro%20Legislative%20Matrix.pdf>.

Budget Update

On June 24, Governor Newsom and leaders in the legislature announced an agreement on the budget for FY 25-26. As related to transit, the final agreement was largely similar to the two-party agreement reported to the Board in early June. The agreement maintains funding for the SB 125 TIRCP and ZETCP programs, along with TIRCP Cycle 6. These were funded by both Greenhouse Gas Reduction Fund (GGRF) and General Fund dollars. The agreement also includes the previously announced $750 million in loans to Bay Area transit agencies. Additionally, the annual commitment from the GGRF to CAL FIRE was increased from $1 billion over two years, to $1.25 billion this year, and $500 million each in FY 26-27 and FY 27-28. Two Budget Bill Juniors and twenty Budget Trailer bills went into print, and were subsequently passed.

On June 27, the Governor also signed the Budget Bill Juniors and a number of trailer bills, including the transportation trailer bill, that were passed by the Senate and Assembly earlier that day. The enactment of these bills were contingent on the signing of AB 130 and SB 131. With these collective signatures, the formal budget process for this fiscal year has concluded, though additional measures may be heard until the end of the legislative year. Metro staff do anticipate additional measures related to budgetary matters to continue through the end of session, including ones related to the Cap-and-Trade program.

On June 30, Governor Newsom signed AB 130 (Committee on Budget) and SB 131 (Committee on Budget and Fiscal Review), two budget trailer bills that primarily concern housing, infrastructure, and CEQA reforms. The bills would streamline CEQA review of infill housing and infrastructure projects, including those related to the California High-Speed Rail project. Under SB 131, construction or modification of High-Speed Rail stations and maintenance facilities located within a one-mile radius of the Project’s right of way would be exempt from CEQA.

Cap-and-Trade/Cap-and-Invest

The Governor has announced his desire to extend California's Cap-and-Trade program, renaming it the Cap-and-Invest program. The Governor is asking the Legislature to extend the program to 2045 in order to provide greater market certainty and align with California's existing 2045 carbon-neutrality goal. There continue to be ongoing discussions around Cap-and-Trade renewal in the Legislature. In the budget agreement, the Legislature committed two years of GGRF funding for the Department of Forestry and Fire Protection but did not include the annual $1 billion guarantee of High-Speed Rail through 2045 that Governor Newsom requested in his budget. It is Metro’s understanding that Cap-and-Trade renewal discussions will continue with the legislature in the coming weeks. Metro staff will continue to advocate for the equitable reauthorization of Cap-and-Trade program, with a focus on ensuring that investments are made in Los Angeles County. That includes providing greater certainty for long-term transit projects, by allowing multiyear grant opportunities. We will also advocate for cap-and-trade funding to support transit operations. In addition to stabilizing regional and commuter rail systems.

Leadership Change

In mid-June, the Senate announced that a leadership change will be taking place early next year. Senate President pro Tempore Mike McGuire (D-North Coast) announced that the Senate Democratic Caucus convened and determined that Senator Monique Limón (D-Santa Barbara) will be the Pro Tem Designee. We look forward to working with Senator Limón on transforming public transportation in Southern California.

Legislative Update

The following is an update on the status of Metro's sponsored and monitored legislation.

Sponsored/Supported Legislation

In late May, amendments to Metro-sponsored AB 1237 (McKinnor) were put into print. AB 1237 would previously have allowed LA Metro and VTA to impose a charge of up to $5 on the purchaser of a ticket to the FIFA World Cup to support transit operations. The bill was amended to require a ticket seller or a person who resells a ticket to a sporting, musical, theatre, or any other entertainment event located at a venue with a capacity of more than 1,000 persons to also, at the time that a ticket is purchased, give the consumer the option to purchase an all-day ticket from a transit provider that offers service to the venue during the time of the event. In March, Metro's Board of Directors adopted a support-work with author/sponsor position on this legislation. Though the bill has been expanded statewide and changed substantially, the key idea behind the legislation remains the same and therefore Metro is maintaining a support position on the legislation. The bill is currently in the Senate, having just been referred to the Committee on Business, Professions, and Economic Development, and the Transportation Committee.

Metro is a co-sponsor of SB 71 (Wiener), along with the California Transit Association, the Bay Area Council, and SPUR. SB 71 builds upon previous legislation (SB 288, SB 922) by the Senator that expedites bike, pedestrian, light rail, and bus rapid transit projects by exempting these projects from the California Environmental Quality Act (CEQA). SB 71 removes the SB 922 sunset date and clarifies that transit infrastructure maintenance projects, bus shelters and lighting, and shuttle and ferry service and terminal projects also eligible for the exemption. The bill passed the Senate Floor unanimously on June 3rd and has been referred to the Assembly Committee on Natural Resources. The bill will be heard on July 7, and staff will have a full update on the outcome of that hearing at the July Executive Management Committee.

Metro-supported AB 394 by Assemblymember Lori Wilson (D - Suisun City) unanimously passed the Assembly Floor and been referred to Senate Public Safety Committee, with a hearing scheduled for July 15. This bill would strengthen penalties for assaults against all transit employees that currently exist for bus and rail operators only. The bill would also broaden enforcement against trespassing on transit systems, and empower courts to issue prohibition orders restricting access to individuals convicted of violent offenses against transit workers. Metro has continued to utilize all tools at our disposal to ensure greater safety for all, and AB 394 would be another critical tool in our toolbox.

LA County Legislative Delegation Coordination

Government Relations staff continue to prioritize new member engagement and updating state Senate and Assembly offices on projects and programs relevant to their districts. CEO Wiggins has been meeting with new members in order to introduce them formally to Metro and gauge their legislative priorities for potential partnerships between the State and our agency.

EQUITY PLATFORM

Government Relations will continue to work with the Office of Civil Rights, Racial Equity, and Inclusion in reviewing legislation introduced in Sacramento and Washington, DC, to address any equity issues in proposed bills and the budget process. Securing levels of federal transportation funding allows our agency to advance projects that improve equitable access and mobility for the ten million individuals who live, work, and travel throughout Los Angeles County. Specifically, dedicated investments in bus stop improvements can provide safer, more accessible, and more comfortable waiting areas, ensuring that all riders - particularly seniors, people with disabilities, and low-income communities - can reliably connect to jobs, schools, healthcare, and essential services. Similarly, federal support for the LA River Path will expand access to active transportation options, linking neighborhoods to green spaces, employment centers, schools, and recreational sites, while promoting healthier, more sustainable travel choices for all residents.

VEHICLE MILES TRAVELED OUTCOME

VMT and VMT per capita in Los Angeles County are lower than national averages, the lowest in the SCAG region, and on the lower end of VMT per capita statewide, with these declining VMT trends due in part to Metro's significant investment in rail and bus transit.* Metro's Board-adopted VMT reduction targets align with California's statewide climate goals, including achieving carbon neutrality by 2045. To ensure continued progress, all Board items are assessed for their potential impact on VMT.

This item supports Metro's systemwide strategy to reduce VMT through administrative and legislative advocacy activities that will benefit and further encourage transit ridership, ridesharing, and active transportation. Increased state and federal funding received benefits Metro's projects and programs to reduce VMT. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

*Based on population estimates from the United States Census and VMT estimates from Caltrans' Highway Performance Monitoring System (HPMS) data between 2001-2019.

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Stephanie Wiggins
Chief Executive Officer

Government Relations
Federal and State Affairs Update

Executive Management Committee
July 17, 2025

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Federal Affairs Update

- **U.S. Department of Transportation – 2026 FIFA World Cup/2028 Olympic and Paralympic Games**
- **Los Angeles County Congressional Delegation**
- **America's Next Surface Transportation Authorization Bill**
- **Transit Operator Safety**
- **Federal Transportation Grants**

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State Affairs Update

- **Fiscal Year 2025-26 Budget Update**
- **Cap-and-Trade/Cap-and-Invest**
- **Legislative Update:**
    - **SB 71 (Wiener)**
    - **AB 394 (Wilson)**

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