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**Agenda - Final**

**Wednesday, January 20, 2021**

**3:00 PM**

To give written or live public comment, please see the top of page 4

## **Planning and Programming Committee**

*Jacquelyn Dupont-Walker, Chair*

*Ara Najarian, Vice Chair*

*Mike Bonin*

*Janice Hahn*

*Hilda Solis*

*Tony Tavares, non-voting member*

*Phillip A. Washington, Chief Executive Officer*

## **METROPOLITAN TRANSPORTATION AUTHORITY BOARD RULES**

### **(ALSO APPLIES TO BOARD COMMITTEES)**

#### **PUBLIC INPUT**

A member of the public may address the Board on agenda items, before or during the Board or Committee's consideration of the item for one (1) minute per item, or at the discretion of the Chair. A request to address the Board must be submitted electronically using the tablets available in the Board Room lobby. Individuals requesting to speak will be allowed to speak for a total of three (3) minutes per meeting on agenda items in one minute increments per item. For individuals requiring translation service, time allowed will be doubled. The Board shall reserve the right to limit redundant or repetitive comment.

The public may also address the Board on non agenda items within the subject matter jurisdiction of the Board during the 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 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.

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**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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## DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding before an agency involving a license, permit, or other entitlement for use, including all contracts (other than competitively bid, labor, or personal employment contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$250 made within the preceding 12 months by the party, or his or her agent, to any officer of the agency, additionally PUC Code Sec. 130051.20 requires that no member accept a contribution of over ten dollars (\$10) in value or amount from a construction company, engineering firm, consultant, legal firm, or any company, vendor, or business entity that has contracted with the authority in the preceding four years. Persons required to make this disclosure shall do so by filling out a "Disclosure of Contribution" form which is available at the LACMTA Board and Committee Meetings. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

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**323.466.3876**

x2 *Español (Spanish)*

x3 *中文 (Chinese)*

x4 *한국어 (Korean)*

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**NOTE: ACTION MAY BE TAKEN ON ANY ITEM IDENTIFIED ON THE AGENDA**

### Live Public Comment Instructions:

Live public comment can only be given by telephone.

The Committee Meeting begins at 3:00 PM Pacific Time on January 20, 2021; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-251-2949 and enter  
English Access Code: 8231160#  
Spanish Access Code: 4544724#

*To give public comment on an item, enter #2 (pound two) when that item is taken up by the Board. 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.*

### Written Public Comment Instruction:

Written public comments must be received by 5PM the day before the meeting.

Email: [jacksonm@metro.net](mailto:jacksonm@metro.net)

Post Office Mail:

Board Secretary's Office

One Gateway Plaza

MS: 99-3-1

Los Angeles, CA 90012

### CALL TO ORDER

### ROLL CALL

### APPROVE Consent Calendar Items:12, 13, and 14.

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

### CONSENT CALENDAR

- 12. SUBJECT: MEASURE R HIGHWAY SUBREGIONAL PROGRAM  
SEMI-ANNUAL UPDATE**

[2020-0779](#)

### RECOMMENDATION

CONSIDER:

- A. APPROVING \$4,433,000 in additional programming within the capacity of the Measure R Highway Subregional Programs and funding changes via the updated project list as shown in Attachment A for:
- Highway Operational Improvements in Las Virgenes Malibu

- I-605 Corridor “Hot Spots” Interchange Improvements in Gateway Cities
  - I-710 South and/or Early action Projects in Gateway Cities
  - Interstate 5/ St. Route 14 Capacity Enhancements
- B. APPROVING deobligation of \$10,707,000 of previously approved Measure R Highway Subregional Program funds for re-allocation at the request of project sponsors.
- C. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements for the Board-approved projects.

Attachments:      [Attachment A - Projects Receiving Measure R Funds](#)

13.    **SUBJECT:      MEASURE M MULTI-YEAR SUBREGIONAL PROGRAM -  
                         WESTSIDE CITIES SUBREGION**

[2020-0807](#)

**RECOMMENDATION**

CONSIDER:

- A. APPROVING programming of \$26,151,339 in Measure M Multi-Year Subregional Program (MSP) - Active Transportation 1st/Last Mile Connections Program; and
- B. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements for approved projects.

Attachments:      [Attachment A - Active Transportation First Last Mile Connections Program Project](#)

14.    **SUBJECT:      CESAR E. CHAVEZ & SOTO JOINT DEVELOPMENT**

[2020-0778](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute an amendment to an existing Joint Development Agreement (“JDA”) with La Veranda, L.P. (“Developer”), an affiliate of Abode Communities, that will extend the term of the JDA for twelve (12) months to January 31, 2022.

Attachments:      [Attachment A - Site Map  
Presentation](#)

**NON-CONSENT**

15.    **SUBJECT: COUNTYWIDE PLANNING MONTHLY MAJOR PROJECT  
                         STATUS REPORT**

[2020-0668](#)

**RECOMMENDATION**

RECEIVE AND FILE the monthly status of major capital projects that are currently in the Alternatives Analysis and Environmental Planning phase.

- 16. SUBJECT: MEASURE M METRO ACTIVE TRANSPORT, TRANSIT AND FIRST/LAST MILE (MAT) PROGRAM** [2020-0562](#)

## RECOMMENDATION

CONSIDER:

- A. APPROVING project selection and programming of \$63,100,000 in Measure M Metro Active Transport, Transit and First/Last Mile program (MAT Program) funding;
- B. AUTHORIZING the Chief Executive Officer (CEO) or his designee to negotiate and execute all necessary agreements for approved projects; and
- C. APPROVING a wait-list process for all non-awarded eligible projects.

**Attachments:**

[Attachment A - MAT Program Cycle 1 - Recommended Program of Projects](#)

[Attachment B - MAT Program Cycle 1 - Recommended Program of Projects Ma](#)

[Presentation](#)

- 17. SUBJECT: JOINT DEVELOPMENT POLICY UPDATE** [2020-0382](#)

## RECOMMENDATION

RECEIVE AND FILE subject report.

**Attachments:**      [Attachment A - Potential Policy and Process Tools Evaluation Matrix](#)  
                                  [Attachment B - Policy Paper](#)  
                                  Presentation

18. SUBJECT: FINAL 2021 LA COUNTY GOODS MOVEMENT STRATEGIC PLAN [2020-0612](#)

## RECOMMENDATION

ADOPT the final 2021 LA County Goods Movement Strategic Plan.

**Attachments:**      [Attachment A - Final 2021 LA County Goods Movement Strategic Plan for view](#)  
                                  [Attachment B - Public Comment and Support Letters](#)  
                                  [Attachment C - Webinars](#)

**19. SUBJECT: DORAN STREET CROSSING GRADE SEPARATION**

[2020-0263](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

A. EXECUTE Modification No. 12 to Contract No. PS2415-3046 with HNTB Corporation to provide professional services in order to complete final design for the Doran Street Crossing Grade Separation Project in the amount of \$2,390,316 increasing the total contract value from \$5,969,654 to \$8,359,970.

B. EXECUTE all necessary agreements and task orders with third parties to support this project.

**Attachments:**      [Attachment A - Procurement Summary](#)  
                                 [Attachment B - Contract Modification Change Order Log](#)  
                                 [Attachment C - DEOD Summary](#)

**SUBJECT: GENERAL PUBLIC COMMENT**

[2020-0878](#)

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**



## Board Report

File #: 2020-0779, File Type: Program

Agenda Number: 12.

### PLANNING AND PROGRAMMING COMMITTEE JANUARY 20, 2021

**SUBJECT: MEASURE R HIGHWAY SUBREGIONAL PROGRAM SEMI-ANNUAL UPDATE**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

- A. APPROVING \$4,433,000 in additional programming within the capacity of the Measure R Highway Subregional Programs and funding changes via the updated project list as shown in Attachment A for:
- Highway Operational Improvements in Las Virgenes Malibu
  - I-605 Corridor "Hot Spots" Interchange Improvements in Gateway Cities
  - I-710 South and/or Early action Projects in Gateway Cities
  - Interstate 5/ St. Route 14 Capacity Enhancements
- B. APPROVING deobligation of \$10,707,000 of previously approved Measure R Highway Subregional Program funds for re-allocation at the request of project sponsors.
- C. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements for the Board-approved projects.

#### **ISSUE**

The Measure R Highway Subregional Program update allows the Metro Highway Program and each subregion or lead agency to revise delivery priorities and amend project budgets for the implementation of the Measure R Highway subregional projects. The attached updated project lists include projects which have received prior Board approval, as well as proposed changes related to schedules, scope, funding allocation and the addition or removal of projects. The Board's approval is required as the updated project lists serve as the basis for Metro to enter into agreements with the respective implementing agencies

#### **BACKGROUND**

Lines 31, 32, 33, 35, 37, 38 of the 2008 Measure R Expenditure Plan address Highway Operational Improvement subfunds. The Highway Department in Program Management lead or assist the

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development and implementation of highway and arterial projects with these subfunds. Highway Department staff also manage grants to jurisdictions and works with each of the subregions and eligible grant recipients to deliver projects. To be eligible for funding, projects must improve traffic flow in an existing State Highway corridor by reducing congestion and operational deficiencies. Project sponsors may use board approved funds in all project phases.

This report has incorporated Line 26 of the Measure R Expenditure Plan, consolidating the subfund program created after the Board certified the completion of the I-5/SR-14 Direct Connector project in 2017 via report (2017-0384) and authorized distribution of the project savings to local projects in North County. Two programming actions have taken place since the completion of the project, the first on May 24, 2018 (2018-0172) and the second on October 17, 2018 (2018-0529).

Updates on progress in development and implementation of the subregional highway projects and programs are presented to the Board semi-annually and on as-needed basis.

## **DISCUSSION**

The Subregional Highway capital projects are not individually defined in the Measure R Expenditure Plan. Eligible projects are identified by project sponsors and validated/approved by Metro Highway Program staff for funding.

The changes in this update include \$4,433,000 in additional programming for projects in the Gateway Cities subregion- as detailed in Attachment A.

A nexus determination has been completed for each new project. All projects on the attached project lists are expected to provide highway operational benefits and meet the Highway Operational and Ramp/Interchange improvement definition approved by the Board.

### **Highway Operational Improvements in Arroyo Verdugo**

To date, \$95,188,400 has been programmed for projects. This update includes no new programming or funding adjustments for the subregion.

### **Highway Operational Improvements in Las Virgenes-Malibu Subregion**

To date, \$156,901,000 has been programmed for projects. This update includes a funding adjustment to 1 existing project and no new programming for the subregion.

Reprogram \$1,000,000 for MR311.27 - PCH Intersection Improvements. The funds are being reprogrammed to later fiscal years to match design and construction timeframes.

### **I-405, I-110, I-105 and SR-91 Ramp and Interchange Improvements (South Bay)**

To date, \$412,265,900 has been programmed for projects. This update includes no new

programming or funding adjustments for the subregion.

### **I-605 Corridor “Hot Spots” Interchanges**

To date, \$274,534,800 has been programmed for projects. This update includes \$3,125,000 in new programming for 1 new project and funding adjustments to 2 existing projects as follows:

#### **Artesia**

Program \$625,000 for MR315.25 - Pioneer Blvd at Arkansas St. Improvements. The funds will be used to construct traffic signal, median and curb improvements.

Measure R NEXUS to Highway Operational Definition: This project is an eligible traffic signal and intersection improvement project.

#### **LA County**

Program an additional \$2,000,000 for MR315.07 - Painter/Mulberry Intersection Improvements. The additional funds will be used for construction.

#### **Lakewood**

Program an additional \$500,000 for MR315.04 - Lakewood/Del Amo Intersection Improvements. The additional funds will be used for construction.

### **I-710 South and/or Early Action Projects**

To date, \$262,197,900 has been programmed for projects. This update includes \$1,308,000 in new programming for 2 projects and funding adjustments to 2 existing projects as follows:

#### **Caltrans**

Program \$150,000 for MR306.21- 710 Integrated Corridor Management (Independent Quality Assurance). The funds are required for Caltrans reviews of the Project Initiation Document (PID).

#### **Metro**

Program an additional \$1,158,000 for PS189100 - 710 Soundwall Package 2 (Design and ROW). The additional funds will match the contract award amount and fully fund Design and ROW.

Program an additional \$1,938,000 for PS4720-3330 - 710 Soundwall Package 3 Design and ROW. The additional funds will match the contract award amount and fully fund PSE and ROW.

Deobligate \$1,938,000 from MR306.04 - 710 Soundwall Package 3 Construction. The funds are being deobligated to match the current construction estimate.

### **State Route 138 Capacity Enhancements**



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To date, \$200,000,000 has been programmed for projects. This update includes no new programming or funding adjustments for the subregion.

### **Interstate 5/State Route 14 Capacity Enhancements**

To date, \$85,094 has been programmed for projects. This update includes a programming of funds for 1 new project and a funding adjustment to 1 existing project and as follows:

#### **Lancaster**

Program \$8,769,168 for MR330.04 - SR-138 (SR-14) Ave J Interchange Improvements. This project is in final design and is also funded with Measure R SR-138 Highway funds. The additional 5/14 funds will fully fund construction of the SR-14 on/off ramp improvements.

Deobligate \$8,769,168 from MR330.06 - SR-138 (SR-14) Ave M Interchange Improvements. This project is fully funded through construction and the City of Lancaster is allocating the deobligated project funds to Ave J.

### **DETERMINATION OF SAFETY IMPACT**

The recertification of the project list and funding allocations will have no adverse impact on the safety of Metro's patrons and employees and the users of the reference transportation facilities.

### **FINANCIAL IMPACT**

Approval of Recommendation A will not require an FY21 Budget amendment at this time. Highway Programs' project management staff will monitor the projects and adjust funding as required to meet project needs within the Adopted FY21 Highway budget subject to availability of funds.

Funding for the highway projects is from the Measure R 20% Highway Capital subfund earmarked for the subregions. FY21 funds are allocated for Arroyo Verdugo (Project No.460310), Las Virgenes Malibu (Project No. 460311), and South Bay (Project No. 460312) subregions in approved FY21 budgets. These three programs are budgeted under Cost Center 0442 in Account 54001 (Subsidies to Others).

The remaining funds are distributed from the Measure R 20% Highway Capital Subfund via funding agreements to Caltrans, and the cities of Palmdale and Lancaster under Cost Center 0442 in Project No. 460330, Account 54001 (Subsidies to Others).

Funding for the I-605 Corridor "Hot Spots" Projects, is allocated to Project No. 460314, Cost Centers 4720, 4730 & 0442, Account 54001 (Subsidies to Others) and account 50316 (Professional Services); 461314, Task 5.2.100; 462314, Task 5.3.100; 463314, Task 5.2.100; 460345, Task 5.3.100; 460346, Tasks 5.3.100; 460348 and 5.3.100; 460349, Task 5.3.100; 460350, Task 5.2.100; 460351, Task 5.3.100 ; and for I-710 Early Action Projects, in Project No. 460316 in Cost Center 0442, Account 54001 (Subsidies to Others) and also under 462316, Task 5.2.100; 463316, Task 5.3.100; 463416, Task 5.3.100; and 463516, Task 5.3.100 in Account 50316 (Professional Services) in Cost Center 4720 are all included in the FY21 budget.

Staff will work within the adopted FY21 budget subject to available funds.

For the North County Operational Improvement Projects (I-5/SR-14 Direct Connector Line #26), FY21 funds are included in Project No. 465501, Cost Center 0442, Account 54001 (Subsidies to Others).

Moreover, programmed funds are based on estimated revenues. Since each MRHSP is a multi-year program with various projects, the Project Managers, the Cost Center Manager and the Senior Executive Officer, Program Management, Highway Program will be responsible for budgeting the costs in current and future years.

### Impact to Budget

Upon Approval of recommendations, staff will rebalance the approved FY21 to fund the identified priorities. Should additional funds be required for the FY21 period, staff will revisit the budgetary needs using the quarterly and mid-year adjustment processes subject to the availability of funds.

The source of funds for these projects is Measure R 20% Highway Funds. This fund source is not eligible for Bus and rail Operations or Capital expenses.

### IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposed projects are consistent with the following goals of the Metro Vision 2028 Strategic Plan:

Goal 1: Provide high-quality mobility options that enable people to spend less time traveling by alleviating the current operational deficiencies and improving mobility along the State highways and eligible local arterials.

Goal 4: Transform LA county through regional collaboration by partnering with the various subregions to identify the needed improvements and development and implement mobility improvement projects.

### ALTERNATIVES CONSIDERED

The Board may choose to not approve the revised project lists and funding allocations. However, this option is not recommended as it will delay development of the needed improvements.

### NEXT STEPS

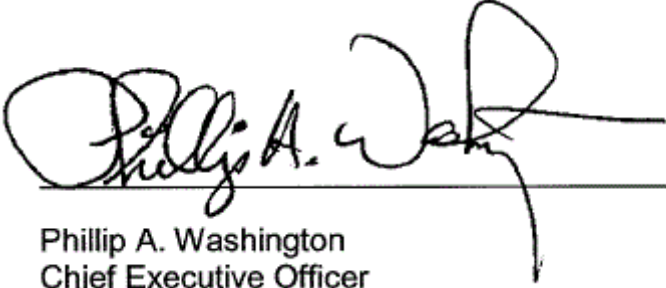
Metro Highway Programs Staff will continue to work with the subregions to identify and deliver projects. As work progresses, updates will be provided to the Board on semi-annual and as-needed basis.

### ATTACHMENTS

Attachment A - Projects Receiving Measure R Funds

Prepared by: Isidro Panuco, Sr Mgr. Transportation Planning, (213) 418-3208  
Abdollah Ansari, Sr. Executive Officer, (213) 922-4781

Reviewed by: Richard F Clarke, Chief Program Management Officer, (213) 922-7557



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Phillip A. Washington  
Chief Executive Officer

# ATTACHMENT A

Measure R Highway Operational Improvements Projects												
(Dollars in Thousands)			HIGHWAY OPS IMP GRAND TOTAL		1,481,725	4,433	1,486,158	1,089,085	145,994	103,657	56,165	50,595
Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24	
Arroyo Verdugo Operational Improvements				95,188.4	(0.0)	95,188.4	72,374.4	15,424.0	5,590.0	1,800.0	0.0	
Burbank	MR310.06	San Fernando Blvd. / Burbank Blvd. Intersection		2,325.0	0.0	2,325.0	2,325.0					
Burbank	MR310.07	Widen Magnolia Blvd / I-5 Bridge for center-turn lane		3,967.0	0.0	3,967.0	250.0	3,717.0				
Burbank	MR310.08	I-5 Corridor Arterial Signal Improvements (Completed)		2,600.0	0.0	2,600.0	2,600.0					
Burbank	MR310.09	SR-134 Corridor Arterial Signal Improvements (Completed)		2,975.0	0.0	2,975.0	2,975.0					
Burbank	MR310.10	Widen Olive Ave / I-5 Bridge for center-turn lane		3,897.0	0.0	3,897.0	250	3,647.0				
Burbank	MR310.11	Olive Ave. / Verdugo Ave. Intersection Improvement		3,600.0	0.0	3,600.0	3,600.0					
Burbank	MR310.23	Chandler Bikeway Extension (call match) F7506		659.8	0.0	659.8	659.8					
Burbank	MR310.31	SR-134 Corridor Arterial Signal Improvements - Phase 2		2,000.0	0.0	2,000.0	2,000.0					
Burbank	MR310.33	Media District Traffic Signal Improvments		1,400.0	0.0	1,400.0	1,400.0					
Burbank	MR310.38	I-5 Corridor Arterial Signal Improvements - Phase 2		1,150.0	0.0	1,150.0	1,150.0					
Burbank	MR310.46	Glenoaks Blvd Arterial and First St Signal Improvements		3,200.0	0.0	3,200.0	3,200.0					
Burbank	MR310.50	I-5 Downtown Soundwall Project - Orange Grove Ave to Magnolia		1,000.0	0.0	1,000.0	1,000.0					
Burbank	MR310.51	Alameda Ave Signal Synchronization Glenoaks Blvd to Riverside Dr.		250.0	0.0	250.0	250.0					
Burbank	MR310.55	I-5 Corridor Arterial Signal Improvements - Phase 3		1,400.0	0.0	1,400.0		200.0	1,200.0			
Burbank	MR310.56	Victory Blvd/N Victory Pl and Buena Vista St Signal Sync		250.0	0.0	250.0		250.0				
Burbank	MR310.57	Olive Ave and Glenoaks Blvd Signal Synchronization		350.0	0.0	350.0			350.0			
Burbank	MR310.58	Downtown Burbank Signal Synchronization		250.0	0.0	250.0				250.0		
Burbank	MR310.59	Burbank LA River Bicycle Bridge at Bob Hope Drive		2,000.0	0.0	2,000.0	500.0	1,500.0				
		TOTAL BURBANK		33,273.8	0.0	33,273.8	22,159.8	9,314.0	1,550.0	250.0	0.0	

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Glendale	MR310.01	Fairmont Ave. Grade Separation at San Fernando Rd. (Construction) <b>(Completed)</b>		1,658.7	0.0	1,658.7	1,658.7				
Glendale	MR310.02	Fairmont Ave. Grade Sep. at San Fernando -- Design <b>(FA canceled and funds previously moved to MR310.01)</b>		0.0	0.0	0.0	0.0				
Glendale	MR310.04	San Fernando/Grandview At-Grade Rail Crossing Imp. <b>(Completed)</b>		1,850.0	0.0	1,850.0	1,850.0				
Glendale	MR310.05	Central Ave Improvements / Broadway to SR-134 EB Offramp <b>(Completed)</b>		3,250.0	0.0	3,250.0	3,250.0				
Glendale	MR310.13	Glendale Narrows Bikeway Culvert		1,246.5	0.0	1,246.5	1,246.5				
Glendale	MR310.14	Verdugo Road Signal Upgrades <b>(Completed)</b>		557.0	0.0	557.0	557.0				
Glendale	MR310.16	SR-134 / Glendale Ave. Interchange Modification <b>(Completed)</b>		1,585.5	0.0	1,585.5	1,585.5				
Glendale	MR310.17	Ocean View Blvd. Traffic Signals Installation and Modification <b>(Completed)</b>		1,000.0	0.0	1,000.0	1,000.0				
Glendale	MR310.18	Sonora Avenue At-Grade Rail Crossing Safety Upgrade <b>(Completed)</b>		2,700.0	0.0	2,700.0	2,700.0				
Glendale	MR310.19	Traffic Signal Sync Brand / Colorado-San Fernando / Glendale-Verdugo <b>(Completed)</b>		340.9	0.0	340.9	340.9				
Glendale	MR310.20	Verdugo Rd / Honolulu Ave / Verdugo Blvd Intersection Modification <b>(Completed)</b>		397.3	0.0	397.3	397.3				
Glendale	MR310.21	Colorado St. Widening between Brand Blvd. and East of Brand Blvd. <b>(Completed)</b>		350.0	0.0	350.0	350.0				
Glendale	MR310.22	Glendale Narrows Riverwalk Bridge		600.0	0.0	600.0	600.0				
Glendale	MR310.24	Construction of Bicycle Facilities		244.3	0.0	244.3	244.3				
Glendale	MR310.25	210 Soundwalls Project		4,520.0	0.0	4,520.0	1,520.0	3,000.0			
Glendale	MR310.26	Bicycle Facilities, Phase 2 (Class III Bike Routes)		225.0	0.0	225.0	225.0				
Glendale	MR310.28	Pennsylvania Ave Signal at I-210 On/Off-Ramps		500.0	0.0	500.0	500.0				

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Glendale	MR310.32	Regional Arterial Performance Measures (Call Match) F7321		100.0	0.0	100.0	100.0				
Glendale	MR310.34	Regional Bike Stations (Call Match) F7709		332.2	0.0	332.2	332.2				
Glendale	MR310.35	Signal Installations at Various Locations (Completed)		1,500.0	0.0	1,500.0	1,500.0				
Glendale	MR310.36	Signalizations of SR-2 Fwy Ramps @ Holly		600.0	0.0	600.0	0.0		100.0	500.0	
Glendale	MR310.37	Verdugo Boulevard Traffic Signal Modification at Vahili Way and SR-2		1,450.0	0.0	1,450.0	1,450.0				
Glendale	MR310.39	Widening of SR-2 Fwy Ramps @ Mountain		1,200.0	0.0	1,200.0	0.0		150.0	1,050.0	
Glendale	MR310.40	Pacific Ave: Colorado to Glenoaks & Burchett St: Pacific To Central Street Improvements (Completed)		3,315.0	0.0	3,315.0	3,315.0				
Glendale	MR310.41	Doran St. (From Brand Blvd. to Adams St.)		1,450.0	0.0	1,450.0	1,450.0				
Glendale	MR310.42	Arden Ave. (From Highland Ave. to Kenilworth St.) (Completed)		623.2	0.0	623.2	623.2				
Glendale	MR310.43	Verdugo Rd. Street Improvements Project (Traffic Signal Modification)		1,650.0	0.0	1,650.0	0.0	585.0	1,065.0		
Glendale	MR310.47	Traffic Signals on Glenwood Rd. and Modificaitons on La Crescenta and Central Ave.		2,025.0	0.0	2,025.0	2,025.0				
Glendale	MR310.48	San Frenando Rd and Los Angeles Street Traffic Signal Installation & Intersection Modification		400.0	0.0	400.0	400.0				
Glendale	MR310.49	Traffic Signal Modification & Upgrades on Honolulu Ave		3,000.0	0.0	3,000.0	3,000.0				
Glendale	MR310.52	Traffic Signal Improvements at Chevy Chase Dr/California Ave/		2,500.0	0.0	2,500.0	2,500.0				
Glendale	MR310.54	Signal Mod on La Crescenta Ave and San Fernando Rd.		1,650.0	0.0	1,650.0	1,650.0				
Glendale	MR310.60	N. Verdugo Rd Signal Modifications (Glendale Community College to Menlo Dr at Canada Blvd)		1,100.0	0.0	1,100.0		1,100.0			
Glendale	MR310.61	Broadway Traffic Signal Modifications		1,650.0	0.0	1,650.0		625.0	1,025.0		
Glendale	MR310.62	Downtown Glendale Signal Synchronization Project		2,500.0	0.0	2,500.0		800.0	1,700.0		
		<b>TOTAL GLENDALE</b>		<b>48,070.6</b>	<b>0.0</b>	<b>48,070.6</b>	<b>36,370.6</b>	<b>6,110.0</b>	<b>4,040.0</b>	<b>1,550.0</b>	<b>0.0</b>

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
La Canada Flintridge	MR310.03	Soundwalls on Interstate I-210 <b>(Completed)</b>		4,588.0	0.0	4,588.0	4,588.0				
La Canada Flintridge	MR310.45	Soundwalls on Interstate I-210 in La Canada-Flintridge (phase 2)		1,800.0	0.0	1,800.0	1,800.0				
La Canada Flintridge	MR310.53	Soundwall on I-210 (Phase 3)		3,712.0	0.0	3,712.0	3,712.0				
		<b>TOTAL LA CANADA FLINTRIDGE</b>		10,100.0	0.0	10,100.0	10,100.0	0.0	0.0	0.0	0.0
LA County	MR310.44	Soudwalls on Interstate I-210 in LA Crescenta-Montrose		3,044.0	0.0	3,044.0	3,044.0				
		<b>TOTAL LA COUNTY</b>		3,044.0	0.0	3,044.0	3,044.0	0.0	0.0	0.0	0.0
Metro/Caltrans	MR310.29	NBSSR on I-210 frm Pennsylvania Ave. to West of SR-2		700.0	0.0	700.0	700.0				
		<b>TOTAL METRO</b>		700.0	0.0	700.0	700.0	0.0	0.0	0.0	0.0
		<b>TOTAL ARROYO VERDUGO OPS IMPS</b>		95,188.4	(0.0)	95,188.4	72,374.4	15,424.0	5,590.0	1,800.0	0.0

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
<b>Las Virgenes/Malibu Operational Improvements</b>				<b>156,901.0</b>	<b>0.0</b>	<b>156,901.0</b>	<b>154,351.0</b>	<b>330.0</b>	<b>1,930.0</b>	<b>290.0</b>	<b>0.0</b>
Westlake Village	MR311.01	Lindero Canyon Road Interchange, Phase 3A Design		443.7	0.0	443.7	443.7				
Westlake Village	MR311.02	Highway 101 Park and Ride Lot <b>(Design Completed)</b>		243.7	0.0	243.7	243.7				
Westlake Village	MR311.10	Rte 101/ Lindero Cyn. Rd. Interchange Improvements, Phase 3B,4B Construction <b>(Completed)</b>		3,251.0	0.0	3,251.0	3,251.0				
Westlake Village	MR311.18	Rte 101/ Lindero Cyn. Rd. Interchange Improvements, Phase 3A Construction		9,669.0	0.0	9,669.0	9,419.0	250.0			
Westlake Village	MR311.19	Highway 101 Park and Ride Lot <b>(Completed)</b>		4,943.6	0.0	4,943.6	4,943.6				
		<b>TOTAL WESTLAKE VILLAGE</b>		<b>18,551.0</b>	<b>0.0</b>	<b>18,551.0</b>	<b>18,301.0</b>	<b>250.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Agoura Hills	MR311.03	Palo Comado Interchange		10,450.0	0.0	10,450.0	10,450.0				
Agoura Hills	MR311.04	Aguora Road/Kanan Road Intersection Improvements		1,150.0	0.0	1,150.0	1,150.0				
Agoura Hills	MR311.05	Agoura Road Widening		36,700.0	0.0	36,700.0	36,700.0				
Agoura Hills	MR311.14	Kanan Road Corridor from Thousand Oaks Blvd to Cornell Road PSR		700.0	0.0	700.0	700.0				
Agoura Hills	MR311.15	Agoura Hills Multi-Modal Center		100.0	0.0	100.0	100.0				
		<b>TOTAL AGOURA HILLS</b>		<b>49,100.0</b>	<b>0.0</b>	<b>49,100.0</b>	<b>49,100.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Calabasas	MR311.06	Lost Hills Overpass and Interchange		35,500.0	0.0	35,500.0	35,500.0				
Calabasas	MR311.07	Mulholland Highway Scenic Corridor Completion <b>(Completed)</b>		4,389.8	0.0	4,389.8	4,389.8				
Calabasas	MR311.08	Las Virgenes Scenic Corridor Widening <b>(Completed)</b>		5,746.2	0.0	5,746.2	5,746.2				
Calabasas	MR311.09	Parkway Calabasas/US 101 SB Offramp <b>(Completed)</b>		214.0	0.0	214.0	214.0				
Calabasas	MR311.20	Off-Ramp for US 101 at Las Virgenes Road <b>(Cancelled)</b>		0.0	0.0	0.0	0.0				
Calabasas	MR311.33	Park and Ride Lot on or about 23577 Calabasas Road (near Route 101) <b>(Completed)</b>		3,700.0	0.0	3,700.0	3,700.0				
		<b>TOTAL CALABASAS</b>		<b>49,550.0</b>	<b>0.0</b>	<b>49,550.0</b>	<b>49,550.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>



# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Malibu	MR311.11	PCH Signal System Improvements from John Tyler Drive to Topanga Canyon Blvd		14,600.0	0.0	14,600.0	13,700.0		900.0		
Malibu	MR311.24	Malibu/Civic Center Way Widening		5,600.0	0.0	5,600.0	5,200.0		400.0		
Malibu	MR311.26	PCH-Raised Median and Channelization from Webb Way to Corral Canyon Road		6,950.0	0.0	6,950.0	6,950.0				
Malibu	MR311.27	PCH Intersections Improvements	CHG	1,000.0	0.0	1,000.0		80.0	630.0	290.0	
Malibu	MR311.28	Kanan Dume Road Arrestor Bed Improvements and Intersection with PCH Construction <b>(Completed)</b>		900.0	0.0	900.0	900.0				
Malibu	MR311.29	PCH Regional Traffic Message System (CMS)		0.0	0.0	0.0					
Malibu	MR311.30	PCH Roadway and Bike Route Improvements fr. Busch Dr. to Western City Limits <b>(Completed)</b>		500.0	0.0	500.0	500.0				
Malibu	MR311.32	PCH and Big Rock Dr. Intersection and at La Costa Area Pedestrian Improvements		950.0	0.0	950.0	950.0				
Malibu	MR311.35	Park and Ride Lot on Civic Center Way and/or PCH		3,500.0	0.0	3,500.0	3,500.0				
		<b>TOTAL MALIBU</b>		<b>34,000.0</b>	<b>0.0</b>	<b>34,000.0</b>	<b>31,700.0</b>	<b>80.0</b>	<b>1,930.0</b>	<b>290.0</b>	<b>0.0</b>
Hidden Hills	MR311.34	Long Valley Road/Valley Circle/US-101 On-Ramp Improvements		5,700.0	0.0	5,700.0	5,700.0				
		<b>TOTAL HIDDEN HILLS</b>		<b>5,700.0</b>	<b>0.0</b>	<b>5,700.0</b>	<b>5,700.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
		<b>TOTAL LAS VIRGENES/MALIBU OPS IMPS</b>		<b>156,901.0</b>	<b>0.0</b>	<b>156,901.0</b>	<b>154,351.0</b>	<b>330.0</b>	<b>1,930.0</b>	<b>290.0</b>	<b>0.0</b>

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
<b>South Bay I-405, I-110, I-105, &amp; SR-91 Ramp / Interchange Imps</b>				<b>412,265.9</b>	<b>(0.0)</b>	<b>412,265.9</b>	<b>227,611.9</b>	<b>53,764.0</b>	<b>48,695.0</b>	<b>31,600.0</b>	<b>50,595.0</b>
SBCCOG	MR312.01	South Bay Cities COG Program Development & Oversight and Program Administration <b>(Project Development Budget Included)</b>		13,375.0	0.0	13,375.0	13,375.0				
		<b>TOTAL SBCCOG</b>		<b>13,375.0</b>	<b>0.0</b>	<b>13,375.0</b>	<b>13,375.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Caltrans	MR312.11	ITS: I-405, I-110, I-105, SR-91 at Freeway Ramp/Arterial Signalized Intersections		5,357.0	(0.0)	5,357.0	5,357.0				
Caltrans	MR312.24	I-110 Aux lane from SR-91 to Torrance Blvd Aux lane & I-405/I-110 Connector <b>(Completed)</b>		8,120.0	0.0	8,120.0	8,120.0				
Caltrans	MR312.25	I-405 at 182nd St. / Crenshaw Blvd Improvements		86,400.0	0.0	86,400.0	24,400.0	25,000.0	20,000.0	11,000.0	6,000.0
Caltrans	MR312.29	ITS: Pacific Coast Highway and Parallel Arterials From I-105 to I-110		9,000.0	0.0	9,000.0	9,000.0				
Caltrans	MR312.45	PAED Integrated Corridor Management System (ICMS) on I-110 from Artesia Blvd and I-405		1,000.0	0.0	1,000.0	1,000.0				
Caltrans	MR312.77	I-405 IQA Review for PSR (El Segundo to Artesia Blvd) <b>(Completed)</b>		150.0	0.0	150.0	150.0				
Caltrans	MR312.78	I-405 IQA Review for PSR (Main St to Wilmington)		150.0	0.0	150.0	150.0				
Caltrans	MR312.82	PCH (I-105 to I-110) Turn Lanes and Pockets		8,400.0	0.0	8,400.0			4,400.0	4,000.0	
		<b>TOTAL CALTRANS</b>		<b>118,577.0</b>	<b>(0.0)</b>	<b>118,577.0</b>	<b>48,177.0</b>	<b>25,000.0</b>	<b>24,400.0</b>	<b>15,000.0</b>	<b>6,000.0</b>
Carson/Metro	MR312.41	Traffic Signal Upgrades at 10 Intersections		1,400.0	0.0	1,400.0	1,400.0				
Carson/Metro	MR312.46	Upgrade Traffic Control Signals at the Intersection of Figueroa St and 234th St. and Figueroa and 228th st.		150.0	0.0	150.0	150.0				
Carson	MR312.80	223rd st Widening		1,000.0	0.0	1,000.0	1,000.0				
		<b>TOTAL CARSON</b>		<b>2,550.0</b>	<b>0.0</b>	<b>2,550.0</b>	<b>2,550.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
El Segundo	MR312.22	Maple Ave Improvements from Sepulveda Blvd to Parkview Ave. <b>(Completed)</b>		2,500.0	0.0	2,500.0	2,500.0				
El Segundo	MR312.27	PCH Improvements from Imperial Highway to El Segundo Boulevard		400.0	0.0	400.0	400.0				
El Segundo	MR312.57	Park Place Roadway Extension and Railroad Grade Separation Project		5,350.0	0.0	5,350.0	350.0	600.0	3,200.0	1,200.0	
		<b>TOTAL EL SEGUNDO</b>		<b>8,250.0</b>	<b>0.0</b>	<b>8,250.0</b>	<b>3,250.0</b>	<b>600.0</b>	<b>3,200.0</b>	<b>1,200.0</b>	<b>0.0</b>

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Gardena	MR312.02	Traffic Signal Reconstruction on Vermont at Redondo Beach Blvd and at Rosecrans Ave.		1,500.0	0.0	1,500.0	1,500.0				
Gardena	MR312.09	Artesia Blvd Arterial Improvements from Western Ave to Vermont Ave		2,523.0	0.0	2,523.0	2,523.0				
Gardena	MR312.17	Rosecrans Ave Improvements from Vermont Ave to Crenshaw Blvd <b>(Completed)</b>		4,967.0	0.0	4,967.0	4,967.0				
Gardena	MR312.19	Artesia Blvd at Western Ave Intersection Improvements (Westbound left turn lanes) <b>(Completed)</b>		393.0	0.0	393.0	393.0				
Gardena	MR312.21	Vermont Ave Improvements from Rosecrans Ave to 182nd Street <b>(Completed)</b>		2,090.3	0.0	2,090.3	2,090.3				
Gardena	MR312.79	Traffic Signal Install at Vermont Ave. and Magnolia Ave		144.0	0.0	144.0	144.0				
		<b>TOTAL GARDENA</b>		<b>11,617.3</b>	<b>0.0</b>	<b>11,617.3</b>	<b>11,617.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Hawthorne	MR312.03	Rosecrans Ave Widening from I-405 SB off ramp to Isis Ave <b>(Completed)</b>		2,100.0	0.0	2,100.0	2,100.0				
Hawthorne	MR312.33	Aviation Blvd at Marine Ave Intersection Improvements (Westbound right turn lane) <b>(Completed)</b>		3,600.0	0.0	3,600.0	3,600.0				
Hawthorne	MR312.44	Hawthorne Blvd Improvements from El Segundo Blvd to Rosecrans Ave <b>(Completed)</b>		7,551.0	0.0	7,551.0	7,551.0				
Hawthorne	MR312.47	Signal Improvements on Prairie Ave from 118th St. to Marine Ave.		1,237.0	0.0	1,237.0	1,237.0				
Hawthorne	MR312.54	Intersection widening & Traffic Signal modifications on Inglewood Ave at El Segundo Blvd; on Crenshaw Blvd At Pocket Road; on Crenshaw at Jack Northen; and on 120th St.		2,000.0	0.0	2,000.0	2,000.0				
Hawthorne	MR312.61	Hawthorne Blvd Arterial Improvements, from 126th St to 111th St. <b>(Completed)</b>		4,400.0	0.0	4,400.0	4,400.0				
Hawthorne	MR312.66	Imperial Ave Signal Improvements and Intersection Capacity Project		1,995.0	0.0	1,995.0	900.0	600.0	495.0		
Hawthorne	MR312.67	Rosecrans Ave Signal Improvements and Intersection Capacity Enhancements.		3,200.0	0.0	3,200.0	1,500.0	1,200.0	500.0		
Hawthorne	MR312.68	El Segundo Blvd Improvements Project Phase I		2,000.0	0.0	2,000.0	800.0	500.0	700.0		
Hawthorne	MR312.69	El Segundo Blvd Improvements Project Phase II		600.0	0.0	600.0	400.0	200.0			
Hawthorne	MR312.81	120th St Improvements -- Crenshaw Blvd to Felton Ave		600.0	0.0	600.0	600.0				
		<b>TOTAL HAWTHORNE</b>		<b>29,283.0</b>	<b>0.0</b>	<b>29,283.0</b>	<b>25,088.0</b>	<b>2,500.0</b>	<b>1,695.0</b>	<b>0.0</b>	<b>0.0</b>

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Hermosa Beach	MR312.05	PCH (SR-1/PCH) Improvements between Anita St. and Artesia Boulevard		574.7	0.0	574.7	574.7				
		<b>TOTAL HERMOSA BEACH</b>		574.7	0.0	574.7	574.7	0.0	0.0	0.0	0.0
Inglewood	MR312.12	Intelligent Transportation System (ITS) Phase IV		3,500.0	0.0	3,500.0	3,500.0				
Inglewood	MR312.50	ITS: Phase V - Communication Gap Closure on Various Locations, ITS Upgrade and Arterial Detection		0.0	0.0	0.0					
Inglewood	MR312.70	Prairie Ave Signal Synchronization Project		205.0	0.0	205.0	205.0				
Inglewood	MR312.71	La Cienega Blvd Synchronization Project		80.0	0.0	80.0	80.0				
Inglewood	MR312.72	Arbor Vitae Synchronization Project		130.0	0.0	130.0	130.0				
Inglewood	MR312.73	Florence Ave Synchronization Project		255.0	0.0	255.0	255.0				
		<b>TOTAL INGLEWOOD</b>		4,170.0	0.0	4,170.0	4,170.0	0.0	0.0	0.0	0.0
LA City	MR312.48	Alameda St. (South) Widening frm. Anaheim St. to Harry Bridges Blvd		2,875.0	0.0	2,875.0	2,875.0				
LA City	MR312.51	Improve Anaheim St. from Farragut Ave. to Dominguez Channel <b>(Call Match) F7207</b>		1,313.0	(0.0)	1,313.0	1,313.0				
LA City	MR312.56	Del Amo Blvd Improvements from Western Ave to Vermont Ave Project Oversight		100.0	0.0	100.0	100.0				
LA City	MR312.74	Alameda St. (East) Widening Project		3,580.0	0.0	3,580.0	2,000.0	1,580.0			
		<b>TOTAL LA CITY</b>		7,868.0	(0.0)	7,868.0	6,288.0	1,580.0	0.0	0.0	0.0
LA County	MR312.16	Del Amo Blvd improvements from Western Ave to Vermont Ave <b>(Completed)</b>		307.0	0.0	307.0	307.0				
LA County	MR312.52	ITS: Improvements on South Bay Arterials <b>(Call Match) F7310</b>		1,021.0	0.0	1,021.0	1,021.0				
LA County	MR312.64	South Bay Arterial System Detection Project		2,000.0	0.0	2,000.0		600.0	1,400.0		
		<b>TOTAL LA COUNTY</b>		3,328.0	0.0	3,328.0	1,328.0	600.0	1,400.0	0.0	0.0
Lawndale	MR312.15	Inglewood Ave Widening from 156th Street to I-405 Southbound on-ramp <b>(Completed)</b>		43.0	0.0	43.0	43.0				
Lawndale	MR312.31	Manhattan Bch Blvd at Hawthorne Blvd Left Turn Signal Improvements		508.0	0.0	508.0	508.0				
Lawndale	MR312.36	ITS: City of Lawndale Citywide Improvements <b>(Completed)</b>		878.3	0.0	878.3	878.3				
Lawndale	MR312.49	Redondo Beach Blvd Mobility Improvements from Prairie to Artesia <b>(Call Match) F9101</b>		1,039.3	0.0	1,039.3	1,039.3				
		<b>TOTAL LAWDALE</b>		2,468.6	0.0	2,468.6	2,468.6	0.0	0.0	0.0	0.0

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Lomita	MR312.43	Intersection Improvements at Western/Palos Verdes Dr and PCH/Walnut <b>(Complete)</b>		1,585.0	0.0	1,585.0	1,585.0				
		<b>TOTAL LOMITA</b>		1,585.0	0.0	1,585.0	1,585.0	0.0	0.0	0.0	0.0
Manhattan Beach	MR312.04	Sepulveda Blvd at Marine Ave Intersection Improvements (West Bound left turn lanes) <b>(Completed)</b>		346.5	0.0	346.5	346.5				
Manhattan Beach	MR312.28	Seismic retrofit of widened Bridge 53-62 from Sepulveda Blvd from 33rd Street to south of Rosecrans Ave		9,100.0	0.0	9,100.0	9,100.0				
Manhattan Beach	MR312.34	Aviation Blvd at Artesia Blvd Intersection Improvements (Southbound right turn lane)		1,500.0	0.0	1,500.0	1,500.0				
Manhattan Beach	MR312.35	Sepulveda Blvd at Manhattan Beach Blvd Intersection Improvements (NB, WB, EB left turn lanes and SB right turn lane)		980.0	0.0	980.0	980.0				
Manhattan Beach	MR312.62	Marine Ave at Cedar Ave Intersection Improvements		900.0	0.0	900.0		900.0			
		<b>TOTAL MANHATTAN BEACH</b>		12,826.5	0.0	12,826.5	11,926.5	900.0	0.0	0.0	0.0
Metro	MR312.30	I-405 Improvements from I-105 to Artesia Blvd		17,381.0	0.0	17,381.0	4,181.0	10,000.0	3,200.0		
Metro	MR312.55	I-405 Improvements from I-110 to Wilmington		17,400.0	0.0	17,400.0	4,200.0	10,000.0	3,200.0		
Metro	MR312.83	South Bay Arterial Baseline Conditions Analysis <b>(Completed)</b>		250.0	0.0	250.0	250.0				
Metro	MR312.83	Inglewood Transit Center at Florence/La Brea		1,500.0	0.0	1,500.0	1,500.0				
Metro	MR312.84	I-105 Integrated Corridor Management		20,000.0	0.0	20,000.0		600.0	2,000.0	2,400.0	15,000.0
Metro	MR312.85	I-405 N/B Aux Lane (Imperial Hwy to El Segundo)		14,000.0	0.0	14,000.0		800.0	1,000.0	3,000.0	9,200.0
		<b>TOTAL METRO</b>		70,531.0	0.0	70,531.0	10,131.0	21,400.0	9,400.0	5,400.0	24,200.0
Rancho Palos Verdes	MR312.39	Western Ave. (SR-213) from Palos Verdes Drive North to 25th street -- PSR		90.0	0.0	90.0	90.0				
		<b>TOTAL RANCHO PALOS VERDES</b>		90.0	0.0	90.0	90.0	0.0	0.0	0.0	0.0
POLA	MR312.32	SR-47/Vincent Thomas Bridge on/off ramp Improvements at Harbor Blvd		41,225.0	0.0	41,225.0	3,830.0		7,000.0	10,000.0	20,395.0
		<b>PORT OF LOS ANGELES</b>		41,225.0	0.0	41,225.0	3,830.0	0.0	7,000.0	10,000.0	20,395.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Redondo Beach	MR312.06	Pacific Coast Highway improvements from Anita Street to Palos Verdes Blvd		1,400.0	0.0	1,400.0	1,400.0				
Redondo Beach	MR312.07	Pacific Coast Highway at Torrance Blvd intersection improvements (Northbound right turn lane)		936.0	0.0	936.0	936.0				
Redondo Beach	MR312.08	Pacific Coast Highway at Palos Verdes Blvd intersection improvements (WB right turn lane) <b>(Completed)</b>		389.0	0.0	389.0	389.0				
Redondo Beach	MR312.13	Aviation Blvd at Artesia Blvd intersection improvements <b>(Completed)</b> (Eastbound right turn lane)		22.0	0.0	22.0	22.0				
Redondo Beach	MR312.14	Inglewood Ave at Manhattan Beach Blvd intersection improvements (Eastbound right turn lane) <b>(Completed)</b>		30.0	0.0	30.0	30.0				
Redondo Beach	MR312.20	Aviation Blvd at Artesia Blvd intersection improvements (Northbound right turn lane)		847.0	0.0	847.0	847.0				
Redondo Beach	MR312.38	PCH at Anita St Improv (left and right turn lane)		2,400.0	0.0	2,400.0	300.0	500.0	1,600.0		
Redondo Beach	MR312.42	Inglewood Ave at Manhattan Beach Blvd intersection improvements (Southbound right turn lane)		5,175.0	0.0	5,175.0	5,175.0				
Redondo Beach	MR312.75	Kingsdale Ave at Artesia Blvd Intersection Improvements		992.0	0.0	992.0	992.0				
		<b>TOTAL REDONDO BEACH</b>		12,191.0	0.0	12,191.0	10,091.0	500.0	1,600.0	0.0	0.0
Torrance	MR312.10	Pacific Coast Highway at Hawthorne Blvd intersection improvements		19,600.0	0.0	19,600.0	19,600.0				
Torrance	MR312.18	Maple Ave at Sepulveda Blvd Intersection Improvements <b>(Completed)</b> (Southbound right turn lane)		319.9	0.0	319.9	319.9				
Torrance	MR312.23	Torrance Transit Park and Ride Regional Terminal Project 465 Crenshaw Blvd		25,700.0	0.0	25,700.0	25,700.0				
Torrance	MR312.26	I-405 at 182nd St. / Crenshaw Blvd Operational Improvements		15,300.0	0.0	15,300.0	15,300.0				
Torrance	MR312.40	Pacific Coast Highway at Vista Montana/Anza Ave Intersection Improvements		2,900.0	0.0	2,900.0	2,900.0				
Torrance	MR312.58	Pacific Coast Highway from Calle Mayor to Janet Lane Safety Improvements		852.0	0.0	852.0	852.0				
Torrance	MR312.59	Pacific Coast Highway at Madison Ave Signal upgrades to provide left-turn phasing <b>(Completed)</b>		500.0	0.0	500.0	500.0				
Torrance	MR312.60	Crenshaw from Del Amo to Dominguez - 3 SB turn lanes at Del Amo Blvd, 208th St., Transit Center Entrance, Signal Improvements at 2 new signal at Transit Center		3,300.0	0.0	3,300.0	3,300.0				
Torrance	MR312.63	PCH at Crenshaw Blvd Intersection Imp		500.0	0.0	500.0	500.0				
Torrance	MR312.76	Plaza Del Amo at Western Ave (SR-213) Improvements		2,784.0	0.0	2,784.0	2,100.0	684.0			
		<b>TOTAL TORRANCE</b>		71,755.9	0.0	71,755.9	71,071.9	684.0	0.0	0.0	0.0
		<b>TOTAL SOUTH BAY</b>		412,265.9	(0.0)	412,265.9	227,611.9	53,764.0	48,695.0	31,600.0	50,595.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
<b>Gateway Cities: I-605/SR-91/I-405 Corridors "Hot Spots"</b>				<b>271,384.8</b>	<b>3,125.0</b>	<b>274,509.8</b>	<b>237,152.7</b>	<b>19,932.1</b>	<b>11,225.0</b>	<b>6,200.0</b>	<b>0.0</b>
GCCOG	MOU.306.03	GCCOG Engineering Support Services		1,550.0	0.0	1,550.0	1,550.0				
GCCOG	TBD	Gateway Cities Third Party Support		100.0	0.0	100.0	100.0				
		<b>TOTAL GCCOG</b>		<b>1,650.0</b>	<b>0.0</b>	<b>1,650.0</b>	<b>1,650.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Metro	AE25081	Cerritos: PS&E for Carmenita/South and Bloomfield/Artesia Inters Improv <b>(Completed)</b>		342.2	0.0	342.2	342.2				
Metro	AE25083	La Mirada/Santa Fe Springs: PS&E for Valley View/Rosecrans & Valley View/Alondra <b>(Completed)</b>		365.4	0.0	365.4	365.4				
Metro	AE5204200	Professional Services for 605/60 PA/ED		38,899.0	0.0	38,899.0	34,000.0	4,899.0			
Metro	AE322940011372	Professional Services for 710/91 PSR/PDS <b>(Completed)</b>		2,340.0	0.0	2,340.0	2,340.0				
Metro	AE333410011375	Professional Services for the I-605/I-5 PA/ED		28,724.0	0.0	28,724.0	28,724.0				
Metro	AE38849000	I-605 off-ramp at South Street Improvements Project (PR & PS&E)		4,452.3	0.0	4,452.3	4,452.3				
Metro	AE39064000	I-605 Beverly Interchange Improvements (PR & PS&E)		3,229.3	0.0	3,229.3	3,229.3				
Metro	AE476110012334	Professional Services for WB SR-91 Improvements PA/ED <b>(Completed)</b>		7,763.0	0.0	7,763.0	7,763.0				
Metro	PS4603-2582	Professional Services for I-605 Feasibility Study <b>(Completed)</b>		6,170.0	0.0	6,170.0	6,170.0				
Metro	MR315.02	I-605 South St Improvements Construction		20,000.0	0.0	20,000.0	0.0	5,000.0	10,000.0	5,000.0	
Metro	MR315.35	SR-91 Atlantic to Cherry EB Aux Lane (PAED/PS&E)		7,500.0	0.0	7,500.0	7,500.0				
Metro	MR315.37	SR-91 Central to Acacia Improvements PAED		5,006.0	0.0	5,006.0	5,006.0				

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Metro	TBD	Third Party Support for the I-605 Corridor Hot Spots Interchanges Program Development (Gateway Cities, SCE, LA County)		300.0	0.0	300.0	300.0				
Metro	MR315.63	SR-60 at 7th St Interch (PAED, PSE, ROW)		2,250.0	0.0	2,250.0	2,250.0				
Metro	MR315.73	I-605 at Valley Blvd Interch (PAED, PSE, ROW)		2,209.9	0.0	2,209.9	2,209.9				
Metro	MR315.72	Whittier Intersection Improvements (PSE, ROW)		2,308.1	0.0	2,308.1	2,308.1				
Metro	MR315.74	WB SR-91 Alondra Blvd to Shoemaker Ave (PSE, ROW)		11,475.0	0.0	11,475.0	11,475.0				
Metro	PS4603-2582	Professional Services for PSR/PDS: I-5/I-605 and I-605/SR-91 <b>(Completed)</b>		3,121.0	0.0	3,121.0	3,121.0				
Metro	PS47203004	Professional Services for the Gateway Cities Strategic Transportation Plan <b>(Completed)</b>		10,429.5	(0.0)	10,429.5	10,429.5				
Metro	PS4720-3250	Arterial Hot Spots in the Cities of Long Beach, Bellflower, and Paramount: PAED for Lakewood/Alondra, Lakewood/Spring, and Bellflower Spring Intersection & PS&E for Lakewood/Alondra Intersection Improvements		572.7	0.0	572.7	572.7				
Metro	PS4720-3251	Arterial Hot Spots in the Cities of Cerritos, La Mirada, and Santa Fe Springs: PAED for Valley View/Rosecrans, Valley View/Alondra, Carmenita/South, and Bloomfield/Artesia Intersection Improvements <b>(Completed)</b>		560.7	0.0	560.7	560.7				
Metro	PS4720-3252	I-605 Arterial Hot Spots in the City of Whittier: PAED for Santa Fe Springs/ Whittier, Painter/Whittier, & Colima Whittier Intersection Improvements <b>(Completed)</b>		680.0	0.0	680.0	680.0				
Metro	PS4720-3334	Program/Project Management Support of Measure R Funds		200.0	0.0	200.0	200.0				
Metro	PS4720-3235	Professional Services for 605/60 PSR/PDS <b>(Completed)</b>		3,040.0	0.0	3,040.0	3,040.0				
		<b>TOTAL METRO</b>		161,938.1	(0.0)	161,938.1	137,039.1	9,899.0	10,000.0	5,000.0	0.0



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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Caltrans	MR315.08	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-605/SR-91 PA/ED		776.3	0.0	776.3	776.3				
Caltrans	MR315.29	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-710/SR-91 PSR-PDS		234.0	0.0	234.0	234.0				
Caltrans	MR315.24	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-605/I-5 PA/ED		2,069.8	0.0	2,069.8	2,069.8				
Caltrans	MR315.28	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-605/SR-60 PSR-PDS <b>(Completed)</b>		260.0	0.0	260.0	260.0				
Caltrans	MR315.30	I-605 Beverly Interchange Improvements (Env. Doc.)		500.0	0.0	500.0	500.0				
Caltrans	MR315.31	I-605 from SR-91 to South Street Improvements Project (Env. Doc.)		500.0	0.0	500.0	500.0				
Caltrans	MR315.47	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-605/SR-60 PA/ED		3,650.0	0.0	3,650.0	3,650.0				
Caltrans	MR315.48	Third Party Support for the I-605 Corridor "Hot Spots" Interchanges Program Development, I-605 Intersection Improvements		60.0	0.0	60.0	60.0				
		<b>TOTAL CALTRANS</b>		8,050.1	0.0	8,050.1	8,050.1	0.0	0.0	0.0	0.0
Artesia	MR315.25	Pioneer Blvd at Arkansas St Intersection Imp	ADD	0.0	625.0	625.0	0.0	200.0	425.0		
		<b>TOTAL ARTESIA</b>		0.0	625.0	625.0	0.0	200.0	425.0	0.0	0.0
Bellflower	MR315.16	Bellflower Blvd- Artesia Blvd Intersection Improvement Project		8,442.8	0.0	8,442.8	8,442.8				
Bellflower	MR315.33	Lakewood - Alondra Intersection Improvements: Construction		1,002.0	0.0	1,002.0	1,002.0				
		<b>TOTAL BELLFLOWER</b>		9,444.8	0.0	9,444.8	9,444.8	0.0	0.0	0.0	0.0
Cerritos	MR315.38	Carmenita - South Intersection Improvements, Construction		414.2	0.0	414.2	414.2				
Cerritos	MR315.39	Bloomfield - Artesia Intersection Improvements, ROW & Construction		1,544.2	0.0	1,544.2	1,544.2				
		<b>TOTAL CERRITOS</b>		1,958.4	0.0	1,958.4	1,958.4	0.0	0.0	0.0	0.0
Downey	MR315.03	Lakewood - Telegraph Intersection Improvements <b>(Completed)</b>		2,120.0	0.0	2,120.0	2,120.0				
Downey	MR315.14	Lakewood - Imperial Intersection Improvements		4,060.0	0.0	4,060.0	4,060.0				
Downey	MR315.18	Bellflower - Imperial Highway Intersection Improvements <b>(Completed)</b>		2,740.4	0.0	2,740.4	2,740.4				
Downey	MR315.27	Lakewood - Florence Intersection Improvements		4,925.0	0.0	4,925.0	4,925.0				
Downey	MR315.66	Lakewood Blvd at Firestone Blvd Intersection Improvm.		1,300.0	0.0	1,300.0	1,300.0				
		<b>TOTAL DOWNEY</b>		15,145.4	0.0	15,145.4	15,145.4	0.0	0.0	0.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
LA County	MR306.01	Whittier Blvd (Indiana Street to Paramount Blvd) Corridor Project (Call Match) F9304		700.0	0.0	700.0		700.0			
LA County	MR315.07	Painter - Mulberry Intersection Improvements	CHG	2,410.0	2,000.0	4,410.0	2,410.0		800.0	1,200.0	
LA County	MR315.11	Valley View - Imperial Intersection Improvements		1,640.0	0.0	1,640.0	1,640.0				
LA County	MR315.15	Norwalk-Whittier Intersection Improvements		2,830.0	0.0	2,830.0	2,830.0				
LA County	MR315.22	Norwalk-Washington Intersection Improvements (Completed)		550.0	0.0	550.0	550.0				
LA County	MR315.23	Carmenita - Telegraph Intersection Improvements		1,400.0	0.0	1,400.0	1,400.0				
LA County	MR315.64	South Whittier Bikeway Access Improvements (Call Match) F9511		800.0	0.0	800.0	800.0				
		<b>TOTAL LA COUNTY</b>		10,330.0	2,000.0	12,330.0	9,630.0	700.0	800.0	1,200.0	0.0
Lakewood	MR315.01	Lakewood Boulevard at Hardwick Street Traffic Signal Improvements		0.0	0.0	0.0	0.0				
Lakewood	MR315.04	Lakewood - Del Amo Intersection Improvements	CHG	5,504.3	500.0	6,004.3	5,504.3	500.0			
Lakewood	MR315.36	Lakewood Blvd Regional Capacity Enhancement		3,900.0	0.0	3,900.0	3,600.0	300.0			
		<b>TOTAL LAKEWOOD</b>		9,404.3	500.0	9,904.3	9,104.3	800.0	0.0	0.0	0.0
Long Beach	MR315.60	Soundwall on NB I-605 near Spring Street		3,169.0	0.0	3,169.0	350.0	2,819.0			
Long Beach	MR315.61	Lakewood - Spring Intersection Improvements, PSE and Construction		454.3	0.0	454.3	454.3				
Long Beach	MR315.62	Bellflower - Spring Intersection Improvements, PSE and Construction		492.8	0.0	492.8	492.8				
Long Beach	MR315.67	2015 CFP - Artesia Complete Blvd (Call Match) F9130		900.0	0.0	900.0	0.0	900.0			
Long Beach	MR315.68	2015 CFP - Atherton Bridge & Campus Connection (Call Match) F9532		0.0	0.0	0.0	0.0				
Long Beach	MR315.69	Park or Ride (Call Match) F9808		212.6	(0.0)	212.6	198.5	14.1			
Long Beach	MR315.70	Artesia Boulevard Improvements		1,450.0	0.0	1,450.0	1,450.0				
		<b>TOTAL LONG BEACH</b>		6,678.7	(0.0)	6,678.7	2,945.6	3,733.1	0.0	0.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Norwalk	MR315.06	Studebaker - Rosecrans Intersection Improvements		1,670.0	0.0	1,670.0	1,670.0				
Norwalk	MR315.10	Bloomfield - Imperial Intersection Improvements		920.0	0.0	920.0	920.0				
Norwalk	MR315.17	Pioneer - Imperial Intersection Improvements		1,509.0	0.0	1,509.0	1,509.0				
Norwalk	MR315.26	Studebaker - Alondra Intersection Improvements		480.0	0.0	480.0	480.0				
Norwalk	MR315.43	Imperial Highway ITS Project, from San Gabriel River to Shoemaker Rd. (PAED, PS&E, CON)		3,380.4	0.0	3,380.4	3,380.4				
Norwalk	MR315.71	Firestone Blvd Widening Project		2,000.0	0.0	2,000.0	2,000.0				
		<b>TOTAL NORWALK</b>		9,959.4	0.0	9,959.4	9,959.4	0.0	0.0	0.0	0.0
Paramount	MR315.20	Alondra Boulevard Improvments		4,600.0	0.0	4,600.0	0.0	4,600.0			
		<b>TOTAL PARAMOUNT</b>		4,600.0	0.0	4,600.0	0.0	4,600.0	0.0	0.0	0.0
Pico Rivera	MR315.05	Rosemead - Beverly Intersection Improvements		13,479.0	0.0	13,479.0	13,479.0				
Pico Rivera	MR315.09	Rosemead - Whittier Intersection Improvements		1,821.5	0.0	1,821.5	1,821.5				
Pico Rivera	MR315.19	Rosemead - Slauson Intersection Improvements		2,901.0	0.0	2,901.0	2,901.0				
Pico Rivera	MR315.21	Rosemead - Washington Intersection Improvements		53.0	0.0	53.0	53.0				
		<b>TOTAL PICO RIVERA</b>		18,254.5	0.0	18,254.5	18,254.5	0.0	0.0	0.0	0.0
Santa Fe Springs	MR315.40	Valley View - Rosecrans Intersection Improvements, Construction		824.0	0.0	824.0	824.0				
Santa Fe Springs	MR315.41	Valley View - Alondra Intersection Improvements, ROW & Construction		2,667.0	0.0	2,667.0	2,667.0				
Santa Fe Springs	MR315.42	Florence Avenue Widening Project, from Orr & Day to Pioneer Blvd (PAED, PSE, ROW)		3,800.0	0.0	3,800.0	3,800.0				
		<b>TOTAL SANTA FE SPRINGS</b>		7,291.0	0.0	7,291.0	7,291.0	0.0	0.0	0.0	0.0
Whittier	MR315.44	Santa Fe Springs Whittier Intersection Improvements: PSE, ROW, Construction		1,585.9	0.0	1,585.9	1,585.9				
Whittier	MR315.45	Painter Ave - Whittier Intersection Improvements: PSE, ROW, Construction		2,750.0	0.0	2,750.0	2,750.0				
Whittier	MR315.46	Colima Ave - Whittier Intersection Improvements: PSE, ROW, Construction		2,344.1	0.0	2,344.1	2,344.1				
		<b>TOTAL WHITTIER</b>		6,680.0	0.0	6,680.0	6,680.0	0.0	0.0	0.0	0.0
		<b>TOTAL I-605/SR-91/I-405 "HOT SPOTS"</b>		271,384.8	3,125.0	274,509.8	237,152.7	19,932.1	11,225.0	6,200.0	0.0

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Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
<b>Gateway Cities: INTERSTATE 710 SOUTH EARLY ACTION PROJECT</b>				<b>260,889.9</b>	<b>1,308.0</b>	<b>262,197.9</b>	<b>198,458.9</b>	<b>25,077.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
GCCOG	MOU.306.03	GCCOG Engineering Support Services		1,550.0	0.0	1,550.0	1,550.0				
		<b>TOTAL GCCOG</b>		<b>1,550.0</b>	<b>0.0</b>	<b>1,550.0</b>	<b>1,550.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Metro	AE3722900	I-710 Soundwall Design Package 1 (PSE & ROW)		2,161.9	0.0	2,161.9	2,161.9				
Metro	Bucket	I-710 ITS/Air Quality Early Action <b>(Grant Match)</b>		3,760.0	0.0	3,760.0	3,760.0				
Metro	PS2198100	I-710 Soundwall Package 2 (PSE&ROW)	CHG	2,551.6	1,158.0	3,709.6	2,551.6	1,158.0			
Metro	PS-4010-2540-02-17	I-710/I-5 Interchange Project Development		600.0	0.0	600.0	600.0				
Metro	PS4340-1939	I-710 Corridor Project (PA/ED) EIR/EIS		40,495.9	0.0	40,495.9	40,495.9				
Metro	PS-4710-2744	I-710 Soundwall Feasibility & Project Development		3,509.0	0.0	3,509.0	3,509.0				
Metro	PS4720-3330	I-710 Soundwall PSE & ROW Package 3	CHG	5,271.6	1,938.0	7,209.6	5,271.6	1,938.0			
Metro	PS4720-3334	Program/Project Management Support of Measure R Funds		200.0	0.0	200.0	200.0				
Metro	MOU.Calstart2010	Professional Services contract for development of zero emission technology report		150.0	0.0	150.0	150.0				
Metro	MR306.02	I-710 Soundwall Package 2 Construction		4,948.0	0.0	4,948.0	1,000.0	3,448.0	500.0		
Metro	MR306.04	I-710 Soundwall Package 3 Construction	DEO	45,000.0	(1,938.0)	43,062.0	5,000.0	10,000.0	28,062.0		
Metro	MR306.38	Sustainable Transportation Planning Grant <b>(Grant Match)</b>		64.8	0.0	64.8	64.8				
Metro	MR306.41	FRATIS Modernization <b>(Grant Match)</b>		3,000.0	0.0	3,000.0	3,000.0				
Metro	MR306.59	Imperial Hwy Capacity Enhancements Project		865.0	0.0	865.0	865.0				
Metro	various	Professional Services contracts for I-710 Utility Studies (North, Central, South)		25,046.0	0.0	25,046.0	25,046.0				
Metro	MR306.05	I-710 Integrated Corridor Management (ICM) Project		5,000.0	0.0	5,000.0		1,000.0	3,000.0	1,000.0	
		<b>TOTAL METRO</b>		<b>142,623.9</b>	<b>1,158.0</b>	<b>143,781.9</b>	<b>93,675.9</b>	<b>17,544.0</b>	<b>31,562.0</b>	<b>1,000.0</b>	<b>0.0</b>

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
POLA	MR306.40	I-710 Eco-FRATIS Drayage Truck Efficiency Project (Grant Match)		240.0	0.0	240.0	240.0				
		<b>TOTAL POLA</b>		240.0	0.0	240.0	240.0	0.0	0.0	0.0	0.0
Metro	13.01/USAGE	Third Party Support Services for I-710 Corridor Project (US Army Corp of Eng)		100.0	0.0	100.0	100.0				
		<b>TOTAL USAGE</b>		100.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0
Metro	MR306.39	I-710 Soundwall Project - SCE Utility Relocation Engineering Advance		75.0	0.0	75.0	75.0				
Metro	MR306.48	SCE design support I-710 Soundwall Package 3		400.0	0.0	400.0	400.0				
Metro	MR306.5B	Third Party Support Services for I-710 Corridor Project (So Cal Edison)		1,623.0	0.0	1,623.0	1,623.0				
		<b>TOTAL SCE</b>		2,098.0	0.0	2,098.0	2,098.0	0.0	0.0	0.0	0.0
Caltrans	MR306.24	Reconfiguration of Firestone Blvd On-Ramp to I-710 S/B Freeway		1,450.0	0.0	1,450.0	1,450.0				
Caltrans	MR306.27	Third Party Support for I-710 Corridor Project EIR/EIS Enhanced IQA		3,500.0	0.0	3,500.0	3,500.0				
Caltrans	MR306.29	I-710 Early Action Project - Soundwall PA/ED Phase - Noise Study Only		100.0	0.0	100.0	100.0				
Caltrans	MR306.21	I-710 Integrated Corridor Management (ICM) CT IQA	ADD	0.0	150.0	150.0	0.0	150.0			
		<b>TOTAL CALTRANS</b>		5,050.0	150.0	5,200.0	5,050.0	150.0	0.0	0.0	0.0
LA County	MR306.01	Whittier Blvd (Indiana Street to Paramount Blvd) Corridor Project (Call Match) F9304		700.0	0.0	700.0	300.0	400.0			
LA County	MR306.16	Staff Support for the Review of the Draft I-710 South EIR/EIS		157.0	0.0	157.0	157.0				
		<b>TOTAL LA COUNTY</b>		857.0	0.0	857.0	457.0	400.0	0.0	0.0	0.0
Bell	MR306.07	Staff Support for the Review of the Draft I-710 South EIR/EIS		136.0	0.0	136.0	136.0				
Bell	MR306.37	Eastern at Bandini Rickenbacker Project (Call Match) F9200		178.6	(0.0)	178.6	178.6				
Bell	MR306.44	Gage Ave Bridge Replacement Project		66.8	0.0	66.8	66.8				
		<b>TOTAL BELL</b>		381.4	0.0	381.4	381.4	0.0	0.0	0.0	0.0

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Bell Gardens	MR306.08	Staff Support for the Review of the Draft I-710 South EIR/EIS		152.3	0.0	152.3	152.3				
Bell Gardens	MR306.30	Florence Ave/Eastern Ave Intersection Widening <b>(Call Match)</b> F7120		1,184.7	0.0	1,184.7	1,184.7				
Bell Gardens	MR306.35	Florence/Jaboneria Intersection Project <b>(Call Match)</b> F9111		283.4	(0.0)	283.4	100.4	183.0			
Bell Gardens	MR306.52	Garfield Ave & Eastern Ave Intersection Improvements		4,635.0	0.0	4,635.0	4,635.0				
		<b>TOTAL BELL GARDENS</b>		6,255.4	(0.0)	6,255.4	6,072.4	183.0	0.0	0.0	0.0
Commerce	MR306.09	Staff Support for the Review of the Draft I-710 South EIR/EIS		75.0	0.0	75.0	75.0				
Commerce	MR306.23	Washington Blvd Widening and Reconstruction Project <b>(Completed)</b>		13,500.0	0.0	13,500.0	13,500.0				
Commerce	MR306.45	Atlantic Blvd. Improvements Project		1,500.0	0.0	1,500.0	1,500.0				
		<b>TOTAL COMMERCE</b>		15,075.0	0.0	15,075.0	15,075.0	0.0	0.0	0.0	0.0
Compton	MR306.10	Staff Support for the Review of the Draft I-710 South EIR/EIS		35.3	0.0	35.3	35.3				
		<b>TOTAL COMPTON</b>		35.3	0.0	35.3	35.3	0.0	0.0	0.0	0.0
Downey	MR306.18	Staff Support for the Review of the Draft I-710 South EIR/EIS		120.0	0.0	120.0	120.0				
Downey	MR306.20	Paramount Blvd/Firestone Intersection Improvements <b>(Complete)</b>		3,069.0	0.0	3,069.0	3,069.0				
Downey	MR306.31	Lakewood Blvd Improvement Project <b>(Completed)</b>		6,000.0	0.0	6,000.0	6,000.0				
Downey	MR306.42	Firestone Blvd Improvement Project (Old River Rd. to West City Limits)		323.0	0.0	323.0	323.0				
Downey	MR306.49	Paramount Blvd at Imperial Highway Intersection Improvement Project		3,185.0	0.0	3,185.0	3,185.0				
		<b>TOTAL DOWNEY</b>		12,697.0	0.0	12,697.0	12,697.0	0.0	0.0	0.0	0.0

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
Huntington Park	MR306.36	Staff Support for the Review of the Draft I-710 South EIR/EIS		15.0	0.0	15.0	15.0				
Huntington Park	MR306.53	Slauson Ave Congestion Relief Improvements		700.0	0.0	700.0	700.0				
		<b>TOTAL HUNTINGTON PARK</b>		<b>715.0</b>	<b>0.0</b>	<b>715.0</b>	<b>715.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Long Beach	MR306.11	Staff Support for the Review of the Draft I-710 South EIR/EIS		146.0	0.0	146.0	146.0				
Long Beach	MR306.19	Shoemaker Bridge Replacement Project		23,900.0	0.0	23,900.0	11,000.0	6,000.0	6,900.0		
Long Beach	MR306.22	Atlantic Ave/Willow St Intersection Improvements <b>(Completed)</b>		300.0	0.0	300.0	300.0				
Long Beach	MR306.60	Shoreline Drive Realignment Project		2,800.0	0.0	2,800.0	2,800.0				
		<b>TOTAL LONG BEACH</b>		<b>27,146.0</b>	<b>0.0</b>	<b>27,146.0</b>	<b>14,246.0</b>	<b>6,000.0</b>	<b>6,900.0</b>	<b>0.0</b>	<b>0.0</b>
Lynwood	MR306.46	Staff Support for the Review of the Draft I-710 South EIR/EIS		20.0	0.0	20.0	20.0				
Lynwood	MR306.54	Imperial Highway Corridor Congestion Relief Improvements		0.0	0.0	0.0					
		<b>TOTAL LYWOOD</b>		<b>20.0</b>	<b>0.0</b>	<b>20.0</b>	<b>20.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Maywood	MR306.12	Staff Support for the Review of the Draft I-710 South EIR/EIS		65.0	0.0	65.0	65.0				
Maywood	MR306.56	Slauson Ave and Atlantic Congestion Relief Improvements		445.0	0.0	445.0	445.0				
		<b>TOTAL MAYWOOD</b>		<b>510.0</b>	<b>0.0</b>	<b>510.0</b>	<b>510.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Paramount	MR306.13	Staff Support for the Review of the Draft I-710 South EIR/EIS		130.0	0.0	130.0	130.0				
Paramount	MR306.32	Garfield Ave Improvements		2,825.0	0.0	2,825.0	2,825.0				
Paramount	MR306.06	Rosecrans Bridge Retrofit Project		800.0	0.0	800.0	800.0	800.0			
		<b>TOTAL PARAMOUNT</b>		<b>3,755.0</b>	<b>0.0</b>	<b>3,755.0</b>	<b>3,755.0</b>	<b>800.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
POLB	MR306.55	Pier B Street Freight Corridor Reconstructon		10,000.0	0.0	10,000.0	10,000.0				

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
		<b>TOTAL PORT OF LONG BEACH</b>		10,000.0	0.0	10,000.0	10,000.0	0.0	0.0		
South Gate	MR306.14	Staff Support for the Review of the Draft I-710 South EIR/EIS		184.5	0.0	184.5	184.5				
South Gate	MR306.17	Atlantic Ave/Firestone Blvd Intersection Improvements <b>(Complete)</b>		12,400.0	0.0	12,400.0	12,400.0				
South Gate	MR306.33	Firestone Blvd Regional Corridor Capacity Enhancement Project <b>(Completed)</b>		6,000.0	0.0	6,000.0	6,000.0				
South Gate	MR306.50	I-710 Soundwall Project - Package 1 Construction Phase		8,900.0	0.0	8,900.0	8,900.0				
South Gate	MR306.57	Imperial Highway Improvements Project		1,456.2	0.0	1,456.2	1,456.2				
South Gate	MR306.58	Firestone Blvd at Otis St Improvements		700.0	0.0	700.0	700.0				
		<b>TOTAL SOUTH GATE</b>		29,640.7	0.0	29,640.7	29,640.7	0.0	0.0	0.0	0.0
Vernon	MR306.15	Staff Support for the Review of the Draft I-710 South EIR/EIS		70.2	0.0	70.2	70.2				
Vernon	MR306.25	Atlantic Blvd Bridge Widening and Rehabilitation		2,070.0	0.0	2,070.0	2,070.0				
		<b>TOTAL VERNON</b>		2,140.2	0.0	2,140.2	2,140.2	0.0	0.0	0.0	0.0
		<b>TOTAL I-710 SOUTH &amp; EARLY ACTION PROJ</b>		260,889.9	1,308.0	262,197.9	198,458.9	25,077.0	38,462.0	1,000.0	0.0



# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
<b>North County: SR-138 Capacity Enhancements</b>				<b>200,000.0</b>		<b>200,000.0</b>	<b>183,385.1</b>		<b>12,340.0</b>	<b>2,274.9</b>	<b>0.0</b>
Metro	MR330.01	SR-138 (AvenueD) PA/ED (I-5 to SR-14)		19,400.0	0.0	19,400.0	19,400.0				
Metro/ Caltrans	MR330.12	SR 138 Segment 6 Construction		5,600.0	0.0	5,600.0	5,600.0				
		<b>TOTAL METRO</b>		<b>25,000.0</b>	<b>0.0</b>	<b>25,000.0</b>	<b>25,000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Lancaster	MR330.02	SR-138 (SR-14) Avenue K Interchange		20,340.0	(0.0)	20,340.0	15,000.0	1,000.0	4,340.0		
Lancaster	MR330.03	SR-138 (SR-14) Avenue G Interchange		1,875.1	(0.0)	1,875.1	1,875.1				
Lancaster	MR330.04	SR-138 (SR-14) Avenue J Interchange		21,274.9	0.0	21,274.9	10,000.0	1,000.0	8,000.0	2,274.9	
Lancaster	MR330.05	SR-138 (SR-14) Avenue L Interchange		1,510.0	0.0	1,510.0	1,510.0				
Lancaster	MR330.06	SR-138 (SR-14) Avenue M Interchange		20,000.0	0.0	20,000.0	20,000.0				
		<b>TOTAL LANCASTER</b>		<b>65,000.0</b>	<b>0.0</b>	<b>65,000.0</b>	<b>48,385.1</b>	<b>2,000.0</b>	<b>12,340.0</b>	<b>2,274.9</b>	<b>0.0</b>
Palmdale	MR330.07	SR-138 Palmdale Blvd. (SR-138) 5th to 10th St. East		25,000.0	0.0	25,000.0	25,000.0				
Palmdale	MR330.08	SR-138 Palmdale Blvd. SB 14 Ramps		25,000.0	0.0	25,000.0	25,000.0				
Palmdale	MR330.09	SR-138 10th St. West Interchange		15,000.0	0.0	15,000.0	15,000.0				
Palmdale	MR330.10	SR-138 (SR-14) Widening Rancho Vista Blvd. to Palmdale Blvd		25,000.0	0.0	25,000.0	25,000.0				
Palmdale	MR330.11	SR-138 Avenue N Overcrossing		20,000.0	0.0	20,000.0	20,000.0				
		<b>TOTAL PALMDALE</b>		<b>110,000.0</b>	<b>0.0</b>	<b>110,000.0</b>	<b>110,000.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
		<b>TOTAL SR-138 CAPACITY ENH</b>		<b>200,000.0</b>		<b>200,000.0</b>	<b>183,385.1</b>	<b>2,000.0</b>	<b>12,340.0</b>	<b>2,274.9</b>	<b>0.0</b>

# ATTACHMENT A

Lead Agency	Fund Agr (FA) No.	PROJECT/LOCATION	Notes	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY21	FY22	FY23	FY24
<b>North County: I-5/SR-14 HOV SURPLUS</b>				<b>85,094.9</b>		<b>85,094.9</b>	<b>15,751.2</b>	<b>31,466.7</b>	<b>23,877.0</b>	<b>14,000.0</b>	<b>0.0</b>
Lancaster	MR330.02	SR-138 (SR-14) Avenue K Interchange		9,297.5	0.0	9,297.5	4,000.0	5,297.5			
Lancaster	MR330.04	SR-138 (SR-14) Avenue J Interchange	ADD	0.0	8,769.2	8,769.2		569.2	6,000.0	2,200.0	
Lancaster	MR330.06	SR-138 (SR-14) Avenue M Interchange	DEOB	12,446.2	(8,769.2)	3,677.0	0.0		2,877.0	800.0	
		<b>TOTAL LANCASTER</b>		<b>21,743.7</b>	<b>(0.0)</b>	<b>21,743.7</b>	<b>4,000.0</b>	<b>5,866.7</b>	<b>8,877.0</b>	<b>3,000.0</b>	<b>0.0</b>
LA County	MR501.01	The Old Road - Magic Mountain Prkwy to Turnberry Ln		25,000.0	0.0	25,000.0	1,000.0	6,000.0	7,000.0	11,000.0	
		<b>TOTAL LA COUNTY</b>		<b>25,000.0</b>	<b>0.0</b>	<b>25,000.0</b>	<b>1,000.0</b>	<b>6,000.0</b>	<b>7,000.0</b>	<b>11,000.0</b>	<b>0.0</b>
Palmdale	MR330.08	SR-138 Palmdale Blvd SB 14 Ramps		1,186.2	0.0	1,186.2	1,186.2				
Palmdale	MR330.09	SR-138 10th St. West Interchange		12,600.0	0.0	12,600.0	3,000.0	9,600.0			
		<b>TOTAL PALMDALE</b>		<b>13,786.2</b>	<b>0.0</b>	<b>13,786.2</b>	<b>4,186.2</b>	<b>9,600.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
Santa Clarita	MR501.02	Sierra Highway Traffi Signal Improvements		565.0	0.0	565.0	565.0				
Santa Clarita	MR501.03	Vista Canyon Road Bridge at Los Canyon Road		20,000.0	0.0	20,000.0	4,000.0	8,000.0	8,000.0		
Santa Clarita	MR501.04	Vista Canyon Metrolink Station		4,000.0	0.0	4,000.0	2,000.0	2,000.0			
		<b>TOTAL SANTA CLARITA</b>		<b>24,565.0</b>	<b>0.0</b>	<b>24,565.0</b>	<b>6,565.0</b>	<b>10,000.0</b>	<b>8,000.0</b>	<b>0.0</b>	<b>0.0</b>
		<b>TOTAL I-5/SR-14 CAPACITY ENH</b>		<b>85,094.9</b>		<b>85,094.9</b>	<b>15,751.2</b>	<b>31,466.7</b>	<b>23,877.0</b>	<b>14,000.0</b>	<b>0.0</b>
		<b>Total Measure R Spent Inception to Date</b>		<b>1,481,725</b>	<b>4,433</b>	<b>1,486,158</b>	<b>1,089,085</b>	<b>147,994</b>	<b>142,119</b>	<b>57,165</b>	<b>50,595</b>

## Definitions:

Lead Agency is the primary project manager for the administration of scope and use of funds

Funding Agreement (FA): references the agreement number on file with Metro

Project Location: Describes the general scope and parameters of the project

Project Phase identifies which lifecycle phase the project is in at the time of reporting noted as follows:

*PI - Project Initiation / PE - Preliminary Engineering / EA - Environmental Analysis / FD - Final Design / ROW - Right of Way Acq / CON - Construction*

Notes: Provide a quick reference to reported change for the period such as:

*Add - Addition of a new project / REP - Reprogram of funds / SCAD - Scope Addition / BAD - Budget Adjustment / DEL - Deletion*

Prior Allocation identifies the reported project allocation reported in the previous report

Alloc Change denotes the amount of change occurring in the current reporting period.



## Board Report

File #: 2020-0807, File Type: Program

Agenda Number: 13.

### PLANNING AND PROGRAMMING COMMITTEE JANUARY 20, 2021

**SUBJECT: MEASURE M MULTI-YEAR SUBREGIONAL PROGRAM - WESTSIDE CITIES  
SUBREGION**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

- A. APPROVING programming of \$26,151,339 in Measure M Multi-Year Subregional Program (MSP) - Active Transportation 1<sup>st</sup>/Last Mile Connections Program; and
- B. AUTHORIZING the CEO or his designee to negotiate and execute all necessary agreements for approved projects.

#### **ISSUE**

Measure M MSPs are included in the Measure M Expenditure Plan. All MSP funds are limited to capital projects. Each subregion is required to develop an MSP five-year plan (Plan) and project list. Based on the amount provided in the Measure M Expenditure Plan, a total of \$27,303,860 was forecasted to be available for programming, from Fiscal Years (FY) 2017-18 to FY 2023-24, to the Westside Cities Subregion (Subregion) in the Active Transportation 1<sup>st</sup>/Last Mile Connection Program (expenditure line 51).

The Board's approval is required to program funds to these projects which serve as the basis for Metro to enter into funding agreements with the respective implementing agencies.

#### **DISCUSSION**

In June 2017, the Metro Board of Directors approved the adoption of the Measure M Master Guidelines (Guidelines) with two amendments and five approved motions. Subsequently, the Administrative Procedures for Measure M MSP was signed by the CEO on February 2, 2018.

The Subregion includes the cities of Beverly Hills, Culver City, Santa Monica, West Hollywood, the City of Los Angeles (Districts 5 and 11) and the County of Los Angeles (Districts 2, 3, and 4). On July 16, 2018, a Funding Agreement was executed between Metro and the Westside Cities Council of

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Governments (WCCOG) for the Planning Activities (Plan development and updates) for the MSP. The WCCOG and its consultants led the Plan development process, which included working with the member agencies along with the public participation process. The WCCOG Governing Board also adopted Subregional Qualitative Performance Measures including Mobility, Economic Vitality, Accessibility, Safety and Sustainability & Quality of Life, per the Administrative Procedures.

In the last few months, Metro staff worked closely with WCCOG, its consultant and the implementing agencies on project eligibility reviews of the proposed projects for this update. Metro required, during staff review, a detailed project scope of work to confirm eligibility - and establish the program nexus, i.e., project location and limits, length, elements, phase(s), total expenses and funding request, schedule, etc. This level of detail will ensure timeliness of the execution of the project Funding Agreements once the Metro Board approves the projects. For those proposed projects that will have programming of funds in FY 2022-23 and beyond, Metro accepted high level (but focused and relevant) project scope of work during the review process. Metro staff will work on the details with the WCCOG and the implementing agencies through a future annual update process. Those projects will receive conditional approval as part of this approval process. However, final approval of funds for those projects shall be contingent upon the implementing agency demonstrating the eligibility of each project as required in the Measure M Master Guidelines.

### Equity Platform

Consistent with Metro's Equity Platform, the MSP outreach effort recognizes and acknowledges the need to establish comprehensive, multiple forums to meaningfully engage the community to comment on the proposed projects under all programs. The WCCOG along with member agencies undertook an extensive outreach effort and invited the general public to a series of public workshops and meetings. Metro will continue to work with the Subregion to seek opportunities to reach out to a broader constituency of stakeholders.

### **DETERMINATION OF SAFETY IMPACT**

Programming of Measure M MSP funds to the Subregion projects will not have any adverse safety impacts on Metro's employees or patrons.

### **FINANCIAL IMPACT**

In FY 2020-21, \$4.07 million is budgeted in Cost Center 0441 (subsidies budget - Planning) for the Active Transportation Program (Project #474401). Upon approval of this action, staff will reallocate necessary funds to appropriate projects within Cost Centers 0441. Since these are multi-year projects, Cost Center 0441 will be responsible for budgeting the cost in future years.

### Impact to Budget

The sources of funds for these projects are Measure M Highway Construction 17%. These fund sources are not eligible for Metro bus and rail operating and capital expenditures.

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## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Recommendation supports the following goals of the Metro Vision 2028 Strategic Plan:

Goal 1: Provide high-quality mobility options that enable people to spend less time traveling by alleviating the current operational deficiencies and improving mobility along the projects.

Goal 4: Transform LA County through regional collaboration by partnering with the Council of Governments and the local jurisdictions to identify the needed improvements and take the lead in development and implementation of their projects.

## **ALTERNATIVES CONSIDERED**

The Board could elect not to approve the additional programming of funds for the Measure M MSP projects for the Subregion. This is not recommended as the proposed projects were developed by the Subregion in accordance with the Measure M Ordinance, Guidelines and the Administrative Procedures.

## **NEXT STEPS**

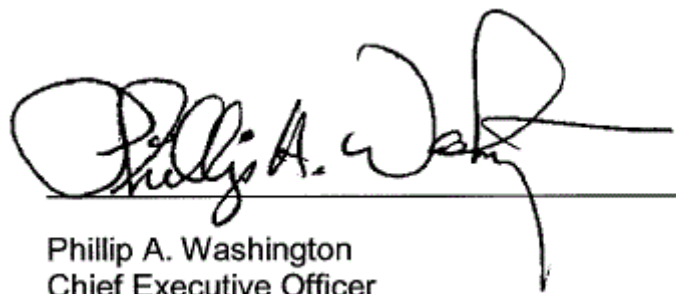
Upon Board approval, respective implementing agencies will be notified, and Funding Agreements will be executed with those who have funds programmed in FY 2020-21. Staff will continue to work with the WCCOG and the implementing agencies to identify and implement projects. Program/Project updates will be provided to the Board on an annual basis.

## **ATTACHMENTS**

Attachment A - Active Transportation 1<sup>st</sup>/Last Mile Connection Program Project List

Prepared by: Fanny Pan, DEO, Countywide Planning & Development, (213) 418-3433  
Shawn Atlow, Executive Officer, Countywide Planning & Development, (213) 418-3327  
Laurie Lombardi, SEO, Countywide Planning & Development, (213) 418-3251

Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



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Phillip A. Washington  
Chief Executive Officer

## Westside Cities Subregion

## Measure M Multi-Year Subregional Plan - Active Transportation First/Last Mile Connection Program (Expenditure Line 51)

	Agency	Project ID No.	Project/Location	Funding Phases	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Total Program
1	Beverly Hills	MM4801.02	La Cienega Blvd Bus Stop Improvements	PS&E Construction	\$ -	\$ 405,000	\$ -	\$ -	\$ 405,000
2	Beverly Hills	MM4801.03	Pedestrian and Wayfinding FLM Improvements - La Cienega Purple Line Station	PS&E Construction	-	723,158	-	-	723,158
3	Beverly Hills	MM4801.04	Wilshire Blvd Bus Stop Improvements	PS&E Construction	-	486,000	-	-	486,000
4	Culver City	MM4801.05	Overland Class II and IV with Pedestrian Improvements	PS&E Construction	750,000	92,496	-	-	842,496
5	Culver City	MM4801.06	Microtransit/First Last Mile Service Program	Equipment/Vehicle	-	100,000	-	-	100,000
6	Culver City	MM4801.07	Washington Transit/Mobility Lanes + Circulator/First-Last Mile Service Program	PS&E Equipment/Vehicle Construction	742,495	-	-	-	742,495
7	LA City	MM4801.08	Brentwood Walkability Enhancements (San Vicente Blvd: Bundy to Bringham) *	PS&E Construction	-	-	-	2,561,297	2,561,297
8	LA City	MM4801.09	Connect Del Rey Stress-Free Bicycle Enhanced Corridor *	PS&E Construction			4,393,838		4,393,838
9	LA City	MM4801.10	Expo Bike Path Gap Closure	Construction	-	3,168,000	-	-	3,168,000
10	LA City	MM4801.11	Santa Monica to Westwood Stress-Free Bicycle Enhanced Corridor *	PS&E Construction	-	-	8,406,584	-	8,406,584
11	Santa Monica	MM4801.12	Broadway Protected Bikeway: 5th Street - 26th Street	PS&E Construction	-	550,000	-	161,471	711,471

**ATTACHMENT A**

	Agency	Project ID No.	Project/Location	Funding Phases	FY2020-21	FY2021-22	FY2022-23	FY2023-24	Total Program
12	Santa Monica	MM4801.13	Colorado Protected Bikeway: 5th Street - 17th Street	PS&E Construction	-	-	150,000	350,000	500,000
13	Santa Monica	MM4801.14	Stewart & Pennsylvania Safety Enhancement Project	Construction	-	804,000	-	-	804,000
14	Santa Monica	MM4801.15	Wilshire Active Transportation Safety Project	PS&E Construction	-	128,000	-	968,000	1,096,000
15	West Hollywood	MM4801.16	Willoughby, Vista, Gardner Greenways *	Construction	-	-	1,211,000	-	1,211,000
<b>Total Programming Amount</b>					<b>\$ 1,492,495</b>	<b>\$ 6,456,654</b>	<b>\$ 14,161,422</b>	<b>\$ 4,040,768</b>	<b>\$ 26,151,339</b>

\* Conditional programming approval as only high level scope of work was developed and reviewed. Future annual update process will reconfirm the programming.



## Board Report

File #: 2020-0778, File Type: Agreement

Agenda Number: 14.

### PLANNING AND PROGRAMMING COMMITTEE JANUARY 20, 2021

**SUBJECT: CESAR E. CHAVEZ & SOTO JOINT DEVELOPMENT**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute an amendment to an existing Joint Development Agreement (“JDA”) with La Veranda, L.P. (“Developer”), an affiliate of Abode Communities, that will extend the term of the JDA for twelve (12) months to January 31, 2022.

#### **ISSUE**

Metro and the Developer are parties to the JDA, which provides for the development of a mixed-use project that includes income-restricted affordable housing and commercial space on Metro-owned property situated near the corner of Cesar E. Chavez Avenue and Soto Street in the community of Boyle Heights. The JDA is set to expire on January 31, 2021 and an amendment to the JDA is needed to extend its term. The extended term will provide the time necessary to complete predevelopment activities for the project and satisfy the JDA’s conditions precedent to execution of a ground lease.

#### **DISCUSSION**

##### **Background**

Metro and the Developer executed the JDA in January 2018 in accordance with Board authorization in December 2017. Prior to execution of the JDA, Metro and the Developer were parties to an Exclusive Negotiation Agreement and Planning Document (“ENA”) which allowed the parties to explore the feasibility of the project and conduct developer-led community engagement. Under the JDA, the Developer has secured funding commitments from all public financing sources needed to construct the project, including an allocation of Low-Income Housing Tax Credits from the California Tax Credit Allocation Committee. They have also advanced the project’s design to near completion and have received all needed entitlements from the City of Los Angeles, as well as project clearance under the California Environmental Quality Act.

Among other things, the requested extension will provide the time necessary for the Developer to work with third parties to satisfy two key conditions to ground lease execution: (1) obtaining final



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building permit approvals from the City of Los Angeles and (2) securing private sector financing commitments necessary to construct and operate the project. The Developer is now in the process of securing the needed private sector financing which includes construction loan and tax credit equity commitments from the banking community. They are also satisfying City of Los Angeles entitlement-related contingencies for building permit issuance and finalizing the project's design. In addition, Metro and the Developer are finalizing the ground lease for the project, the form of which will be in accordance with the authority provided by the Board in December 2017. Staff anticipates that the activities described in this paragraph will be completed by March 2021, placing the parties in a position to execute the ground lease. Nevertheless, staff is requesting a one-year extension of the JDA just in case unforeseen circumstances result in delay.

### *Site Overview*

The development site totals approximately 1.96 acres of Metro-owned property bounded by Cesar E. Chavez Avenue to the north, Soto Street to the west, Mathews Street to the east, and a residential neighborhood to the south (see Attachment A - Site Map). The Metro L Line (Gold) Soto station is located about one-quarter mile south of the site. This property was originally purchased for extension of the Metro Red/Purple Line subway into Boyle Heights, but with the construction of the Metro L Line's Eastside Extension, it was no longer needed for this purpose.

### *Project Description*

The project, known as La Veranda, contemplates 76 income-restricted affordable apartments, one unrestricted property manager's apartment, approximately 8,000 square feet of commercial space, and associated parking. The proposed apartments will provide two- and three-bedroom units. Thirty-eight of the project's income-restricted affordable apartments are planned for homeless families earning up to 30% of the Area Median Income. The other thirty-eight income-restricted affordable apartments are slated for families earning between 30% and 50% of the Area Median Income.

### *Outreach*

The recommended actions follow extensive project-related outreach by Metro and the Developer. This effort started under a Short Term ENA which was executed by the parties in March 2015 for the sole purpose of conducting project-specific community outreach. Outreach continued throughout the term of the full ENA which was executed in December 2015. Collectively, these efforts resulted in approvals from the Boyle Heights Neighborhood Council ("BHNC") Planning and Land Use Committee ("PLUC") and the BHNC in October 2015, and approval of the project design by Metro's Boyle Heights Design Review Advisory Committee ("DRAC") in June 2016. Outreach also resulted in the Developer agreeing to deepen the project's affordability levels in exchange for Metro's agreement to provide a larger ground lease rent discount. This agreement was approved by the Board in December 2017. Dialogue with the community via the BHNC PLUC continues (Developer presentations occurred in July and September 2020) and updates to the DRAC and the full BHNC are expected in early 2021.

## **EQUITY PLATFORM**

Consistent with the Equity Platform pillar "listen and learn," the project has undergone a robust community engagement process as noted above. In addition, the project provides an opportunity to "focus and deliver" by adding much needed transit-accessible, income-restricted affordable housing

stock to the community, along with commercial space along a main commercial corridor.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will have no impact on safety as it only seeks an amendment of the JDA to extend its term. Appropriate construction oversight will be included under the ground lease for the project as part of any construction work to ensure that such work does not adversely impact Metro property, improvements or service, or the continued safety of Metro staff, contractors and the public.

### **FINANCIAL IMPACT**

Funding for joint development activities related to the project is included in the adopted FY21 budget under Cost Center 2210, Project 401003. Metro costs related to the proposed project that are not reimbursed by the Developer will be funded from General Funds, which are eligible for bus and rail operating and capital expenses.

#### **Impact to Budget**

There is no impact to the adopted FY21 budget, which includes the cost to negotiate the JDA amendment, ground lease and other project-related documents, review the design and support outreach efforts. No new capital investment or operating expenses are anticipated to implement the project, and revenues from a developer deposit offset certain staff and project-related professional services costs.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The recommended action supports the Strategic Plan Goal to “enhance communities and lives through mobility and access to opportunity.” By advancing the project, which includes delivery of critical transit-accessible, income-restricted affordable housing to the Boyle Heights community, as well as commercial space along a main commercial corridor, the recommended action will specifically implement Initiative 3.2, which states “Metro will leverage its transit investments to catalyze transit-oriented communities and help stabilize neighborhoods where these investments are made.”

### **ALTERNATIVES CONSIDERED**

The Board could choose not to authorize the JDA amendment, in which case the JDA would expire on January 31, 2021. At that time, staff would stop working with the the Developer to develop the project. Metro could then choose to solicit new proposals for development of the site from the development community. Staff does not recommend this alternative as proceeding with the proposed project is the quickest and surest way to bring much needed transit-accessible, income-restricted affordable housing to the community, as well as commercial space along a main commercial corridor, each of which is in alignment with Metro’s Strategic Plan and Equity Platform. The Developer’s longstanding commitment to this project, including its financial investment to date, provides further reason not to choose this alternative.

## **NEXT STEPS**

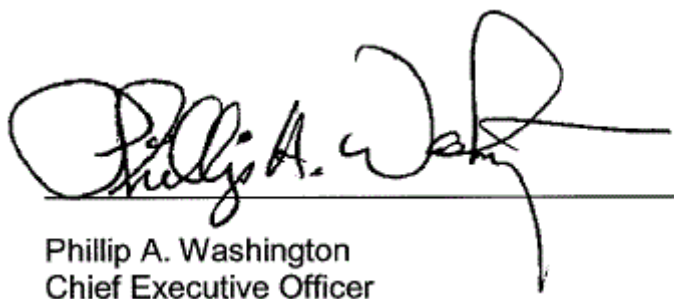
Upon approval of the recommended action, Metro and the Developer will execute an amendment to the JDA, extending the JDA term in accordance with the recommended action. Under the extended JDA, the Developer will continue working to (a) secure all financing for the project, including a construction loan and tax credit equity, (b) satisfy City of Los Angeles entitlement-related contingencies for building permit issuance, and (c) secure a building permit. In addition, design refinements will be finalized, concluding in a Metro-approved set of construction drawings. Developer-led community engagement will continue with project updates to the BHNC PLUC, BHNC and the DRAC. Ultimately, the parties anticipate execution of a ground lease in March 2021 in accordance with the Board's December 2017 authority. Construction of the project is expected to commence promptly thereafter and should be completed two years hence.

## **ATTACHMENTS**

Attachment A - Site Map

Prepared by: Greg Angelo, Senior Director, Countywide Planning & Development, (213) 922-3815  
Nick Saponara, Executive Officer, Transit Oriented Communities, (213) 922-4313  
Holly Rockwell, SEO, Real Estate, Transit Oriented Communities, Transportation  
Demand Management (213) 922-5585

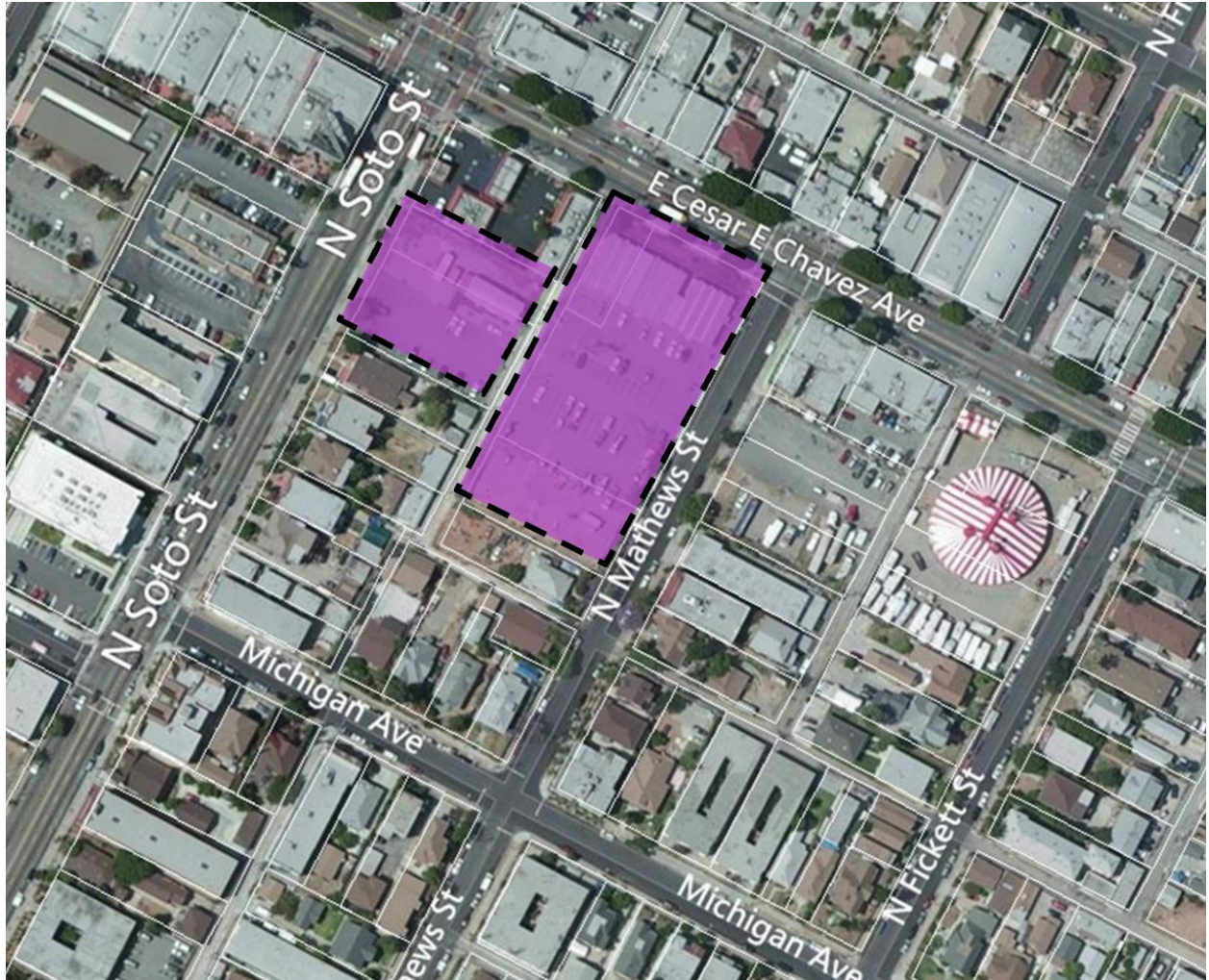
Reviewed by: Jim de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington  
Chief Executive Officer

## ATTACHMENT A

### SITE MAP







# Next stop: vibrant communities.

Cesar E. Chavez & Soto Joint Development

Planning & Programming Committee

January 20, 2021

Legistar File: 2020-0778



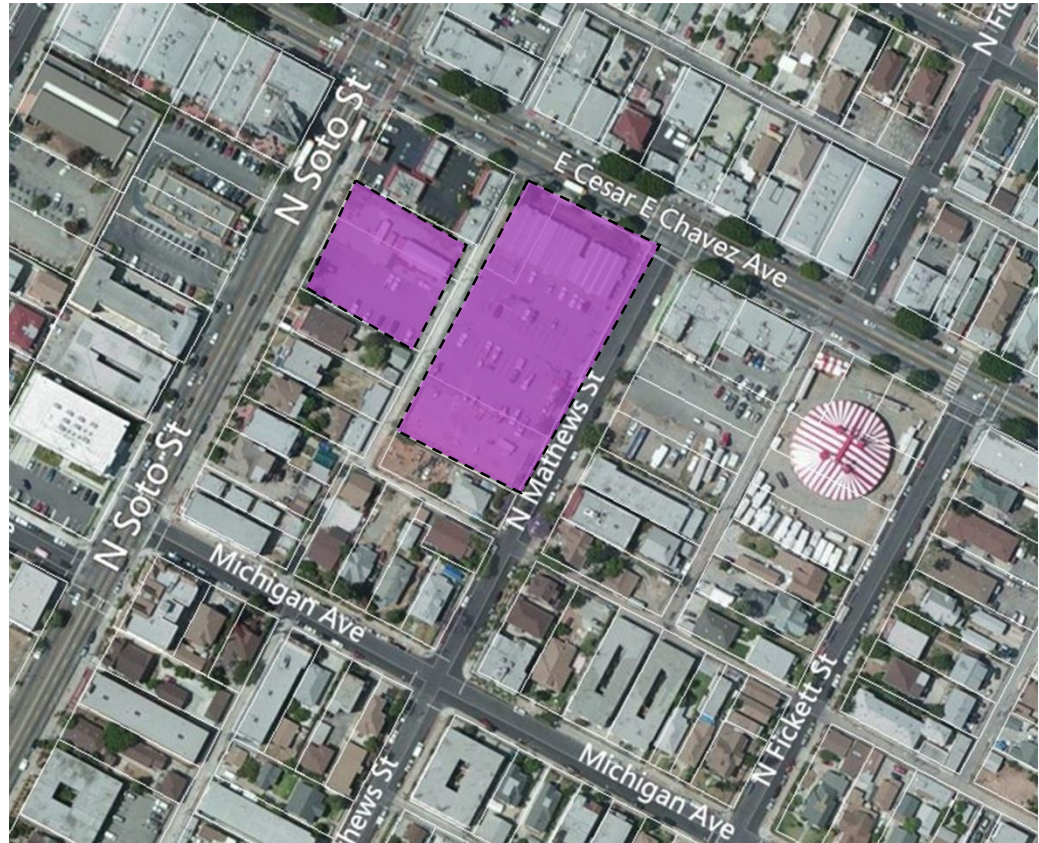
# Recommendation

AUTHORIZE the Chief Executive Officer to execute an amendment to an existing Joint Development Agreement (“JDA”) with La Veranda, L.P. (“Developer”), an affiliate of Abode Communities, that will extend the term of the JDA twelve (12) months to January 31, 2022.



# Joint Development Site

- Site:
  - 1.96 acres of vacant Metro land
  - 0.25 miles from Metro L Line (Gold) Soto station
  - Purchased for extension of the Red Line Subway into Boyle Heights



# Project Overview

- Board approval of JDA and Ground Lease terms in Dec 2017
- JDA executed in January 2018; Set to expire January 31, 2021
- Proposed project
  - 77 apartments
    - 38 affordable, supportive housing units for formerly homeless families earning up to 30% of AMI
    - 38 for families earning 30% to 50% of AMI
    - 1 unit at market-rate for a manager
  - Approx. 8,000 square feet of ground floor commercial space
- Proposed project is fully entitled and CEQA cleared
- Proposed project has secured all needed public financing, including an allocation of Low-Income Housing Tax Credits
- Design of the proposed project is nearly complete



# Outreach

- Developer-led outreach began in March 2015
- Outreach efforts to date have led to:
  - Design approval by the Boyle Heights Neighborhood Council, BHNC Planning & Land Use Committee and Metro-established Design Review Advisory Committee in June 2016
  - Deeper affordability levels for the Project, which were approved by the Board in December 2017
- Further dialogue with BHNC PLUC has continued with updates in July 2020, Sept. 2020 and Jan. 2021
- Updates to the BHNC and the DRAC are anticipated in early 2021

# Next Steps

- Developer will:
  - Secure private sector financing (construction loan/permanent loan and tax credit equity)
  - Satisfy entitlement-related contingencies in order to obtain a building permit
- Metro and developer will:
  - Finalize design refinements/approvals
  - Finalize a ground lease for the project in accordance with the Board's Dec 2017 authority
  - Execute the ground lease (anticipated in spring 2021)
    - Project construction will start promptly thereafter and is anticipated to take 2 years to complete



## Board Report

**File #:** 2020-0668, **File Type:** Informational Report

**Agenda Number:** 15.

### PLANNING AND PROGRAMMING COMMITTEE JANUARY 20, 2021

**SUBJECT:** COUNTYWIDE PLANNING MONTHLY MAJOR PROJECT STATUS REPORT

**ACTION:** RECEIVE AND FILE

#### RECOMMENDATION

RECEIVE AND FILE the monthly status of major capital projects that are currently in the Alternatives Analysis and Environmental Planning phase.

#### BACKGROUND

At the last monthly update to the Planning and Programming Committee in November 2020 (Legistar File #2020-0667) the Committee directed staff to return in January 2021 with a more comprehensive status report, specifically:

- a. Directors Hahn and Dupont-Walker requested a West Santa Ana Branch project strategic update covering environmental clearance, third-party engagement, P3 timing, project funding plan and project organization including the project lead and the related roles and responsibilities.
- b. Director Hahn requested more details on meetings being conducted in both the Green Line to Torrance and the Eastside Corridor Extension.

#### DISCUSSION

The West Santa Ana Branch (WSAB) project scope and schedule are ambitious, and the Metro Board of Directors has asked Metro staff to take all possible measures to further accelerate delivery and maximize the scope that can be delivered in the first decade of the Measure M program. Metro is embarking on an ambitious P3 delivery approach to drive innovation and performance and minimize risk while maximizing budget and schedule attainment and ensuring the integrity of the environmental process.

The project presents numerous environmental and technical design challenges. There are a range of third parties with which Metro will have to coordinate to resolve a variety of complicated permits and approvals before final design and construction can begin, including but not limited to, Union Pacific Railroad (UPRR), Caltrans, U.S. Army Corps of Engineers, State Historic Preservation Office, Utilities Providers etc.

The challenge of achieving these ambitious goals has led Metro to approach the project through an integrated, coordinated, multidisciplinary strategy to ensure all these moving parts fit together into a cohesive, successful plan. Metro has established various teams, each of which are responsible for progressing individual components of the project strategy. Work efforts that are typically sequential have been overlapped, with the goal of reducing overall timeframes (though this approach also requires a higher level of staff and consultant resources, and increased levels of staff coordination).

In response to the Directors Dupont-Walker's and Hahn's questions at the November 2020 committee meeting, Attachment A describes a comprehensive, interdependent strategy that Metro staff have been following to develop and deliver the WSAB project. It addresses the following:

1. Metro Teams' Roles & Responsibilities
2. Overall Project Schedule
3. Environmental Clearance
4. Third-Party Engagement
5. Design Efforts
6. Enabling Works Sequence
7. P3 Timing
8. Project Funding Plan

This monthly report also summarizes the responses to the November Planning & Programming Committee WSAB project requests in the PowerPoint slides included in Attachment B. The status of CPD's other key projects is summarized in the PowerPoint slides included in Attachment C. Specific project meeting dates and activities are described as follows.

- **Green Line to Torrance**

The EIR scoping period will be held for a 45-day review period starting on January 29 and extending through March 14 with virtual scoping meetings scheduled on February 24 and 27, 2021.

In advance of the scoping period, a series of stakeholder meetings have been held to refresh the community on the project. The team has met with all three cities in the study area which include:

- City of Torrance (November 10),
- City of Redondo Beach (November 18 and December 14)
- City of Lawndale (November 19)

All three cities provided guidance and shared topics of concern for the project that will be shared during the scoping period and during the environmental process. These concerns included looking further into community and traffic impacts potentially identified in the environmental process and working with the local stakeholders to identify ways to minimize them either through design of the alternatives being studied or proposed mitigation measures.

Additionally, the team is having on-going meetings with other stakeholders including

- BNSF Railroad. Several meetings have been held with Burlington Northern Santa Fe Railroad. On December 2, BNSF shared their current operation and the need to maintain their current/future capacity in the area. They provided guidance on changes to the conceptual alignment in the shared Right-Of-Way (ROW) and were open to on-going discussions as the project progresses through the environmental and advanced conceptual engineering phase.
- Right of Say (December 9). The Right of Say group shared their concerns with the project alternative along the Metro-owned ROW and their intention to participate in the scoping meetings and inform the environmental process.

Stakeholders meetings with the following have been scheduled:

- South Bay Metro Service Council (January 8)
- South Bay COG Transportation Committee (January 11)
- Redondo Beach Unified School District (January 12)
- South Bay Bicycle Coalition (January 13)
- North Torrance Neighborhood Association (January 14)
- Redondo Beach Rotary Club (January 20).

- **Eastside Corridor Extension**

In February 2020 the Board approved the Washington Alternative and to proceed with CEQA only. Since that time, the Draft Advanced Conceptual Engineering (ACE) drawing have been developed and are now under review by internal departments and the Tunnel Advisory Panel. Supporting draft reports are being revised and submitted by the

engineering consultant.

Since the November Planning & Programming Committee meeting, staff has met with the following corridor cities to solicit their input on the Draft ACE in their respective jurisdictions:

- City of Whittier (November 18)
- City of Pico Rivera (December 15)
- City of Santa Fe Springs (December 21)

Subsequent meetings are being scheduled per the cities' requests. An update to the City of Whittier City Council Ad-hoc is tentatively scheduled for the first week of January. Pico Rivera city staff also requested a separate meeting to discuss a City-led Rio Hondo Bridge Expansion project and right-of-way needs for the Eastside Transit Corridor Phase 2 project.

These meetings were generally attended by city managers, assistant city managers, department directors, and appropriate city staff. Meetings are being scheduled with the cities of Commerce and Montebello in January. Overall, there is general support for the project. Cities have provided preliminary input on the status of any city right-of-way improvements and/or abutting development projects. Cities will have an opportunity to continue their review of the Draft ACE and submit comments by mid-January.

Contract Modifications for the environmental and engineering consultants are nearing completion with an anticipated execution date in January. Meanwhile, the project continues to advance under the existing contracts.

The Board action in February 2020 also included the funding of an independent study to evaluate the needs of the San Gabriel Valley; the San Gabriel Valley Council of Governments will be leading the study. Metro staff has worked closely with SGVCOG and has executed a Memorandum of Understanding to proceed with an RFP for professional services for the San Gabriel Valley Transit Study. Metro staff will continue to provide technical support as needed.

- **East San Fernando Valley LRT**

On December 3, 2020 the Board approved the certification of the Final EIR for the project. This concluded the CEQA environmental clearance of the project. Staff is now working with the Federal Transit Administration to secure the Record of Decision for the federal environmental clearance that is necessary to make the project eligible for federal construction funding grants.

Staff is also working on the scope of work and schedule for a Shared Right of Way Study that was directed by the Board at the December meeting and will return in February with a report on next steps for that study.

- **Sepulveda Transit Corridor**

The private sector PDA proposals which were received in August 2020 are nearing the completion of internal review led by Metro's Vendor/Contract Management Department. The multi-departmental proposal review team will bring one or two of the highest ranked proposal(s) back to the Board in early 2021 with a recommendation to award.

At that time, the Board is expected to review these recommendations over the course of two meetings regarding which firm(s) will be awarded a PDA contract from Metro. Staff plans to initially present the recommendation for the PDA to the Board and then return to the Board the following month for the action to award a contract to one or more private sector teams. This will allow the public sufficient time to review the Board report, learn more about the procurement process and the factors that led to the recommendation for award and provide any comments to Metro or directly to the Metro Board.

The selected PDA project proposals will then be advanced into environmental review that will be formally initiated through public scoping meetings. The schedule for these scoping meetings will be presented as a part of the Board's

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review on the recommended PDA awards.

- **NoHo to Pasadena BRT**

The NoHo to Pasadena BRT Draft EIR comment period began on October 26 and concluded on December 28. The comments received are currently being reviewed and are in the process of being summarized. Currently the most challenging issues include community concerns over parking loss along Olive Ave. in Burbank and a lack of community consensus on a BRT design in Eagle Rock. Comments pertaining to the Eagle Rock section of the project have been heavily in favor of routing the BRT along Colorado Blvd. rather than on the SR-134 freeway. However, the community has expressed concerns over impacts to the buffered bike lanes, medians, traffic, and parking.

In January, staff are re-engaging with key stakeholders to work through these remaining issues. In Eagle Rock specifically, a stakeholder roundtable is being planned to discuss BRT design concepts on Colorado Blvd. and try to strike a balance between some of the competing priorities expressed by community members. The primary goal of this additional stakeholder outreach is to help inform the next step in the process, which is to develop a recommended LPA. Key details contained in the LPA will include a final project alignment, station locations, and a specific BRT configuration along each segment of the alignment (i.e. center-running, side-running, curb-running bus lanes).

Staff currently intends to return to the Metro Board in March 2021 with two recommendations, including 1) selecting the LPA and 2) exercising the Preliminary Engineering option contained in our existing environmental services contract. If the Board approves both recommendations, staff will begin work on the Final EIR and advancing the selected BRT design.

#### **NEXT STEPS**

CPD will provide an update on current project activities every month.

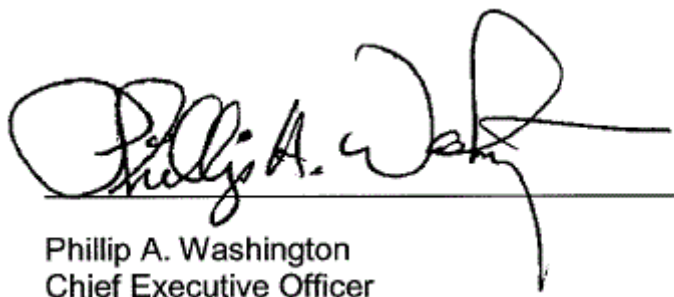
#### **ATTACHMENTS**

Attachment A - West Santa Ana Branch Project Update & Responses

Attachment B - Summary Slides for West Santa Ana Branch Corridor

Prepared by: Meghna Khanna, Senior Director (213) 922-3079  
Dolores Roybal-Saltarelli, DEO (213) 922-3024  
Cory Zelmer, DEO (213) 922-1079  
David Mieger, SEO, (213) 922-3040

Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



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Phillip A. Washington  
Chief Executive Officer

## **ATTACHMENT A: Project Delivery Strategy Report**

### **(Responses to Planning & Programming Committee)**

- A. Metro Teams Roles & Responsibilities
- B. Overall project schedule
- C. Environmental Clearance
- D. Third-Party Engagement (including but not limited to UP)
- E. Design Efforts
- F. Enabling Works Sequence
- G. P3 Timing
- H. Project Funding Plan

#### Additional questions:

- Identified Metro Lead for WSAB (addressed as part of A)
- Defined roles, responsibilities, and timelines for each of the different internal WSAB teams (addressed as part of A)
- UPRR strategy for dealing with right of way issues (addressed as part of D)

## 1. Introduction

The West Santa Ana Branch (WSAB) will be one of the most complicated infrastructure projects that Metro has delivered. The corridor and alignment present numerous technical design challenges. There are a range of third parties with which Metro will have to coordinate to resolve a variety of complicated permits and approvals before final design and construction can begin. The scope and schedule of the project are ambitious, and the Metro Board of Directors has asked Metro staff to take all possible measures to further accelerate delivery and maximize the scope that can be delivered in the first decade of the Measure M program. Finally, Metro is embarking on an ambitious P3 delivery approach to drive innovation and performance and minimize risk while maximizing budget and schedule attainment.

The challenge of achieving these ambitious goals has led Metro to approach the project through an integrated, coordinated, multidisciplinary strategy to ensure all these moving parts fit together into a cohesive, successful plan. Metro has established various teams, each of which are responsible for progressing individual components of the project strategy. Work efforts that are typically sequential have been overlapped, with the goal of reducing overall timeframes (though this approach also requires a higher level of staff and consultant resources, and increased levels of staff coordination).

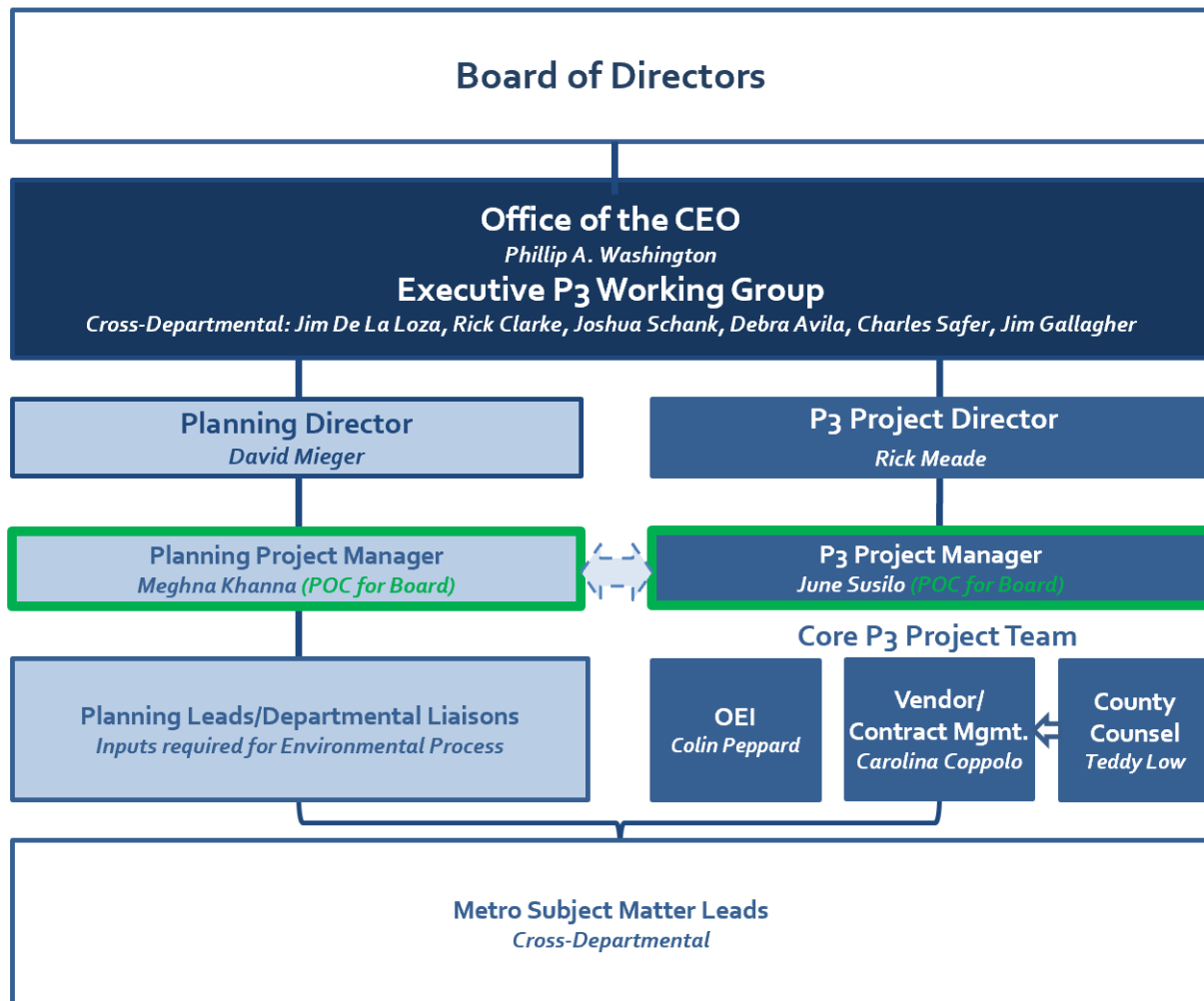
Metro's approach to the WSAB effort is described further below.

## 2. Metro Team Structure, Roles & Responsibilities

Due to the overlapping and integrated nature of the work effort, as well as the multi-disciplinary requirements of a P3 procurement that may include all aspects of the project's lifecycle, Metro has used a matrix-based approach to the project teams, with each drawing from multiple departments or offices. **Figure 1** below shows the consolidated organizational structure of the overall WSAB project development effort. The Planning and P3 efforts are integrated, coordinated workstreams, with other contributing Metro departments supporting both efforts as required. Each workstream holds regular, frequent meetings (typically multiple times per week) with its core members, with collaboration of contributing departments occurring as needed. The full team representing all workstreams meets weekly, and the CEO and Senior Leadership are briefed on progress bi-weekly. A high-level description of the key roles and responsibilities of each team follows.



**Figure 1. WSAB Project Organizational Chart**



## Metro Planning Team

### Project Planning

- Lead Staffer: Meghna Khanna (Point of Contact for Board)
- Metro Executive: David Mieger

Project planning is a critical prerequisite of the P3 procurement. The Planning Team is responsible for environmentally clearing the project under state and federal environmental permitting processes. This includes advancing the conceptual design of the project to support the environmental process, as well identifying and advancing the design of all required environmental mitigations and 3<sup>rd</sup> party agreements. Design efforts initially are focused on the LRT alignment and core project components (e.g. trackway, stations, etc.), but will also include station/systemwide designs, first-and-last mile planning, and other key components, each led by the relevant group within the Planning Department. Feedback is also incorporated from other departmental liaisons, such as Operations, Rail Systems Engineering, Fire/Life Safety, etc. to ensure the project design supports future development of plans related to these disciplines.

The Planning Team ensures consistency with Metro policy and Measure M guidelines, as well as consistency with the Long-Range Transportation Plan and other strategic planning tools. Planning is also responsible for advancing the project's funding plan and securing grants from state and federal sources.

The outputs of the Project's planning process are direct inputs into the P3 procurement process.

### **P3 Project Team**

The P3 Project Team is responsible for developing and, if validated, executing an effective and expeditious procurement of the project through a P3 delivery model. The P3 effort is multi-departmental by design, representing the integrated multi-disciplinary nature of developing a P3 procurement. Each of the core team members are described below.

#### **Program Management**

- Lead Staffer: June Susilo (Point of Contact for Board)
- Metro Executive: Rick Meade

Program Management is the lead coordinating department for the P3 Procurement and Enabling Works Project effort. Program Management staff coordinate P3 Project Team meetings, documents, reviews, comments, schedules, tasks, timelines, etc. and is responsible for integrating the work products and deliverables of all P3 Project Team members. Program Management is also responsible for developing the technical aspects of the procurement, including development of all technical specifications, documents, and information supporting the project scope, as well as technical elements of the procurement package and form of contract. Program Management is the lead to coordinate designs for the Enabling Works with third parties and stakeholders including UPRR, cities, CPUC, Caltrans, and various utility companies.

Program Management oversees the P3 Technical Advisor and Engineering Consultant for Enabling Works.

#### **County Counsel**

- Lead Staffer: Teddy Low
- Metro Executive: Charles Safer

County Counsel manages all legal work pertaining to the P3 project agreement (i.e., contract) and procurement, as well as providing information and advice on all federal, state, and local statute and regulatory requirements. County Counsel also oversees Legal Advisory work, ensuring legal tasks are completed on time and to the highest standards. County Counsel will also support negotiations and contracting, including developing or reviewing all legal documents.

#### **Vendor/Contract Management**

- Lead Staffer: Carolina Coppolo
- Metro Executive: Debra Avila

Vendor/Contract Management (V/CM) leads the procurement process, including overseeing development of all procurement documents, timelines, interactions with potential bidders prior to and during procurement, oversight and administration of the procurement process, coordination of evaluation and scoring, contract negotiations, bid award, etc. and ensures the integrity of the procurement process. V/CM works with the team to ensure compliance with all internal, local, state, and federal statutes, regulations, and policies, and to ensure compliance with all ethical requirements. V/CM leads all commercial matters, based on the outputs of the technical and financial analysis.

### **Office of Extraordinary Innovation**

- Lead Staffer: Colin Peppard
- Metro Executive: Joshua Schank

OEI leads the development of the P3 Business Case, which supports the commercial/financial approach to P3 delivery. This includes overseeing the project's value for money analysis, which supports development of the P3 procurement package and contract, including the payment mechanism linking to performance specifications. OEI also provides a bridge to the P3 market, in terms of market trends and precedent, processes, industry engagement, and documentation during the pre-procurement and procurement phases of the project.

OEI oversees the external P3 Financial Advisors, in support of these efforts.

### **Other Key Departmental Partners**

Many departments and offices across Metro will contribute significantly to the development of this project. Subject matter leads contribute as needed to both the Planning and P3 development efforts. However, the following departments also contribute their insights as part of the regular Planning and/or P3 Project Team meetings:

- *Operations*: The Operations Liaison advises regularly on how project design may impact operations, and has responsibility for informing all technical specifications related to operations, facilities, rolling stock, and/or maintenance, and support development of any scope elements and evaluation criteria related to these functions.
- *Communications/Community Relations*: These team members develop and execute all communications plans related to the project development and implementation, with the goal of establishing and maintaining frequent, trusted interactions with all stakeholders throughout the project's development.

## **3. Overall Project Schedule**

As noted above, the WSAB development and delivery effort includes several workstreams, each of which have their own timelines. While some of these workstreams would typically be executed sequentially, Metro has chosen to overlap certain efforts to meet the direction to accelerate the schedule to the extent possible without risking the environmental effort.

Below is an overall project schedule outlining each of the various interdependent activities that are required to complete this project. Four key workstreams shown are: 1) Environmental Process; 2) Third Party Coordination; 3) Enabling Works; and 4) P3 Procurement.

- 1) *Environmental Process*: The Environmental process is a precursor to any final design or construction activities, and therefore drives the overall project schedule.
- 2) *Third Party Coordination*: Coordination with third parties that must provide various permits and approvals before final design and construction has begun with utilities, municipalities, the US Army Corps of Engineers, property owners including Union Pacific Railroad, Ports of Los Angeles and Long Beach, Caltrans, and the California Public Utilities Commission (grade crossings).
- 3) *Enabling Works*: Certain project components have been identified as high risk/high consequence elements that if not planned strategically and executed successfully could impact the P3 contract and add

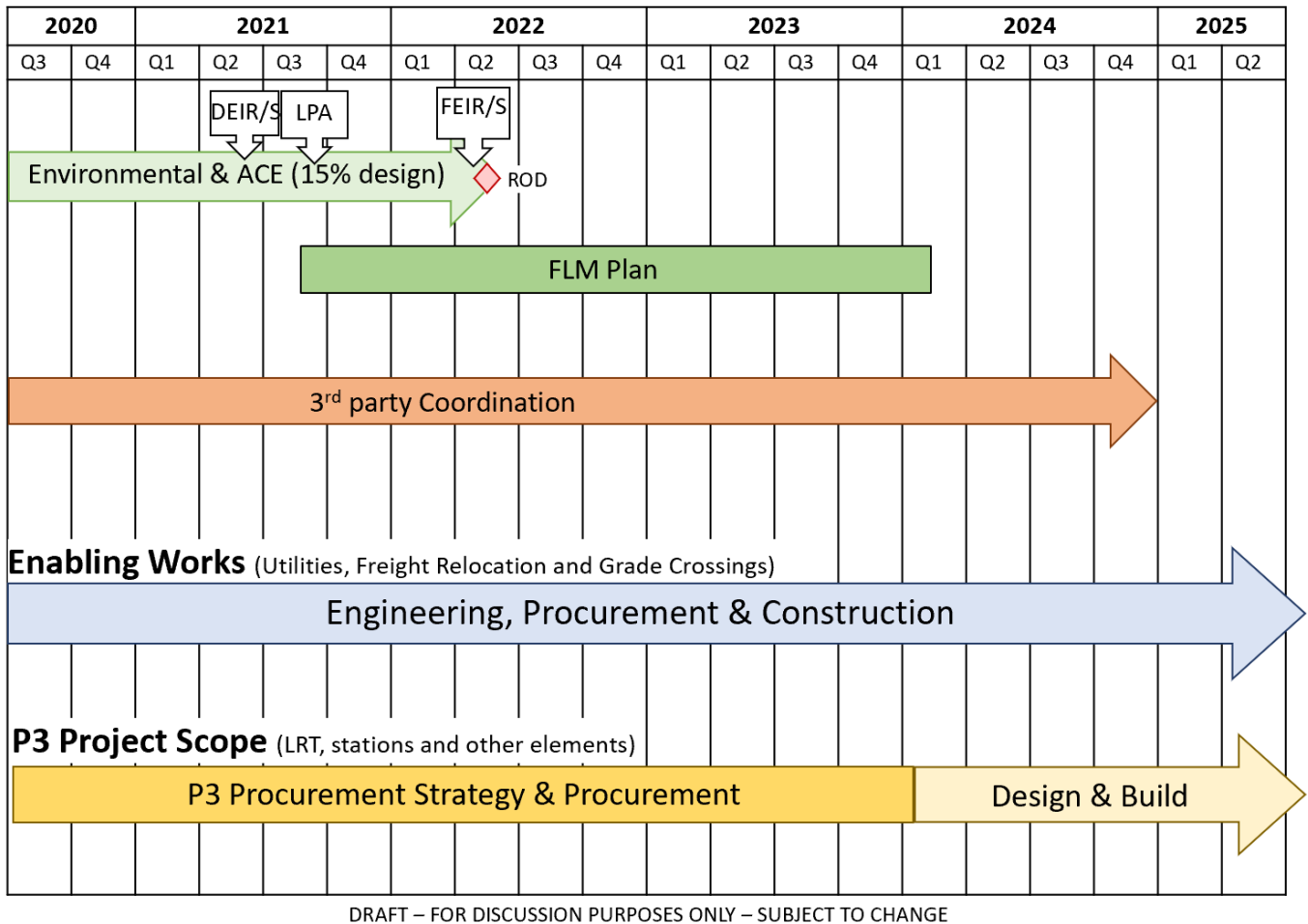
cost and schedule delays to the LRT construction. These components generally require long lead times and/or high levels of design (~100%). These high-risk items have been packaged together as the project's "Enabling Works," which will be separately procured and constructed from the main LRT system, and include utilities investigations and relocation, geotechnical investigations, grade crossing design, freight rail relocation design and construction, and Caltrans interface (i.e. Green Line station and I-105 bridge reconstruction). Third party agreements must be in place for these elements to move to construction.

- 4) *P3 Project Scope*: The P3 Project scope comprises the remaining LRT project works, which are being assessed for P3 delivery. This includes remaining civil works including railbed, track, traction power and rail/wayside systems and train controls, stations, and maintenance & storage facility, as well as rolling stock. Metro must have certainty regarding the scope and schedule before beginning construction of these project components.

The schedule below in **Figure 2** shows the interdependencies of the procurement milestones for Environmental, Enabling Works and P3 contracts. The environmental process milestones follow the state (CEQA) and federal (NEPA) environmental requirements and dictate the level of design effort needed to support environmental analysis without predetermining the Preferred Alternative. In addition, the ability to advance negotiations and completion of third-party agreements and approvals by UPRR, cities, Caltrans, CPUC, and various utility companies is also tied to completion of environmental.

To expedite the delivery of the project, design for Enabling Works will continue to advance while the environmental document is underway. The UPRR agreement and approval of the freight relocation design is a critical step towards the ability to start the enabling works construction. Due to the extensive design review and approval process with UPRR, the 18-month application time frame for CPUC approval for grade crossing applications, USACE, and Caltrans approval processes, some of the design packages will overlap with construction. 2022 is the anticipated groundbreaking which is likely to occur in the metro-owned Pacific Electric Right-of-Way (PEROW) and where approvals for work within the ROW are not required.

**Figure 2. WSAB Integrated Project Summary Schedule**



The project schedule is updated regularly, with risks to key milestones identified and mitigations implemented to the extent possible.

## 4. Environmental Clearance

The Environmental approval process is the required first step of the project development effort. The project cannot advance to final design and/or construction, nor receive federal financial assistance, until the environmental process is complete. Four Build Alternatives are being considered in the environmental process as part of the Draft EIS/R:

1. **Alternative 1:** Los Angeles Union Station to Pioneer
  - **Design Option 1 (Alt 1):** Northern terminus behind MWD Building on east side of LAUS, not at the LAUS Forecourt
  - **Design Option 2 (Alt 1):** Adds the Little Tokyo Station
2. **Alternative 2:** 7th St/Metro Center to Pioneer
3. **Alternative 3:** Slauson/A Line (Blue) to Pioneer
4. **Alternative 4:** I-105/C Line (Green) to Pioneer

Alternative 3 & 4 are [Board-approved IOS segments](#). These were approved to be studied as part of the Draft environmental clearance in 2018. **Table 1** provides a high-level comparison summary of these Alternatives. **Figures 3 and 4** show the alternatives and alignment configuration for each alternative.

**Table 1. Comparison Summary of Draft EIS/R Build Alternatives**

	Alt 1: Union Station to Pioneer	Alt 2: 7th/Metro to Pioneer	Alt 3: Slauson to Pioneer	Alt 4: Green Line to Pioneer
<b>Length (miles)</b>	19.3	19.3	14.8	6.6
<b>At-grade</b>	12.3	12.3	12.2	5.6
<b>Aerial</b>	4.7	4.7	2.6	1.0
<b>Underground</b>	2.3	2.3	-	-
<b>MSF Facility</b>	Bellflower or Paramount	Bellflower or Paramount	Bellflower or <b>Paramount</b>	Bellflower or Paramount
<b>No. of Stations</b> <small>All alternatives include a new C Line Station at I-105</small>	11 3 aerial; 6 at-grade; 2 underground	12 3 aerial 6 at-grade 3 underground	9 3 aerial 6 at-grade	4 1 aerial 3 at-grade
<b>No. of Crossings</b>				
<b>At-grade crossings</b>	31	31	31	11
<b>Elevated street crossings</b>	25	25	15	7
<b>Freight crossings</b>	10	10	9	2
<b>Freeway crossings</b>	6	6	4	3
<b>River crossings</b>	3	3	3	1
<b>Shared ROW with freight (miles)</b>	11.4 miles	11.4 miles	10.1 miles	2 miles
<b>Freight relocation needed (miles)</b>	8.1 miles	8.1 miles	8.1 miles	1.3 miles
<b>No. of Park &amp; Rides</b>	5 facilities (Firestone, I-105/C Line, Paramount/Rosecrans, Bellflower and Artesia Stations) (Alternative 4 does not include the Park & Ride at Firestone)			

**Existing Transit**

- Metro Rail Lines & Stations (A, B, C, D, E, L)
- Metro Busway & Station (J)
- Regional Connector (under construction)

**WSAB Transit Corridor Project**

- Alternative 1: Union Station to Pioneer
- Alternative 2: 7th St/Metro Center to Pioneer
- Alternative 3: Slauson/A Line [Blue] to Pioneer
- Alternative 4: I-105/C Line [Green] to Pioneer
- Design Option
- Parking Facility (P)





### Figure 4. Project Alignments/Configurations





## Environmental Schedule

The schedule below shows the key milestones remaining in the environmental process. This schedule includes a 45-day public comment period after circulation of the Draft EIS/EIR in June 2021, followed by the Metro Board selection of the Locally Preferred Alternative (LPA). The LPA decision will be based on: effectiveness in meeting the Purpose and Need, environmental impacts and benefits, public comments received during the public review period, and above all the financial capacity to construct, operate, and maintain the Project.

Milestone/Review	Schedule
<b>First Admin Draft EIS/EIR Submittal</b>	Nov 20, 2020
Min. three rounds of FTA reviews, Metro response and Legal Review	Nov 20 to June 2021
<b>Federal Register Publication/Draft EIS/EIR Release</b>	June 2021*
<b>Public Comment Period</b>	June to August 2021
<b>Board Selects LPA</b>	September 2021
<b>FTA Issues ROD &amp; Final Certification of EIR by Metro Board</b>	Summer 2022

\* Includes 180 days of SHPO delay, Green Line Station design exploration considering the I-105 Historic District designation, and Slauson Station design exploration.

## First Last Mile (FLM) Plan

Per Board-approved Metro policy, Metro will also establish a FLM Plan for the project. The FLM Plan will:

- Build upon the WSAB Transit Oriented Development Strategic Implementation Plan (TOD SIP) completed in May 2019.
- With Board Selection of the LPA, FLM planning will begin and include engagement with the cities and stakeholders. The FLM Plan will identify a network of walking and biking improvements around the stations within the half-mile radius for walking improvements and up to a three-mile radius for biking improvements.

## 5. Third-Party Engagement (including but not limited to UP)

The corridor for all of the WSAB Build Alternatives will require significant third-party approvals, including various environmental permits and/or approvals, right-of-way agreements, and approvals from asset owners, municipalities, and regulatory bodies. Most of these approvals are schedule critical to progression of the project's final design and construction.

Accordingly, the Planning and Project Teams have established a risk-based strategy for addressing various third-party coordination and engagement tasks. For example, if schedule risk is high, but approval risk is low (e.g. grade crossings), Metro is simply adding additional time contingency to its schedule. On the other hand, asset owners like utilities and Caltrans may present greater design risks, which are addressed through greater pre-construction investigation and design efforts. These are further discussed below.

## A. Freight Coordination - Union Pacific Railroad (UPRR) and Ports of LA & Long Beach

Each of the Build Alternatives would be located parallel to active freight rail track(s). Specifically, the following segments would be impacted:

- UPRR-owned Wilmington Branch right-of-way (ROW) (between approximately Martin Luther King, Jr. Boulevard along Long Beach Avenue to Slauson Avenue),
- UPRR-owned La Habra Branch ROW (between Slauson Avenue along Randolph Street to Salt Lake Avenue),
- Ports of Los Angeles and Long Beach-owned San Pedro Subdivision ROW (between Randolph Street to approximately Paramount Boulevard), and
- Metro-owned PEROW (between its intersection with the San Pedro Subdivision ROW from approximately Paramount Boulevard to Somerset Street).

The Build Alternatives 1, 2 & 3 would require the following realignment of freight track(s) to accommodate the LRT alignment and maintain existing freight operations.

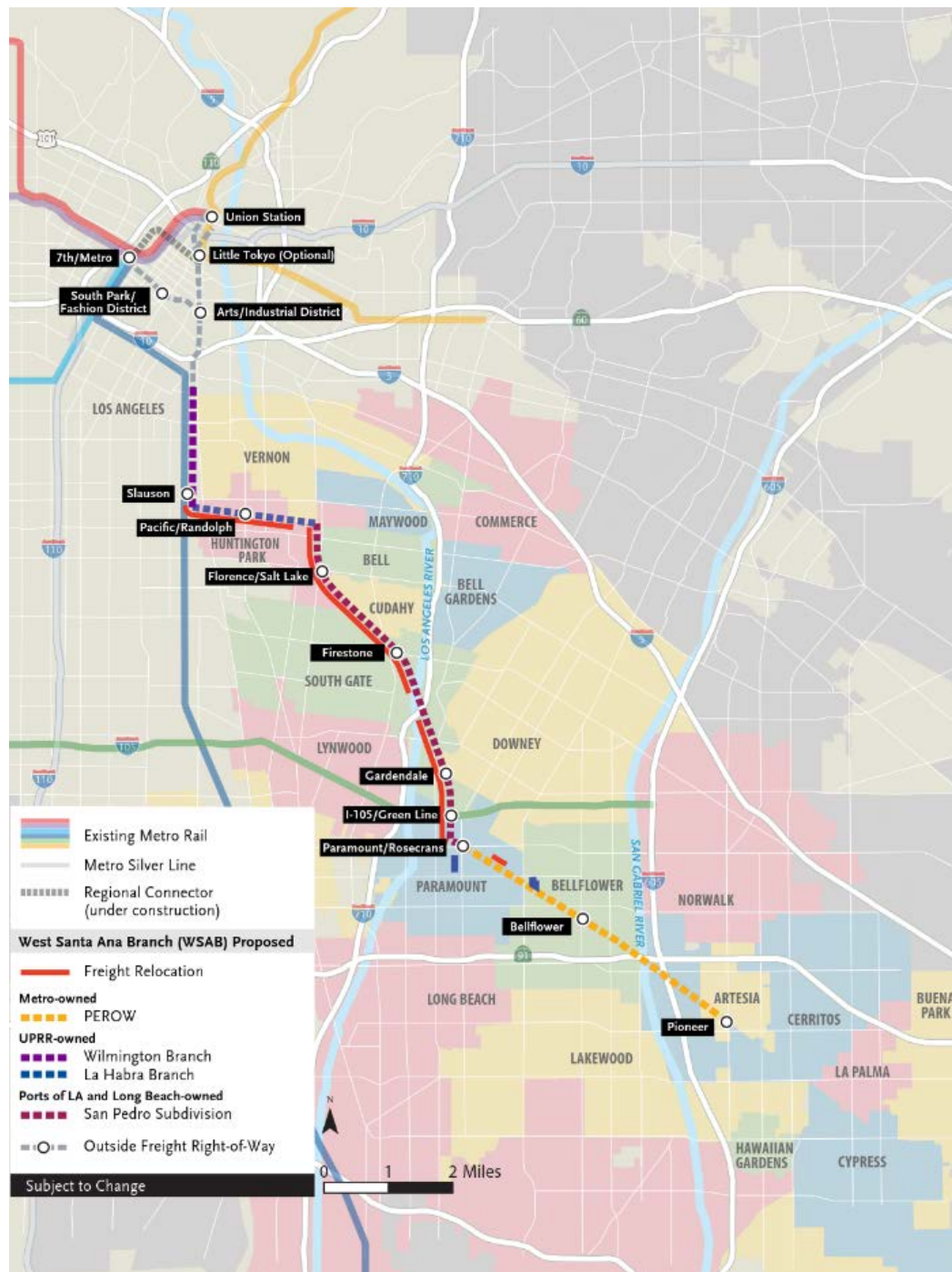
- Require an aerial easement along the Wilmington Branch ROW; the LRT would be in an aerial viaduct that would overhang the UPRR ROW
- Relocation to the south of the LRT alignment within the La Habra Branch ROW,
- Relocation to the west of the LRT alignment within the San Pedro Subdivision ROW, and
- Relocation to the north of the LRT alignment within Metro-owned PEROW.

Table 2 below summarizes the freight rail impacts of each alignment. **Figure 5** shows the WSAB interface with freight ROW.

**Table 2. Freight Track Realignment**

Rail ROW	Shared ROW with Freight (miles)	Freight Relocation by Build Alternatives (miles)			
		Alternative 1	Alternative 2	Alternative 3	Alternative 4
Wilmington Branch	1.8	0.1	0.1	0.1	—
La Habra Branch	2.3	2.0	2.0	2.0	—
San Pedro Subdivision	6.1	5.4	5.4	5.4	0.7
Metro-owned PEROW	1.2	0.6	0.6	0.6	0.6
<b>Total</b>	<b>11.4</b>	<b>8.1</b>	<b>8.1</b>	<b>8.1</b>	<b>1.3</b>

**Figure 5. WSAB Project and Freight Interface**



Final design and construction of either the Enabling Works or P3 LRT Project cannot begin without reaching agreement with freight right-of-way owners. UPRR is essential in delivering this project because they own and have operating rights on more than 50% of the corridor. Timely resolution of the impacts to UPRR ROW is critical to meeting the project schedule, and indeed, completing the project at all. In addition to schedule implications, agreements regarding ROW access, freight rail relocation, and required operational and safety measures may have

significant cost implications. As a result, the Project Team has developed the following strategy to address these challenges:

- Minimize UPRR network impacts both initially and long-term,
- Maintain UPRR operations and minimize future potential customer impacts to the extent practicable,
- Minimize UPRR real estate impacts, and
- Maximize safe shared corridor operations.

To implement the above strategy the Project Team:

- Has signed a Preliminary Agreement and Non-disclosure Agreement with UPRR in February 2020. This is an important initial step to commit Metro funds to reimburse UPRR for their technical and legal review of project documents.
- Has had several meetings with UPRR to discuss the project with the most recent occurring on December 9<sup>th</sup>, 2020. Attendees from UPRR included representatives from their network planning, operations, real estate, government affairs, and public projects divisions. UPRR noted that some of their internal stakeholders have changed since the spring and will therefore require additional time to get them up to speed on the project. Below is a summary of the meeting:
  - Overview of the project scope and alignment characteristics including interface in the three subdivisions that are key to UPRR.
  - Emphasis that there is funding available with the passing of Measures R and M to progress this project.
  - It was noted that significant effort has occurred to get feedback from all the communities along the proposed alignment which has driven the decision for the location of this project.
  - Some notable feedback from UPRR on the proposed alignment include the following:
    - No comment on the proposed horizontal clearance between LRT and freight tracks at this time until further investigation could be conducted.
    - Access for UP maintenance must be maintained.
    - Considerations for impacting adjacent city streets and not just UPRR. (Response was traffic lanes, parking, and sidewalks will be impacted in the La Habra Subdivision.)
    - Concern regarding impacts to both existing and potential future industrial customers. (Responded that it was too early to engage in a parallel path to identify and mitigate any property transactions. However, UPRR acknowledged that having their engineering and real estate divisions working simultaneously was not unheard of.)
  - UPRR stated they would like to wait until after their upper management meeting before setting up regular meetings with Metro. Metro staff indicated they would follow up with UPRR the week of December 21<sup>st</sup> to get added updates and feedback from UPRR's upper management meeting.

The process for UPRR to obtain approval on a project from their internal organization includes:

- Working with the UPRR assigned manager and technical leads to address engineering, right-of-way, marketing, and customer service concerns,
- Presenting to the UPRR NEST Committee (made up of senior personnel from their Engineering, Marketing, Right-of-Way, and Legal divisions) to make the business case by outlining the project pros and cons,
- Presenting the business case to their Operating Committee and Corporate Executives who would ultimately make the final decision on the project.

Only until after going through these committees will UPRR begin negotiations with LA Metro.

- Metro has engaged design consultants with UPRR experience.
- The Metro Board has sent a letter to UPRR on December 14<sup>th</sup> emphasizing not only the Board's priority on the WSAB project but also its commitment to working with UPRR to deliver the project.
- Plans to schedule recurring technical meetings to continue momentum of the project.
- Continue to leverage pre-existing relationships with key UPRR representatives.
- Continue to work with and make progress with the local UPRR team and engage executive and political resources strategically.

The Project Team will also continue to coordinate with the Ports of Los Angeles and Long Beach since they own the 6.1-mile long San Pedro Subdivision.

## B. Gateway Cities

Each of the cities that the project runs through must grant several approvals to allow the project's design and construction to advance within that City's portion. To help address city's approval process and associated concerns, the WSAB City Managers TAC was formed within the Gateway Cities COG to serve as an effective forum for generating consensus positions on a range of technical, financial, and policy challenges confronting the corridor cities. The members include City Managers or key staff for the cities and LA County staff. The 10 Gateway Cities include Huntington Park, Vernon, Cudahy, Bell, South Gateway, Downey, Paramount, Bellflower, Cerritos and Artesia. The monthly meetings are also attended by key board deputies from Supervisor Hahn, Supervisor Solis, Mayor Garcia offices and Eco-Rapid and the Gateway Cities COG staff.

Metro has worked with the TAC to establish a collaborative approach to achieving the milestones required for the project to advance, which includes:

- Developing & executing provisions of the **Master Cooperative Agreement** with Metro that cover the interests of all the corridor jurisdictions and to establish a scope and work plan with cities to reimburse the cities for their review time.
- Establishing ongoing engagement on the current project-level environmental process (being conducted by Metro and its consultant WSP) to protect interests of the cities and secure meaningful mitigation measures, supported by an effective monitoring system.
- Developing an approach to the required 3% contribution to Metro from cities along a light rail line (per Measure R and Measure M), and its relation to implementation of First/Last Mile projects within cities.
- Partnering effectively with Metro in the implementation of the Transit-Oriented Development Strategic Implementation Plan (TOD SIP) which was completed in 2019.
- Coordinating on other efforts such as the Urban Design Guidelines, SCAG and Metro Value Capture Studies, etc.

## C. Caltrans

The planned project alignment crosses six freeways owned by Caltrans, which requires coordination regarding environmental clearance, design and construction.

In particular, the I-105 Freeway requires demolition and reconstruction of three bridges including an existing freight bridge, the Arthur Avenue pedestrian bridge, and Façade Avenue street bridge. A new LRT bridge will also be constructed next to the relocated freight bridge. Bridge work is summarized in **Table 3**, below.

The approval and environmental clearance of these bridge design and modifications is critical to meeting the project schedule and progressing overall project design.

- Executed a work order with Caltrans to establish scope and work plan (Form 60s/payment) to reimburse Caltrans staff for services provided
- Scheduling monthly meetings with Caltrans team
- Preparing Project Study Report/Project Report for Caltrans approval. The report will be submitted to Caltrans in June after the release of Draft EIS/R
- Advancing Enabling Works design to further discussions on bridge type, construction means and methods

**Table 3. Freeway Crossings**

Alt 1: Los Angeles Union Station to Pioneer	Alt 2: 7th and Metro to Pioneer	Alt 3: Slauson to Pioneer	Alt 4: I-105/C Line to Pioneer
US-101: Underground Bored Tunnel	US-110: Underground Bored Tunnel: Partial crossing		
<ul style="list-style-type: none"> <li>• I-10: Aerial</li> <li>• I-710: Undercrossing (jack box construction)</li> <li>• I-105: Aerial (new bridges over the freeway)</li> <li>• SR-91: WSAB will use existing undercrossing</li> <li>• I-605: WSAB will use existing undercrossing</li> </ul>		<ul style="list-style-type: none"> <li>• I-710: Undercrossing (jack box construction)</li> <li>• I-105: Aerial (new bridges over the freeway)</li> <li>• SR-91: WSAB will use existing undercrossing</li> <li>• I-605: WSAB will use existing undercrossing</li> </ul>	<ul style="list-style-type: none"> <li>• I-105: Aerial (new bridges over the freeway)</li> <li>• SR-91: WSAB will use existing undercrossing</li> <li>• I-605: WSAB will use existing undercrossing</li> </ul>

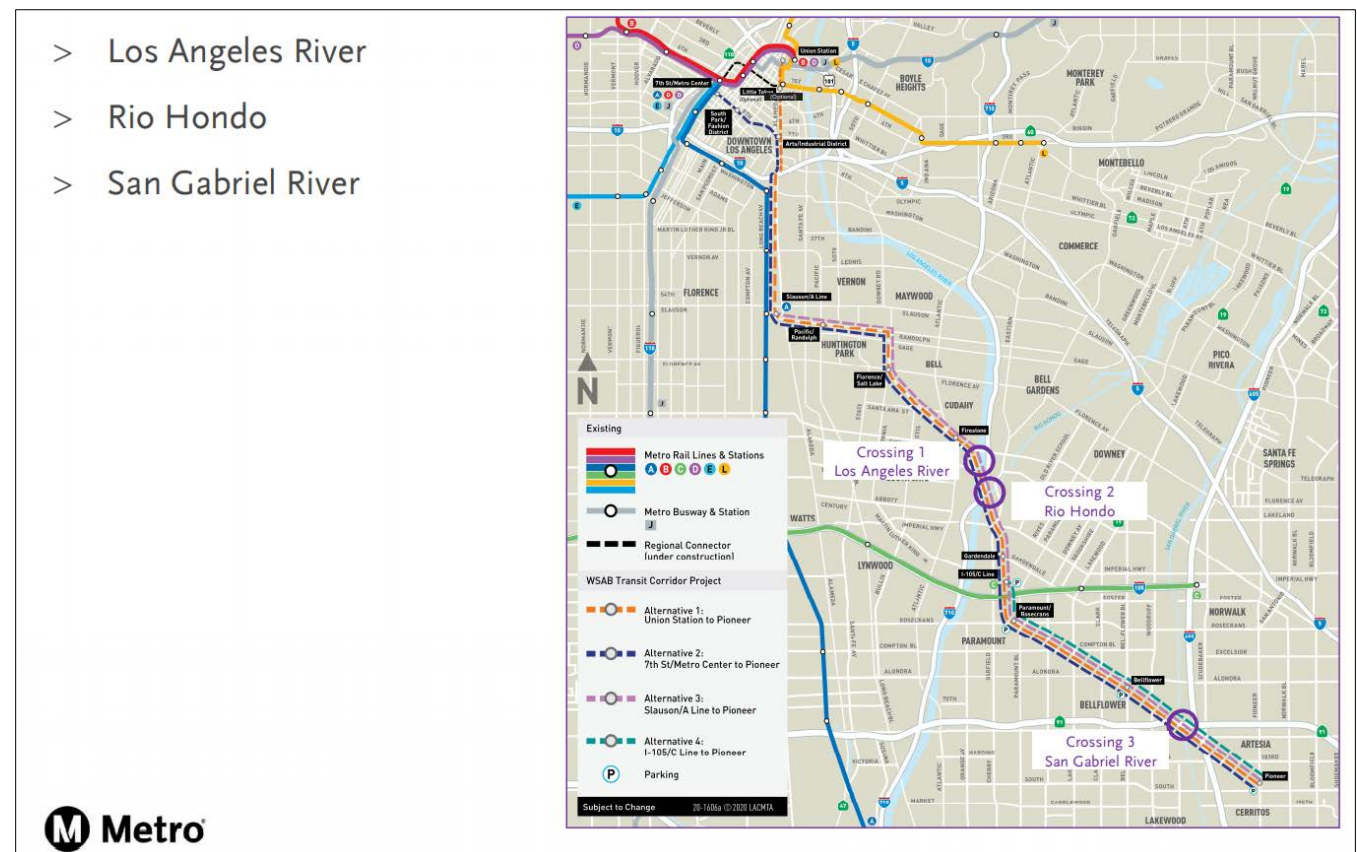
#### D. U.S Army Corps of Engineers (USACE)

The alignment will cross three existing concrete-lined flood channels adjacent to existing railroad bridge crossings at Los Angeles River, Rio Hondo, and San Gabriel River. Alternative 4 requires only one crossing at San Gabriel River. Each of these river crossings, shown in Figure 6, impacts flood control channels owned and operated by the U.S. Army Corps of Engineers (USACE). To construct over these bodies of water, the Project will require Section 404 and 408 permits. Metro has begun early permitting activities to ensure that such approval can be granted in a timely manner:

- Entered into Agreements to establish scope and work plan for 408 and 404 review and approval and reimburse staff for their time
- Submitted the Project Jurisdictional Delineation Report for review In October 2020 as the first step of the approval process
- Advance the design of river crossings and conducting geotechnical subsurface investigations under enabling works scope



**Figure 6. River Crossings**

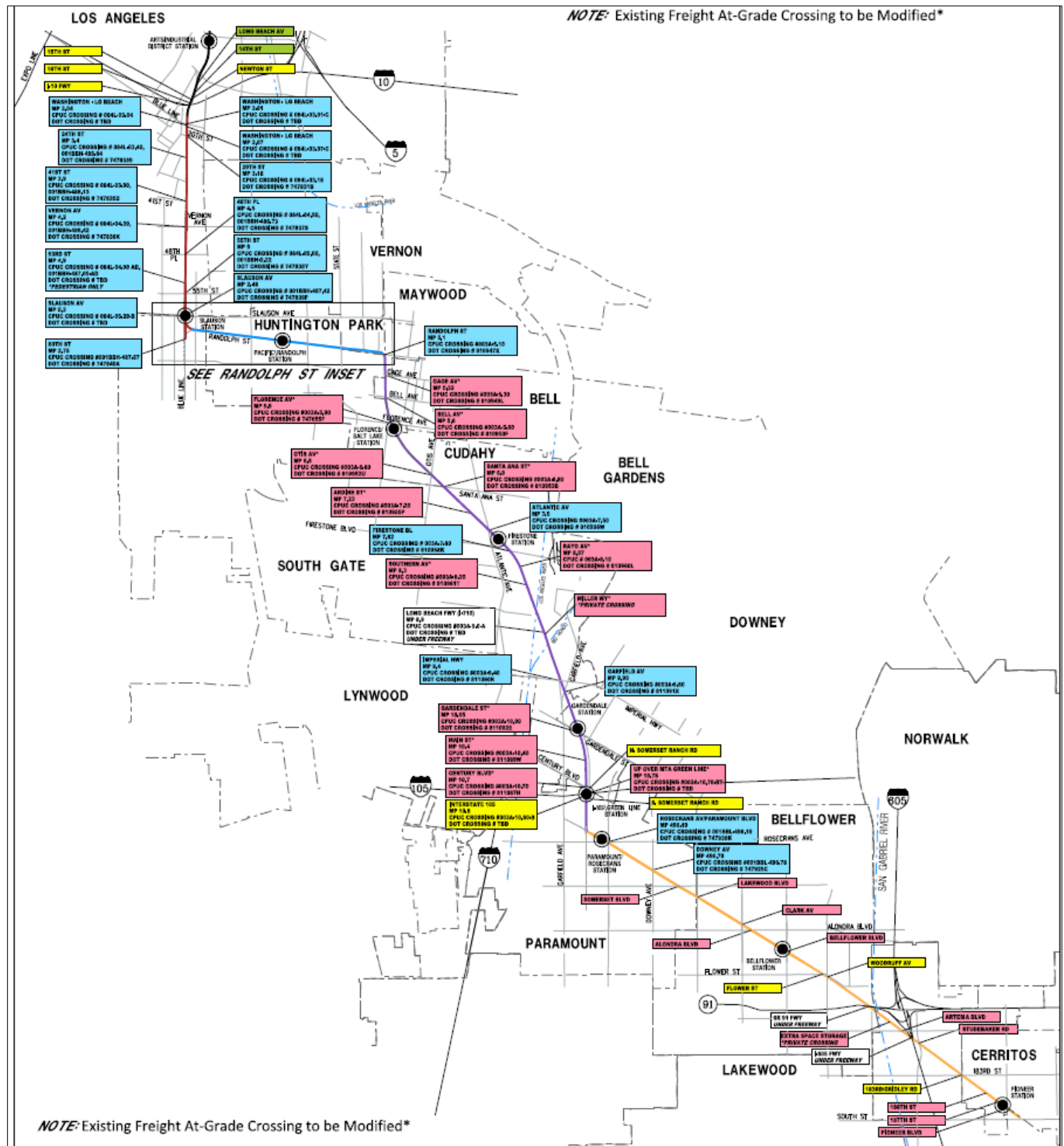


## E. California Public Utilities Commission (CPUC)

Thirty-one at-grade street crossings will require approval from the California Public Utilities Commission. **Figure 7** shows the location of these crossings. The CPUC process includes an 18-month application and design review process that begins at the end of the environmental process. An approved project environmental document is a prerequisite for starting this process. To accelerate this timeframe, Metro plans to use the Enabling Works scope to:

- Advance the grade crossing design with input and concurrence from UPRR and the Cities,
- Meet with CPUC on a regular basis to discuss design of grade crossings, and
- Work with CPUC to develop multiple grade crossing application packages and time the submittal of the packages based on level of complexity such that CPUC could approve the simpler crossings more expeditiously than the 18 months. This allows Metro to work with the contractor to sequence construction based on approval of grade crossing packages.

### Figure 7. Street Crossings





## F. Utilities

The WSAB requires coordination with 64 utility companies. Conflicting utilities may need various treatment, including relocation in many cases. Based on 15 percent project design, Metro has identified interfaces with 18 water utilities, 88 power assets, eight telecom assets, 6 gas utilities, ten oil utilities, 58 SD assets, and 25 SS assets, for a total of 213 interfaces which could present conflicts or require treatment.

Potential major utility conflicts include the following

<b>Southern California Edison</b>	<ul style="list-style-type: none"><li>○ Overhead 54</li><li>○ Underground 27</li><li>○ Transmission 2</li></ul>
<b>LADWP</b>	<ul style="list-style-type: none"><li>○ Transmission 4</li></ul>
<b>SoCal Gas</b>	<ul style="list-style-type: none"><li>○ Three 26" Lines and one 30" Line</li></ul>
<b>Oil</b>	<ul style="list-style-type: none"><li>○ 4 Lines (6-12" – EACH 1500')</li></ul>
<b>Telecommunications</b>	<ul style="list-style-type: none"><li>○ Multiple 4-12" conduit ductbanks</li></ul>

In general, utilities have relocation policies that allow for conflicts to be addressed as long as the affected agency 1) provides funding for the design and construction, and 2) conforms to the utilities' design criteria. Through the Enabling Works effort, Metro plans to take early action on these potential conflicts as follows:

- Confirm utility conflicts with utility owners and by potholing
- Identify disposition of the utility (abandon, protect-in-place, or relocate)
- Design the relocated utility with ongoing coordination with utility owners
- Obtain approval
- Reduce potential schedule delay to the LRT construction and therefore minimize project risks

## 6. Design Efforts

Critical to the success of this project is balancing the advancement of project design for various components. In some instances, advancing project component design will help to reduce uncertainty that could drive contingencies and risk premiums up, result in cost overruns or schedule delays, or otherwise create challenges to project delivery. In other cases, limiting design efforts can preserve the opportunity for P3 bidders to introduce performance-based innovations into the project design, creating opportunities to reduce costs, accelerate schedules, and limit risk premiums and contingency budgets. The Project Team has completed advanced conceptual engineering of the build alternatives to support environmental analysis, provide flexibility in selecting the LPA and plans to advance enabling works for specific project elements to reduce environmental risks as needed and described below.

## 7. Enabling Works Sequence

Completing design and construction of high risk/high consequence and critical path elements of the project especially those requiring third-party approvals prior to construction of the LRT infrastructure by a P3 Developer is

key to minimizing risks to the overall project and likely to accelerate the delivery of the project. The sequence of Enabling Works is as follows:

- Advance the design for Enabling Works including freight relocation, grade crossings, and utility relocations in the portion of the corridor common to all four Build Alternatives
- Perform subsurface geotechnical borings
- Determine delivery method for construction including but not limited to Construction Manager/General Contractor (CMGC)
- Release RFQ/RFP for approved delivery method
- Continue coordination with UPRR, cities, Caltrans, CPUC, and utility owners
- Obtain Board approval for award of contract for Enabling Works delivery
- Issue Notice-to-Proceed for preconstruction services
- Complete final design and obtain third party approvals (e.g., CPUC grade crossing applications and Caltrans project approval) following final EIR certification and/or ROD issuance
- Upon successful negotiation of CMGC contract issue NTP for construction of Enabling Works
- Construction of Enabling Works commences

## 8. P3 Timing

Development of a project like WSAB for P3 delivery requires several key steps to support procurement efforts, which can occur once the project's environmental approvals are in place, and key third party issues are resolved. The key deliverables include:

- a project risk analysis, which allows staff to quantify the value of project risks and performance requirements
- a value for money (VfM) analysis to confirm P3 delivery as the appropriate approach and support the P3 contract structuring
- the P3 contract, which is specific to the project, and includes detailed performance specifications, risk allocation, and payment terms
- the solicitation package, which includes the RFQ, RFP, P3 contract, scope of the project, performance requirements, and proposed payment terms, as well as the approach to evaluation and selection of a preferred proposer

It is important that these materials each reflect the actual project that is to be built, and therefore cannot progress too far ahead of the advancement of the project design. Metro's strategy is for a "just-in-time" drafting approach, where each of the materials described above is developed as soon as there is sufficient project design detail and certainty that it won't change in a significant way.

The current expected milestone schedule is below. Note that if key project development milestones change, these P3 milestones will shift accordingly.

Activity	Target Date
<b>1. Update Risk Analysis for Enabling Work and IOS LRT scope (completed)</b>	October 2020
<b>2. Preliminary VfM Analysis for internal review and comment</b>	Early December 2020

<b>3. Finalize VfM Analysis</b>	Late December 2020
<b>4. Initial draft WSAB Business Case for Internal Review</b>	Early January 2020
<b>5. Internal Review/Comment Process</b>	January 2021
<b>6. Draft preliminary WSAB Business Case</b>	March 2021
<b>7. Funding and Affordability Assessment and Procurement Strategy</b>	September 2021
<b>8. Value for Money Update/Refresh based on LPA</b>	Winter 2021/2022
<b>9. Update P3 Procurement Documents and Contract per VfM/LPA</b>	Winter/Spring 2022
<b>10. Issue P3 Solicitation</b>	Upon Enabling Works Contract Award

## 9. Project Funding Plan

Metro staff has developed a funding plan for the initial project, cost, and schedule that was included in the Measure M sales tax ordinance approved by voters in 2016. The ordinance identifies approximately \$1 billion for a FY28 project from Artesia to the Green Line, and approximately \$3 billion for a FY41 project to downtown Los Angeles (in 2015 dollars). The funding plan includes funds for the cost of expected inflation and has been distributed to the Metro Board, public, State, and Federal Transit Administration. Metro has already secured \$300 million of State SB1 funding in 2018 for construction of the project. The balance of planned State and federal grant funding was to be sought as the project nears construction.

However, Metro is currently evaluating alternative funding strategies and an accelerated schedule for the project. The cost associated with this is being refined and anticipated to be discussed with the Board in March 2021. A revised funding plan may need to be developed based on the selected LPA cost, and schedule agreed to by the Board, notwithstanding the Metro cost management policy that, for any cost increase, scope reductions and value engineering are evaluated prior to allocating more funding, and funding within the subregion and corridor are evaluated prior to the use of countywide or regional funding.

Should the Board direct staff to pursue a higher cost alternative, staff will attempt to identify and secure an achievable amount of funding for the gap. In anticipation of an accelerated and potentially higher cost alternative, staff has initiated a capital investment grants strategy that will identify the Metro projects to be pursued for federal funding and schedule of activities. This strategy will be discussed with the Board during the first part of 2021 and may include the pursuit of New Starts grants for the project. Alternatively, the Board could opt to phase implementation of the LPA to match funding availability and timing.

The updated funding plan for the project will be prepared in conjunction with an updated Metro 2021 Short Range Transportation Plan financial forecast, which will reflect revised assumptions on revenues, costs, and service levels, as a result of the economic recession and related COVID pandemic. The updated financial forecast will include a

significant reduction in sales tax revenue, certain State SB1 programs, and operating revenue. These reductions will hamper the development of a credible, updated funding plan for the project.

The updated funding plan will reflect any presumed P3 delivery and financing for the project, as Metro staff is coordinating with Metro's P3 consultants on the preparation of the planned business case and affordability analysis, as well as detailed technical assumptions on the use of any private debt. A P3 delivery will affect the composition of the funding plan but will not likely add to or reduce the available funding for the project.



# West Santa Ana Branch

## Attachment B: Project Delivery Strategy Presentation



**Metro**

Planning & Programming Committee

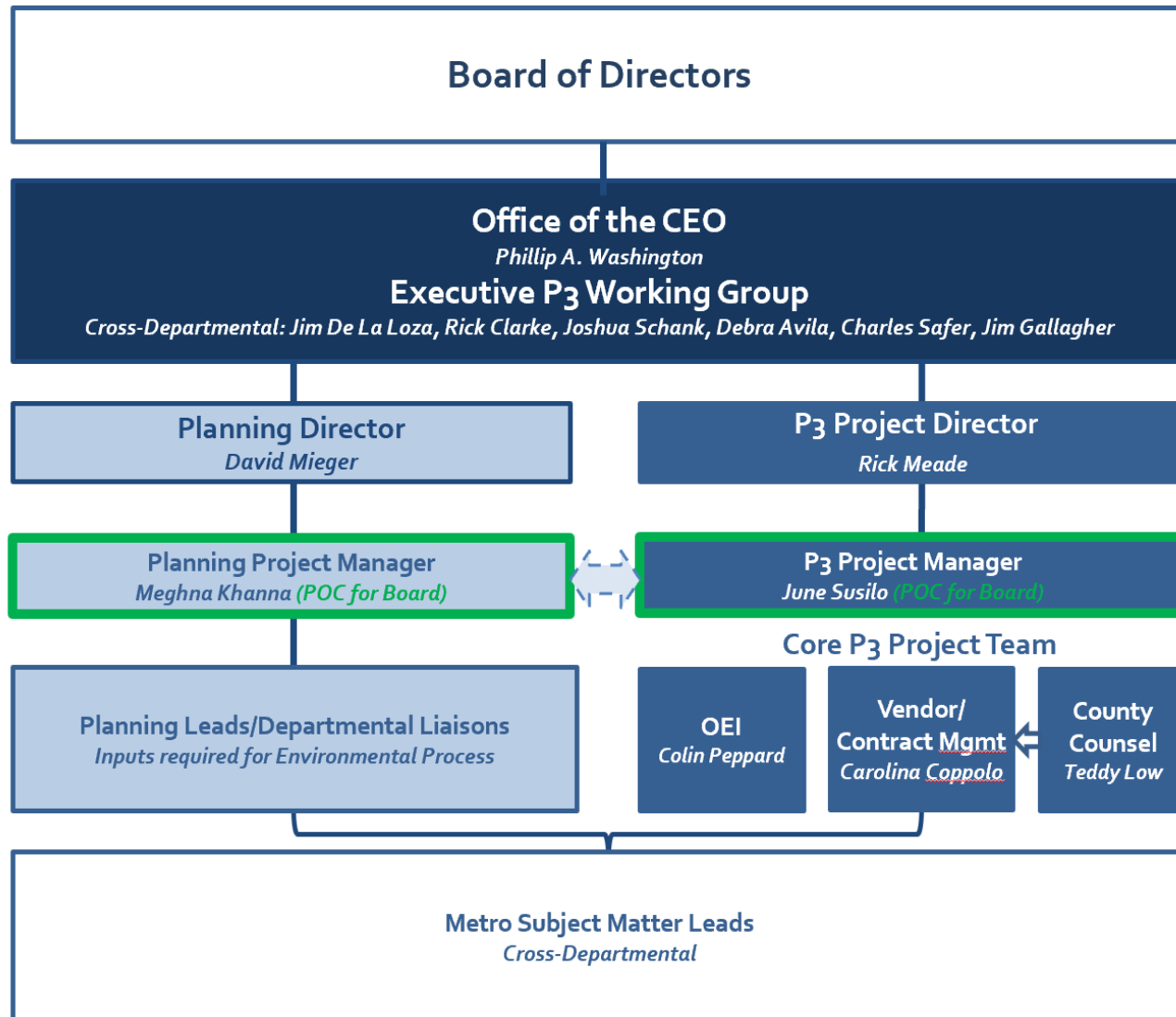
January 2020

# Contents

**WSAB comprehensive, interdependent strategy addresses the following:**

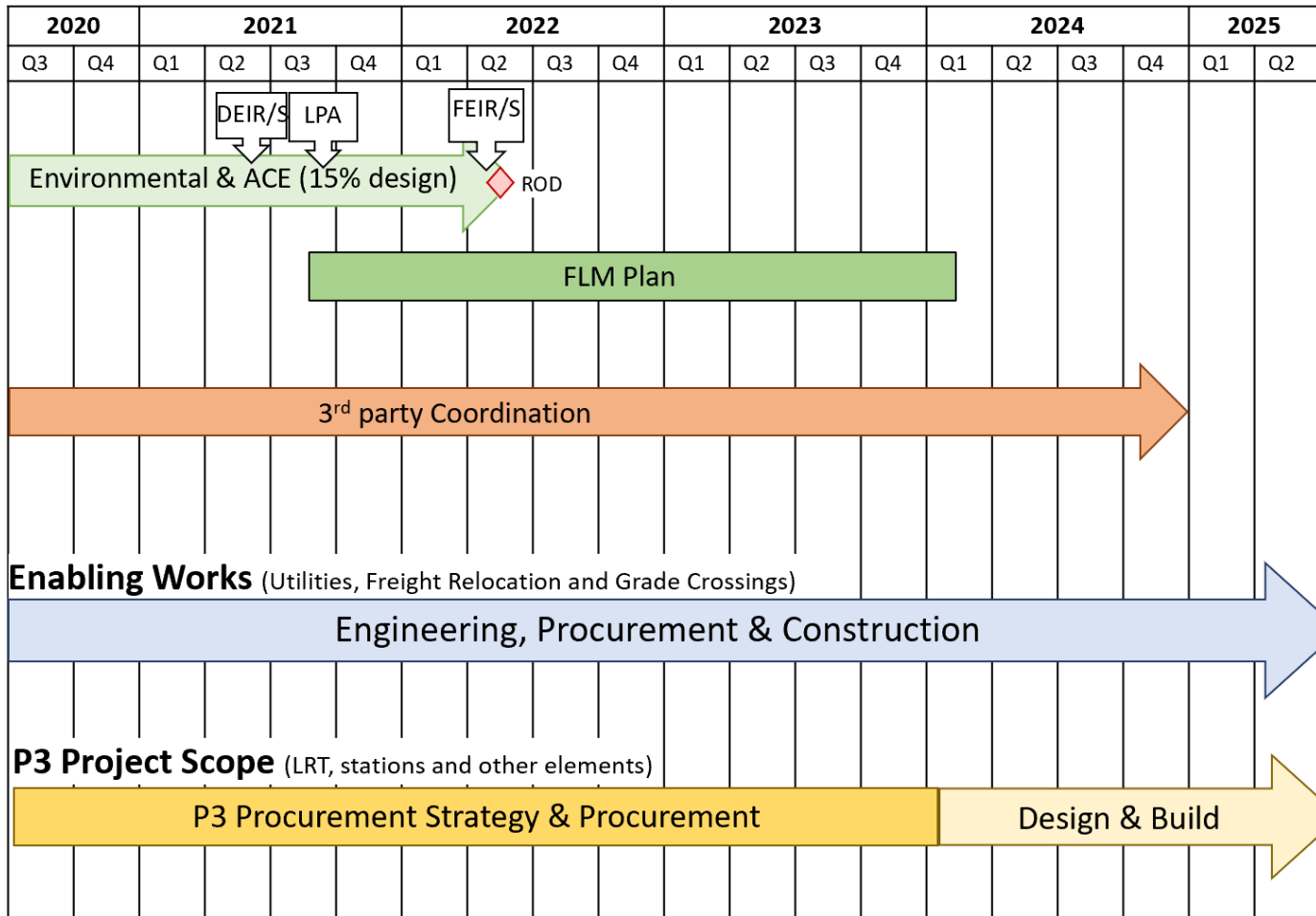
1. Metro Teams Roles & Responsibilities
2. Overall project schedule
3. Environmental Clearance
4. Third-Party Engagement
5. Design Efforts
6. Enabling Works Sequence
7. P3 Timing
8. Project Funding Plan

# Metro Teams Roles & Responsibilities



# Overall Project Schedule

The WSAB effort includes four interdependent workstreams, which overlap to accelerate schedule to the extent possible while ensuring the integrity of the environmental effort.



DRAFT – FOR DISCUSSION PURPOSES ONLY – SUBJECT TO CHANGE



# Environmental Clearance

Through the environmental clearance effort, staff are developing and analyzing four build alternatives for public review and Board consideration, one of which will be selected by the Board as the Locally Preferred Alternative (LPA).

Milestone/Review	Schedule
First Admin Draft EIS/EIR Submittal	Nov 20, 2020
Min. three rounds of FTA reviews, Metro response and Legal Review	Nov 20 to June 2021
Federal Register Publication/Draft Release	June 2021*
Public Circulation Period	June to August 2021
Board Selects LPA	September 2021
FTA Issues ROD & Final EIR Certification by Metro Board	Summer 2022

*\* Includes 180 days of SHPO delay, Green Line Station design exploration considering the I-105 Historic District designation, and Slauson Station design exploration.*



**Metro**

# Comparison Summary of Build Alternatives

	Alt 1: Union Station to Pioneer	Alt 2: 7th/Metro to Pioneer	Alt 3: Slauson to Pioneer	Alt 4: Green Line to Pioneer
Length (miles)	19.3	19.3	14.8	6.6
At-grade	12.3	12.3	12.2	5.6
Aerial	4.7	4.7	2.6	1.0
Underground	2.3	2.3	-	-
No. of Stations	12 (3 aerial , 6 at-grade 2 underground) 1 New C Line Station	12 (3 aerial , 6 at-grade 2 underground) 1 New C Line Station	9 (3 aerial, 6 at-grade) 1 New C Line Station	4 (1 aerial, 3 at-grade) 1 New C Line Station
No. of Crossings				
At-grade street crossings	31	31	31	11
Aerial street crossings	25	25	15	7
Freight crossings	10	10	9	2
Freeway crossings	6	6	4	3
River crossings	3	3	3	1
Shared ROW with freight (miles)	11.4 miles	11.4 miles	10.1 miles	2 miles
Freight relocation needed (miles)	8.1 miles	8.1 miles	8.1 miles	1.3 miles
No. of Park & Rides	5 facilities (Firestone, I-105/C Line, Paramount/Rosecrans, Bellflower and Artesia Stations); Alternative 4 does not include a Park & Ride at Firestone Station			

# Third-Party Engagement

**Staff have established a risk-based strategy for addressing each of the complex and interrelated third-party coordination and engagement requirements.**

- **Freight Coordination (UPRR & Ports of LA/LB)**
  - Preliminary Agreement with UPRR
  - Focus on design/construction to minimize rail network and real estate impacts
  - Prioritize safe shared corridor operations
- **Gateway Cities (COG)**
  - 10 Gateway Cities
  - City Managers Technical Advisory Committee (TAC)
  - MCAs to establish work plan to reimburse Cities for review of design and support during construction
- **Caltrans**
  - Six existing freeway crossings
  - Established agreements regarding scope, staffing, budget and timeline to meet project development milestones
  - Iterative approach to bridge design and construction means and methods
  - Coordination with I-105 construction critical



**Metro**

# Third-Party Engagement

- **U.S Army Corps of Engineers (USACE)**
  - Three crossings of concrete-lined flood channels (LA River, Rio Hondo, and San Gabriel River ); requires Section 404 and 408 permits
  - Established agreements regarding scope, budget, staffing, and timeline to meet project development milestones
  - Accelerate geotechnical subsurface investigations and advance of river crossing design under enabling works scope
- **California Public Utilities Commission (CPUC)**
  - Thirty-one at-grade street crossings
  - Established agreements regarding scope, staffing, budget and timeline to meet project development milestones
  - CPUC approval (18-month application and design review process); environmental completion prerequisite
  - Advance design and early engagement with CPUC to agree to resources/timelines.
- **Utilities**
  - Alignment interfaces 213 utility assets of 64 owners
  - Accelerate and expand scope of utility investigations.

# Design Efforts

**Metro's design strategy will advance project engineering for each system component to the optimal threshold to minimize challenges, risks, and opportunities while ensuring the integrity of the environmental effort.**

- **Higher risk project components:** Advancing enabling works design to 60-100% to minimize cost/schedule uncertainty (Utilities, Freight and Grade Crossings)
- **Lower risk components:** Limit design efforts to 15% for LRT elements for P3 bidders

# Enabling Works Sequence

**Completing design/construction of high risk/high consequence and critical path project elements prior to construction of the LRT to minimize risks to the overall project, contain costs, and support accelerated delivery.**

Advance the design for freight relocation, grade crossings, and utility relocations

Perform subsurface geotechnical borings and potholing

Determine delivery method for construction including but not limited to Construction Manager/General Contractor (CM/GC)

Release RFQ/RFP for approved delivery method

Continue to advance designs through coordination with UPRR, cities, Caltrans, CPUC, and utility owners

Obtain Board approval for award of CM/GC contract

Issue Notice-to-Proceed for CM/GC Preconstruction Services

Finalize designs and obtain third party approvals (e.g., CPUC grade crossing applications and Caltrans project approval) following final EIR certification and/or ROD issuance

Issue NTP for Enabling Works construction upon successful negotiation of CM/GC contract/work packages

Groundbreaking for Enabling Works construction

# P3 Timing

**The P3 Development and implementation effort tracks progress of the environmental process and enabling works development/procurement.**

Activity	Target Date
• Update Risk Analysis for Enabling Work and IOS LRT scope (completed)	October 2020
• Preliminary VfM Analysis for internal review and comment	Early December 2020
• Finalize VfM Analysis	Late December 2020
• Initial draft WSAB Business Case for Internal Review	Early January 2020
• Internal Review/Comment Process	January 2021
• Draft preliminary WSAB Business Case	March 2021
• Funding and Affordability Assessment and Procurement Strategy	September 2021
• Value for Money Update/Refresh based on LPA	Winter 2021/2022
• Update P3 Procurement Documents and Contract per VfM/LPA	Winter/Spring 2022
• Issue P3 Solicitation	Upon Enabling Works Contract Award

# Project Funding Plan

**Increased project scope, accelerated schedule will require reconciliation with Measure M Expenditure Plan, Metro financial forecast to validate financial feasibility.**

- Measure M identifies \$1 billion for a FY28 project, and \$3 billion for a FY41 project (2015 dollars)
- Staff are evaluating alternative funding strategies to support accelerated schedule, including capital investment grants strategy – updated cost estimate anticipated for March Board cycle
- Potential impact of P3 financing will be assessed in P3 Business Case and affordability analysis (P3 may impact financial structure but does not increase total project funding)



# Countywide Planning Monthly Project Updates

## > January 2021 Monthly Update

## > Capital Investment Grant Priorities Assessment Process

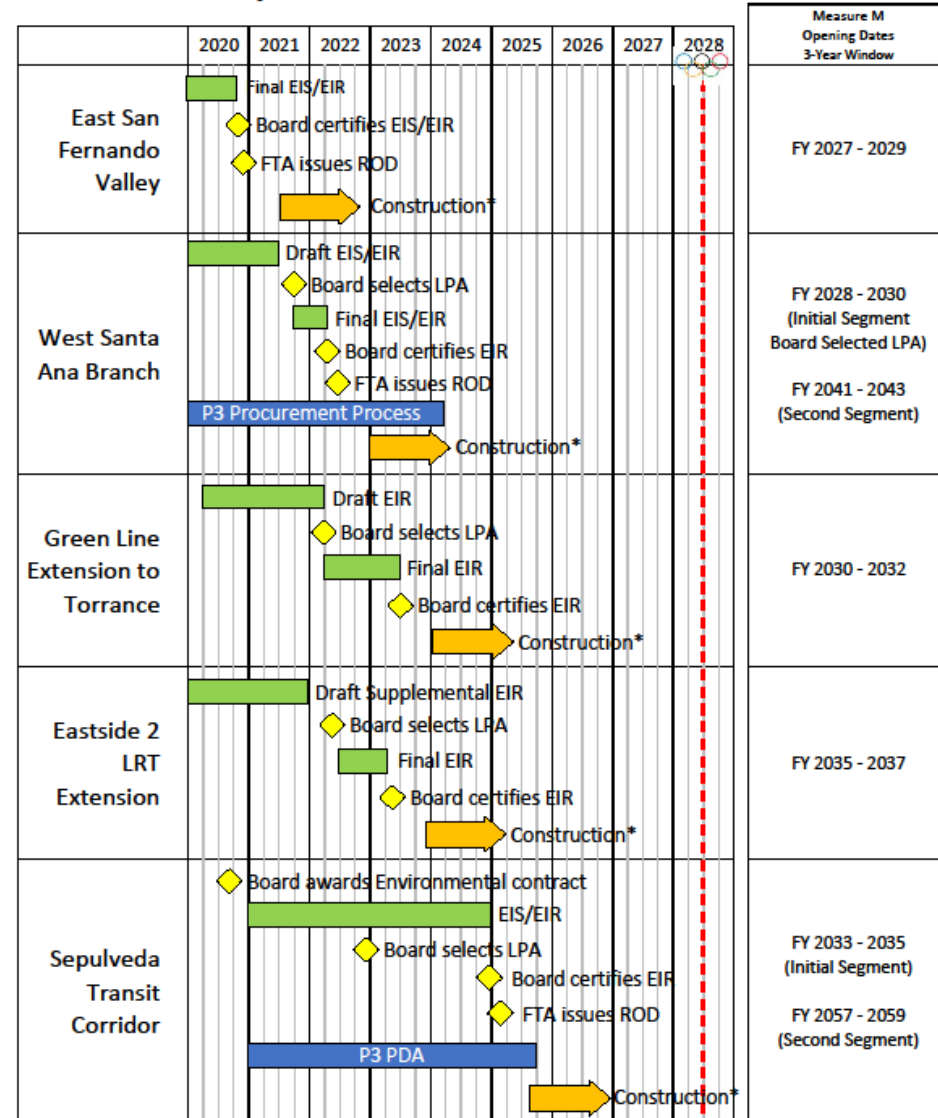
## > West Santa Ana Branch Report Back

- Response to November P&P Committee

## > Monthly Status of Major Projects

- East San Fernando Valley LRT
- Green Line to Torrance
- Eastside 2 Extension
- Sepulveda Transit Corridor
- NoHo to Pasadena BRT

ESFV + Pillar Projects Measure M Baseline Schedules



\* Construction is inclusive of advanced utility relocation and right-of-way  
Schedules are subject to change based on funding and environmental review

# Expanded Capital Investment Grant (CIG) Priorities Assessment Process and Timeline

## **December 14, 2020 – Workshop #1**

Overview of Capital Investment Grant (CIG) programs and opportunities (New Starts, Small Starts, Core Capacity, Early Project Delivery (EPD))

New Starts process and rating criteria

Metro's past New Starts experience

## **February 4, 2021 – Workshop #2**

New Starts priorities assessment – evaluation & project specific assumptions

FAST Act reauthorization process and potential Federal grant opportunities

## **March 2021 – Workshop #3**

CIG priorities assessment – results

Funding opportunities from potential Federal/State programs – survey results

FTA engagement and legislative strategy

## **April 2021 – Metro Board Action**

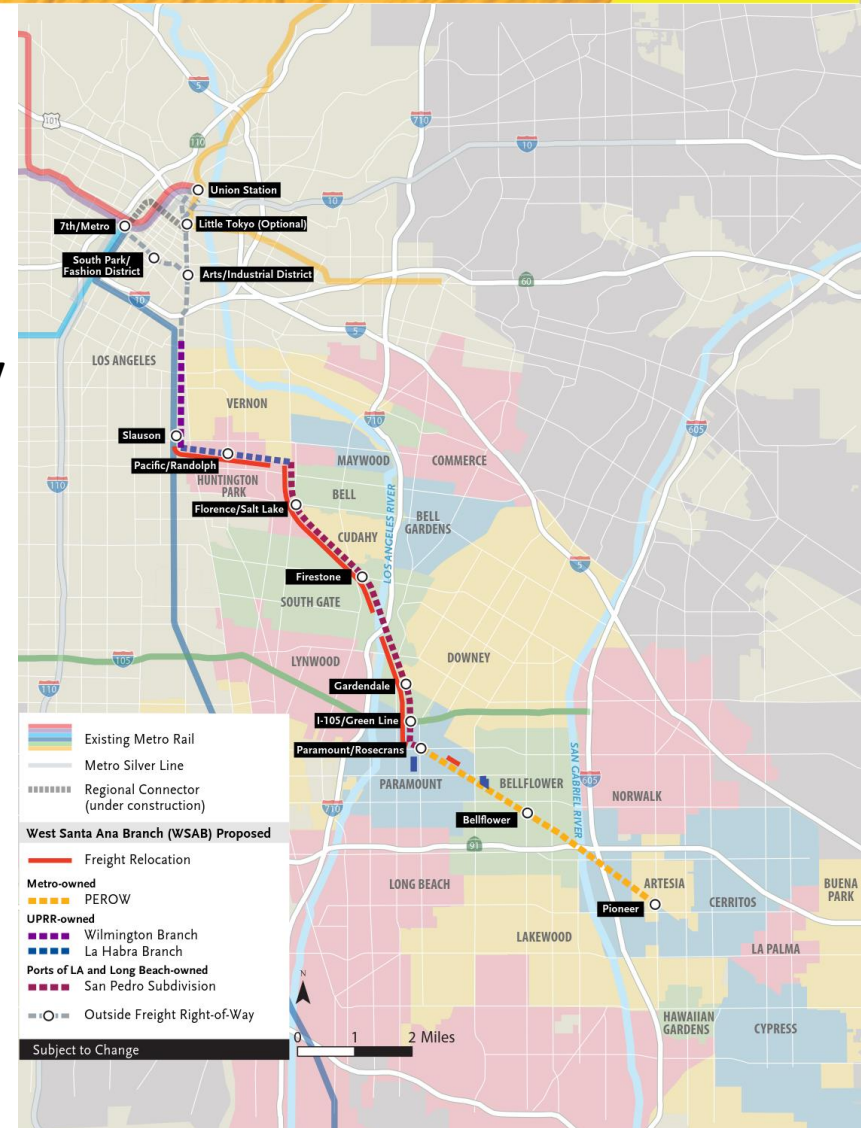
New Starts priorities and strategies including EPD

FTA engagement and legislative strategy

# West Santa Ana Branch Transit Corridor

## > Status

- Draft EIS/R
  - Admin Draft for FTA Review: Nov 20, 2020
  - Anticipated Draft Release: June 2021
  - Anticipated LPA Selection: Sept 2021
- **WSAB comprehensive, interdependent strategy was presented to Board staff on January 7** attached to the Board Item and is available for presentation at the January 20 Planning & Programming Meeting. It Includes:
  1. Metro Teams Roles & Responsibilities
  2. Overall project schedule
  3. Environmental Clearance
  4. Third-Party Engagement
  5. Design Efforts
  6. Enabling Works Sequence
  7. P3 Timing
  8. Project Funding Plan





# East San Fernando Valley LRT



## > Status

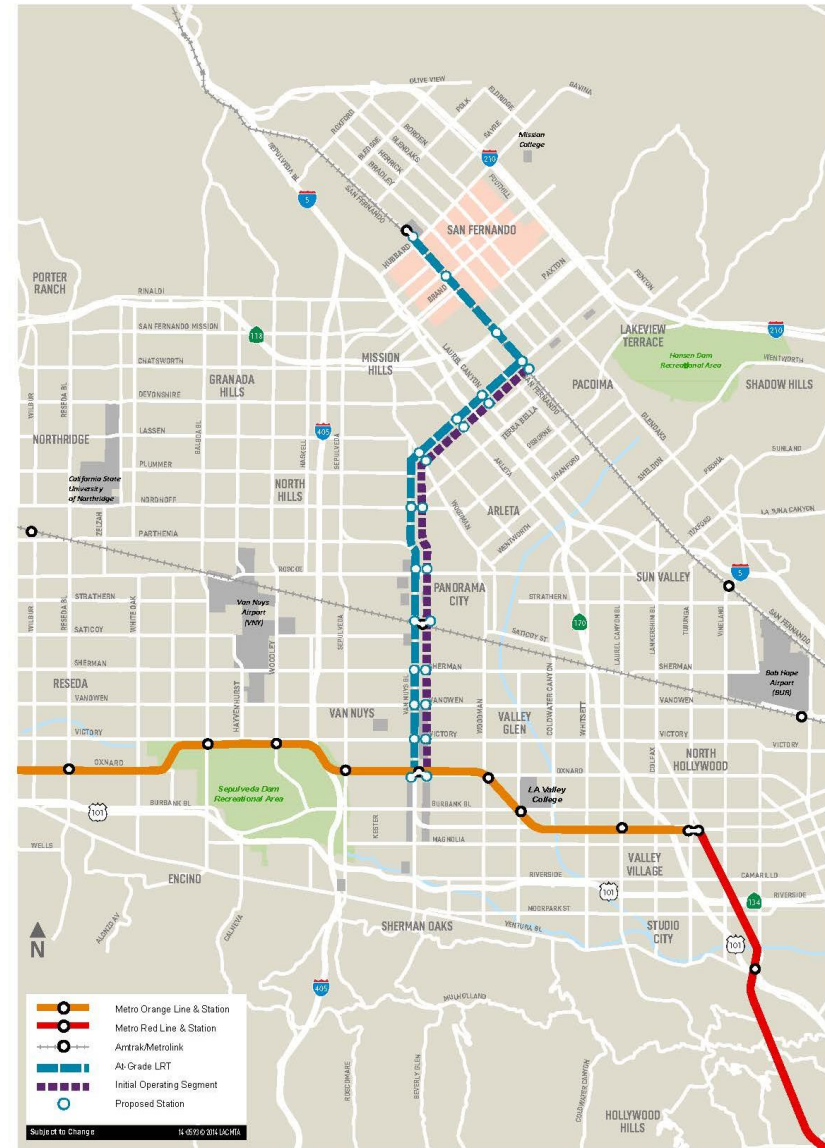
- Metro Board Certification of CEQA Final EIR on December 3, 2020
- Record of Decision for federal NEPA environmental clearance pending FTA review and approval in January/February 2021

## > Key Activities

- Supplemental Study of San Fernando Road Shared Railroad ROW coordination ongoing with City of San Fernando and SCRRA.

## > Next Actions

- February 2021 Board review of Scope and Schedule for Supplemental ROW Study



# Green Line Extension to Torrance

## > Status

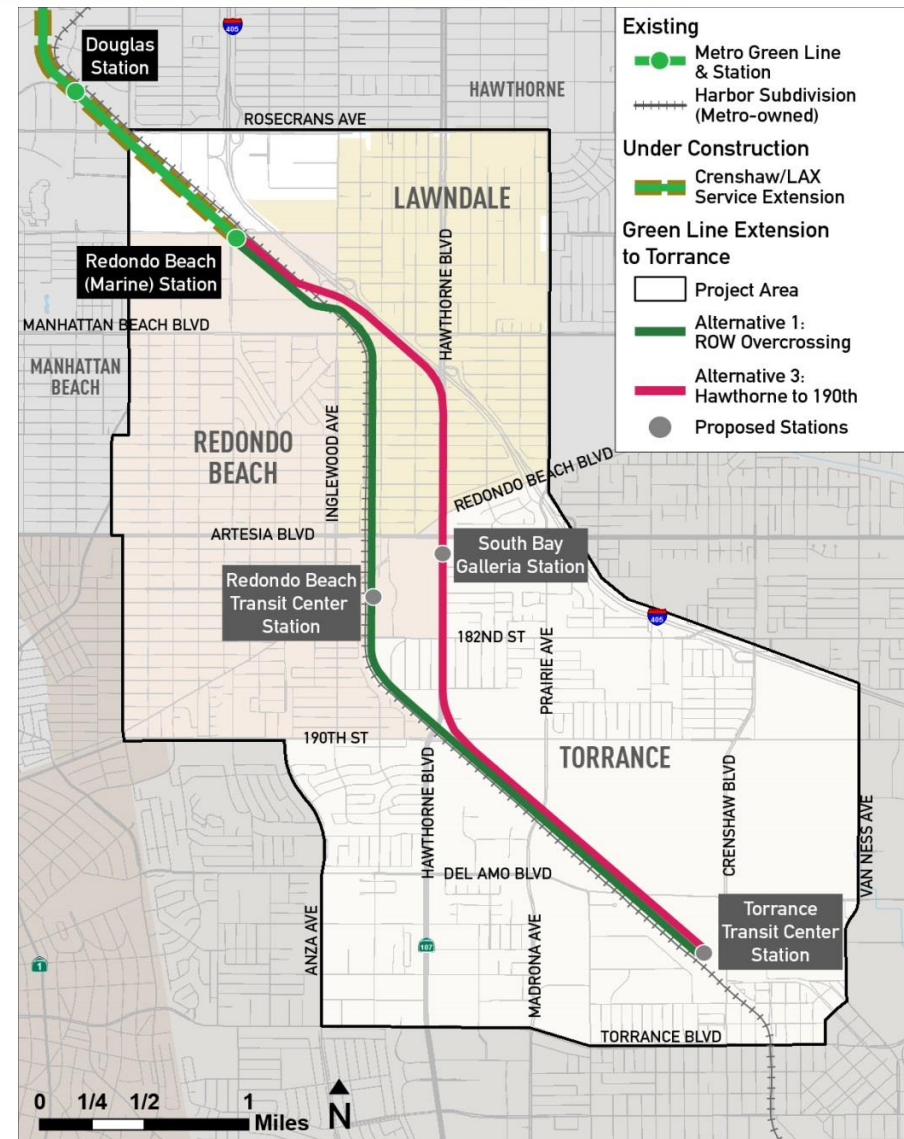
- Draft EIR + Advanced Conceptual Engineering tasks are proceeding (15% design)

## > Key Activities

- Coordination with BNSF on shared track segments
- Engineering analysis of Hawthorne versus ROW technical issues
- Environmental background documentation
- Environmental Scoping Comment Period scheduled for January 29 – March 14
- Separate Board Staff Briefing on January 8

## > Next Actions

- Targeted Outreach to Stakeholders in November through January
  - City staff
  - South Bay COG
  - Neighborhood associations
  - Other stakeholders
- Preparation for Virtual Scoping Meetings on February 24 and 27





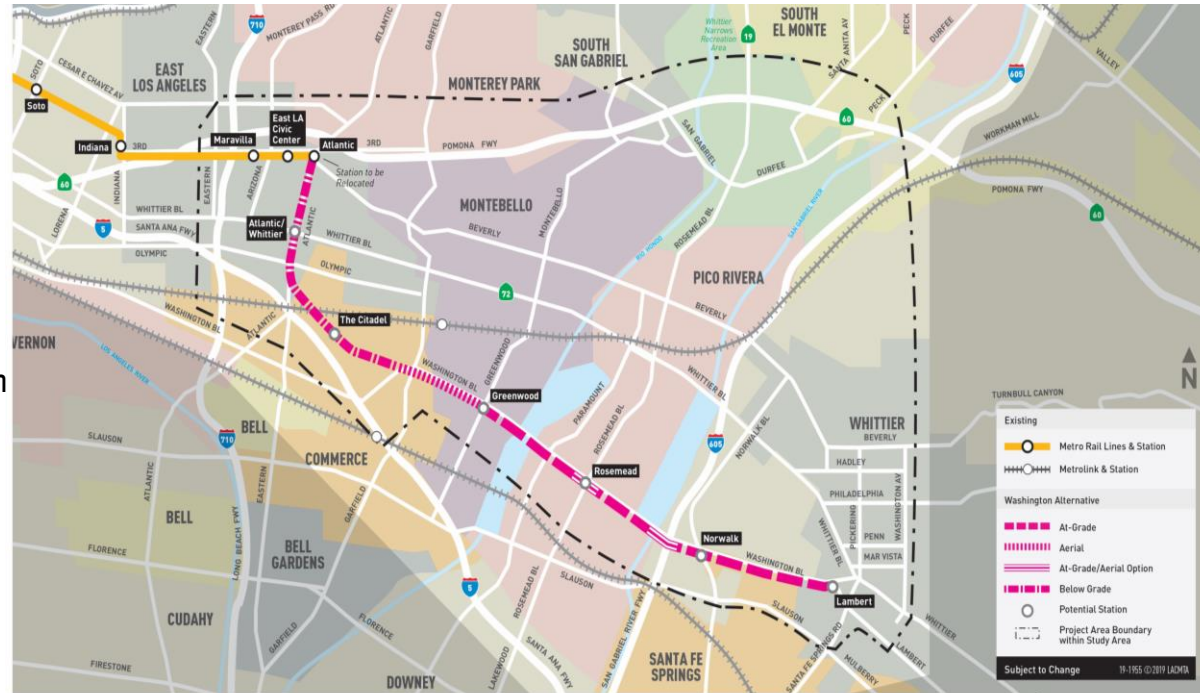
# Eastside Transit Corridor Phase 2

## > Status

- Systems Engineering and Advanced Conceptual Engineering (ACE) are in progress in coordination with geotechnical studies with Metro's Tunnel Advisory Panel

## > Key Activities

- Project team is conducting reviews with corridor cities to solicit input on design:
  - City of Whittier (November 18)
  - City of Pico Rivera (December 15)
  - City of Santa Fe Springs (December 21)
- Meetings being conducted in January with the cities of Commerce and Montebello
- Separate Board Staff briefing held on January 8



## > Next Actions

- Anticipated NTP for accelerated environmental and engineering design in January
- Outreach consultant team developing Community Based Organization approach

# Sepulveda Transit Corridor

## > Status

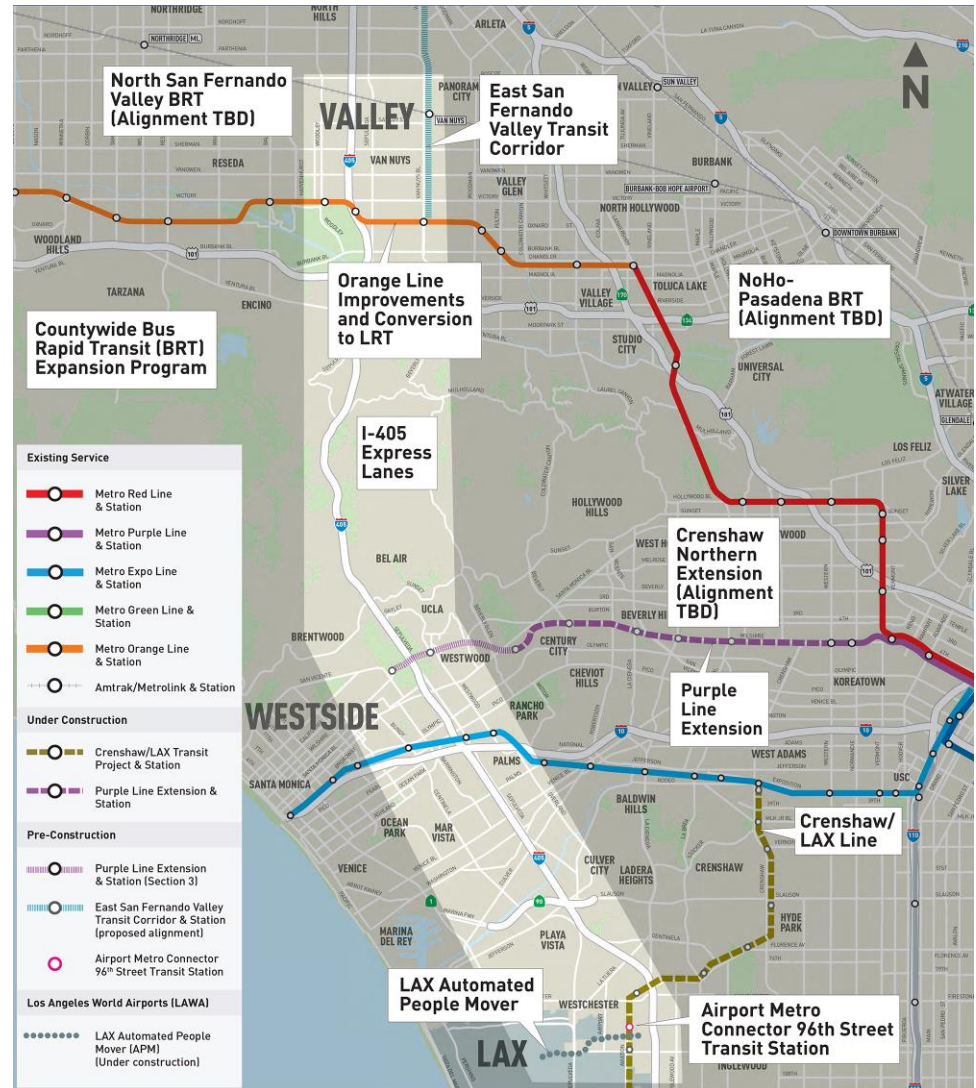
- Environmental contract authorized at August 2020 Board Meeting
- Public outreach contract authorized at December 2020 Board Meeting

## > Key Activities

- Environmental mobilization proceeding
- Review of PDA proposals is proceeding
- PDA contract award(s) expected in early 2021

## > Next Actions

- Recommend PDA contract(s) to Board for award and present project alternatives
- Begin environmental review process





# NoHo to Pasadena BRT



- > **Status**
  - Draft EIR Public Review Period recently ended (October 26 – December 28, 2020)
- > **Key Activities**
  - Review and Summary of Public Comments/Responses Underway (Over 400 comments)
- > **Next Actions**
  - March/April 2021 – Metro Board review of Locally Preferred Alternative
  - Response to December Board Motion on dual Left door/Right door buses





## Board Report

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**File #:** 2020-0562, **File Type:** Program

**Agenda Number:** 16.

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### PLANNING AND PROGRAMMING COMMITTEE JANUARY 20, 2021

**SUBJECT: MEASURE M METRO ACTIVE TRANSPORT, TRANSIT AND FIRST/LAST MILE (MAT) PROGRAM**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

CONSIDER:

- A. APPROVING project selection and programming of \$63,100,000 in Measure M Metro Active Transport, Transit and First/Last Mile program (MAT Program) funding;
- B. AUTHORIZING the Chief Executive Officer (CEO) or his designee to negotiate and execute all necessary agreements for approved projects; and
- C. APPROVING a wait list process for all non-awarded eligible projects.

#### **ISSUE**

The MAT Program is included in the Measure M Expenditure Plan and allocates \$857 million (2015 dollars) for investment in active transportation infrastructure over 40 years. On January 23, 2020, the Board of Directors approved the first funding cycle for this program and authorized a project selection process.

Staff has solicited, received, and evaluated project submittals and is recommending projects for award. The first funding cycle includes Fiscal Years (FY) 2021-2025. Staff recommends a total of 16 project awards as described in this report, with the remaining eligible submittals (8 projects) recommended to be established on a waiting list.

The solicitation as approved by the Board anticipated awarding a total of \$75 million for this funding cycle based on cash flow estimates at that time. In light of reduced sales tax revenue, staff is recommending awards of \$63.1 million, consistent with cash flow adjustments for comparable Measure M programs. The Board can approve revised Cycle 1 programming amounts in future annual updates should funding availability improve.

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## **BACKGROUND**

### Project Selection

The MAT Program as approved in January 2020 called for a streamlined Letter of Interest submittal available to a predetermined list of project locations in two program categories. Program categories, Active Transportation Corridors (ATC) and First/Last Mile (FLM), are based on Metro's vision for active transportation investment established in the adopted Active Transportation Strategic Plan (ATSP, April 2016). A total of 163 (25 ATC and 138 FLM) project locations across 51 jurisdictions were eligible to apply.

Twenty-eight Letters of Interest (LOI) were submitted on April 30, 2020, noting time extensions granted in light of local agency limitations caused by the COVID-19 pandemic. Metro assembled an evaluation team composed of 14 agency staff from multiple departments and two representatives from the Policy Advisory Council. Each LOI was scored by three independent evaluators assigned at random. The evaluators' average score was combined with a predetermined need-based quantitative analysis score to arrive at a total. Funding recommendations are based on the order of total score and limited by the amount of available funds (Attachment A). Sixteen LOIs comprise the recommended award lists and 8 LOIs exceed available funding and comprise the waitlist. As part of the evaluation process, LOIs were screened to ensure eligibility requirements were met. As a result of this screening, three ATC applications and one FLM application were found not to meet various eligibility requirements. Agencies proposing these projects have been notified.

### Programming

MAT submittals did not require prior planning effort, as is typical in other competitive funding programs. As such, most projects will require an initial scoping phase to arrive at reliable funding amounts for the full project. The programming table included as Attachment A reflects the best not-to-exceed estimates and are subject to further refinement. Staff intend to return to the Board annually to seek approval on program funding amendments as project scopes are developed and refined and to allow for other adjustments in programming. Pending approval, staff will program funds for each fiscal year as shown in Attachment A.

The LOIs are listed in rank order in Attachment A with the highest-scoring proposals constituting the award list. The remainder of proposals are recommended as a waitlist of potential projects eligible for award contingent on future fund availability. This may include funds made available from awarded projects becoming de-obligated or funded at lower amounts. Should funding become available, projects on the waitlist will be programmed according to rank order except in instances where there is not sufficient funding to accommodate the highest-ranked project, but a smaller, lower-ranked project can be awarded. Pending approval, staff will assume this process for programming funds to waitlisted projects accordingly.

### Project Roles

The MAT Program allows flexibility for projects to be treated as direct grants, for Metro to retain awarded funds and lead work, or combinations of Metro-led and local-led work depending on project phase. As such, the funding table indicates a project be led either for specified phases or over the entirety of the project. Note that Cycle 1, as adopted in January, calls for projects led by Metro to be programmed with Metro as the recipient. For projects led by Metro, staff will prepare and execute

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Cooperative Agreements with project sponsors while projects led locally will require Funding Agreements.

Project roles as shown in Attachment A are preliminary and subject to change. Any change in project roles from what is shown will require written concurrence from all project partners.

### Equity Platform

The MAT Program of projects will support implementation of the Equity Platform pillars.

- Define and Measure - Eligible projects were invited to apply for the MAT program based on a screening and ranking process intended to target high need locations based on indexes of socio-economic and environmental disadvantage. Projects within Equity Focus Communities (EFCs) were assigned additional points as part of the evaluation process.
- Listen and Learn -The MAT program was developed with substantial guidance from the Policy Advisory Council (PAC). The overarching goal of MAT is to implement the ATSP which was based on an inclusive outreach process. Furthermore, project selection was based on the level of community support for the projects. MAT projects will be required to prepare a Public Participation Plan to ensure meaningful stakeholder engagement throughout all phases of project development.
- Focus and Deliver - The proposed program of projects will be subject to timely use of funds to ensure efficient use of Measure M funds for affordable and sustainable transportation, and were evaluated for process assurances and reasonableness of schedule.
- Train and Grow - MAT projects are required to perform a project evaluation which will include equity considerations alongside other program objectives. Further, staff is conducting evaluation of the need-based program setup and resultant project selection. This evaluation is pilot testing tools and approaches being developed by the Executive Officer, Equity and Race and will be used to guide the development of future program cycles

### **DETERMINATION OF SAFETY IMPACT**

There is no direct safety impact associated with the recommended action. Note that the implementation of projects subsequent to this action is intended to improve safety conditions for pedestrians, people using bicycles and other rolling modes, and transit riders. Subsequent action related to specific projects will prompt further assessment of any potential safety impacts.

### **FINANCIAL IMPACT**

In FY21, \$4,237,500 is budgeted in Cost Center 0441, Project #473001 (Metro Active Transportation Program) for reimbursement payments to MAT Projects being implemented by local jurisdictions. Additionally, \$1,128,414 is budgeted in Cost Center 4360 and \$100,000 in Center 4340 for the initial project phases of MAT projects that will be completed by Metro staff. Since these are multi-year projects, the Cost Center managers, and Chief Planning Officer will be responsible for budgeting in future years.

### Impact to Budget

The source of funds for these projects is Measure M Active Transportation 2%. This fund source is not eligible for Metro bus and rail operating and capital expenditures.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The program advances several Strategic Plan Goals including:

- *Goal #1:* High-quality mobility options - advances new active transportation corridors and a full suite of first/last mile interventions at selected stations.
- *Goal #2:* Outstanding trip experiences for all - will develop and advance key station access improvements including traveler/transfer information, improved signage and wayfinding among others.
- *Goal #3:* Enhancing communities and lives - includes a clear focus on targeting investment to places that need it most due to safety, socio-economic and other factors.
- *Goal #4:* Transform LA County through collaboration and leadership - prompts new partnership models with agencies to deliver projects.

### **ALTERNATIVES CONSIDERED**

The Board could elect not to approve selected projects and the programming of funds; however, this is not recommended as the MAT Program is a funding commitment in the Measure M Expenditure Plan. Without approval and programming of funds for elected projects under the MAT Program, advancement of key corridors and connections to transit that have been prioritized as part of the ATSP would be impeded. This is not recommended as the proposed projects were selected according to Board-adopted criteria.

### **NEXT STEPS**

Upon Board approval, respective implementing agencies will be notified, and Funding and/or Cooperative Agreements will be executed. Staff will continue to work with the selected projects as described in this report. Annual updates will be provided to the Board.

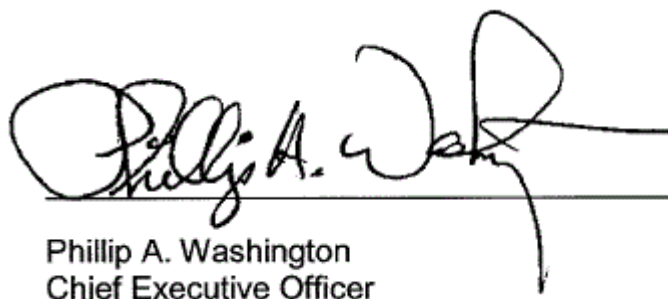
### **ATTACHMENTS**

Attachment A - MAT Program Cycle 1 - Recommended Program of Projects

Attachment B - MAT Program Cycle 1 - Recommended Program of Projects Map

Prepared by: Jacob Lieb, Sr. Director, Countywide Planning & Development, (213) 922-4132  
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Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



Phillip A. Washington  
Chief Executive Officer

**Recommended Program of Projects**  
**MAT Program Cycle 1**

Program Category	Number of Submitted	Applications Funded	Total Project Requests		AMOUNT RECOMMENDED	
Active Transportation Corridors	9	5	\$	53,604,075	\$	31,550,000
First/Last Mile Locations	19	11	\$	49,126,131	\$	31,549,999
Total Funding Mark			\$	102,730,206	\$	63,099,999

DRAFT

# Recommended Program of Projects - Active Transportation Corridors

Attachment A

## MAT Program Cycle 1

### Award List

Rank	Sponsor	Co-Sponsor	Corridor	FY21	FY22	FY23	FY24	FY25	Total
						Funding Up To Stated Amount			
1	Los Angeles	-	Avalon/MLK/Gage		\$284,000	\$1,011,000	\$2,264,362	\$2,264,362	\$ 5,823,724
	The proposed project would connect South LA residents to jobs and transit through the implementation of safe walking and biking infrastructure on Gage Ave, MLK Blvd, and Avalon Blvd. This pedestrian and bicycle-friendly network of streets would connect one of the City's largest employment hubs, the Goodyear Tract, with Metro's E and J Lines near USC.								
2	Commerce	Huntington Park, Bell, LACPW	Randolph		\$150,838	\$301,675	\$6,251,378	\$ -	\$ 6,703,891
	The Randolph Corridor AT Project provides high quality mobility improvements to the residents and businesses of disadvantaged communities within unincorporated Florence-Firestone and the Cities of Commerce, Bell, Huntington Park (HP) and Maywood. The project provides a health benefit via the bicycle lane/trail for 7.03 miles, connecting to the LA River and other destinations. This project will provide improvements via an equitable planning process. The features that are technically & politically feasible, which will be prioritized, and quantified to design and construct, via this funding request.								
3	Redondo Beach	LACPW, Lawndale	Redondo Beach Blvd		\$33,000	\$507,000	\$2,850,000	\$3,210,000	\$ 6,600,000
	The Cities of Redondo Beach and Lawndale along with the Los Angeles County Public Works propose to install improved and new Bike and Pedestrian Facilities along Redondo Beach Boulevard/Ripley Avenue from Flagler Lane on the west to the Dominguez Channel Greenway on the east. The total length of this segment is 3.3 miles. The improvements will include a series of access, safety, and infrastructure enhancements for walking and biking. This project will provide a cohesive network that will encourage active transportation modes and allow users to connect to transit facilities, educational facilities, parks, retail stores, job centers and residential neighborhoods. The project supports the goals of the Active Transportation Strategic Plan and will enhance safety by implementing pedestrian improvements by removing barriers to access and correct unsafe conditions by reconstructing curb ramps and sidewalks to meet ADA requirements.								
4	Monterey Park	Montebello, LACPW, Rosemead	1st-Riggin-Portrero Grande		\$405,480	\$5,397,525	\$563,220	\$ -	\$ 6,366,225
	The proposed project proposes to expand alternative modes of travel by increasing existing bicycle transportation network and enhancing pedestrian facilities. These measures will increase connectivity between homes, jobs, public transit, schools and recreational resources for a variety of road users in unincorporated South San Gabriel, Cities of Monterey Park, Montebello, and Rosemead. The proposed bike facilities will extend and provide continuity and a connection to the existing bicycle facilities along Riggin St and to the future bicycle lanes along 1st St in East Los Angeles part of the Metro Gold Line Eastside Access Phase II project. This project will provide greater accessibility and mobility for pedestrians, cyclists, and transit users providing safe, productive alternative modes of travel.								
5	South Pasadena	-	Huntington-Main/Fremont		\$912,600	\$4,977,660	\$165,900	\$ -	\$ 6,056,160
	The proposed project will improve overall circulation for vehicle, pedestrian, bus, and bicycle traffic along two major, high volume corridors, within the City. It will focus efforts on a broad range of individuals, thereby impacting the most diverse array of user groups, to improve overall equity, safety, and mobility, in City transportation solutions. The Huntington-Main Corridor is the focus of this project to improve 1.5 miles of this corridor, along with the connecting, Fremont corridor from Alhambra Road to Columbia Street. The proposed project seeks to upgrade both corridors to better serve the community and eliminate existing and potential conflict areas by; upgrading ADA paths of travel, implementing master-plan bicycle concepts, improving intersection functionality, and providing a safe transition between corridors.								
			<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 1,785,918</b>	<b>\$ 12,194,860</b>	<b>\$ 12,094,860</b>	<b>\$ 5,474,362</b>	<b>\$ 31,550,000</b>

### Waitlist

6	Los Angeles	-	Slauson		\$ 40,000	\$ 560,000	\$ 7,400,000		\$ 8,000,000
	The Slauson Corridor Project will address crucial gaps in infrastructure not currently met by existing projects. Funding the Slauson Corridor Project will leverage improvements from the R2R project that will enhance safety, mobility, and connectivity for jobs, transit, schools, retail and parks providing opportunities for upward mobility in a historically underserved community.								
			<b>TOTAL</b>	<b>\$ -</b>	<b>\$ 40,000</b>	<b>\$ 560,000</b>	<b>\$ 7,400,000</b>	<b>\$ -</b>	<b>\$ 8,000,000</b>

### Ineligible Projects

-	Lancaster	-	Sierra Highway
-	Los Angeles	-	Broadway/Manchester/Vermont
-	Paramount	-	WSAB Phase 3

#### NOTES:

All projects will be led by local sponsors; any changes in project roles will require written concurrence from all project partners.

Annual programmed amounts for projects are estimated and may be revised depending upon individual project needs and Measure M funding availability, without changing total programmed amounts for projects.

# Recommended Program of Projects - First/Last Mile

Attachment A

## MAT Program Cycle 1

### Award List

Rank	Sponsor	Co-Sponsor	Project Location	FY21	FY22	FY23	FY24	FY25	Total
						Funding Up To Stated Amount			
1	City of Los Angeles	-	Hollywood/Highland	\$ 529,476	\$ 824,625	\$ 2,193,600	\$ 50,000	\$ -	\$ 3,597,701
	<i>Phase Lead</i>			<i>City of LA</i>	<i>City of LA</i>	<i>City of LA</i>	<i>City of LA</i>		
	This project aims to improve pedestrian and bicycling connections to the Hollywood/Highland B Line Stations in Hollywood. The project proposes improvements to the Hollywood Walk of Fame, one of the world's most well-known and frequented destinations, into a more vibrant, pleasant, and pedestrian-friendly boulevard that provides for better connectivity and a safer experience for all users. Potential treatments include bus shelters, wayfinding, raised crosswalks, streets furniture, and more near the Highland station. The project will also fund design development for a larger portion of the Hollywood Walk of Fame Concept Plan.								
2	City of Los Angeles	-	Hollywood/Vine	\$ 529,476	\$ 824,625	\$ 2,193,600	\$ 50,000	\$ -	\$ 3,597,701
	<i>Phase Lead</i>			<i>City of LA</i>	<i>City of LA</i>	<i>City of LA</i>	<i>City of LA</i>		
	Same project description as above, for the Hollywood/Vine B Line station area.								
3	Los Angeles County	-	East LA Civic Center	\$ 4,600	\$ 181,150	\$ 112,500	\$ 176,875	\$ 426,875	\$ 902,000
	<i>Phase Lead</i>			<i>LA County</i>	<i>LA County</i>	<i>LA County</i>	<i>LA County</i>	<i>LA County</i>	
	This project will improve access for pedestrians and cyclists to the L Line East Los Angeles Civic Center station. The project includes designing and implementing pedestrian and bicycle facility enhancements within a half mile of the station.								
4	City of Los Angeles	-	LAX-Aviation	\$ 4,797	\$ 53,820	\$ 493,291	\$ 1,453,838	\$ 1,575,943	\$ 3,581,689
	<i>Phase Lead</i>			<i>Metro</i>	<i>Metro</i>	<i>City of LA</i>	<i>City of LA</i>	<i>City of LA</i>	
	LAX/Aviation MAT projects will improve pedestrian and wheeled access to the C Line (Green) and future LAX/Crenshaw Line transfer station. These improvements will include possible projects such as enhanced crosswalks, bulb-outs, wayfinding, and bicycle facilities.								
5	Santa Monica	-	Olympic/26th	\$ 99,000	\$ 794,510	\$ -	\$ -	\$ -	\$ 893,510
	<i>Phase Lead</i>			<i>Santa Monica</i>	<i>Santa Monica</i>	<i>Santa Monica</i>			
	This project, located at the intersection adjacent to and the blocks immediately north of the 26th St/Bergamot Station on the E Line (Expo), will improve missing crosswalk facilities for riders traveling to and from the station. In addition, the project will add and enhance a partial bike route to the station that will connect to a key east-west bicycling corridor.								
6	City of Los Angeles	-	Sepulveda OL	\$ 4,797	\$ 53,820	\$ 493,291	\$ 1,453,838	\$ 1,575,943	\$ 3,581,689
	<i>Phase Lead</i>			<i>Metro</i>	<i>Metro</i>	<i>City of LA</i>	<i>City of LA</i>	<i>City of LA</i>	
	This project will improve safety, access, and mobility to the Sepulveda station on the G Line (Orange). Potential improvements may include but are not limited to, the sidewalk, crosswalks, curb ramps, curb extensions, street trees, bike facility, bike signal, bike parking, bus shelter, safety lighting, and wayfinding.								
7	Los Angeles County	-	Slauson		\$ 293,845	\$ 408,637	\$ 1,949,995	\$ 1,857,521	\$ 4,509,998
	<i>Phase Lead</i>			<i>LA County</i>	<i>LA County</i>	<i>LA County</i>	<i>LA County</i>	<i>LA County</i>	
	This project will construct access, safety, and infrastructure enhancements for pedestrians within a half mile of the A Line Slauson Station based on Metro's Blue Line First/Last Mile Plan: A Community-Based Process and Plan (March 2018). The goal of this project is to improve pedestrian access to and from the station and to encourage active modes of transportation and the use of public transit.								
8	City of Los Angeles	-	Western/Slauson	\$ 4,797	\$ 53,820	\$ 496,944	\$ 1,463,823	\$ 1,586,659	\$ 3,606,043
	<i>Phase Lead</i>			<i>Metro</i>	<i>Metro</i>	<i>City of LA</i>	<i>City of LA</i>	<i>City of LA</i>	
	This project will improve safety and access to bus stops at the intersection of Western Ave. and Slauson Ave. Improvements may include, but are not limited to, crosswalks, curb ramps, sidewalk extensions and bulbouts, street trees, lighting, wayfinding, and bicycle facilities. The project site overlaps with part of the Active Transportation Rail to River Corridor, providing an opportunity to also safely connect more riders to active transportation options.								
9	Culver City	Los Angeles	Culver City	\$ 65,000	\$ 1,825,000	\$ 231,529	\$ 160,000	\$ -	\$ 2,281,529
	<i>Phase Lead</i>			<i>CC, Metro</i>	<i>CC, Metro</i>	<i>City of LA</i>	<i>City of LA</i>		
	This project, jointly developed with Culver City and the City of Los Angeles, will improve pedestrian and bicycle access to the Culver City E line station. Elements include a physically separated cycle track and pedestrian improvements along Washington Blvd, and other facilities along Venice, Robertson, and National Blvds.								
10	Long Beach	-	Downtown LB (6th Street)	\$ 80,998	\$ 1,094,000	\$ 3,335,000	\$ -	\$ -	\$ 4,509,998
	<i>Phase Lead</i>			<i>Long Beach</i>	<i>Long Beach</i>				
	The 6 St project will reconfigure an existing through street to add a protected bike lane and pedestrian safety features, such as cross walks and bulb-outs. The project extent leads directly to the 5th Street Station on the A Line (Blue), and is blocks from the nearby Pacific Station.								
11	West Hollywood	-	Santa Monica/La Brea	\$ 40,000	\$ 448,141	\$ -	\$ -	\$ -	\$ 488,141
	<i>Phase Lead</i>			<i>City of WH</i>	<i>City of WH</i>				
	This project will improve pedestrian safety and access to bus stops near the intersection of Santa Monica Blvd and La Brea Avenue. Some elements include pedestrian-level lighting, bulbouts, median islands, crosswalk enhancements, and in-road warning lights.								
			<b>TOTAL</b>	<b>\$ 1,362,941</b>	<b>\$ 6,447,356</b>	<b>\$ 9,958,392</b>	<b>\$ 6,758,369</b>	<b>\$ 7,022,941</b>	<b>\$ 31,549,999</b>



# Recommended Program of Projects - First/Last Mile

Attachment A

## MAT Program Cycle 1

### Waitlist

12	Los Angeles County	-	Florence						\$ 5,000,000
	This project would improve pedestrian access and safety within a half mile of the A Line Florence Station, implementing improvements based on Metro's Blue Line First/Last Mile Plan: A Community-Based Process and Plan (March 2018).								
13	Los Angeles		Van Nuys/Vanowen						\$ 4,000,000
	The project proposes first/last mile improvements such as crosswalks, curb ramps, curb extensions, and bicycle facilities to enhance connections to bus stops at Van Nuys and Vanowen Blvds, as well as the Van Nuys Metrolink rail station. The project would also look to improve safety for riders connecting to the G Line (Orange) at Van Nuys Blvd.								
14	West Hollywood		Fountain (Hayworth-Harper)						\$ 750,000
	This project would improve pedestrian safety on Fountain Ave. between Hayworth Ave. and Harper Ave. Treatments include bulb-outs, medians, and crosswalks with in-road warning lights.								
15	West Hollywood		Santa Monica Bl-Greenacre						\$ 750,000
	This project would improve pedestrian safety by installing in-road warning lights at the intersection of Santa Monica Bl and Greenacre Ave.								
16	West Hollywood		Fairfax						\$ 750,000
	The project would address safety by implementing pedestrian-scale lighting, leading pedestrian intervals at intersections, in-road warning lights, crosswalks, and improved bicycle amenities.								
17	West Hollywood		Santa Monica Bl-Poinsettia						\$ 750,000
	This project would improve pedestrian safety by installing in-road warning lights at the intersection of Santa Monica Bl and Poinsettia Place.								
18	West Hollywood		Santa Monica Bl-Hayworth						\$ 750,000
	This project would improve pedestrian safety by installing in-road warning lights at the intersection of Santa Monica Bl and Hayworth Ave.								
<b>TOTAL</b>									<b>\$ 8,000,000</b>

### Ineligible Projects

-	Los Angeles	-	Lincoln/Cypress
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### NOTES:

Annual programmed amounts for projects are estimated and may be revised depending upon individual project needs and Measure M funding availability, without changing total programmed amounts for projects. Phase Lead as indicated are tentative and subject to change. Any change from what is shown requires written concurrence from all project partners.

DRAFT

Recommended Program of Projects Map  
MAT Program Cycle 1



Active Transportation  
Corridor Projects

- 1 Avalon-MLK-Gage  
City of Los Angeles
- 2 Randolph  
City of Commerce
- 3 Redondo Beach Blvd  
City of Redondo Beach
- 4 1st-Riggin-Potrero Grande  
City of Monterey Park
- 5 Huntington-Main/Fremont  
City of South Pasadena

First/Last Mile Projects

- 1 Hollywood/Highland  
City of Los Angeles
- 2 Hollywood/Vine  
City of Los Angeles
- 3 East LA Civic Center  
Los Angeles County
- 4 LAX/Aviation  
City of Los Angeles
- 5 Olympic/26th  
City of Santa Monica
- 6 Sepulveda OL  
City of Los Angeles
- 7 Slauson Station  
Los Angeles County
- 8 Western/Slauson  
City of Los Angeles
- 9 Culver City  
City of Culver City
- 10 Downtown LB (6th St)  
City of Long Beach
- 11 Santa Monica/La Brea  
City of West Hollywood



# Next stop: access to opportunity.

**Metro Active Transport (MAT) Program  
Planning and Programming Committee  
Legistar 2020-0562  
January 20, 2021**



# Recommended Action

- APPROVE project selection and programming of \$63,100,000 in Measure M Metro Active Transport, Transit and First/Last Mile program (MAT Program) funding;
- AUTHORIZE the Chief Executive Officer (CEO) or his designee to negotiate and execute all necessary agreements for approved projects; and
- AUTHORIZE a wait-list process for all non-awarded, eligible projects.



# Background

- *January 2020:* Board approves criteria/process for Cycle 1 (FY21-25)
  - Screened/Ranked project locations based on: Equity, Safety, Mobility/Connectivity
  - Invitation to Apply
  - Streamlined Letter of Interest application process
- Discretionary, competitive program created by Measure M
- \$857m over 40 years
- Dedicated funding for active modes

# Cycle 1 Overview

- 28 total submittals (\$102.7M)
- Selection process complete per Board-approved process
  - Qualitative evaluation PLUS points for equity-based ranking and Equity-Focused Communities (EFCs)
- 16 projects recommended for award (\$63.1M)
  - 5 Active Transportation Corridors
  - 11 First/Last Mile
- 8 recommended for wait list (\$16M)
- COVID-19 Impacts

# Cycle 1 Projects Map



## Active Transportation Corridor Projects

- 1** Avalon-MLK-Gage  
City of Los Angeles
- 2** Randolph  
City of Commerce
- 3** Redondo Beach Blvd  
City of Redondo Beach
- 4** 1st-Riggin-Potrero Grande  
City of Monterey Park
- 5** Huntington-Main/Fremont  
City of South Pasadena

## First/Last Mile Projects

- 1** Hollywood/Highland  
City of Los Angeles
- 2** Hollywood/Vine  
City of Los Angeles
- 3** East LA Civic Center  
Los Angeles County
- 4** LAX/Aviation  
City of Los Angeles
- 5** Olympic/26th  
City of Santa Monica
- 6** Sepulveda OL  
City of Los Angeles
- 7** Slauson Station  
Los Angeles County
- 8** Western/Slauson  
City of Los Angeles
- 9** Culver City  
City of Culver City
- 10** Downtown LB (6th St)  
City of Long Beach
- 11** Santa Monica/La Brea  
City of West Hollywood

# Next Steps

- Execute agreements
- Initiate projects
- Annual updates to adjust programming as needed





## Board Report

**File #:** 2020-0382, **File Type:** Policy

**Agenda Number:** 17.

### PLANNING AND PROGRAMMING COMMITTEE JANUARY 20, 2021

**SUBJECT: JOINT DEVELOPMENT POLICY UPDATE**

**ACTION: RECEIVE AND FILE**

#### **RECOMMENDATION**

RECEIVE AND FILE subject report.

#### **ISSUE**

In order to strengthen Metro's response to the housing crisis, staff has identified several potential updates to the Joint Development (JD) Policy for consideration. As part of these updates, other aspects of the JD Policy and JD Process are being considered for revision to increase the effectiveness in delivering JD projects and supporting equitable transit-oriented communities. To inform the recommended policy updates, staff consulted key stakeholders, researched best practices, and analyzed the current and potential JD portfolio of sites using a custom financial model. The potential policy and process tools are described briefly herein and included in the attached Evaluation Matrix (Attachment A) as well as evaluated in greater detail in the Policy Paper (Attachment B) for review and consideration by the Board of Directors (Board) and the public. Further discussion of these potential policy recommendations will inform formal changes to the JD Policy which will be brought to the Board for consideration this spring.

#### **BACKGROUND**

In 2015, Metro pioneered one of the most progressive affordable housing policies of any transit agency in the country. To date nearly 2,200 units of housing have been built on Metro property, more than 1/3 of which are affordable. That number is set to more than double in the next few years with projects currently in negotiations, including more than 1,000 additional affordable units.

However, because the issue of housing undersupply, affordability and homelessness have worsened in LA County in recent years, the Board as well as community advocates, have expressed a desire to ensure that Metro is doing everything possible to address the deepening crisis. Staff reported to the Board in early 2020 that it would be undertaking a thorough examination of the JD Policy to assess what more Metro may be able to do to address the situation.

## **DISCUSSION**

### Affordable Housing Policy

JD staff have collected more than 150 ideas from Board Directors, community stakeholders, advocates, industry experts, and colleagues as a collective “brainstorm” of policies and tools that may help to maximize Metro’s contribution towards meeting Los Angeles County’s housing needs. A Policy Paper is included as Attachment B which describes the findings of research and analysis of potential policies and tools. The Policy Paper seeks to make transparent the process and considerations for evaluating which tools should be carried forward into an updated Policy.

A key objective of the Policy is to prioritize the creation of as many transit-proximate high-quality, housing units for individuals and families who need them the most as soon as possible. Further, the Policy Paper identifies four key values by which the policy outcomes are measured:

1. **INCLUSION:** Increase opportunity for people at all income levels to live, work, and shop near transit;
2. **ACCESS:** Prioritize access to opportunity for those who need it most;
3. **PERFORMANCE:** Strategically leverage the JD portfolio to deliver units as soon as possible, with the least environmental impact possible, and measure outcomes; and
4. **INNOVATION:** Lead the region in innovations around housing.

### *Research*

Staff conducted a series of roundtable listening sessions with local industry and policy stakeholders, including affordable housing developers, public sector colleagues working in affordable housing, community-based organizations (CBOs), philanthropic organizations, and academic experts. Input was collected from the Board at committee meetings and their staff in follow up discussions. Online surveys were distributed to collect additional feedback from stakeholders and developers.

A detailed summary of stakeholder input is included as an appendix to the Policy Paper. Participants and respondents reported that the policy should be centered on equity, deconcentrate affordable housing, allow smaller developers to compete on even ground with larger developers for JD projects, coordinate with and incentivize local jurisdictions, and leverage revenues to invest in areas with greatest need.

Precedent research scanned the national policy landscape for lessons learned and best practices. The research uncovered several prevailing policy solutions and the effectiveness thereof. A complete list of precedents analyzed is included in the Policy Paper. Several agencies are experimenting with land discounts and affordability requirements; others are investing in affordable housing trust funds; and still others are using new techniques to measure inequities and advance equitable outcomes.

The collective brainstorm and precedent research were consolidated into a list of potential policies and tools for analysis and consideration. The tools that could be analyzed quantitatively were tested in a custom financial model. The model allowed staff to test variable levels of land discount,

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inclusionary requirements, amenity costs, and parking ratios to determine the likely number of affordable and market rate units that would result. Key findings included:

- The future JD portfolio is likely to be made up of more than 100 acres along new Metro transit lines, equating to as much as \$1 billion in potential value.
- Land value discounts may make a limited number of mixed-income projects more feasible but do not provide significant feasibility benefits.
- Reduced parking ratios can significantly increase the number of joint development sites within Metro's portfolio that remain financially feasible with robust affordability requirements and therefore produce more housing units.
- Additional requirements such as community benefits, workforce requirements, and design enhancements can significantly reduce the number of housing units that the Metro JD portfolio may generate.
- Requiring each project to set aside 25% of units for households earning 80% of area median income (AMI) results in the highest number of inclusionary affordable units in the scenarios tested because this scenario unlocks existing state and local density bonuses.
- The 2020 Regional Housing Needs Assessment (RHNA) identifies over 30% of the overall housing need in Los Angeles to be between 50 and 120% of AMI, which is not fully captured in the existing JD Policy definition of affordable housing goals.
- Flexibility within the policy would allow the program to achieve the highest number of market rate and affordable units within the portfolio.

A Transit Oriented Communities (TOC) Town Hall meeting planned for early 2021 will preview these results to the community with a panel of subject matter experts and CBOs. Staff will seek additional guidance on community priorities given the range of policy options.

### *Analysis & Recommendations*

The findings from the efforts noted above were further evaluated for feasibility and policy outcomes against the core policy values of *Inclusion, Access, Performance, and Innovation*. Staff used a policy analysis framework to determine which policy goals would be benefitted or harmed by each potential tool. Potential tools fell into eight key objectives (four for policy, four for process) that inform potential strategies for delivering the most equitable and inclusive outcomes. These policy objectives are described in detail in Attachment B.

Within these broad objectives, the Policy Paper evaluates a variety of more specific recommendations under consideration, the most notable of which include:

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Potential Policy Tools

*DELIVER Housing for Everyone*

- *Affordable First:* Require that all JD sites first be pursued as 100% income restricted.
  - Expand the definition of “affordable” to include households earning up to 80% of AMI in order to leverage the land value created by state and local density bonuses.
  - Create a new definition of “moderate income housing” to include households earning between 80% to 120% of AMI.
  - Use “neighborhood AMI” to inform affordability targets for each project to ensure affordability levels are appropriate for the community.
  - In large “district” sites and sites where zoning and economics allow for mid- or high-rise construction, provide a minimum of 25% of housing units that are affordable to households earning 80% or less of AMI (or an equivalent minimum, such as 15% of units at 30% of AMI or 50% of units at 120% of AMI)

*MAXIMIZE the Public Benefit Derived by the JD portfolio*

- Eliminate existing (maximum 30%) proportional land discount; instead, utilize land discount as a dollar amount subsidy *only when required* to yield units or other benefits.
- Reduce the cost of housing and the amount of Metro land dedicated to parking by establishing, subject to applicable land use regulations, a maximum parking ratio of .5 parking spaces per bedroom.
- Use the proceeds from JD projects to invest in TOC-supportive activities.

*RESPECT Communities by delivering benefits*

- Prioritize ground floor retail in JD projects for community-serving, local, legacy businesses or community-serving non-profits.
- Require baseline sustainability features for all projects; explore options to include additional features where possible.
- Prioritize community benefits focused on mobility and transit ridership while balancing the need to dedicate resources to affordable housing units.

Potential Process Tools

*PRIORITIZE Communities with the Deepest Need*

- Prioritize projects where the need is greatest: in equity focus communities and areas at risk of displacement, as well as in areas with greater access to opportunity.

#### *STREAMLINE Process for Faster Project Delivery.*

- Increase transparency in the unsolicited proposals process to ensure alignment between community vision and proposed project.
- Only accept unsolicited proposals from developers with control of adjacent properties, and that could not otherwise be solicited.

#### *MEASURE Outcomes Against Policy Objectives*

- Replace the 35% portfolio-wide affordable goal with unit number targets and other metrics to track progress towards achieving program goals.

#### Equity Platform

One of the most powerful ways Metro can improve Angelenos' access to opportunity is by leveraging Metro property for housing and other community benefits. The evaluation of new policies and tools, therefore, has invoked all four pillars of the equity platform:

- I. Stakeholders conversations in an internal working group, external roundtable, and community town hall sought to *listen and learn*;
- II. Precedent research and consultant analysis have *defined and measured* the problem;
- III. The recommended policy tools will advance changes that *focus and deliver* outcomes to benefit low-income households and historically marginalized communities; and
- IV. The ongoing system for monitoring outcomes as well as innovative housing pilots will encourage us to *train and grow*.

#### **DETERMINATION OF SAFETY IMPACT**

The subject Policy Paper will have no impact on safety.

#### **FINANCIAL IMPACT**

There is no financial impact related to this receive and file report.

#### Impact to Budget

There is no impact to the budget related to this receive and file report.

#### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The policy evaluation is fulfilling Strategic Plan Goal 3.2 by seeking to catalyze transit-oriented communities with affordable housing and helping to stabilize neighborhoods, and Goal 3.4 by playing

a leadership role in addressing homelessness.

### **NEXT STEPS**

The Policy Paper reflects the input of a broad base of stakeholders and provides an opportunity to receive feedback on the specific recommendations before they are formalized. Staff will be collecting this feedback with the intent of bringing final policy recommendations to the Board this spring.

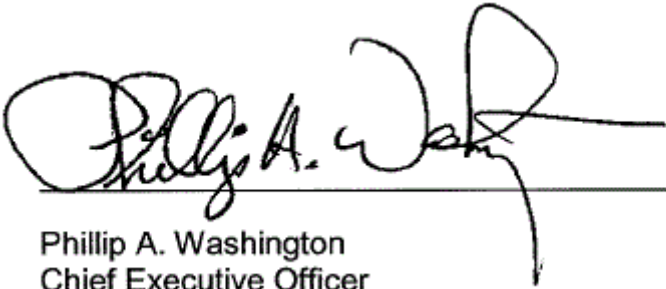
### **ATTACHMENTS**

Attachment A - Potential Policy and Process Tools Evaluation Matrix

Attachment B - Policy Paper

Prepared by: Marie Sullivan, Manager, Countywide Planning & Development, (213) 922-2556  
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Phillip A. Washington  
Chief Executive Officer

## Attachment A: Potential Policy and Process Tools Evaluation Matrix



Policy value achieved



Policy value not impacted



Policy value negatively impacted

Potential Policy Tools				
A.1 DELIVER Housing for everyone	INCLUSION	ACCESS	PERFORMANCE	INNOVATION
<i>A.1.1 Affordable First</i>				
<ul style="list-style-type: none"> <li>Require that all JD sites first be pursued for development of 100% income-restricted, excepting (a) large “district” sites and sites where zoning and economics allow for mid- or high-rise construction may be developed as mixed-income properties, and (b) sites that are deemed infeasible for affordable housing may be excepted by a Board action.</li> </ul>				
<i>A.1.2 Affordability Levels</i>				
<ul style="list-style-type: none"> <li>Expand the definition of “affordable” to include households earning up to 80% of (AMI) in order to leverage the land value created by state and local density bonuses.</li> </ul>				
<ul style="list-style-type: none"> <li>Create a new definition of “moderate income housing” to include households earning between 80% to 120%.</li> </ul>				
<ul style="list-style-type: none"> <li>Use “neighborhood AMI” to inform affordability targets for each project to ensure affordability levels are appropriate for the community.</li> </ul>				
<i>A.1.3 Minimum Affordability Requirements</i>				
<ul style="list-style-type: none"> <li>Require mixed-income projects to achieve an “affordability score” equivalent to at least 25% of units set aside for households earning 80% of AMI and below.</li> </ul>				





















A.2 MAXIMIZE the public benefit derived from the JD portfolio	INCLUSION	ACCESS	PERFORMANCE	INNOVATION
<i>A.2.1 Leverage land value</i>				
<ul style="list-style-type: none"> <li>Adjust JD Policy so that a land discount, expressed as a dollar value of subsidy from the fair market value of a property (as opposed to a percentage of land discount), may be applied where it may be clearly demonstrated that a) a subsidy is absolutely required to offset additional costs to provide affordable units, deeper affordability levels of the units, or other benefits, such as open space or transit facilities and b) no other subsidies are reasonably available to meet this need.</li> </ul>	●	●	●	●
<i>A.2.2 Parking Policies</i>				
<ul style="list-style-type: none"> <li>Require unbundled parking on all sites and ensure that tenants pay the cost of parking utilized.</li> </ul>	●	●	●	●
<ul style="list-style-type: none"> <li>Allow a maximum of 0.5 parking spaces per bedroom for market rate housing units in Metro JD projects; if land use regulations require higher parking rates, the developer would not be permitted to park at a rate any higher than the local minimum; additional parking may be provided if shared with other uses including for weekday Metro parking.</li> </ul>	●	●	●	●
<i>A.2.3 Use of Joint Development Proceeds</i>				
<ul style="list-style-type: none"> <li>Reinvest proceeds from JD projects in an affordable housing trust fund; a strategic acquisition fund; and the Metro Housing Lab.</li> </ul>	●	●	●	●
<i>A.2.4 Strategic Acquisition</i>				
<ul style="list-style-type: none"> <li>Working with Corridor planning, Real Estate and Program Management, review proposed transit project property acquisitions for JD potential before the acquisition footprint is established and cleared during environmental review.</li> </ul>	●	●	●	●



A.3 RESPECT communities by counteracting displacement and delivering benefits					INCLUSION	ACCESS	PERFORMANCE	INNOVATION
<i>A.3.1 Small Business Tenants</i>								
<ul style="list-style-type: none"> <li>Ensure that developers prioritize ground floor retail in JD projects for community-serving, local, legacy businesses or community serving non-profits, and require developers to provide flexibility for those tenants to ensure ongoing tenancy and viability.</li> </ul>					●	●	◐	●
<i>A.3.2 Sustainability</i>								
<ul style="list-style-type: none"> <li>Require baseline sustainability features for all projects; explore options to include additional features where possible.</li> </ul>					◐	◐	○	●
<i>A.3.3 Labor Agreements</i>								
<ul style="list-style-type: none"> <li>Retain labor policy as-is, requiring all JD projects greater than 60 units to comply.</li> </ul>					●	●	○	◐
<i>A.3.4 Mobility Benefits</i>								
<ul style="list-style-type: none"> <li>Prioritize community benefits focused on mobility and transit ridership while balancing the need to dedicate resources to affordable housing units.</li> </ul>					●	●	○	◐
<i>A.3.5 Free Transit Passes</i>								
<ul style="list-style-type: none"> <li>Await outcome of FSI study before pursuing potential pilot test requiring transit passes for JD projects.</li> </ul>					●	●	◐	●
A.4 LEAD the region and nation by driving innovation around housing					INCLUSION	ACCESS	PERFORMANCE	INNOVATION
<i>A.4.1 Housing Lab</i>								
<ul style="list-style-type: none"> <li>Explore innovative pilot projects through a “Metro Housing Lab.”</li> </ul>					●	●	●	●

Potential Process Tools				
B.1 PRIORITIZE communities with the deepest need	INCLUSION	ACCESS	PERFORMANCE	INNOVATION
<i>B.1.1 Neighborhood Stabilization</i>				
<ul style="list-style-type: none"> <li>Prioritize projects located in areas at higher risk of displacement.</li> </ul>	●	●	◐	◐
<i>B.1.2 Equity Focus Communities</i>				
<ul style="list-style-type: none"> <li>Prioritize catalytic projects that fall within the Equity Focus Community geographies which have experienced divestment.</li> </ul>	●	●	◐	◐
<i>B.1.3 Access to Opportunity</i>				
<ul style="list-style-type: none"> <li>Prioritize projects that would build affordable units in areas with greater access to opportunities.</li> </ul>	●	●	◐	◐
B.2 STREAMLINE process for faster project delivery	INCLUSION	ACCESS	PERFORMANCE	INNOVATION
<i>B.2.1 Feasibility</i>				
<ul style="list-style-type: none"> <li>Prioritize the projects that may be delivered fastest, with the least cost to Metro.</li> </ul>	●	●	●	●
<i>B.2.2 Site Analysis and Development Guidelines</i>				
<ul style="list-style-type: none"> <li>Determine what kind of project a site can support.</li> </ul>	◐	◐	●	●
<ul style="list-style-type: none"> <li>Determine what infrastructure costs will be required and if the land value can support them or if additional subsidy would be required.</li> </ul>	◐	◐	●	●
<ul style="list-style-type: none"> <li>Create a Development Guidelines Checklist to accelerate project readiness.</li> </ul>	◐	◐	●	●

<i>B.2.3 Community Engagement</i>				
<ul style="list-style-type: none"> <li>Focus community input on upfront visions to create reasonable, predictable, timeframes for project visioning and delivery.</li> </ul>	●	●	●	●
<i>B.2.4 Expedited Procurement Processes</i>				
<ul style="list-style-type: none"> <li>Consolidate process steps under JD team to create efficiencies and accelerate timeframes.</li> </ul>	◐	◐	●	●
<i>B.2.5 Unsolicited Proposals</i>				
<ul style="list-style-type: none"> <li>Limit unsolicited proposals to developers who have site control of property adjacent to a Metro property and offer a unique property development proposal that Metro could not otherwise procure.</li> </ul>	◐	◐	●	●
<ul style="list-style-type: none"> <li>Increase transparency in the unsolicited proposals process to ensure alignment between local municipality, community and proposed project vision.</li> </ul>	●	●	●	◐
<b>B.3 EVALUATE and select the most inclusive projects.</b>				
	<b>INCLUSION</b>	<b>ACCESS</b>	<b>PERFORMANCE</b>	<b>INNOVATION</b>
<i>B.3.1 Affordability Scoring</i>				
<ul style="list-style-type: none"> <li>Evaluate JD proposals based on an “affordability score” that indexes the number of affordable homes proposed and the target income levels served.</li> </ul>	●	●	◐	◐
<i>B.3.2 Economic Development Scoring</i>				
<ul style="list-style-type: none"> <li>Formally evaluate proposals based on small business contractors, racial inclusion, and community-based organizations in developer selection criteria.</li> </ul>	●	●	◐	◐
<i>B.3.3 Community-informed Evaluation Criteria</i>				
<ul style="list-style-type: none"> <li>Solicit input from stakeholders on evaluation criteria for development proposals.</li> </ul>	●	●	◐	◐
<i>B.3.4 Expedient Delivery Scoring</i>				

<ul style="list-style-type: none"> <li>Assign points to projects that lay forth a path for expedient permits and approvals and demonstrated community support.</li> </ul>				
<i>B.3.5 Sustainability Scoring</i>				
<ul style="list-style-type: none"> <li>Assign points to projects that that promote environmental stewardship, reduce greenhouse gas emissions, and conserve or restore natural resources.</li> </ul>				
<b>B.4 MEASURE outcomes against policy objectives</b>	<b>INCLUSION</b>	<b>ACCESS</b>	<b>PERFORMANCE</b>	<b>INNOVATION</b>
<i>B.4.1 Metrics and Outcome Tracking</i>				
<ul style="list-style-type: none"> <li>Report and promote the performance of the JD portfolio via a regularly updated dashboard of projects.</li> </ul>				
<ul style="list-style-type: none"> <li>Require developers to allow Metro to conduct annual tenant surveys in order to report metrics to Metro for ongoing monitoring.</li> </ul>				
<i>B.4.2 Long-Term Affordable Housing</i>				
<ul style="list-style-type: none"> <li>If fee disposition of Metro property is necessary for a JD project, place a covenant on the property requiring that any affordable units developed remain affordable into perpetuity.</li> </ul>				

January 15, 2020

# Metro Joint Development Affordable Housing Policy Paper

Harnessing Metro's real estate portfolio to create plentiful, equitable, and high-quality transit-oriented housing.

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# INTRODUCTION

Metro's Joint Development (JD) Program is the real estate development program through which Metro collaborates with developers to build transit-oriented developments on Metro-owned properties. JD sites are a gateway to the Metro transit system and hold unique potential to advance community development goals while attracting new riders to the Metro system.

The JD Program is guided by Policy and Process documents, which were substantially revised in 2015, responding to a moment marked by the end of redevelopment agencies in California, new Metro leadership, and an awakening to the deeper potential in the relationship between transportation infrastructure and its host communities. That Policy set forth a goal for affordable housing production (35% of the portfolio) and a provision to discount property (up to 30%, matching affordable unit percentage). At the time of its adoption, the Policy was groundbreaking and established a template that other agencies around the country would follow.

Today, in the depths of a regional housing crisis which is exacerbating structural racial inequities<sup>1</sup>, updating the JD Policy provides an important opportunity to focus the Agency's commitment to delivering inclusive, high-quality affordable housing on its land. This paper lays the groundwork for an updated policy that will rise to the occasion, laying out the principals and goals against which specific interventions are measured and analyzing the potential policies and tools against this framework.

Metro's JD portfolio will grow rapidly over the next decade with the acquisition of properties for new transit lines throughout LA County. It is anticipated that more than 40 new sites will join the JD portfolio, effectively doubling its size. Each JD site holds the potential to augment unique communities. Taken as whole, Metro may use the entire portfolio to lead the region in progressive, innovative, community-serving housing and other inclusive community benefits.

This paper focuses on what Metro can do with its own properties to improve the quality of life in station areas and contribute to solving the housing crisis. After a short summary defining the housing problem, this paper looks at the performance and outcomes derived from the JD Program under the current policy; the landscape of existing policies and funding sources that impact the JD Program; and, the policies, programs and methods of similar JD programs nationwide. The second half of the paper goes on to identify objectives that the JD Program would like to achieve and evaluates potential policy and process changes that may be put into place to support these objectives.

Angelenos pay nearly half of their income to rent, on average.

Housing costs depress LA County GDP by nearly 5% or over \$30 billion per year.

LA County would need to build housing 4.5 times faster than current rates to meet its current RHNA requirements.

*McKinsey Global Institute. Ward, T., Woetzel, J., Pelouquin, S., & Arora, S. (2019). Affordable housing in Los Angeles Delivering more—and doing it faster.*

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<sup>1</sup>Los Angeles Homeless Services Authority. (2020). *2020 Homeless County Key Messages*. <https://www.lahsa.org/documents?id=4561-2020-homeless-count-key-messages>



## METHODOLOGY

These policies and tools were evaluated through an integrated process that combined feedback from a cross-section of stakeholders, precedent research and technical feasibility testing.

### Stakeholder Input

Over the course of 2020, staff collected more than 150 ideas from Metro Board members, community stakeholders, advocates, industry experts, and colleagues as a collective “brainstorm” of tools and policies that may help to advance the vision for an equitably housed Los Angeles.

### Precedent Research

In addition, staff performed an extensive review of academic literature and precedent policies throughout the nation. This research surveyed transit agency policies to identify the prevailing policy landscape on several issue areas important to stakeholders.

### Financial Analysis

The team also performed a financial analysis, which consisted of a custom financial model that calculated the total unit yield of the JD portfolio for market rate and affordable sites based on specific policy tools tested. The model is based on existing JD sites, as well as likely future JD sites, which were estimated based on current understanding of future corridor alignments and acquisitions. Many sites analyzed were sample sites used to mirror the variety of the sites in the portfolio. The model is therefore not a comprehensive or completely conclusive analytical tool, but it is helpful in seeing the high-level impacts of potential policy interventions. Additional detail about the financial model methodology is included in Appendix A, and the findings from the model are contained within the Potential Policy Tools section.

Each of these important steps helped the team reframe and reevaluate the overarching program goals, which in turn led to the identification of a collection of policies that could achieve optimal outcomes when measured against these updated program goals.

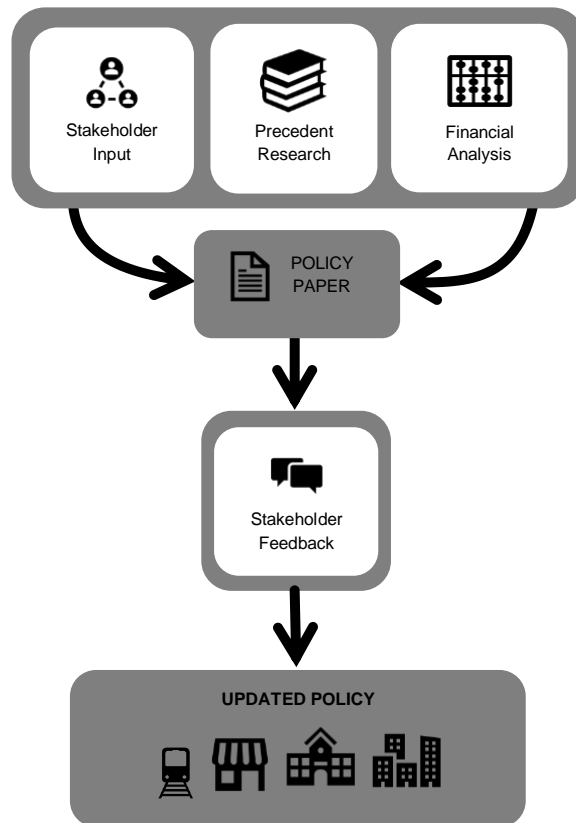


Figure 1: Methodology Diagram

## POLICY VALUES

At the center of this policy is the understanding that the people impacted most by this housing affordability crisis are historically marginalized communities.<sup>2</sup> Metro's core riders are often the same historically marginalized communities that are most impacted by the housing crisis.<sup>3</sup> Therefore, the overarching values guiding the evaluation of policies and tools serve a greater interest to help Metro advance equity and reduce disparities while also supporting transit ridership and Metro's mission of world-class transportation in LA County.

1. **INCLUSION:** Increase opportunity to for people at all income levels to live, work, and shop near transit;
2. **ACCESS:** Prioritize access to opportunity for those who need it most;
3. **PERFORMANCE:** Strategically leverage the JD portfolio to deliver units as soon as possible, with the least environmental impact possible, and measure outcomes; and
4. **INNOVATION:** Lead the region in innovations around housing.

This paper groups and analyzes potential policy and process tools among a set of objectives aimed at supporting these values. Together the tools are evaluated in order to achieve a single overarching, guiding goal:

**GUIDING GOAL:** Prioritize the creation of as many units of high-quality housing near transit as possible, for those who need it the most, as soon as possible.

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<sup>2</sup>Los Angeles Homeless Services Authority. (2020). *2020 Homeless County Key Messages*.  
<https://www.lahsa.org/documents?id=4561-2020-homeless-count-key-messages> ;

McKinsey Global Institute. Ward, T., Woetzel, J., Peloquin, S., & Arora, S. (2019). *Affordable housing in Los Angeles Delivering more—and doing it faster*.  
<https://www.mckinsey.com/~media/McKinsey/Industries/Public%20and%20Social%20Sector/Our%20Insights/Affordable%20housing%20in%20Los%20Angeles%20delivering%20more%20and%20doing%20it%20faster/MGI-Affordable-housing-in-Los-Angeles-Full-report-vF.pdf>

<sup>3</sup> Los Angeles County Metro. (2019). *Metro Research On-board Customer Satisfaction Survey*.  
<https://www.metro.net/news/research/>

# BACKGROUND

## The Need for Stronger Policies and Tools

The need for more housing in Los Angeles County is clear. The State-mandated Regional Housing Needs Assessment (RHNA) prepared by the Southern California Association of Governments found that Los Angeles County currently has a 350,000 unit deficit, as shown in the table below. Of the needed units, over 100,000 of them are required for people earning less than 50% of AMI and over 50,000 units for people earning between 50 and 80% of AMI. Interestingly, nearly 150,000 units are needed for people earning *more* than 120% of AMI, demonstrating the need for market rate units in addition to subsidized units.<sup>4</sup>

Despite the recognized need for new housing units, the local economy is failing to provide it. Only 1.4% of the County's total housing stock was built between 2010 and 2018, and over 60% of the County's housing stock is over 50 years old. In the City of Los Angeles' present housing market "the economics do not work for developers to build standard units that are affordable for households earning less than 120 percent of the area median income,"<sup>5</sup> meaning that all units for households earning less than 120% of the median income will need subsidies, incentives or both.

2020 Los Angeles County Regional Housing Needs Assessment (RHNA)		
Housing Need by Income	Units Needed	Percent of LA County RHNA
Very-low Income (<50% of AMI)	101,816	28%
Low Income (50-80% of AMI)	54,547	15%
Moderate Income (80-120% of AMI)	56,588	16%
Above moderate Income (>120% of AMI)	144,552	40%
<b>Total</b>	<b>357,503</b>	<b>100%</b>

Housing shortages contribute to severe negative consequences for LA County residents. 56% of Los Angeles households spend more than 30% of their income on housing. In last year's homeless count, individuals experiencing homelessness in the County increased 12% to nearly 60,000 individuals. Many low-income households are forced to live in overcrowded dwellings, which has exacerbated disparities in rates of COVID-19 infection. Other low and moderate-income households have moved out of the region due to high housing costs. Transit ridership in Los Angeles has declined in areas where housing costs

<sup>4</sup> Southern California Association of Governments. (2020). *SCAG Final RHNA Methodology 030520*.  
<http://www.scag.ca.gov/programs/Documents/RHNA/SCAG-Final-RHNA-Methodology-030520.pdf>

<sup>5</sup> McKinsey Global Institute. Ward, T., Woetzel, J., Peloquin, S., & Arora, S. (2019). *Affordable housing in Los Angeles Delivering more—and doing it faster*.  
[https://www.mckinsey.com/~/\\_media/McKinsey/Industries/Public%20and%20Social%20Sector/Our%20Insights/Affordable%20housing%20in%20Los%20Angeles%20delivering%20more%20and%20doing%20it%20faster/MGI-Affordable-housing-in-Los-Angeles-Full-report-vF.pdf](https://www.mckinsey.com/~/_media/McKinsey/Industries/Public%20and%20Social%20Sector/Our%20Insights/Affordable%20housing%20in%20Los%20Angeles%20delivering%20more%20and%20doing%20it%20faster/MGI-Affordable-housing-in-Los-Angeles-Full-report-vF.pdf)

have increased, so lack of housing affordability and supply have also challenged and undermined Metro's mission.<sup>6</sup>

## Affordable Housing Context

The majority of affordable housing in Los Angeles County is provided through government subsidies from federal, state, and local governments as well as loans from community development finance institutions and traditional banks. Affordable housing developers generally purchase land in the private real estate market and pay market value for the land. These affordable housing units are then covenanted with requirements to reserve the units for people earning less than a specified income. Depending on the funding sources and the target population, residents will need to qualify by earning less than a certain percentage of the Area Median Income (AMI) for the county in which the project is built (see chart below for LA County). Residents then pay monthly rent which is set at a portion of their qualifying income, to ensure they are not burdened by the rent. The rent goes to pay the operating expenses for the building and to pay back the lenders for the project.

## Current JD Policy and Approach

The existing JD Policy defines “affordable housing” as housing units for people earning 60% or less than the LA County Area Median Income (AMI) as defined by the California Tax Credit Allocation Committee (TCAC). The current Policy has a portfolio-wide goal that 35% of housing units are affordable to households that earn less than or equal to 60% of the AMI. There is currently no site-specific affordability requirement. The Policy also allows for land discounting of up to 30% of the market value of the land in order to accommodate affordable units.

To date, the JD Program has generated nearly 2,200 housing units, 34% of which are restricted to households earning less than 60% of AMI. The current pipeline, when completed, would increase the count to 4,700 units, (housing approximately 11,500 individuals), of which 37% would be available to households earning less than 60% of AMI. The success of the current policy is

**Income and Rent Limits  
for a 3-person Household to Live in a 2-bedroom  
Affordable Unit in Los Angeles County in 2020\***

Income Level	% of AMI	Equivalent Annual Income	Max Allowable Monthly Rent
Extremely Low Income	30%	\$30,420	\$760
Very Low Income	60%	\$50,700	\$1,267
Low Income	80%	\$81,120	\$2,028
Moderate Income	100%	\$101,400	\$2,534
Moderate Income	120%	\$121,680	\$3,041

*\*California Tax Credit Allocation Committee Income and Rent Limits for Los Angeles County projects post April 1, 2020*

<https://www.treasurer.ca.gov/ctcac/rentincome/20/income/13-income-limits-pis-post-042420.pdf>  
<https://www.treasurer.ca.gov/ctcac/rentincome/20/rent/14-rent-limits-pis-post-042420.pdf>

<sup>6</sup> <http://www.scag.ca.gov/committees/CommitteeDocLibrary/rttac093020fullagn.pdf>

chiefly measured by progress toward the 35% goal, focusing less on the absolute number of affordable units delivered or the public benefits derived.

### **Metro Affordable Transit Connected Housing (MATCH) Loan Fund**

In 2017, Metro partnered with the California Community Foundation, the Local Initiatives Support Coalition (LISC), the Low Income Investment Fund (LIIF), and Enterprise Community Partners to create a transit-oriented loan fund, which provides an additional source of local funding to contribute to affordable housing subsidies. Metro committed \$9 million in funding which was used to leverage a total fund value of \$75 million. Loans are available to mission-driven, non-profit affordable housing developers with projects that are within a half mile of high-quality transit. As of May 2020, MATCH had made loans to help build 523 new affordable housing units and preserve 32 existing affordable units (a total of 555 units) with a \$6 million contribution from Metro.

### **The Value of the JD Portfolio**

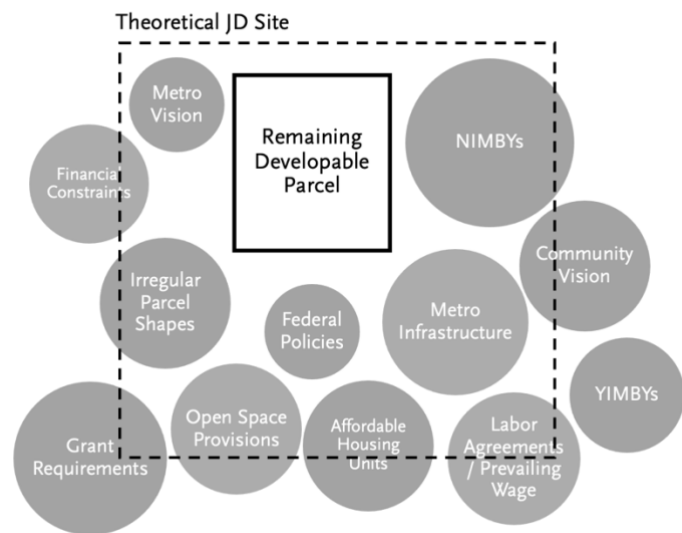
While it is difficult to estimate the true market value of the JD portfolio, our analysis identifies more than 100 acres of future joint development sites along new Metro transit lines, equating to as much as \$1 billion in potential value. Strategic, thoughtful stewardship of this public asset will ensure that it is leveraged it for the largest possible benefit. While policy thresholds, standards and criteria are essential, so too is flexibility to creatively respond to each site condition with an eye toward maximizing the total performance of the program.

### **Competing Forces**

Metro JD sites are subject to myriad competing forces and pressures that whittle away at the development opportunity and disburse the potential benefits (illustrated on the right). Navigating these competing demands makes clear direction and swift delivery of projects difficult and can result in compromised outcomes.

### **Applicable Local, State, and Federal Policies**

The State of California, Los Angeles County and several cities, including Los Angeles, Long Beach, West Hollywood, Glendale and Pasadena among others have implemented density bonus policies that incentivize affordable housing on an inclusionary basis. This means that the developers are granted additional permitted units, and/or parking reductions if they include a certain percentage of affordable housing units in their projects.



*Figure 2: Competing Forces Diagram*

### *City of Los Angeles*

The City of Los Angeles Department of City Planning implemented the Transit Oriented Communities Incentive Program in 2017, which awards density bonuses for transit-oriented developments that include a minimum threshold of affordable units. These thresholds range from 11% of units at 30% AMI up to 25% of units at 80% AMI. Since its inception, the City's TOC Program has generated over 32,000 homes, over 7000 of which are affordable. Over these, 44% of discretionary affordable units approved have been at the 80% AMI level, 12% at the 60% AMI level and 44% at 30% AMI.<sup>7</sup>

### *County of Los Angeles*

The five County Supervisors signed a draft Inclusionary Housing Ordinance in August 2020, instructing County Counsel to draft a final ordinance. The LA County's draft Inclusionary Housing ordinance requires new rental housing developments in unincorporated LA County with five or more dwelling units to set aside 5 - 20% of all units for low, very low, and extremely low-income households. The set asides vary based on the units' affordability levels and the project size. In addition, rental covenants will be extended from 55 to 99 years unless the project is part of the County's density bonus program. The ordinance will also require for-sale projects with five or more units to set aside units for moderate-income households at a percentage based on the project's submarket. Developers can also elect to build offsite affordable units to meet the inclusionary requirements if the affordable project meets certain qualifications, such as: the project is in proximity to an area with demonstrated displacement risk; or the project is in a certain TCAC high resource area.<sup>8</sup>

### *State of California*

The California State Density Bonus Law (Cal. Gov. Code 65915 - 65918) provides density bonuses for projects including a range of income restricted units, from projects including as few as 5% of units at 0-50% AMI, up to projects with 100% of units at 0-80% AMI. The law was amended in 2020 with Assembly Bill 1763, to incentivize higher density for affordable projects, providing up to 80% bonuses for 100% affordable projects around transit hubs.

In 2018, California Senate Bill 35 amended certain sections of California Government Code to further streamline processing for qualifying infill projects in cities that have not met their regional housing need. In the City of LA, SB 35 allows projects to bypass time consuming discretionary CEQA reviews if the project contains at least 50% affordable units. In the 18 months after the adoption of the law, eight 100% affordable projects in the City of LA filed for streamlining under Senate Bill 35.<sup>9</sup> One JD project, which is also 100% affordable, is currently using the CEQA streamlining advantages made possible by Senate Bill 35.

The California Surplus Land Act (Cal. Gov Code Secs. 54220-54234) was amended in 2019, creating additional requirements on dispositions of government-owned land. Additional guidance on the new law will be published by the implementing agency in early 2021, which will provide more information on

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<sup>7</sup> Los Angeles Department of City Planning. (2020). Housing Progress Report.

<https://planning.lacity.org/resources/housing-reports>

<sup>8</sup> Los Angeles County Department of Regional Planning. (2020). HEARING ON THE INCLUSIONARY HOUSING ORDINANCE [Draft Ordinance]. <https://file.lacounty.gov/SDSInter/bos/supdocs/147366.pdf>

<sup>9</sup> Los Angeles City Planning Performance Management. (2019). *Housing Progress Quarterly Report: April - June 2019*.

<https://planning.lacity.org/odocument/c795255d-9367-4fdf-9568-0a34077720ef>

how it may impact the JD program. Staff is also engaging with the implementing agency and monitoring related developments statewide to determine its impacts.

### *Federal Transit Administration*

When a JD project is to be built on land that was acquired with federal funds, Federal Transit Administration approval is required. Guidance issued by the Federal Transit Administration (FTA) in August 2020 provides that FTA will no longer reserve the right to withhold approval of a JD project if it does not generate revenue for the transit agency. Metro will still be required to “document its reasonable determination that the terms and conditions of the JD improvement (including the share of revenue for public transportation which shall be provided thereunder) are reasonable and fair.”<sup>10</sup> In addition, the FTA needs to concur with any proposed development on land acquired for an FTA-funded project.

### *Federal Opportunity Zone Program*

Opportunity Zones (OZs) were created through the 2017 tax reform law and provide significant tax benefits for investors willing to deploy capital in designated, economically disadvantaged areas. Five of Metro’s current JD projects are in OZs (North Hollywood, Vermont/Santa Monica, Mariachi Plaza, Little Tokyo/Arts District Station and Westlake/MacArthur Park station), not including Union Station. With respect to Metro’s future corridors, staff analysis found that while there is some overlap with OZs, many of the anticipated high-quality transit station locations that are poised for redevelopment and sit in lower income communities do not fall within designated OZs.

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<sup>10</sup> Federal Transit Administration Circular FTA C 7050.1B, Rev. 2, August 14, 2020



## PRECEDENTS

Across the US, transit-oriented development and joint development policies share many common policy goals around affordable housing, anti-displacement efforts and community benefits. Staff researched affordable housing and transit-oriented development policies nationwide in order to collect potential tools for analysis. A more in-depth description of those precedent policies is included as Appendix D and a summary of key findings from the most exemplary policies are described below.

### Equity

#### *SCAG RHNA Equity Multiplier*

The Southern California Association of Governments (SCAG) published its sixth cycle Regional Housing Needs Assessment (RHNA) methodology in March of 2020. The methodology includes a social equity adjustment calculation in order to distribute affordable units across the county, not only in the areas that already have a disproportionately high portion of affordable units or lower-income households. The calculations give additional weight to high resourced areas which provide greater access to opportunity.<sup>11</sup>

#### *Chicago Equitable Transit Oriented Development Policy Plan*

In September of 2020, the City of Chicago released an Equitable Transit Oriented Development (eTOD) Policy Plan which calls for increased attention to issues of equity by building capacity and embedding equity priorities across the city's departments. The Policy Plan relied on extensive outreach efforts and stakeholder engagement through a workgroup that met to discuss shared values and priorities.

#### *Boston Green Ribbon Commission*

In the Carbon Free Boston Social Equity Report, the Boston Green Ribbon Commission establishes a social vulnerability index in order to understand where needs and risks are greatest, which is where residents also have the most to gain.<sup>12</sup>

#### *Seattle Equitable Development Initiative*

The City of Seattle's Office of Planning and Economic Development established the Equitable Development Initiative aimed at advancing economic mobility and opportunity, preventing residential, commercial, and cultural displacement, and enabling equitable access to all neighborhoods. The initiative has invested about \$20 million of loans and grants in community development, cultural community projects, and anti-displacement efforts.<sup>13</sup>

**TAKEAWAY: Across the country, government agencies are using a variety of tools to measure, understand, and combat issues of inequity.**

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<sup>11</sup> SCAG Final RHNA Methodology 030520

<sup>12</sup> Green Ribbon Commission Carbon Free Boston. (2019). *Carbon Free Boston: Social Equity Report 2019*. [https://www.greenribboncommission.org/wp-content/uploads/2019/05/CFB\\_Social\\_Equity\\_Report\\_WEB.pdf](https://www.greenribboncommission.org/wp-content/uploads/2019/05/CFB_Social_Equity_Report_WEB.pdf)

<sup>13</sup> Seattle Office of Planning and Community Development. (2020). *Equitable Development Initiative*. <https://www.seattle.gov/opcd/ongoing-initiatives/equitable-development-initiative>

## **Affordable Minimum or Goal**

Several transportation agencies have begun to experiment with a minimum affordable housing requirement for all projects. These policies have not been in place long enough to know what the outcome associated with them will be.

### ***BART***

The Bay Area Rapid Transit District (BART) amended its Transit Oriented Development Policy in April 2020 to include “a District-wide target of 35% of all units to be affordable, with a priority to very low (<50% of AMI) and low (51-80% of AMI) income households and/or transit-dependent populations”.<sup>14</sup>

### ***Caltrain***

In February 2020, the Caltrain Board of Directors adopted a Rail Corridor Use Policy and Transit Oriented Development (TOD) Policy requiring that 30% of housing units within each individual project be affordable, with 10% targeted at Very Low Income, Low Income and Moderate-Income households, respectively.<sup>15</sup>

### ***MARTA***

Metropolitan Atlanta Rapid Transit Authority (MARTA) has a goal of 20% affordable for each JD project, which may include rental units serving households earning up to 80% of AMI, senior housing, or for-sale affordable housing for households earning up to 100% of AMI. Projects are reviewed on a project by project basis.<sup>16</sup>

### ***MBTA***

Massachusetts Bay Transportation Authority (MBTA) requires JD projects with at least 15 units to build 20% of units for households at or below 100% of AMI and will work with municipalities to determine project feasibility and adjust this requirement to as low as 10%.<sup>17</sup>

### ***Sound Transit***

Sound Transit in the Seattle area gives local governments, housing authorities and non-profits the first offer on 80% of Sound Transit-owned land deemed surplus and suitable for housing, whether through sale, long term lease, or transfer. If the qualified entity accepts the offer, it is required to construct housing in which 80% of the units are affordable for households below 80% of AMI. Sound Transit's

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<sup>14</sup> San Francisco Bay Area Rapid Transit District. (2020b). *Transit-Oriented Development Policy, Amended 2020-04-23*. [https://www.bart.gov/sites/default/files/docs/BART%20Transit-Oriented%20Development%20Policy\\_Amended2020-04-23.pdf](https://www.bart.gov/sites/default/files/docs/BART%20Transit-Oriented%20Development%20Policy_Amended2020-04-23.pdf)

<sup>15</sup> Caltrain. (2020). *Transit Oriented Development Policy*. [https://www.caltrain.com/Assets/\\_Agendas+and+Minutes/JPB/2020/Item+\\$!239a+TOD+Presentation.pdf](https://www.caltrain.com/Assets/_Agendas+and+Minutes/JPB/2020/Item+$!239a+TOD+Presentation.pdf)

<sup>16</sup> MARTA. (2010). *MARTA TOD Implementation Policies*. [https://www.itsmarta.com/uploadedFiles/More/Transit\\_Oriented\\_Development/MARTA-TOD-Implementation-Policies-Adopted-Text-November-2010.pdf](https://www.itsmarta.com/uploadedFiles/More/Transit_Oriented_Development/MARTA-TOD-Implementation-Policies-Adopted-Text-November-2010.pdf)

<sup>17</sup> Massachusetts Bay Transportation Authority, & Massachusetts Department of Transportation. (2017). *MBTA TOD Policies and Guidelines*. [https://www.mass.gov/files/documents/2017/10/17/TOD\\_Policy.pdf](https://www.mass.gov/files/documents/2017/10/17/TOD_Policy.pdf)

policy emphasizes flexibility to optimize equitable outcomes by using portfolio-wide goals and by considering individual property characteristics to evaluate site suitability for affordable housing.<sup>18</sup>

**TAKEAWAY: Some transit agencies are implementing an affordable minimum, and others are instead using an affordable goal in order to provide flexibility and avoid restricting the potential of JD sites. Another approach is to set aside certain sites, which will first be offered to affordable housing developers.**

## Land Discount

### *BART*

The San Francisco Bay Area Rapid Transit (BART) District's Draft 10-year Joint Development Workplan includes a goal to deliver between 10,700 to 13,100 homes through joint development between 2020-2030. BART has committed to providing up to a 60% discount from fair market value ground rent for projects with at least 35% affordable housing (or at least 30% affordable for high-rise projects). The BART discount begins at an 80% AMI affordability level and BART will deepen the discount as the affordability levels decrease from 80%.

### *Sound Transit*

Sound Transit allows property discounts based on financial assessments demonstrating the project's funding gap, and the financial needs of Sound Transit's corridor and system expansion. Sound Transit considers value capture across TOD projects to support affordable housing, including "allowing cross-subsidy across a master development site or through transfer of development rights to a market-rate site generating revenue to support affordable housing development."

**TAKEAWAY: Some transit agencies are allowing discounting to their land, usually with flexibility to allow site by site decisions based on market factors.**

## Loan Funds and Grants

### *Sound Transit*

To make affordable housing more feasible near transit stations and fill the gaps in affordable housing finance across the region, Sound Transit created the Affordable Housing Revolving Loan Fund. Sound Transit is incorporating \$4 million per year for 5 years and leveraging additional funding contributions from public and private sources. The specifics of the loan products are still in development, but the fund will seek to finance affordable housing on Sound Transit properties and minimize displacement around Sound Transit investments.<sup>19</sup>

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<sup>18</sup> Sound Transit. (2018). *Resolution No. R2018-10 Adopting an Equitable Transit Oriented Development Policy*. [https://www.soundtransit.org/st\\_sharepoint/download/sites/PRDA/FinalRecords/2018/Resolution%20R2018-10.pdf](https://www.soundtransit.org/st_sharepoint/download/sites/PRDA/FinalRecords/2018/Resolution%20R2018-10.pdf)

<sup>19</sup> Local Initiatives Support Corporation. (April 2020). *Sound Transit Affordable Housing Revolving Loan Fund Needs Assessment*. <https://www.soundtransit.org/sites/default/files/documents/revolving-fund-needs-assessment-20200616.pdf>

### *Bay Area Metropolitan Transportation Commission - Transit Oriented Affordable Housing*

The San Francisco Bay Area Metropolitan Transportation Commission (MTC), which is the Metropolitan Planning Organization for the San Francisco nine-county bay area, launched the Transit Oriented Affordable Housing (TOAH) program in 2012 with a \$10 million investment. In 2017, the fund was relaunched as a \$40 million “TOAH 2” fund, with a wider range of loan products and a streamlined underwriting process. TOAH 2 can be used by for-profit and nonprofit developers to help finance projects in transit priority areas that can be developed or redeveloped with affordable housing and with critical services such as childcare centers, health clinics, fresh food outlets or other retail space.<sup>20</sup>

### *San Francisco Bay Area Metropolitan Transportation Commission – Housing Incentive Pool (HIP)*

In addition to the TOAH loan fund, MTC has created an incentive program that will reward cities and counties for producing the largest number of affordable units in transit priority areas. MTC will distribute \$71 million in HIP grants on a per-unit basis to the 15 jurisdictions that issue certificates of occupancy for the greatest number newly built and preserved affordable units between 2018 and 2022.

**TAKEAWAY: Affordable housing loan and grant funds can leverage resources to attract additional investments and create affordable housing units beyond JD properties.**

### **Parking**

The cities of Portland, San Francisco, Boston, and Seattle have set parking maximum policies in response to the added costs parking places on housing. A Seattle study of 23 multifamily complexes demonstrated that 15% of tenant’s rent was attributed to parking costs, even as 37% of parking spots remained vacant at peak hours.<sup>21</sup>

In 2019, the City of San Diego began requiring that parking spaces within Transit Priority Areas be “unbundled” from housing development, so parking is optional and paid separately from the rent or home sale price. The policy was based on a city study on parking costs, that found that a single parking spot adds between \$35-90K in construction costs per unit.<sup>22</sup> Another study from The Victoria Transport Policy Institute estimates that a single parking space increases the price of a housing unit by 12.5%.<sup>23</sup>

**TAKEAWAY: Reducing parking construction through parking maximums or other incentives can make housing less expensive to build.**

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<sup>20</sup> Metropolitan Transportation Commission. (2018, October 30). Metropolitan Transportation Commission Affordable Housing. <https://mtc.ca.gov/our-work/fund-invest/investment-strategies-commitments/focused-growth/affordable-housing>

<sup>21</sup> Sightline Institute. (2013, December 12). Who Pays for Parking? The hidden costs of housing. [https://www.sightline.org/research\\_item/who-pays-for-parking/](https://www.sightline.org/research_item/who-pays-for-parking/)

<sup>22</sup> The City of San Diego Planning Department. (2019). Parking Standards in Transportation Priority Area Fact Sheet. [https://www.sandiego.gov/sites/default/files/tpa\\_fact\\_sheet\\_updated\\_04.24.19\\_final\\_onwebpage.pdf](https://www.sandiego.gov/sites/default/files/tpa_fact_sheet_updated_04.24.19_final_onwebpage.pdf)

<sup>23</sup> Litman, J. (2020). Parking Requirement Impacts on Housing Affordability. Victoria Transportation Policy Institute. <https://vtpi.org/park-hou.pdf>

# POTENTIAL POLICY & PROCESS TOOLS

The precedent analysis, stakeholder engagement and financial analysis generated both a set of values for the updated policy as well a list of potential policy and process tools for evaluation. These tools were compared against the overarching values for assessment. The following analysis groups tools for policy and process according to the objective that they support, explores the rationale and potential outcomes, and offers a recommended strategy for Metro’s JD Policy (shown in blue at the beginning of each section). The policy evaluation matrix on page 33 summarizes the assessment of each tool against the policy values and outcomes described earlier, noting whether the tool is supportive, indifferent or potentially detrimental to the values and goals.

## Policy Tools

### A.1 DELIVER Housing for everyone

#### A.1.1 *Affordable First*

- **Require that all JD sites first be pursued for development of 100% income-restricted, excepting (a) large “district” sites and sites where zoning and economics allow for mid- or high-rise construction may be developed as mixed-income properties, and (b) sites that are deemed infeasible for affordable housing may be excepted by a Board action.**

Perhaps one of the boldest steps that may be taken toward increasing the supply of affordable housing near transit would be to explicitly prioritize all future JD sites for affordable housing. However, some exceptions exist where the scale of the development opportunity is more appropriate for mixed-use and mixed-income development. Without these exceptions, the portfolio would yield fewer affordable housing units as well as overall units. Most, but not all of the anticipated future JD sites are appropriate for the development of affordable housing.

Sites that can support more than 300 units in one location (estimated to be fewer than 10 among 50 future sites), could be explored for mixed use, mixed-income projects instead of affordable, because as mixed-use “districts” they may better be developed as complete communities supporting broader TOC goals.

Sites that are neither able to support 300 units or a 100% affordable project, could be evaluated on a case-by-case basis with recommendations presented to the Board along with the development guidelines.

#### A.1.2 *Affordability Levels*

- **Expand the definition of “affordable” to include households earning up to 80% of (AMI)in order to leverage the land value created by state and local density bonuses.**

- **Create a new definition of “moderate income housing” to include households earning between 80% to 120%.**
- **Use “neighborhood AMI” to inform affordability targets for each project to ensure affordability levels are appropriate for the community.**

The current JD Policy defines affordable housing as housing for residents earning 60% of AMI or less as defined by TCAC. While the need is high among households below 60% of AMI, CHP data also suggest the need to provide housing at the low- and moderate-income levels (serving households earning between 80 to 120% of AMI). The Los Angeles County RHNA identifies that 16% of the housing need is in the 80 to 120% AMI range, and 15% is in the 50 to 80% AMI range (see table on page 6) which are not fully captured in the existing JD Policy definition of affordable housing. Expanding the definition to 80% and creating a new definition of moderate income housing will allow the JD Program to provide homes to a broader range of people and more fully address the regional housing need.

Expanding the affordable housing definition to 80% AMI also allows JD projects to take advantage of State and local density bonuses, which can increase the value of JD sites and allow them to provide additional affordable units, *without any public subsidy*.

Furthermore, diversifying the supply of housing to serve a mix of income levels at the neighborhood scale creates strong “ladder” allowing households to “trade up” as their incomes increase without having to leave their neighborhood. The above potential tools are intended to ensure that the highest need populations are served while also laying the groundwork to respond to the specific needs of neighborhoods surrounding future JD sites.

However, since income restrictions for affordable housing are typically expressed as a percentage of the Los Angeles County AMI they often may not align with actual median income of the neighborhood in which the project is being built. In low-income neighborhoods, especially, existing residents may be effectively “priced out” by using a County AMI level that is higher than the local neighborhood AMI. In addition, one of the key provisions for countering displacement is to ensure the continued availability of housing at current rent levels. The site feasibility process could look closer at the incomes and the prevailing market rents for the neighborhoods in which the projects are proposed and seek units that would be affordable to people who live in the neighborhood.

### ***A.1.3 Minimum Affordability Requirements***

- **Require mixed-income projects to achieve an “affordability score” equivalent to at least 25% of units set aside for households earning 80% of AMI and below.**

Sites that are not developable as 100% affordable projects still present opportunities to incorporate affordable units as “mixed-income” (or “inclusionary”) projects. The State and City of Los Angeles density bonus programs use a tiered approach to incentivize affordable housing production for such projects, with a greater percentage of units required for higher-income brackets, up to 80% of AMI. Aligning the JD Policy with the State and City incentives unlocks hundreds of affordable units at no cost to Metro. Increasing affordability requirements beyond 25% in mixed-income projects is predicted to result in fewer affordable and market rate homes. An effective policy would preserve the ability to work within state and local density bonus structures, while maintaining a threshold requirement for affordability equivalent to the most restrictive tier, which is 25% of units for households earning 80% of AMI and below. An “affordability score” can be used to standardize the requirement across different unit mixes and targeted income brackets. (See sidebar, “Affordability Score” for more information.)

### The Affordability Score

Many granting agencies such as TCAC and HCD evaluate affordable housing projects for funding based on the number of affordable units created and the depth of affordability. To standardize the comparison of projects these agencies rely on a score which is typically evaluated based on the number of bedrooms and the income targets. *For example:*

10 2-bedroom units restricted to households earning up to 80% AMI would receive a score of 25 points:

$$10 \times 2 \times \frac{1}{80\%} = 25$$

While 15 1-bedroom units @ 30% AMI, would receive a score of 50 points:

$$15 \times 1 \times \frac{1}{30\%} = 50$$

Metro could use a similar method to standardize the requirements for mixed-income projects and the evaluation of developer proposals.

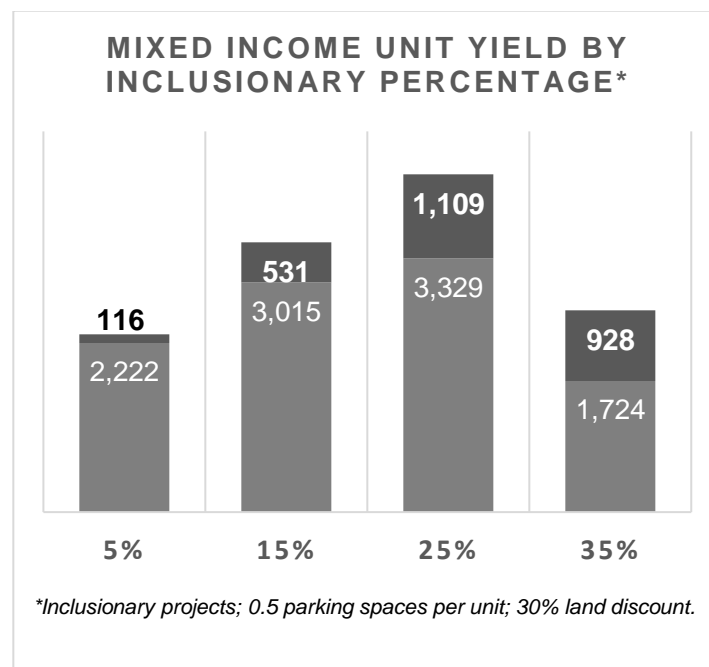


Figure 3: Mixed Income Unit Yield by Inclusionary Percentage



## A.2 MAXIMIZE the public benefit derived from the JD portfolio

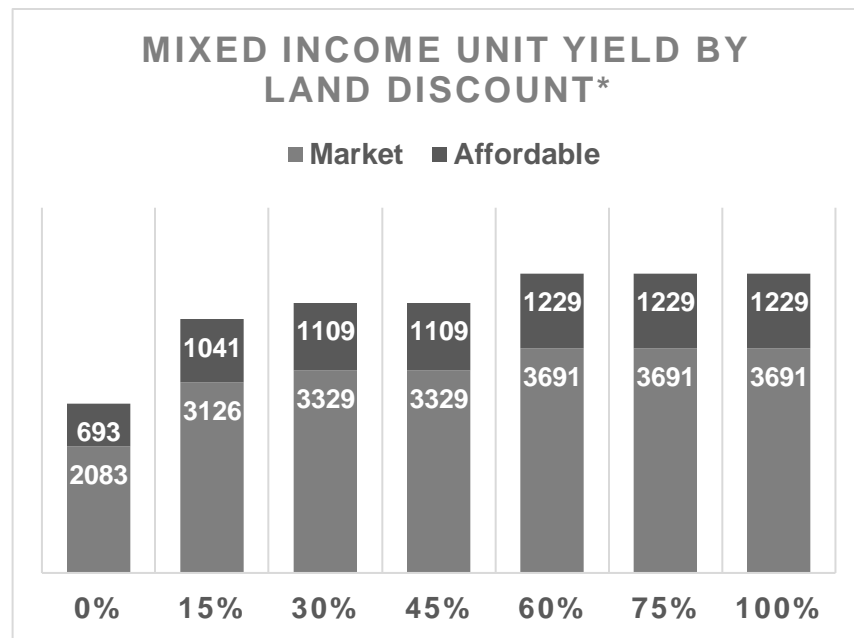
### A.2.1 Leverage land value

- **Adjust JD Policy so that a land discount, expressed as a dollar value of subsidy from the fair market value of a property (as opposed to a percentage of land discount), may be applied where it may be clearly demonstrated that a) a subsidy is absolutely required to offset additional costs to provide affordable units, deeper affordability levels of the units, or other benefits, such as open space or transit facilities and b) no other subsidies are reasonably available to meet this need.**

A land discount can be an important subsidy to enable more affordable units and achieve other policy objectives. The JD portfolio financial model suggests that this subsidy can be especially useful to ensure the feasibility of mixed-income development projects that are on the precipice of feasibility and, with some discount, may be able to generate more affordable units. However, a land discount may be one of the most expensive ways for Metro to produce more affordable units and, for 100% affordable projects, may simply displace other available public subsidies.

Affordable housing projects are typically funded through a stack of different funding sources with loans and grants that originate from federal, state, and local funds. In many cases, but not all, these subsidies are adequate to include the costs of acquiring land, especially in areas with lower land value. In such cases, a Metro subsidy intended to provide for affordable housing, may not be necessary, and in fact may simply displace other state and federal subsidies. The foregone revenue from discounting the land may be better spent on other housing investments, such as contribution to the MATCH loan fund (which is a revolving resource) or mobility assets for project residents, such as pedestrian improvements, bicycle infrastructure, or incentivizing reduced parking.

Subsidizing beyond a 30% discount is not usually helpful in creating more units or deeper affordability because the land is already a smaller component of overall project costs. (See **Error! Reference source not found..**) Many projects, whether 100% affordable or inclusionary, may achieve a variety of the policy goals contained herein but are on the threshold of feasibility. In lieu of an automatic land discount, Metro could instead analyze each project to determine if a Metro subsidy may help to achieve that project. If so, such subsidy should be disclosed as a dollar amount to the Board along with the terms and a clear valuation and explanation of the use of the subsidy.



\*Inclusionary projects; 25% of units affordable at 80% AMI; 0.5 parking spaces per unit.

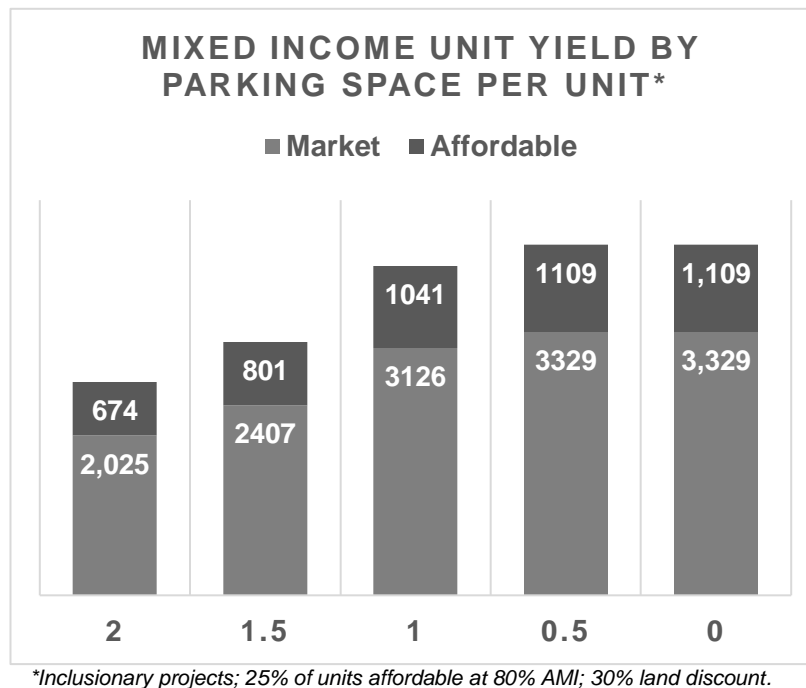
Figure 4: Mixed Income Unity Yield by Land Discount

### A.2.2 Parking Policies

- **Require unbundled parking on all sites and ensure that tenants pay the cost of parking utilized.**
- **Allow a maximum of 0.5 parking spaces per bedroom in Metro JD projects; if land use regulations require higher parking rates, the developer would not be permitted to park at a rate any higher than the local minimum; additional parking may be provided if shared with other uses including for weekday Metro rider parking.**

Compared to discounting land, reducing the number of required parking spaces in a JD project can have a more significant impact on project feasibility, allowing mixed-income projects to deliver more affordable units. Reducing parking ratios by even half a space per unit may make several more sites economically viable, result in larger unit yields, and free up more developer funding for affordable housing. While developers insist that the market demands parking spaces, and that providing such parking is a critical component of financial underwriting, research completed for Metro by a national transportation planning and research firm has shown that on average transit-oriented developments nationwide are overparked by 30%. That is, demand is 70% of the built capacity.

*The model prepared by Metro's financial consultant included the ability to adjust assumed parking ratios for future Metro JD projects. The model predicts that, due to the outsized per-stall cost and space required for parking, even small changes in the parking ratio may yield large changes in unit yield—a parking ratio decrease from 1.0 to 0.5 can increase total unit count by 34%. While modeling analysis is based on parking spaces per unit, the potential tool uses parking spaces per bedroom to accommodate the varying project unit sizes.*



*Figure 5: Mixed-Income Unit Yield by Parking Space per Unit*

### **A.2.3 Use of Joint Development Proceeds**

- **Reinvest proceeds from JD projects in an affordable housing trust fund; a strategic acquisition fund; and the Metro Housing Lab.**

Proceeds from JD could be invested into a strategic TOC fund that could support transit-oriented affordable housing. Currently, these funds are deposited into Metro’s General Fund. While revenues from JD projects are modest compared to the larger Metro budget, these unrestricted funds are well-positioned to support reinvestment in TOC activities, including the strategic site acquisition as discussed above, the implementation of the TOC Policy, and housing supportive programs such as the MATCH loan fund. A portion of these funds could also be used as a seed funds for pilot programs and housing typologies to be tested as part of the Metro Housing Lab, further described in Recommendation 4.1.

### **A.2.4 Strategic Acquisition**

- **Working with Corridor planning, Real Estate and Program Management, review proposed transit project property acquisitions for JD potential before the acquisition footprint is established and cleared during environmental review.**

The process of acquisition and transit corridor construction often results in remainder properties that are not ideal for development. To control new transit corridor costs, Metro typically only

acquires the properties or fractions of properties required for construction, resulting in remnant properties that are irregularly shaped or undersized for JD projects. Such sites are difficult to market and are likely to sit undeveloped. Expanding the area of acquisition only slightly in certain instances may lead to far more viable JD sites, which can help achieve transit-oriented communities goals surrounding the station areas, unlock long-term value, and decrease the cost of providing affordable housing.

### **A.3 RESPECT communities by counteracting displacement and delivering benefits**

#### **A.3.1 Small Business Tenants**

- **Ensure that developers prioritize ground floor retail in JD projects for community-serving, local, legacy businesses or community serving non-profits, and require developers to provide flexibility for those tenants to ensure ongoing tenancy and viability.**

Mixed-use projects are often funded almost entirely through the rents generated by the housing units and may not require additional revenue from ground-floor retail spaces to underwrite the project. Furthermore, locating community serving businesses near transit makes riding more convenient and efficient, and occupied storefronts make street safer for pedestrians<sup>24</sup>. Therefore, accommodating opportunities for small business tenants with tools such as flexible lease terms, favorable rental prices, or other incentives can help stabilize the local economy and provide a transit benefit. To the extent that neighborhood change is applying pressures to existing legacy businesses in surrounding neighborhoods, preference could be granted to such businesses in ground floor retail spaces.

#### **A.3.2 Sustainability**

- **Require baseline sustainability features for all projects; explore options to include additional features where possible.**

Given the increasing incidences of extreme weather events such as the hot, dry, windy conditions that led to unprecedented wildfires in California this year, the mandate for sustainable construction is apparent in all of Metro's work. To the extent that JD projects can include sustainable design that can conserve resources and reduce operating budgets without burdening the project or increasing the cost of affordable housing, JD projects should require such features. These features could include:

- Native and drought-tolerant landscaping;
- Generous shade canopies to reduce the heat island effect;
- All electric utilities (no natural gas); and
- Efficient building design that reduces heat and cooling costs.

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<sup>24</sup> US Department of Housing and Urban Development. *Creating Walkable & Bikeable Communities*. <https://www.huduser.gov/portal/sites/default/files/pdf/Creating-Walkable-Bikeable-Communities.pdf>

Where possible on flagship sites, or through the Metro housing lab, innovative sustainability features beyond these can be piloted.

### ***A.3.3 Labor Agreements***

- **Retain labor policy as-is, requiring all JD projects greater than 60 units to comply.**

Currently, JD projects that plan to provide more than 60 units of housing are subject to Metro's Project Labor Agreement (PLA) and Construction Careers Policy (CCP) to encourage construction employment, training opportunities, living wages, jobs for the local community and for disadvantaged workers. Developers have pointed toward these requirements as contributing to the increasing cost of developing affordable housing. Preliminary estimates indicate that such policies result in 8 to 15% cost premium on project hard construction costs.

The additional cost may create an incentive to limit projects to less than 60 units, undermining the production of affordable housing (two of the seven JD sites advanced since this policy was put in place are 60-unit projects seeking to avoid the PLA/CCP premium).

On the other hand, the PLA/CCP policy is essential to building a strong ladder for job training and career advancement and relaxing this requirement would contradict other efforts in the County to strengthen provisions for workforce development. Future pipeline project sizes are projected to be evenly distributed, and there are no apparent natural break points in the distribution, therefore there is no evidence that a different threshold would be warranted.

### ***A.3.4 Mobility Benefits***

- **Prioritize community benefits focused on mobility and transit ridership while balancing the need to dedicate resources to affordable housing units.**

As JD projects are envisioned and evolve with the input of a variety of stakeholders, many opportunities arise to package additional community benefits such as open space, community rooms, and other community amenities with the JD projects. Such benefits distinguish JD projects and make Metro a better neighbor in communities wary of transportation investment. However, such benefits naturally come with additional costs, which may make a project infeasible without additional subsidy.

The financial model developed with this policy analysis allowed staff to test the portfolio-wide effects of additional community benefits. The model indicates that as additional costs are layered on through the projected JD portfolio, projects become infeasible and the total unit yield of the portfolio declines. Adding development requirements may also add project risk and raise return requirements and may add various legal and transactional considerations related to issues such as procurement and environmental clearance, which are not modeled in this calculation. There may be potential for Metro to discount the land price in order to finance these additional requirements, but this would be at a direct cost to Metro in lost revenues that could otherwise be more strategically aligned with Metro goals for affordable housing and transit-oriented communities. Community benefits should be included when the benefits increase mobility, encourage transit

ridership, or enhance the transit experience in some way. However, any individual benefits under consideration should be carefully evaluated to confirm that such additional costs are aligned with Metro’s strategic goals. In any case, grant funding should be pursued before a subsidy is provided for such a benefit in the form of a land discount or otherwise.

#### **A.3.5 Free Transit Passes**

- **Await outcome of FSI study before pursuing potential pilot test requiring transit passes for JD projects.**

A key JD goal is to increase transit ridership by encouraging individuals to drive less and ride transit more. Providing free TAP cards for patrons living on Metro-owned land is a natural way to incentivize use of the system, serve as a further rationale to reduce the parking ratios in Metro JD projects and leverage our properties to promote transit ridership. Like the existing Metro employer and university pass programs, the pass could be renewed and distributed monthly with tenancy. The pass also presents an opportunity for affordable projects to gain a competitive edge in funding applications, making Metro JD sites more competitive to funders.

Depending on the outcome of Metro’s Fareless System Initiative (FSI), this amenity may not cost anything to implement. If Metro services do not require fares in the future, this program will not be required. If fares remain in place, this housing transit pass program could be used to pilot a fareless program on *existing* JD projects and to collect data on the results. Future JD projects could be required to provide free transit passes in a program similar to the existing employer and university pass programs in order to encourage transit use.

### **A.4 LEAD the region and nation by driving innovation around housing**

#### **A.4.1 Housing Lab**

- **Explore innovative pilot projects through a “Metro Housing Lab.”**

While delivering on its core program, Metro may also explore housing innovations on a pilot basis, to test new methods for achieving outcomes quicker, more cost-effectively, and more equitably. Metro could partner with academic and private sector interests, other non-profit partners and legal advisors to form a “Housing Lab” to test and evaluate strategies, which may include, but are not limited to the following:

##### Recapturing Investments

- Land banking – working with partners to facilitate early acquisition of key property along transit corridors
- Community land trusts and other types of shared equity and inclusive development models

##### Alternative financing

- Partnerships with public (e.g., Freddie Mac) and private entities (e.g., large employers or pension funds) to provide equity or debt (including mezzanine debt) to facilitate the preservation or construction of moderate-income housing
- Social housing (all tenants pay % of income towards rent)

#### Alternative construction

- Modular / prefab
- Rehab of existing units on Metro sites
- Mid-rise / mass timber construction
- 3-D printed units

#### Alternate typologies

- Micro units
- Co-housing
- Live/Work
- Interim use

#### Supportive programs

- Affordable housing discount transit pass
- Transit demand management program

#### Sustainability

- Passive house or net zero standards
- Building or district level geothermal

#### Promoting innovation

- Design contests
- Publications
- Conferences
- Start-ups incubation

## Process Tools

### B.1 PRIORITIZE communities with the deepest need

More than 40 new JD sites will become available for development and will be added to the JD pipeline over the next 10 years, which will likely lead to a queue of available sites for JD projects that will need to be prioritized. The JD workplan should prioritize projects according to the following:

#### ***B.1.1 Neighborhood Stabilization***

- **Prioritize projects located in areas at higher risk of displacement.**

While many communities are concerned about gentrification, certain characteristics may be used to predict which communities are most vulnerable. Using data collected by the County or others such as the UCLA-UB Berkeley Urban Displacement Project, JD sites within areas at higher risk of displacement could be prioritized for affordable housing to create an early increase in the supply of affordable housing before displacement occurs. In addition, the Metro TOC Implementation Plan will include baselining activities in coordination with LA County that will provide additional information about neighborhood change.

#### **Urban Displacement Project**

The Urban Displacement Project is an initiative of UC Berkeley and UCLA to document and analyze the nature of gentrification and displacement in LA County and other regions around the country. The team has developed a neighborhood change database to show where neighborhood transformations are occurring and to identify areas that are vulnerable to gentrification and displacement. The team has prepared a modeling tool to predict where gentrification may occur. JD sites within areas at higher risk of gentrification could be prioritized for affordable housing to create an early increase in the supply of affordable housing before displacement occurs.



## Metro Equity Focus Communities

In 2019, Metro's Board of Directors adopted a definition for "Equity Focus Communities," that allows decisionmakers to evaluate and prioritize where key transportation investments and policies can have the greatest impact on increasing access to opportunity. Equity Focus Communities (EFCs) are defined by census tracts with populations meeting at least two of the following thresholds:

- > 80% non-white
- > 40% low-income
- > 10% no-car



Figure 6: Equity Focus Communities

### B.1.2 Equity Focus Communities

- **Prioritize catalytic projects that fall within the Equity Focus Community geographies which have experienced divestment.**

As part of the Long Range Transportation Plan, Metro has mapped communities that match characteristics of disinvestment and disenfranchisement, called Equity Focus Communities (EFCs). To the extent that JD projects provide catalytic investments in communities, they should be prioritized in these high-need areas.

### B.1.3 Access to Opportunities

- **Prioritize projects that would build affordable units in areas with greater access to opportunities.**

In addition, given Los Angeles' vast geography, part of ensuring access to opportunity for all requires ensuring that JD efforts are geographically distributed. Consideration of new project starts can take into account the communities and jurisdictions in which the proposed projects will be located, and the existing supply and demand for affordable housing in those communities. Locating affordable housing in neighborhoods with a high concentration of amenities and opportunities allows residents of affordable units with improved access to these opportunities.<sup>25</sup>

<sup>25</sup> California Fair Housing Task Force. (April 2020). Methodology for the 2020 TCAC/HCD Opportunity Map. <https://www.treasurer.ca.gov/ctcac/opportunity/draft-2020-tcac-hcd-methodology-december.pdf>

## TCAC/HCD Opportunity Maps

The HCD and TCAC created a Fair Housing Task Force which creates annual Opportunity Maps to “visualize place-based characteristics linked to critical life outcomes, such as educational attainment, earnings from employment, and economic mobility.” The Task Force identifies indicators and measures for each of these domains to categorize census tracts into designations ranging from “high segregation & poverty” to “highest resource.” Higher resourced areas are preferred locations for tax credit financed affordable housing projects.

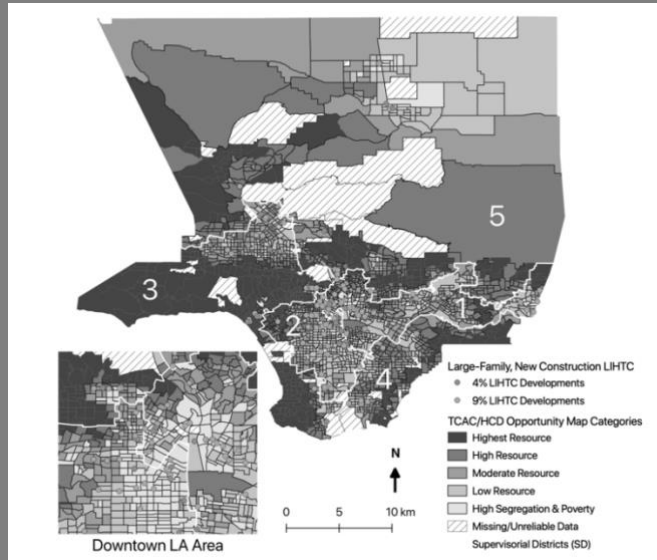


Figure 7: TCAC/HCD Opportunity Maps

## B.2 STREAMLINE process for faster project delivery

### B.2.1 Feasibility

- **Prioritize projects that may be delivered fastest, with the least cost to Metro.**

Some projects may face more challenges than others. For example, a project that must accommodate Metro infrastructure can face additional construction costs and engineering challenges and will likely require more time and resources to deliver. Others may face political or regulatory headwinds that could delay implementation. Community-supported projects that meet JD program and site-specific goals can be prioritized over projects without support which are likely to be more time-consuming and expensive to implement.

### B.2.2 Site Analysis and Development Guidelines

- **Determine what kind of project a site can support.**

At the outset of the site selection process, zoning and market analysis can reveal the potential capacity of a JD site for housing units and revenue projections. This initial analysis can inform the outreach and RFP process to ensure a realistic conversation about the tradeoffs and decision points. Neighborhood-level income analysis should dictate the threshold of income levels and rents that should be targeted for affordable sites. If the site needs market rate housing in order to be viable, the optimal inclusionary scenario can be determined with a financial feasibility study. This key information could be the starting off point for the community conversations and the RFP.

- **Determine what infrastructure costs will be required and if the land value can support them or if additional subsidy would be required.**

Developing some JD sites requires upgrades to existing transit infrastructure to facilitate development, such as reinforcing the station to support construction, or adding a new entrance. These costs could be estimated at the outset of the project visioning so that Metro and the development community can obtain a realistic picture of site feasibility. If the cost of infrastructure required to make the site feasible exceeds the value of the land, then the costs and benefits should be weighed with this important information. The site could be subsidized by revenues from other JD projects, grants, or coordination with separate Metro capital projects, but that decision should be made transparently.

- **Create a Development Guidelines Checklist to accelerate project readiness.**

While every community is distinct, there are similarities across many JD sites which can be used to scope projects more efficiently. Transit-oriented developments are always expected to be walkable, human-scaled, and supportive of alternative transportation modes, among other attributes. These attributes can create a somewhat standardized baseline for the Development Guidelines which could allow lessons learned from one site to be transferred to another and can save valuable time and resources to allow more sites to come online faster.

### ***B.2.3 Community Engagement***

- **Focus community input on upfront visions to ensure projects are responsive to communities yet create reasonable, predictable, timeframes for project delivery.**

As the housing crisis worsens and communities' fear of displacement and gentrification is commensurately validated, the challenge of balancing community interests with regional and state mandates for more affordable housing only becomes more complex and elusive. Rather than shy away from this tension, processes may be formalized to make the tradeoffs clearer and recognize that the "community" voice is rarely singular.

Outreach should focus on upfront visioning to avoid difficult conversations later in the project when changes may no longer be viable. Strengthening the clarity and transparency of these deliberations can help to ensure that all stakeholders are operating from a common platform. Broadening outreach methods, including formally engaging key community-based organizations, deploying distributed methods for feedback, and, where appropriate, forming advisory committees to distribute information and collect input can help to ensure all voices are heard. Ultimately, these methods can increase confidence in decision-making even where there may not be perfect alignment, which in turn may accelerate the speed at which the JD team is able to deliver projects, in order to address the regional housing needs.

### ***B.2.4 Expedited Procurement Processes***

- **Consolidate process steps under JD team to create efficiencies and accelerate timeframes.**

JD proposals are unique in that they are constrained by the parcel footprint and have physical impacts on the communities around them but do not usually contain trade secrets or other sensitive information. Because of these distinctions from traditional public procurements, time

and resources can be saved by streamlining solicitations and the unsolicited proposals processes within the JD team.

### ***B.2.5 Unsolicited Proposals***

- **Limit unsolicited proposals to developers who have site control of property adjacent to a Metro property and offer a unique property development proposal that Metro could not otherwise procure.**

Metro's unsolicited proposals process is intended to invite innovative but pragmatic solutions to Metro's mobility and capital program goals, usually relying on a proprietary method, technology or resource not already in place or in procurement at Metro. Unsolicited proposals for joint development, however, almost always come from adjacent property owners for sites that without adjacent property are otherwise undevelopable. Adjacent properties can turn awkward and infeasible development sites into more efficient, viable site for more housing units and an improved pedestrian experience. However, without an adjacent property, it is unlikely that an unsolicited proposer would have any unique advantage that would warrant a deviation from the traditional RFP process.

Since the JD Unsolicited Proposals Process has been in place, 11 unsolicited proposals have been received, 6 have advanced to a Phase 2, and one has been negotiated into an entitled project. Reviewing unsolicited proposals diverts scarce resources away from the regular JD work program. Making control of adjacent property a prerequisite for submitting an unsolicited proposal would streamline the review process, reduce the number of unsuccessful proposals that must be reviewed and create greater clarity for would-be proposers.

- **Increase transparency in the unsolicited proposals process to ensure alignment between local municipality, community and proposed project vision.**

The existing Unsolicited Proposal Process does not allow sufficient communication between JD staff, local jurisdictions and community members. Protecting the privacy and integrity of the procurement process needs to be balanced with transparency. The Process should be updated to formalize a communication and input process that allows community stakeholders to understand and respond to the proposed project.

## **B.3 EVALUATE and select the most inclusive projects.**

In addition to the typical proposal evaluation process which scores project submissions based on qualifications of the team, approach, and the vision presented, the following evaluation metrics can aid the JD team in selecting a project proposal and project developer that align with the values and outcomes identified in this paper.

### ***B.3.1 Affordability Scoring***

- **Evaluate JD proposals based on an “affordability score” that indexes the number of affordable homes proposed and the target income levels served.**

To prioritize development of affordable housing on Metro-owned land, the proposal evaluation team may consider the number of affordable units and the depth of project affordability in developer selection. For 100% affordable projects, the depth of affordability and/or the compatibility with the income levels of the surrounding neighborhood should be considered. For mixed income properties, the depth and quantity of affordable units can be evaluated in the selection process as well.

### ***B.3.2 Economic Development Scoring***

- **Formally evaluate proposals based on small business contractors, racial inclusion, and community-based organizations in developer selection criteria.**

Metro procurement policies seek to promote equity, applying subcontracting targets for Small Business Enterprises (SBE), Disadvantaged Business Enterprises (DBE), Disadvantaged Veteran Business Enterprises (DVBE) and Minority and Women Business Enterprises (MWBE) to compete for and participate in all aspects of procurement and contracting. While the current JD Policy encourages SBE, DBE, and DVBE participation in forming teams, SBE utilization is not formalized in the scoring process. Moving forward, points could be awarded to teams that consist of SBE, DBE, DVBE and MWBE members. Engaging community-based organizations (CBOs) as part of the development process and as formal members of the development team could also be evaluated in the scoring process.

### ***B.3.3 Community-informed Evaluation Criteria***

- **Solicit input from stakeholders on evaluation criteria for development proposals.**

Development Guidelines are created in collaboration with community members through an in-depth outreach process and in turn used to inform the selection of a developer. Yet ultimately, developers are selected based on their adherence to the evaluation criteria in the RFP, which further details expectations regarding developer qualifications and their approach to the work. The evaluation criteria assign point values to specific proposal attributes, not just a vision for the ideal JD project. Therefore, community members should be invited to provide input on the evaluation criteria as part of the development guidelines, so that the ultimate determining factors for selection are transparently communicated before a JD solicitation. This transparency must continue to bear in mind that the JD solicitation process is designed to avoid undue influence in the selection process, and a certain degree of opacity is required to maintain that.

### ***B.3.4 Expedient Delivery Scoring***

- **Assign points to projects that lay forth a path for expedient permits and approvals and demonstrated community support.**

Given track record of long JD project delivery timeframes, and the urgency of the housing crisis, scoring should favor projects that include a streamlined entitlements path. Projects that are by-right and do not require discretionary local actions should be favored over those that do not. Projects with fewer environmental impacts that require less intensive analysis and can be

delivered faster should receive higher scores. Likewise, projects with demonstrated community support that are less likely to be delayed by opposition could be prioritized.

### ***B.3.5 Sustainability Scoring***

- **Assign points to projects that that promote environmental stewardship, reduce greenhouse gas emissions, and conserve or restore natural resources.**

In alignment with the Moving Beyond Sustainability, the JD team would work with the Environmental Compliance and Sustainability Department to establish criteria for evaluating a project's long-term economic, environmental, and social sustainability. Such measures may include: hardscaping and landscaping to limit the urban heat island effect and irrigation requirements; energy efficiency in designing the building envelope, mechanical and lighting systems; incorporating passive and active systems to manage the buildings energy use; and other cutting edge approaches toward meeting and exceeding CALGreen standards. Evaluation would also consider developers' commitment to diligent management and maintenance to assure continued environmental performance.

## **B.4 MEASURE outcomes against policy objectives**

### ***B.4.1 Metrics and Outcome Tracking***

- **Report and promote the performance of the JD portfolio via a regularly updated dashboard of projects.**
- **Require developers to allow Metro to conduct annual tenant surveys in order to report metrics to Metro for ongoing monitoring.**

The metric in the current JD Policy is a goal that 35% of the JD Program's housing units be affordable to households that earn less than or equal to 60% of the AMI. This metric is useful for setting a goal that can be achieved irrespective of market conditions and project delays, however it does not take into account total number of units, the speed at which they are delivered, and other outcomes such as job-generation and community benefits.

Modeling shows that the affordable first approach can potentially achieve as many as 50% affordable units portfolio-wide, though in order to pursue such a goal, flexibility on a site-by-site basis will be critical in order to maximize the number of units that are delivered.

Therefore, JD will create a specific goal of an absolute number of units, both market-rate and affordable that JD will aim to build by a certain year. In addition, a more nuanced system of metrics would be valuable in creating targets and measuring outcomes of the JD Policy. Metrics could include:

- People housed
- Low-income households
- Open space provided
- Small businesses contracting and subleasing

- Construction jobs created
- Permanent employment
- First-last mile connections built

Consistent with pillar one of the Equity Platform, requiring ground lessees to allow Metro to conduct an annual tenant survey would enable JD to track concerns such as transit use, demographic data (as allowed/feasible), car ownership, move in/move out information, and qualitative data on the tenant satisfaction to help inform features of our projects (e.g., design issues, amenities, desired ground floor services, parking, and unit design).

#### ***B.4.2 Long-Term Affordable Housing***

- **If fee disposition of Metro property is necessary for a JD project, place a covenant on the property requiring that any affordable units developed remain affordable into perpetuity.**

Affordable housing developed on land owned in fee is typically subject to affordability covenants that expire after 55 years, after which time the properties become eligible for conversion to market rate housing. While 55 years may seem like a long time at the outset of a project, currently, the Los Angeles region is experiencing a wave of expiring affordable housing covenants, exposing residents relying on affordable housing to displacement and threatening the supply of affordable housing in the region. A recent report by the Los Angeles Housing and Community Investment Department (HCID) found that 11,771 rent-restricted units in the City of Los Angeles alone are at high or very high risk of being converted to market rate in the next five years. Perpetual covenants recorded on the land could eliminate this concern. However, recent developer stakeholder interviews have indicated that this may create challenges to operating, refinancing and rehabilitating projects over time. In addition, housing needs, financing sources, and affordability standards change over time and some degree of flexibility may be in the best interests of Metro and future low-income residents

Practically speaking, expiration of affordability covenants should not be a concern for Metro JD projects because projects are typically constructed on ground leased land where Metro retains the underlying fee ownership – and consequently long-term control over its use. This retained control ensures that Metro can continue affordability requirements when ground leases are extended, or new ground leases are created. In very rare cases, disposition of Metro’s fee interest may be required to make a JD project feasible. In such cases, a perpetual affordability covenant could be placed on the disposed property.

# OVERARCHING THEMES

This paper has gathered research, input and analysis in order to inform an update to the Metro JD Policy with respect to affordable housing. The case is clear for accelerating the delivery of housing near transit, focusing first on increasing the supply of affordable housing, and invigorating the development of new models for housing delivery. The analysis contained herein highlights the complications and tensions in delivering quality, affordable housing.

## Flexibility is Critical

Flexibility is key because conditions vary widely from site to site. An internal policy framework should be established for identifying specific catalytic sites that may require deviations from policy.

Because there are needs at every income level, the definition of *affordable* should be broadened to include covenant-controlled housing targeting households earning up to 120% AMI. While priority would be given to projects supporting the lowest AMI households, certain sites may require additional flexibility to remain feasible or to deliver other benefits. It should be noted that in some areas placing a covenant requiring that housing remain affordable to households earning 100 or even 120% of AMI can be a powerful anti-displacement tool that does not require subsidy.

And because the supply of housing is so constrained, urgent production of all units, market and affordable is essential. A minimum requirement of 25% affordable units at 80% AMI can align with existing density bonuses in order to maximize market rate and affordable units on Metro property. In addition, an “equivalent” minimum should also be permitted, (such as a 15% of units at 30% AMI, to be further laid out in an affordability scoring system).

The Metro JD Program should leverage the private market to achieve plentiful, quality housing near transit. Metro can capture proceeds on JD sites and reinvest those proceeds into affordable housing or other community benefits. JD should take advantage wherever the private market can achieve the desired policy outcomes and reserve a subsidy for another project.

## Time is of the Essence

As the housing affordability crisis worsens and the homelessness crisis grows, it is obvious that action is needed immediately. Development is time consuming and requires lengthy, often expensive planning, permitting, outreach, financing and design processes. The sooner projects can begin and the more streamlined the process, the better.

The development market is currently indicating enough capacity for our projects with frequent unsolicited proposals, and the housing market is in need of additional supply.

The close involvement that Metro has taken in the development process of these sites is also time intensive. As gateways into the Metro system, it is important to take care to create quality, community friendly projects, but the reality remains that this is a time-consuming pursuit which may be limiting the timely production of additional units.



## **Innovation is Vital**

The housing crisis calls for solutions from any and all available resources. Acceleration and cost reduction in construction, financing, or permitting will only strengthen our ability to respond. As such, Metro can use its asset of key development sites and its role as a leader and convener of regional planners and experts to encourage and catalyze housing innovation. Just as Metro is using innovation to advance transportation solutions, so should Metro innovate around housing. There is additional liberty to innovate around the delivery of a unit as small as a building, as compared to the scale of a major infrastructure project, as most of Metro's work requires. The region is flush with academic expertise, entrepreneurial knowhow and leading policy thinkers. To a large extent, housing is already an area where many potential partners are innovating and advancing the policy and delivery conversations. Metro can participate in these discussions already underway and convene and incentivize collaboration with partners who are eager to advance housing innovation and work together to find collective solutions to a shared and looming dilemma.

## APPENDICES

- A. Potential Policy and Process Tools Evaluation Matrix
- B. Technical Memo: Affordable Housing Policy Implications
- C. Stakeholder Input Summary
- D. Precedents Analysis

## APPENDIX A: Potential Policy and Process Tools Evaluation Matrix



Policy value achieved



Policy value not impacted



Policy value negatively impacted
























Potential Policy Tools				
A.1 DELIVER Housing for everyone	INCLUSION	ACCESS	PERFORMANCE	INNOVATION
<i>A.1.1 Affordable First</i>				
<ul style="list-style-type: none"> <li>Require that all JD sites first be pursued for development of 100% income-restricted, excepting (a) large “district” sites and sites where zoning and economics allow for mid- or high-rise construction may be developed as mixed-income properties, and (b) sites that are deemed infeasible for affordable housing may be excepted by a Board action.</li> </ul>				
<i>A.1.2 Affordability Levels</i>				
<ul style="list-style-type: none"> <li>Expand the definition of “affordable” to include households earning up to 80% of (AMI) in order to leverage the land value created by state and local density bonuses.</li> </ul>				
<ul style="list-style-type: none"> <li>Create a new definition of “moderate income housing” to include households earning between 80% to 120%.</li> </ul>				
<ul style="list-style-type: none"> <li>Use “neighborhood AMI” to inform affordability targets for each project to ensure affordability levels are appropriate for the community.</li> </ul>				
<i>A.1.3 Minimum Affordability Requirements</i>				
<ul style="list-style-type: none"> <li>Require mixed-income projects to achieve an “affordability score” equivalent to at least 25% of units set aside for households earning 80% of AMI and below.</li> </ul>				

A.2 MAXIMIZE the public benefit derived from the JD portfolio	INCLUSION	ACCESS	PERFORMANCE	INNOVATION
<i>A.2.1 Leverage land value</i>				
<ul style="list-style-type: none"> <li>Adjust JD Policy so that a land discount, expressed as a dollar value of subsidy from the fair market value of a property (as opposed to a percentage of land discount), may be applied where it may be clearly demonstrated that a) a subsidy is absolutely required to offset additional costs to provide affordable units, deeper affordability levels of the units, or other benefits, such as open space or transit facilities and b) no other subsidies are reasonably available to meet this need.</li> </ul>	●	●	●	●
<i>A.2.2 Parking Policies</i>				
<ul style="list-style-type: none"> <li>Require unbundled parking on all sites and ensure that tenants pay the cost of parking utilized.</li> </ul>	●	●	●	●
<ul style="list-style-type: none"> <li>Allow a maximum of 0.5 parking spaces per bedroom for market rate housing units in Metro JD projects; if land use regulations require higher parking rates, the developer would not be permitted to park at a rate any higher than the local minimum; additional parking may be provided if shared with other uses including for weekday Metro parking.</li> </ul>	●	●	●	●
<i>A.2.3 Use of Joint Development Proceeds</i>				
<ul style="list-style-type: none"> <li>Reinvest proceeds from JD projects in an affordable housing trust fund; a strategic acquisition fund; and the Metro Housing Lab.</li> </ul>	●	●	●	●

<i>A.2.4 Strategic Acquisition</i>				
<ul style="list-style-type: none"> <li>Working with Corridor planning, Real Estate and Program Management, review proposed transit project property acquisitions for JD potential before the acquisition footprint is established and cleared during environmental review.</li> </ul>	●	●	●	●
<b>A.3 RESPECT communities by counteracting displacement and delivering benefits</b>	<b>INCLUSION</b>	<b>ACCESS</b>	<b>PERFORMANCE</b>	<b>INNOVATION</b>
<i>A.3.1 Small Business Tenants</i>				
<ul style="list-style-type: none"> <li>Ensure that developers prioritize ground floor retail in JD projects for community-serving, local, legacy businesses or community serving non-profits, and require developers to provide flexibility for those tenants to ensure ongoing tenancy and viability.</li> </ul>	●	●	◐	●
<i>A.3.2 Sustainability</i>				
<ul style="list-style-type: none"> <li>Require baseline sustainability features for all projects; explore options to include additional features where possible.</li> </ul>	◐	◐	○	●

















<i>A.3.3 Labor Agreements</i>				
<ul style="list-style-type: none"> <li>Retain labor policy as-is, requiring all JD projects greater than 60 units to comply.</li> </ul>	●	●	○	◐
<i>A.3.4 Mobility Benefits</i>				
<ul style="list-style-type: none"> <li>Prioritize community benefits focused on mobility and transit ridership while balancing the need to dedicate resources to affordable housing units.</li> </ul>	●	●	○	◐
<i>A.3.5 Free Transit Passes</i>				
<ul style="list-style-type: none"> <li>Await outcome of FSI study before pursuing potential pilot test requiring transit passes for JD projects.</li> </ul>	●	●	◐	●
<b>A.4 LEAD the region and nation by driving innovation around housing</b>				
	<b>INCLUSION</b>	<b>ACCESS</b>	<b>PERFORMANCE</b>	<b>INNOVATION</b>
<i>A.4.1 Housing Lab</i>				
<ul style="list-style-type: none"> <li>Explore innovative pilot projects through a “Metro Housing Lab.”</li> </ul>	●	●	●	●

Potential Process Tools				
B.1 PRIORITIZE communities with the deepest need	INCLUSION	ACCESS	PERFORMANCE	INNOVATION
<i>B.1.1 Neighborhood Stabilization</i>				
<ul style="list-style-type: none"> <li>Prioritize projects located in areas at higher risk of displacement.</li> </ul>	●	●	◐	◐
<i>B.1.2 Equity Focus Communities</i>				
<ul style="list-style-type: none"> <li>Prioritize catalytic projects that fall within the Equity Focus Community geographies which have experienced divestment.</li> </ul>	●	●	◐	◐
<i>B.1.3 Access to Opportunity</i>				
<ul style="list-style-type: none"> <li>Prioritize projects that would build affordable units in areas with greater access to opportunities.</li> </ul>	●	●	◐	◐
B.2 STREAMLINE process for faster project delivery	INCLUSION	ACCESS	PERFORMANCE	INNOVATION
<i>B.2.1 Feasibility</i>				
<ul style="list-style-type: none"> <li>Prioritize the projects that may be delivered fastest, with the least cost to Metro.</li> </ul>	●	●	●	●
<i>B.2.2 Site Analysis and Development Guidelines</i>				
<ul style="list-style-type: none"> <li>Determine what kind of project a site can support.</li> </ul>	◐	◐	●	●

<ul style="list-style-type: none"> <li>Determine what infrastructure costs will be required and if the land value can support them or if additional subsidy would be required.</li> </ul>				
<ul style="list-style-type: none"> <li>Create a Development Guidelines Checklist to accelerate project readiness.</li> </ul>				
<i>B.2.3 Community Engagement</i>				
<ul style="list-style-type: none"> <li>Focus community input on upfront visions to create reasonable, predictable, timeframes for project visioning and delivery.</li> </ul>				
<i>B.2.4 Expedited Procurement Processes</i>				
<ul style="list-style-type: none"> <li>Consolidate process steps under JD team to create efficiencies and accelerate timeframes.</li> </ul>				
<i>B.2.5 Unsolicited Proposals</i>				
<ul style="list-style-type: none"> <li>Limit unsolicited proposals to developers who have site control of property adjacent to a Metro property and offer a unique property development proposal that Metro could not otherwise procure.</li> </ul>				
<ul style="list-style-type: none"> <li>Increase transparency in the unsolicited proposals process to ensure alignment between local municipality, community and proposed project vision.</li> </ul>				
<div> <div>B.3 EVALUATE and select the most inclusive projects.</div> <div> <div>INCLUSION</div> <div>ACCESS</div> <div>PERFORMANCE</div> <div>INNOVATION</div> </div> </div>				



<i>B.3.1 Affordability Scoring</i>				
<ul style="list-style-type: none"> <li>Evaluate JD proposals based on an “affordability score” that indexes the number of affordable homes proposed and the target income levels served.</li> </ul>	●	●	◐	◐
<i>B.3.2 Economic Development Scoring</i>				
<ul style="list-style-type: none"> <li>Formally evaluate proposals based on small business contractors, racial inclusion, and community-based organizations in developer selection criteria.</li> </ul>	●	●	◐	◐
<i>B.3.3 Community-informed Evaluation Criteria</i>				
<ul style="list-style-type: none"> <li>Solicit input from stakeholders on evaluation criteria for development proposals.</li> </ul>	●	●	◐	◐
<i>B.3.4 Expedient Delivery Scoring</i>				
<ul style="list-style-type: none"> <li>Assign points to projects that lay forth a path for expedient permits and approvals and demonstrated community support.</li> </ul>	◐	◐	●	●
<i>B.3.5 Sustainability Scoring</i>				

<ul style="list-style-type: none"> <li>Assign points to projects that that promote environmental stewardship, reduce greenhouse gas emissions, and conserve or restore natural resources.</li> </ul>				
<b>B.4 MEASURE outcomes against policy objectives</b>	<b>INCLUSION</b>	<b>ACCESS</b>	<b>PERFORMANCE</b>	<b>INNOVATION</b>
<i>B.4.1 Metrics and Outcome Tracking</i>				
<ul style="list-style-type: none"> <li>Report and promote the performance of the JD portfolio via a regularly updated dashboard of projects.</li> </ul>				
<ul style="list-style-type: none"> <li>Require developers to allow Metro to conduct annual tenant surveys in order to report metrics to Metro for ongoing monitoring.</li> </ul>				
<i>B.4.2 Long-Term Affordable Housing</i>				
<ul style="list-style-type: none"> <li>If fee disposition of Metro property is necessary for a JD project, place a covenant on the property requiring that any affordable units developed remain affordable into perpetuity.</li> </ul>				

# Appendix B - Financial Model Methodology



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## AFFORDABLE HOUSING CALCULATOR POLICY IMPLICATIONS

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## Introduction

HR&A Advisors, Inc. (HR&A) has built an affordable housing feasibility calculator for Los Angeles Metro's Joint Development team (Metro) as part of their 2020 joint development policy update. The calculator tests the feasibility of development based on key development assumptions and is designed to be a tool to facilitate rapid policy tests across Metro's joint development portfolio. Metro's sites are an important public asset that can play a pivotal role in expanding housing affordability in Los Angeles County. Towards that end, the calculator supports a housing policy discussion that balances market feasibility, affordability, total unit count and other public policy goals. **The primary purpose of this calculator is to evaluate policy impacts on portfolio-wide outcomes.** Additionally, HR&A has built a site-specific calculator to test specific assumptions and evaluate nuanced policy variable impacts on a single site.

## Approach

To calculate the feasibility impacts of policy interventions, the calculator solves for Return on Cost (ROC) based on policy inputs and compares it to the baseline expected returns with the highest residual land value, based on the typology and market.

The Metro team identified 48 potential pipeline sites along existing and future transit lines. John Kaliski Architects (JKA) and HR&A then evaluated the sites based on physical and market development potential. HR&A further grouped sites into **market tiers** based on proximity and market strength, in order to gather and assign development assumptions such as rents and capitalization rates, with Tier 1 having the highest rents and Tier 5 with the lowest rents. The calculator evaluates feasibility of inclusionary units but allows the user to choose whether to assign each site as 100 percent affordable or inclusionary.

Users can toggle policy variables related to parking, on-site amenities, PLA/CCP requirements, affordability mix, and Metro's land value discount, to see how the policy environment they constructed affects the total unit output on joint-development sites, along with the total number of feasible projects and affordable units.

## Dashboard

The following inputs are available to users on the calculator dashboard:

### INPUTS: Inclusionary

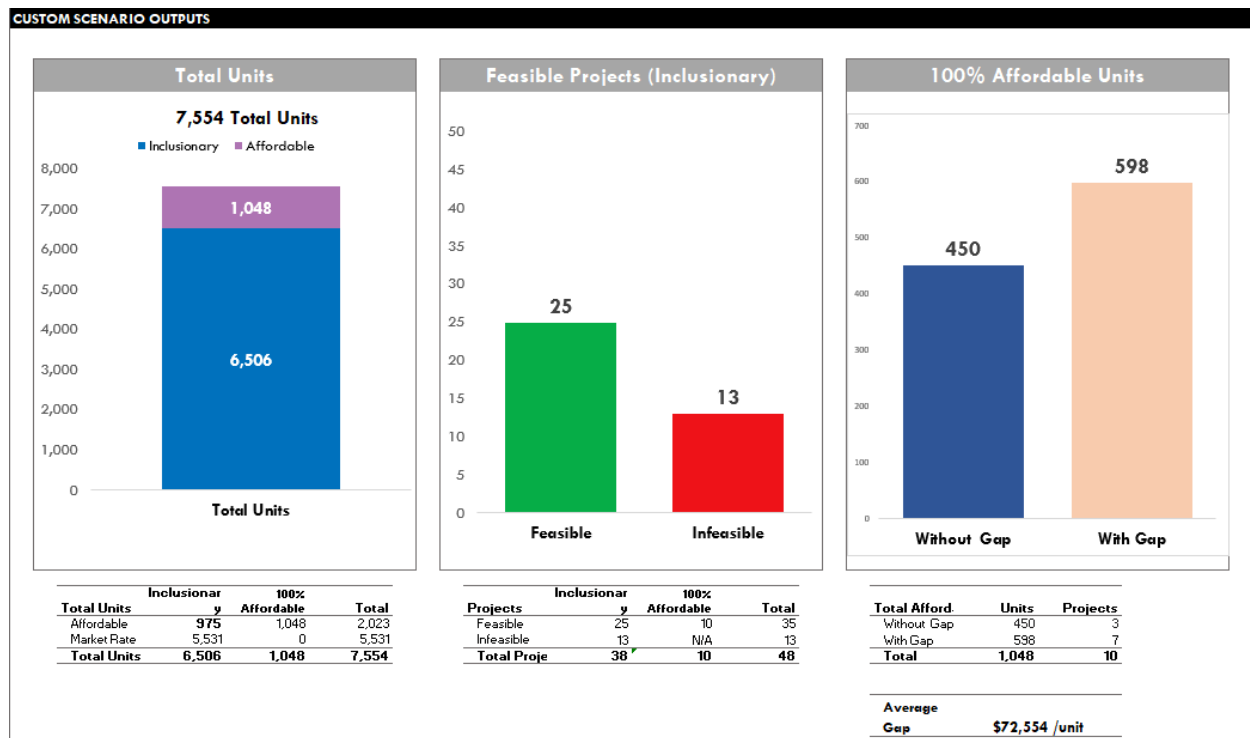
Adjust the inputs in this section to test different policy variables across all inclusionary projects.

Parking spaces per unit	1	Total number of spaces required per unit
Amenities Contribution	\$0 /unit	Contribution from developer for on-site amenities
PLA CCP Unit Limit	200 units	Unit limit at which PLA/CCP wage regulations apply
PLA CCP Hard Costs Premium	8%	Hard cost premium applied for projects that are subject to the PLA/CCP premium.
Land Value Discount	0%	Share of land value discounted by Metro
<b>Unit Mix</b>		
30% AMI (TOC: 11%)	0%	Unit mix and affordability share across every project in the portfolio
50% AMI (State Bonus: 11% / TOC: 15%)	0%	
60% AMI (State Bonus: 20% / TOC: 25%)	0%	
80% AMI (State Bonus: 20% / TOC: 25%)	25%	
100% AMI	0%	
120% AMI	0%	
Affordable Units	25%	
Market Rate Units	75%	
<b>Total</b>	<b>100%</b>	

### INPUTS: Affordable

Parking spaces per unit	1	
Amenities Contribution	\$0 /unit	
PLA CCP Unit Limit	60 units	
Land Value Discount	0%	
Maximum 9% LIHTC projects per time horizon	2	Total number of 9% LIHTC projects allowed per time horizon. (All other affordable projects default to 4% credits).
Additional Gap Financing	\$0 /unit	Additional public funding (city, state, federal, Metro) provided for to fill capital gap for affordable deals.
<b>Share of Lost Land Value (as a result of policies)</b>	<b>0%</b>	Change in land value for proposed set of policies as a delta from the highest-and-best use land value.
<i>Note: Lost land value may be lower than discount amount of custom scenario adds additional value.</i>		

Along with these inputs, the following outputs are available to users:



**Total Units:** The total potential units produced on joint development sites, further subdivided into **inclusionary projects** (with conventional financing) and **100% affordable projects** (with tax-credit financing).

**Feasible Projects:** The number of inclusionary projects that are feasible (based on return on cost metrics) given the user's policy environment.

**100% Affordable Units:** The number projects with and without a gap in their capital stack. This gap is listed below and can be filled by a combination of public, private, and philanthropic capital.

## Key Takeaways

The calculator's findings indicate that Metro's policies can have a significant impact on building affordable and market-rate housing across Los Angeles County. Metro has an opportunity to build a policy structure that aligns with their core policy values of inclusion, access, performance, and innovation.

The calculator additionally shows the potential tradeoffs between different policy goals and can help Metro work towards a balanced policy. These tradeoffs can include:

- **The location of 100% affordable (tax-credit) projects.** If affordable sites were distributed equitably across all submarkets, there would be almost 500 fewer units than the default scenario in which all 100% affordable sites are concentrated in Tier 5 locations. If 100% affordable sites were concentrated in Tier 1 and Tier 2 sites, there would be almost 900 fewer units than the default scenario. However, Metro may be willing to make that tradeoff, given the higher access to opportunities and amenities that households may have living in the higher tiered submarkets.
- The number of **total affordable units** versus the **depth of affordability per unit**. In many instances, a higher depth of affordability results in less units. For instance, a 2-bedroom unit that rents for 80% of AML, affordable to households earning below \$54,000, is far cheaper for a developer to provide compared to a 2-bedroom 50% AML unit, which are affordable to households earning below \$32,000 annually. If a policy required 15% at 50% AML inclusionary, the model outputs **735 potential inclusionary affordable units**. At 25% affordable for 80% AML, the model outputs **1,042 potential inclusionary units—305 more units**.
- The number of **total affordable inclusionary** units versus **the number of total units** (both market-rate and inclusionary). In some instances, a policy that yields a higher number of total units can have fewer affordable units compared to a policy that yields a higher number of inclusionary affordable units.

Additionally, HR&A conducted sensitivity analyses for each policy lever, detailed in the findings section. Based on this analysis, the following policy variables can have an outsized impact on affordable unit yield:

- **Parking spaces per unit** is one of Metro's most powerful tools in determining project feasibility, especially on higher density sites, as they can cost more than \$40,000 per space. **A parking ratio from 1 to 0.5, conservatively, increases total potential unit yield by 34%.**
- **Discounting land value** can be a key factor to facilitate more affordable development. However, this is most useful on sites in stronger submarkets where land is a large proportion of total development costs. Requiring significant affordability on lower value sites will require additional public subsidy, not just significant land value discount. **Flexibility in the land value discount percentage across different submarkets will allow Metro to most effectively use public land value to invest in affordable housing units.**
- **PLA / CCP requirements increase the cost of construction and can have a significant impact on total unit yield, but more project evidence is required to quantify the direct impact.** Assuming that the PLA/CCP requirements create an 8% impact on hard costs can decrease development by up to 3,000 units assuming no changes or land discounts.

## Findings

This section outlines the calculator's findings for each policy variable, holding the remaining variables constant. This is intended to provide an idea of the relative sensitivity of the outputs to each of the policy inputs. Policy variables include parking spaces per unit, additional development requirements, PLA/CCP requirements, affordability and unit mix, land value, and varying affordable sites.

### Varying Affordable Housing Sites

Although not an input on the primary dashboard, the calculator allows additional flexibility to change the sites designated 100% affordable through the site selector worksheet. By default, the calculator selects sites in Tier 5, the market tier with the lowest market rents as 100% affordable projects (categorized as 100% of units at 60% of AMI). However, there may be various policy goals that result in a different distribution of affordable units.

For example, if affordable sites were distributed **equitably across all submarkets**, two sites from each tier would be designated 100% affordable, as a tax credit project. In a scenario with 25% inclusionary rate at 80% AMI for the inclusionary projects, no land discount, and a parking ratio of 1, an equitable distribution of affordable sites would result in 4,708 units, 520 units less than the default scenario. Another option to drive at equity may be to concentrate affordable units in **high-opportunity areas**, Tier 1 and 2 submarkets with access to community amenities, jobs, and high-quality schools. This would reduce the total unit count to 4,650 units but concentrate 1,028 units of affordable housing at 60% AMI in Tier 1 and Tier 2 markets. However, given the high land value of these sites Metro would need to discount a larger share or land value or the project would need substantially more subsidy to fill the capital gap on these projects.

Instead, a policy could target submarkets with rapidly increasing rents, to combat displacement. In this example, the 100% affordable projects are concentrated in Tiers 4 and 5 (which are currently seeing the fastest increase in rents), resulting in 4,650 total units, 580 fewer units overall than the default scenario.

**Varying Affordable Housing Sites and Impact on Total Units**

Affordable Project Scenarios	Total Units	Share of Inclusionary	Share of 100%	Share of Market Rate Units
		Affordable Units	Affordable Units	
<b>Default:</b> Tier 5 100% affordable	5,228	1,046 (20%)	1,046 (20%)	4,182 (80%)
<b>Distributed:</b> 2 sites per tier 100% affordable	4,708	942 (20%)	1,036 (22%)	3,776 (80%)
<b>Anti-Displacement:</b> 100% affordable concentrated in Tier 4 and Tier 5	4,650	884 (19%)	1,023 (22%)	3,767 (81%)
<b>Areas of Access:</b> 100% affordable concentrated in Tier 1 and Tier 2	4,371	830 (19%)	1,005 (23%)	3,541 (81%)

### Affordability and Unit Mix

Affordability level and unit mix are two key metrics that govern the calculator's outputs. Changing these metrics can trigger two development incentives—the state density bonus and the transit-oriented communities (TOC) density bonus in the City of Los Angeles. These bonuses yield two broad outcomes:

- **The highest unit yield does not result from keeping all units at market-rate.** In the example below, an inclusionary rate of 25% at 80% AMI results in 20% greater units as the state density bonus and TOC bonus is triggered.
- **Due to the bonus structures, having an inclusionary rate at lower AMIs that trigger the bonus yields more units than those that do not.** In the example below, a 25% inclusionary rate at 60%



AMI leads to 280 more units than 25% at 100% AMI. While 100% AMI units result in higher rents per unit, having a 60% AMI delivers far greater units through the bonus.

An effective policy will need to take advantage of both density bonus incentive structures to maximize the total number of affordable units.

#### Total Units by AMI Level at 25% Affordable

AMI (with 25% units affordable)	Total Units	Total Units difference from baseline	Market Rate Units	Inclusionary Affordable Units	Total Units
30% AMI	1,048	-4,180	0	0	1,048
50% AMI	1,048	-4,180	0	0	1,048
60% AMI	2,144	-3,084	822	274	2,144
<b>80% AMI</b>	<b>5,228</b>	<b>+0</b>	<b>3,138</b>	<b>1,042</b>	<b>5,228</b>
100% AMI	1,871	-3,357	618	205	1,871
120% AMI	4,624	-604	2,684	892	4,624
100% Market Rate	4,854	-374	3,806	3,806	4,854

Model Assumptions: Land value discount is 0%. PLA/CCP Cost Premium is 0%. Parking Ratio is 1.

Note: Total units include 1,048 100% Affordable units in all scenarios

**There is a significant tradeoff between depth of affordability (AMI) and number of affordable units (required inclusionary share).** Since the density bonuses are triggered at lower levels with deeper affordability, a 11% inclusionary rate at 50% AMI results in 745 more units than 25% at 80% AMI.

#### Total Units by Various AMI Levels and Inclusionary Shares

AMI and set-aside	Total Units	Total Units difference from baseline	Market Rate Units	Inclusionary Affordable Units	Total Units
20% at 80% AMI	3,897	-1,331	2,279	570	3,897
<b>25% at 80% AMI</b>	<b>5,228</b>	<b>+0</b>	<b>3,138</b>	<b>1,042</b>	<b>5,228</b>
15% at 50% AMI	5,951	+723	822	274	5,951
<b>11% at 50% AMI</b>	<b>5,973</b>	<b>+745</b>	<b>3,138</b>	<b>1,632</b>	<b>5,973</b>
100% Market Rate	4,854	-374	3,806	3,806	4,854

Model Assumptions: Land value discount is 0%. PLA/CCP Cost Premium is 0%. Parking Ratio is 1.

Note: Total units include 1,048 100% Affordable units in all scenarios. These scenarios were selected because they perform best.

## Land Value

Discounting land value is one of Metro's strongest tools to facilitate more affordable housing on joint-development sites. On average, land value represents 22% of total development cost for the inclusionary projects modeled. For stronger submarkets, it represents an even greater share of development cost, at 38% for Tier 1—as average land values range from more than \$700 per square foot in Tier 1, to \$40 in Tier 5.

#### Land Value by Tier

Market Tier	Land Value as a share of Development Cost	Average Land PSF	Total Land Value	Share of Metro Total Land Value
Tier 1	38%	\$718	\$691,897,652	60%
Tier 2	28%	\$351	\$159,150,292	14%
Tier 3	27%	\$203	\$129,390,459	11%
Tier 4	14%	\$84	\$154,062,410	13%
Tier 5	10%	\$38	\$22,056,951	2%

As a result of these disparate land values across tiers, 60% of Metro's total land value is in Tier 1, while less than 15% are in Tiers 4 and 5. This indicates that land value discounts are most helpful to projects in higher submarkets to drive feasibility, **but are also the most costly for Metro to provide.**

As an example, consider two similarly sized projects: 17<sup>th</sup> St/Santa Monica Station (Tier 1) and Reseda Station (Tier 4), at approximately 350 units. If Metro requires a 30% inclusionary rate at 60% of AMI, they are both infeasible. However, since land is a much larger portion of the project's cost basis, the returns on SMC Station increase rapidly with more land discount, until the project is deemed feasible at a 25% land discount. For Reseda station however, a larger discount does little to increase the project's return on cost and remains infeasible even at a significant 40% land discount.

### Feasibility by Land Value Discount

17th St./SMC Station Reseda Station		
Minimum Return on	4.70%	5.25%
Land Value Discount (%)	Difference from Minimum (in basis points)	
0	50 bps	78 bps
5	42	76
10	33	74
15	24	72
20	14	70
25	4	68
30	-6	66
35	-17	64
40	-30	52
45	-44	50
50	-58	48
55	-73	45
60	-88	43
65	-105	41
70	-122	38
75	-140	36

This indicates two key takeaways:

- **Requiring significant affordability on lower value sites will require additional public subsidy, not just significant land value discount.**
- **Flexibility in the land value discount percentage across different submarkets will allow Metro to most effectively use public land value to invest in affordable housing units.**

Nevertheless, due to the large Tier 1 and Tier 2 sites, land value discounts drive total unit yields up sharply. At 25% at 80% AMI and 11% at 50% AMI, the total number of units increases by 2,309 units and 970 units, respectively.

Land Value Discount	AMI and Set-Aside	Total Units	Market Rate Units	Inclusionary Affordable Units
0%	25% at 80% AMI	5,228	3,138	1,042
	11% at 50% AMI	5,973	4,381	544
25%	25% at 80% AMI	7,587	4,907	1,632
	11% at 50% AMI	6,943	5,234	650

Given the skewed benefits of the land value discount, there are diminishing marginal benefits of the tool when used across the entire portfolio. The initial 25% discount leads to 2,360 new units—following that initial bump however, only between 2 to 3 projects are made feasible with an additional 25% in land value.

Total Units at 25% at 80% AMI		
Land Value Discount	Total Units	
0%	5,228	
25%	7,587	(+2,359)
50%	8,026	(+439)
75%	8,779	(+753)
100%	9,094	(+315)

## Parking Spaces per Unit

Parking is one of the largest cost drivers in multifamily units. Each parking spot typically costs between \$2,000 to \$40,000 per space, depending on parking type (surface, podium, underground). Additionally, there is often an opportunity cost for surface and podium parking—as more units could have been built in place of parking. Note that the current calculator does not account for the additional units that could be constructed in place of the parking, so our findings are somewhat conservative. Even from these estimates, the calculator is highly sensitive to changes in the parking ratio—a parking ratio decrease from 1.0 to 0.5 can increase total unit count by 34%.

Parking Ratio	Total Units		Market Rate Units	Inclusionary		Total Units
				Affordable Units		
2.00 spaces / unit	3,377	-1,851	1,748	581		3,377
1.75	3,377	-1,851	1,748	581		3,377
1.5	3,435	-1,793	1,792	595		3,435
1.25	3,435	-1,793	1,792	595		3,435
1	5,228	+0	3,138	1,042		5,228
0.75	6,904	+1,676	4,395	1,562		6,904
0.5	7,006	+1,778	4,471	1,487		7,006
0.25	7,231	+2,003	4,640	1,543		7,231
0	7,502	+2,274	4,843	1,611		7,502

Model Assumptions: 25% of units at 80% AMI. Land value discount is 0%. PLA/CCP Cost Premium is 0%.

Note: Total units include 1,048 100% Affordable units in all scenarios

## PLA / CCP Requirements

Metro has adopted project labor agreement (PLA) and construction careers policy (CCP) to encourage construction employment, training opportunities, and pay workers fair wages for all projects larger than 60 units. It is too early to find empirical data for the cost premium that these requirements place on projects. Preliminary estimates place this cost premium at about 8-15 percent on project hard construction costs. The calculator allows users to change both the PLA / CCP unit limit (Project size in units) and construction cost premium, which are set at 200 units and 8 percent respectively, by default. The calculator produces the highest total unit yield in a scenario with a 0 percent premium and high project size. As project size decreases, and premium increases, the total feasible unit count decreases.

### Project Size of Premium Applications

		Project Size (in units)					
		0	60	120	180	200	240
			(existing policy)				
Premium	0%	5,228	5,228	5,228	5,228	5,228	5,228
	5%	2,486	2,585	3,265	3,695	3,877	3,877
	8%	2,144	2,243	2,923	3,353	3,535	3,535
	10%	1,048	1,147	1,827	2,257	2,439	2,439
	15%	1,048	1,147	1,827	2,257	2,439	2,439
	20%	1,048	1,147	1,827	2,257	2,439	2,439
	25%	1,048	1,147	2,257	2,257	2,439	2,439

Model Assumptions: 25% of units at 80% AMI. Land value discount is 0%. Parking Ratio is 1.

Note: Total units include 1,048 100% Affordable units in all scenarios

## Additional Development Requirements

Adding additional development requirements, such as infrastructure or community amenities, adds additional costs to a project. Additional development costs may occur if a developer is asked to construct complex infrastructure as part of a joint development agreement—adding to the overall risk of a project. In other cases, additional development requirements may be used to negotiate programmed open space, subsidized retail, or privately owned public spaces, as a community amenity. Additional costs initially drops total unit yield drastically, and then stabilizes at a lower number. This is because many projects are modeled at baseline to be just barely feasible, paying as much as possible towards land costs at the highest potential best use. Adding development requirements may also add project risk and raise return requirements, which are not modeled in this calculation.

Additional Development	Total Units		Market Rate Units	Inclusionary Affordable Units	Total Units
\$0	5,228	+0	3,138	1,042	5,228
\$10,000	3,318	-1,910	1,704	566	3,318
\$20,000	2,144	-3,084	822	274	2,144
\$30,000	2,144	-3,084	822	274	2,144
\$40,000	1,048	-4,180	0	0	1,048

Model Assumptions: 25% of units at 80% AMI. Land value discount is 0%. PLA/CCP Cost Premium is 0%. Parking Ratio is 1.

Note: Total units include 1,048 100% Affordable units in all scenarios

# Methodology

## Approach

HR&A used a development pro forma approach to evaluate market feasibility of inclusionary housing projects. The calculator has two components:

- A portfolio aggregator which evaluates policy impacts on feasibility across a portfolio of sites; and
- A site-specific calculator which tests specific assumptions and evaluates nuanced policy variable impacts on a single site.

The portfolio aggregator allows the user to input and adjust site assumptions and policy variables to test impacts of various scenarios. The calculator evaluates feasibility of inclusionary housing projects based on return on cost (ROC) which measures developer's stabilized-year financial return. Return on cost assumptions range between 4.95% and 5.65%, depending on project submarket and tier.<sup>26</sup> Each variable (described in the findings section) impacts the project's ROC from a baseline, depending on the project's revenue, total construction costs, and land costs, based on the project's highest and best use. If the ROC falls below the minimum allowance (based on submarket tier), a project is classified as **infeasible**. If the ROC is at or above the allowance, the project is classified as **feasible**.

## Developing Key Assumptions

Metro provided HR&A with a list of 48 development sites located across Los Angeles County, ranging from 19,500 square feet to 558,000 square feet in land area. Based on the sites, HR&A and John Kaliski Architects (JKA) assigned a development typology and number of units to each site, from high-rise to suburban garden style apartments, illustrating the diversity of Metro-owned sites in across the County.



<sup>26</sup> CoStar, 2020.

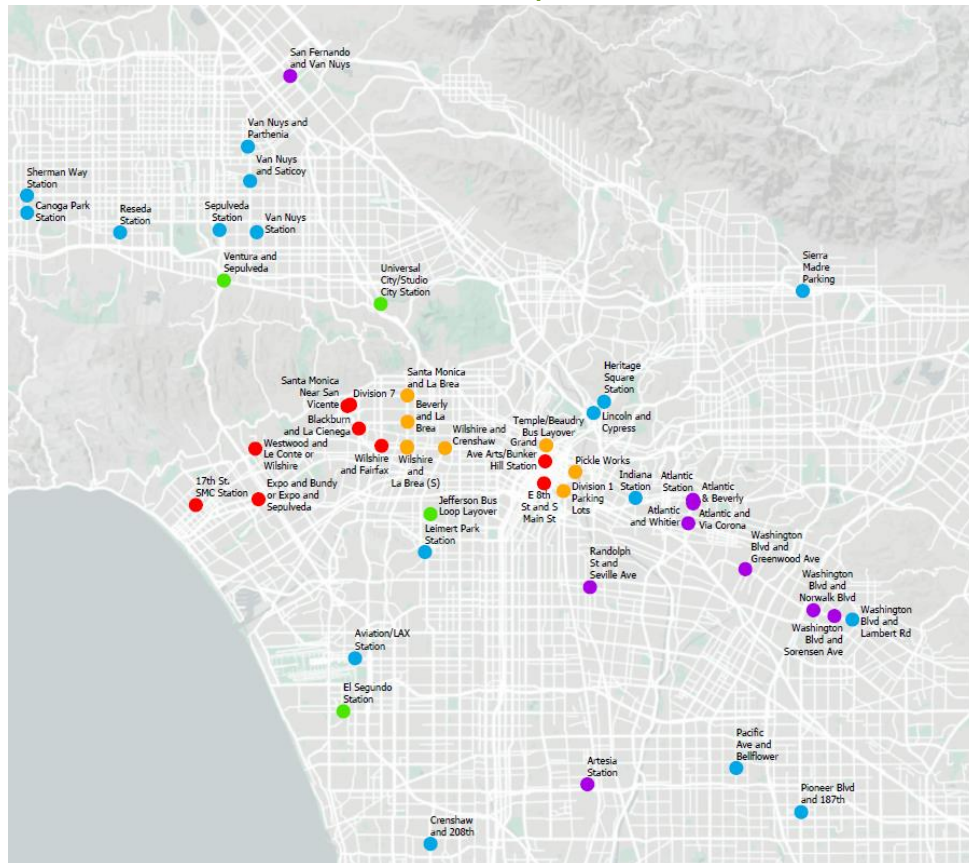
<b>Typology</b>	<b>Average Unit Size (GSF)</b>	<b>Net to Gross</b>	<b>Resi HC per GSF</b>	<b>Retail HC</b>	<b>TI / LC (GSF)</b>
High-Rise (25 to 39 stories)	1,000 SF	78%	\$376/SF	\$376/SF	\$30/SF
High-Rise (13 to 24 stories)	1,000 SF	79%	\$336/SF	\$336/SF	\$30/SF
High-Rise (8 to 12 Stories)	1,000 SF	79%	\$286/SF	\$286/SF	\$30/SF
High-Medium Multifamily	1,000 SF	80%	\$228/SF	\$228/SF	\$30/SF
Medium Multifamily	1,000 SF	80%	\$226/SF	\$226/SF	\$30/SF
Low-Medium Multifamily	1,000 SF	82%	\$226/SF	\$226/SF	\$30/SF
Urban Garden Apartments	1,500 SF	85%	\$227/SF	\$227/SF	\$30/SF
Suburban Garden Apartments	1,500 SF	85%	\$226/SF	\$226/SF	\$30/SF

**Source(s): JKA, HR&A, Craftsman 2020 Construction Costs, CoStar 2020**

<b>Typology</b>	<b>Retail?</b>	<b>Stories</b>	<b>Parking / space</b>	<b>Avg Units/ Acre</b>
High-Rise (25 to 39 stories)	1	30	\$40,000	-
High-Rise (13 to 24 stories)	1	15	\$40,000	200
High-Rise (8 to 12 Stories)	1	10	\$40,000	150
High-Medium Multifamily	1	6	\$35,000	76
Medium Multifamily	0	5	\$35,000	75
Low-Medium Multifamily	0	3	\$35,000	82
Urban Garden Apartments	0	2	\$0	31
Suburban Garden Apartments	0	2	\$0	30

HR&A then organized each site into one of five market tiers. **Tier 1** is the most competitive market area, with the highest rents and lowest capitalization rate. **Tier 5** is the least competitive market area, with the lowest rents and highest capitalization rates. This categorization was based on existing rents and market strength of each site and can be changed on the site inputs tab as sites become more or less valuable for residential development.

**Metro Sites by Tier**



Tier	Multifamily Rents	Retail Rents	Parking Rents	Cap Rate	Return on Cost	MF Vacancy	Retail Vacancy
<b>TIER 1</b>	\$4.75 /NSF	\$70 /NSF	\$175 /Mo	3.7%	4.95%	10%	10%
<b>TIER 2</b>	\$4.00 /NSF	\$45 /NSF	\$175 /Mo	3.8%	5.05%	7%	15%
<b>TIER 3</b>	\$3.50 /NSF	\$40 /NSF	\$100 /Mo	4.1%	5.35%	5%	10%
<b>TIER 4</b>	\$3.00 /NSF	\$30 /NSF	\$100 /Mo	4.4%	5.65%	5%	10%
<b>TIER 5</b>	\$2.75 /NSF	\$30 /NSF	\$100 /Mo	4.4%	5.65%	5%	10%



Affordable rent assumptions are based on City of Los Angeles 2019 Income and Rent Limits. 100 percent affordable sites use land use schedule one rents and income limits. Inclusionary sites use schedule six rents and income limits.

**Los Angeles 2019 Schedule 1 Rents (100% Affordable)**

<b>Category</b>	<b>Studio</b>	<b>1-BR</b>	<b>2-BR</b>	<b>3-BR</b>	<b>4-BR</b>	<b>5-BR</b>
<b>30% AMI</b>	\$549	\$626	\$705	\$783	\$846	\$909
<b>50% AMI</b>	\$914	\$1,045	\$1,175	\$1,305	\$1,410	\$1,515
<b>60% AMI</b>	\$1,096	\$1,254	\$1,410	\$1,566	\$1,693	\$1,818
<b>80% AMI</b>	\$1,461	\$1,670	\$1,879	\$2,088	\$2,255	\$2,423
<b>100% AMI</b>	\$1,828	\$2,090	\$2,350	\$2,611	\$2,820	\$3,030
<b>120% AMI</b>	\$2,193	\$2,508	\$2,820	\$3,133	\$3,384	\$3,636

**Los Angeles 2019 Schedule 6 Rents (Inclusionary)**

<b>Category</b>	<b>Studio</b>	<b>1-BR</b>	<b>2-BR</b>	<b>3-BR</b>	<b>4-BR</b>	<b>5-BR</b>
<b>30% AMI</b>	\$372	\$426	\$479	\$532	\$575	\$617
<b>50% AMI</b>	\$621	\$710	\$798	\$887	\$958	\$1,029
<b>60% AMI</b>	\$745	\$851	\$958	\$1,064	\$1,149	\$1,235
<b>80% AMI</b>	\$1,056	\$1,206	\$1,357	\$1,458	\$1,628	\$1,749
<b>100% AMI</b>	\$1,366	\$1,561	\$1,756	\$1,851	\$2,107	\$2,263
<b>120% AMI</b>	\$1,862	\$2,129	\$2,395	\$2,661	\$2,873	\$3,086

The model uses these assumptions to develop three different return scenarios in the *Calculation Table*. This tab calculates return on cost for each site and selects one of three scenarios that yields the highest return: 1) by-right; 2) California state density bonus; and 3) City of LA Transit Oriented Communities (TOC)-style density bonus. This model does not calculate feasibility for 100% affordable projects; however, average gap per unit can be used as a proxy for feasibility (projects with high financing gap per unit are less likely to be built). These calculations are then used for the outputs table on the *Portfolio Aggregator* worksheet:

#### Variable Descriptions for Detailed Results Table

Column	Description
<b>Intersection</b>	Site Name
<b>Affordable?</b>	Affordable or Inclusionary (based on input on Site Inputs)
<b>Land SF</b>	Total Land Square Feet (Metro figures)
<b>Site Number</b>	Model internal site number
<b>Submarket</b>	HR&A assigned submarket
<b>Municipality</b>	Municipality in LA County
<b>Time Horizon</b>	Time horizon for development (based on input on Site Inputs, can be changed)
<b>Baseline Scenario</b>	The scenario that yields the highest returns (between by-right, state density bonus, or TOC). If the site is affordable, reverts to Affordable RLV).
<b>Baseline Units</b>	Total units built at baseline scenario
<b>Baseline MR</b>	Market rate units at baseline
<b>Baseline Aff</b>	Inclusionary or 100% affordable units at baseline.
<b>Baseline RLV</b>	Baseline residual land value based on optimized scenario
<b>Baseline RLV / SF</b>	Baseline RLV by total land SF
<b>Baseline Feasible</b>	1 if baseline scenario is feasible, 0 if not
<b>UI Units</b>	Total units yielded based on user input scenario
<b>UI MR Units</b>	Total Market Rate Units
<b>UI Aff Units</b>	Total Affordable Units
<b>Custom RLV</b>	Residual Land Value based on user input
<b>UI RLV</b>	Maximum or Baseline RLV and Custom RLV
<b>Adjusted RLV</b>	Adjusted UI RLV based on land discount input
<b>UI RLV / SF</b>	Adjusted RLV by total Land SF
<b>Target ROC</b>	Target ROC based on Submarket (from Revenue & Cost Assumptions)
<b>UI ROC</b>	Return on Cost from custom scenario
<b>Minimum Land Value</b>	Minimum Land Value (only used if land value is negative) from Revenue and Cost Assumptions
<b>Difference</b>	Difference between UI ROC and Target ROC in basis points
<b>UI Feasible?</b>	1 if UI scenario is feasible, 0 if not
<b>Affordable Gap</b>	Gap in capital stack if unit is 100% affordable
<b>Aff Units</b>	Total 100% Affordable Units
<b>Anticipated Infrastructure Costs</b>	Anticipated infrastructure costs (from Site Inputs)

## **Caveats and Qualifications**

HR&A developed this calculator to measure the relative impacts of multiple policy scenarios in order to estimate the tradeoffs between various policy interventions. The functionality of the calculator is limited by the following:

- The calculator includes typology and total unit assumptions that should not be adjusted independently. When modifying the total number of units for one site, the user must also modify the development typology.
- The parking ratio lever only accounts for the construction costs associated with additional parking and does not consider revenue from additional apartments when the parking ratio is reduced. It is possible that revenue is under counted in scenarios with low parking ratios.
- Market assumptions are based on recent market conditions and do not reflect the future impacts of the COVID-19 pandemic or other economic factors. Market factors should be adjusted to keep the model current.

# Appendix C - Stakeholder Input Summary

## **Metro Internal Working Group**

On June 24, 2020, Metro's JD team convened an internal working group of Metro experts from several departments to discuss the JD Policy. In a presentation of the JD Policy on affordable housing, the team introduced the regional context for affordable housing, an overview of the existing Metro JD Policy, the scope and process for the Policy update, and solicited feedback on proposed outcomes and tools.

Participants were asked: How would you measure success? What performance outcomes should we prioritize? Which tools do you think would be most successful? In response, we heard a few recurring themes such as: prioritize need and equity, evaluate the potential outcomes, and consider other tools. The comments are summarized below.

### **Prioritize need and equity**

- Consider how Metro can prioritize providing housing for those most in need.
- We are hearing some voices suggesting moderate income housing, but we need to show where the prioritized needs are in LA County.
- How are we defining need? What are the targets that this program will help address?
- Think about transit propensity and who uses transit the most.
- Build affordable housing in historically underbuilt areas.
- Instead of just maximizing investments in equity focused communities, disperse affordable housing throughout LA County. We do not want to concentrate affordable housing solely in low income communities.

### **Evaluate potential policy outcomes**

- Evaluate the push and pull of developing the most units vs developing 100% affordable. Consider doing a mix of both. Metro's mixed income projects are the biggest projects with the most units. Many heavy rails sites are trying to maximize units around transit, which often means the development is not 100% Affordable Housing.
- Metro should consider the gaps in the affordable housing subsidy landscape. Subsidy availability differs for the population being housed.
- Consider how Metro uses land value to fund housing. Discounting Metro land to incentivize affordable housing is a symbolic way of giving back to Angelenos.
- Metro needs to consider how the policies can put existing businesses and residents at risk of displacement. We also need to consider how acquisition of existing businesses for Metro property can cause displacement. Does this align with Metro's commitments to taxpayers through Measure R and Measure M?

- We need to think differently about relocating businesses and residents, especially in major capital projects where a community is paying substantial money for housing, and certain demographics are particularly at risk of displacement.
- Consider how procurement of projects could offer more opportunities for Metro Joint Development.

### **Consider other tools and models**

- The JD policy should remove barriers to delivering units, such as parking policies that add costs, or unnecessary discretionary review. Think of ways to expedite projects, possibly by packaging them together for Metro Board approval.
- Consider what other jurisdictions are working on and communicate with those jurisdictions.
- Land value capture is a strong tool to consider and may be more effective than setting a minimum required percentage of affordable units in each project.
- Consider the European social housing model where the tenant's income doesn't matter, instead every household pays 30% of their income to subsidize the building. Is there a way to try this out in Metro?
- Consider the San Francisco model where market units have a parking maximum, and affordable housing units do not, since often low-income folks were not working near transit centers and needed to commute to work by car.

### **External Stakeholder Roundtable**

On July 29th, 2020, Metro JD convened a roundtable of external stakeholders to inform the JD policy. Participants came from agencies across the county, academia, housing development, and non-profit community organizations. After providing a primer on the existing JD Program and policy on affordable housing, the team led a discussion on the outcomes, tools, and next steps for the policy. A summary of the feedback received is provided below.

### **Focus on goals**

- Employ a variety of policy tools to create a diversity of impacts and outcomes.
- Since Metro owns land in various sizes and geographies, consider a policy that sets a baseline number of units at each station. Look at how much affordable housing exists around each station and adjust baseline based on need.
- At large Metro sites subdivide land so that affordable housing developers can have smaller sites to build 100% affordable projects, rather than having a portion of the units built rely on market rate units.
- Cross subsidizing properties is a critical concept for economic development. The economic development of mixed-use projects can be very challenging in low income neighborhoods. Metro should use cross-subsidy from higher-income areas to offer deeper land discounts in low-income neighborhoods.

- Focus on requiring higher percentages of affordable housing in each JD project and focus on housing extremely low-income households.
- Consider the sizes of projects that can qualify for CEQA streamlining and get built fast. Maximizing zoning at sites may allow for the maximum number of units, but the tradeoff is that these projects may take three times as long as smaller projects that go through CEQA streamlining.
- Use housing preservation as an anti-gentrification measure in the JD Program. Areas near transit that are getting built up with additional resources may experience increases in land values. Use preservation as a counterbalance to transit investment.
- Work with smaller cities and developers to take advantage of AB 1763, which allows for TOC-like density bonuses for affordable housing developers near transit and allows for cross subsidy of low to moderate income housing as well.
- Metro should work with cities to push for legislation and advise surrounding land use authorities to increase density.
- One challenge with cross-subsidization of mixed-income properties is that it isn't always obvious to the community that the market rate units are subsidizing affordable housing and freeing up public resources.
- Inclusionary policies are needed since 80/20 financing deals are not always feasible for affordable developers. Affordable housing needs a variety of tools, including Metro's land discount to achieve housing.
- Consider a permutation of the MATCH Program for housing preservation.

### **Performance Outcomes**

- Measure not only units but number of beds or people housed. All one bedrooms aren't equal. Look at the difference between market rate rent in an area and asked affordable rent. Think and report on the totality of benefit, including community benefit.
- Think about revenue in terms of benefit – community benefits are a balance or concession to expectations around revenue.
- Build affordable housing across the region, not just concentrated in certain areas.
- Consider equity and create opportunities for people of color.
- Consider gender and racial equity in developer selection, address equity in structural and systemic barriers. Increase transparency around methods for developer selection. Provide access for companies of color and woman-run businesses and run the developer selection process through the equity platform.
- JD should be run through equity platform to address past unintended consequences and provide the most opportunity to the most vulnerable populations, especially to Metro core riders.
- The commercial retail piece of many of Metro's RFPs is often challenging for affordable housing developers. The affordable housing component of the proposal is met but the commercial spaces that are built either don't meet the community's needs, or the

retail rent isn't affordable enough for community businesses. It is often challenging to find tenants for the commercial portion of the JD projects.

- Consider proposals for walkable retail, where retail on the bottom floor wouldn't require parking. Consider other community activation strategies outside of retail.
- Consider removing the limits to Metro's land discount policy.
- Boost impact of Metro's JD Program by incentivizing (or requiring) that mixed-use projects include commercial space that is appropriate for and accessible to small businesses, social enterprises, and community cultural spaces. In addition to relocation assistance, establish First Right of Refusal to commercial space on Metro-owned land and marketing space of the transit project for legacy small business and/or MBE/WBE/DBE/DVBE that is directly displaced by a Metro project and displaced due to construction impacts.
- Advance strategic land acquisition to help build affordable transit-oriented developments, through both JD projects on Metro-owned land, as well as non-profit development on transit-adjacent land.

#### **How should Metro gather input on the policy?**

- A town hall meeting by regions may be best. The panel format is useful, but we may need to have the input of the Metro board as well.
- Regional breakouts could be great and would be great to do simultaneously with the TOC Implementation Plan rollout. Prioritize areas based on equity platforms and supporting community groups. Have Metro coordinate with community groups on JD policy and TOC implementation plan rollout simultaneously.
- Give people the ability to digitally comment and make a repository of goals after events is very helpful. Ask that community submit and prioritize outcomes. Create physical mailings and digital methods to reach out to people that aren't turning out or speaking at events.
- Transit riders need to be interacted with and consulted on this policy. Text people the Zoom link to future outreach meetings. Create a mass texting text list.
- Convene both large groups and focus groups by stakeholders (homeowners, tenants, small businesses, street vendors, etc.). Follow up with digital or paper feedback so people know what will impact their lives
- Offer a formal process for organizations to provide feedback on the policy development.

#### **Metro Policy Advisory Council (PAC)**

On September 15, 2020, Metro JD staff presented the Affordable Housing Policy update to Metro's Policy Advisory Committee. Following a presentation of the policy update and context, the JD team requested feedback on three questions: What should we prioritize? Which tools do you think would be most successful? How would you measure success? The discussion is summarized below.

### **What should we prioritize?**

- Consider how the policy could address intergenerational housing.
- The existing JD program accomplishments are impressive. Metro should take pride in the work you have done building the current units across LA county and receive commendation for a policy that will soon deliver 5,000 units. The new policy feels like the same as the old one and Metro should emphasize what is different.
- Emphasize that the new policy is providing a deeper impact on racial equity. The new policy should provide additional benefits, including tactics to reach sustainability goals and providing additional green space. Make sure to mention climate goals in your tradeoffs. The climate policies are not a tradeoff but an imperative. Get credit for the benefits you are offering.

### **Which tools do you think would be most successful?**

- Do you see Metro's JD policy goals as applying beyond the JD program? Metrolink is interested in seeing TODs around our stations. Usually the property around stations is owned by cities. Consider the impacts of the policy outside of Metro.
- Make sure to address the tradeoff between parking and development. Availability of parking may be needed to attract ridership in certain areas.
- Affordability for residents is an important consideration. Consider what a policy emphasizing maximum units would mean for cities. One of the key constraints cities have is having enough revenue to provide services.
- This policy currently makes no mention of tax increment financing. Consider value capture strategies.
- Metro is going to have to look at a replacement for redevelopment agencies, but that has to be done in partnership with the local cities. Hopefully in partnership with local cities, Metro can create a similar program.

### **How would you measure success?**

- Provide metrics on how each JD project impacts metro ridership. How many new transit riders are you creating with these developments? How many more trips are generated?
- Consider how minority for profit developers will get a foothold on these projects. Is that an issue that gets consideration?
- The TOC baselines are an opportunity to leverage data on missing community amenities. Start with that data as you go to communities.
- List the metrics for JD projects and TOC baseline assessment.
- Consider how to best engage the PAC.

## **Metro TOC Town Hall**

A TOC Town Hall will be scheduled for early 2021. The virtual town hall will be open to the public.



## Appendix D – Precedents Analysis

### City of Los Angeles TOC Incentive Program and Density Bonus Program

The City of Los Angeles Department of City Planning (DCP) offers two development incentive programs that provide housing developers additional benefits in exchange for developing affordable (covenanted, income-restricted housing) units within their projects, The Transit Oriented Communities Incentive Program and the State Density Bonus.

Collectively in 2020, the TOC and Density Bonus programs generated 62% of the City of LA's planning approved units, and over two thirds of the City's affordable units. In the City of LA, the TOC incentive program has approved 30,721 housing units including 6,497 affordable units since its inception, while the density bonus has generated 28,300 units including 6,303 affordable units since 2015.<sup>27</sup>

The Transit Oriented Communities (TOC) Incentive Program was initiated in 2016 by City of LA voters with ballot Measure JJJ. The program offers building incentives to housing developments that incorporate certain percentages of affordable housing near high-volume transit stops.

Projects closer to high volume transit stops are placed in higher "tiers", which determine the amount of incentives and affordability thresholds a project must meet to qualify. Base incentives such as density and floor area ratio increases as well as parking decreases are given to residential projects incorporating affordable (income-restricted) units within a ½ mile of qualifying transit stops. Developers can elect to build affordable units for low-income (80% area median income), very low (50% AMI), or extremely low-income (30%) tenants.

Qualifying projects that only apply for the base incentives can apply directly for a building permit without City Planning review, providing housing developers time savings that result in faster project delivery and lower total development costs. Additional TOC incentives, like exceptions to height, setback, open space or lot coverage requirements are available for projects that meet DCP's discretionary approval.<sup>28</sup> Between 2018 – 2020, 69% of approved TOC projects chose additional incentives, churning out more units than the by-right path, and resulting in a higher percentage of affordable units. As seen on the LA City DCP Housing Progress Dashboard, between 2018 – 2020, 6,481 units applied for by-right TOC permits, foregoing additional incentives. 20% of these units were affordable. During the same time period 14,676 housing units were approved via TOC discretionary incentives, 24% which were affordable.<sup>29</sup>

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<sup>27</sup> <https://planning.lacity.org/resources/housing-reports>

<sup>28</sup> Los Angeles City Planning. (2018). *Transit Oriented Communities Affordable Housing Incentive Program Frequently Asked Questions and Answers*. [https://planning.lacity.org/odocument/87b0f2c2-8422-4767-a104-b7cd323ee26f/Transit-Oriented\\_Communities\\_-\\_Affordable\\_Housing\\_Incentive\\_Program\\_\(FAQ\).pdf](https://planning.lacity.org/odocument/87b0f2c2-8422-4767-a104-b7cd323ee26f/Transit-Oriented_Communities_-_Affordable_Housing_Incentive_Program_(FAQ).pdf)

<sup>29</sup> Derived from data listed on 2020 data listed on *Housing Progress Dashboard*. Housing Progress Reports. <https://planning.lacity.org/resources/housing-report>

The California State Density Bonus Law was initiated in 1976 to encourage the development of affordable housing with building density incentives. The contemporary Density Bonus program SB 1818 was passed in 2004 and updated in 2020 to provide larger density bonuses for a greater range of projects with affordable units.

### Comparison of affordable unit income levels across TOC and Density Bonus Programs

As shown in the table below, the majority of approved TOC applications 2018-2020 were in the low-income and extremely low-income categories, with far fewer units approved in the very low-income category. In 2020, the majority of affordable units approved through TOC were in the low-income category, accounting for 57% of by-right, and 52% of discretionary approvals. In contrast to the TOC program, the majority of approved Density Bonus applications from 2015 – 2020 were for very low-income units, followed by low-income. In 2019, the majority of applications shifted towards low income, followed by very low-income.

*Income level of approved affordable housing via TOC Program 2018 – 2020<sup>30</sup>*

	2018		2019		2020		3 year average	
	By-Right (BR)	Discretionary (Discr.)	BR	Discr.	BR	Discr.	BR	Discr.
<b>Low Income (\$54,250)</b>	15%	45%	59%	39%	57%	52%	44%	45%
<b>Very Low (\$33,950)</b>	13%	11%	6%	10%	19%	15%	13%	12%
<b>Extremely Low (\$20,350)</b>	72%	44%	35%	52%	24%	32%	44%	43%

### SB 35 Streamlining Affordable Housing

In 2018, California Senate Bill 35 provided further streamlined processing for projects that contain at least 50% affordable units.<sup>31</sup> In the City of LA, SB 35 allows projects to bypass timely discretionary CEQA reviews if the project contains at least 50% affordable units. In the 18 months after the adoption of the law, eight 100% affordable projects in the City of LA filed for streamlining under SB 35. SB 35 currently

<sup>30</sup> Los Angeles City Planning. (2020). *Housing Progress Dashboard*. Housing Progress Reports. <https://planning.lacity.org/resources/housing-reports>

<sup>31</sup> *Housing Progress Quarterly Report: April - June 2019*.

plays a role in entitling active JD projects.<sup>32</sup> As of June 2019, four of the eight SB 35 projects were approved in an average of 77 days.

## Expanding TOC

To expedite housing production and address the housing crisis in housing in Los Angeles, LAPLUS & UC Berkeley's College of Environmental Design recommend expanding TOC, by

- A) "Raising the threshold for site plan review to 100 units," to avoid triggering costly CEQA review for infill projects;
- B) "Allowing at least 6 FAR and a 120% density bonus for Tier 4 projects that propose a development taller than 85 feet," to allow more expensive construction types to become financially feasible;
- C) "Allowing use of Tier 1 within 750 feet of a bus stop with frequency of at least 15 minutes during rush hour," to incorporate intersect high volume bus lines that don't necessarily intersect a second bus line.<sup>33</sup>

## Review of Transit Agency Affordable Housing Policies

### BART Transit Oriented Development Affordable Housing Policy

The San Francisco Bay Area Rapid Transit District TOD Policy has many similarities to that of LA Metro, including affordability goals for the TOD portfolio, and offering land discounts for housing developments based upon the percentage of affordability. In April 2020, BART amended its TOD policy with further clarity on land discounting. TOD Policy Strategy E, Invest Equitably, states:

*"... aim for a District-wide target of 35% of all units to be affordable, with a priority to very low (<50% AMI), low (51-80% AMI) and/or transit-dependent populations. To aid in achieving BART's 35% affordability goal, provide **up to a 60% discount** in ground lease for projects with at least 35% affordable housing (30% for projects with a high rise)."*

The Draft Framework to Determining Financial Return from Affordable Housing illustrates BART's tiered discount to the property's appraised fair market value, where residential projects with at least 35% affordable units are given deeper discounts when the affordable units have lower average Area Median Incomes.

For example,

- "A low discount of **10 to 20%** will be considered for affordable housing projects with units restricted to an average of 61% - 80% of AMI"

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<sup>32</sup> Los Angeles City Planning Performance Management. (2019). *Housing Progress Quarterly Report: April - June 2019*. <https://planning.lacity.org/odocument/c795255d-9367-4fdf-9568-0a34077720ef>

<sup>33</sup> LAPLUS & The Real Estate Development & Design Program, College of Environmental Design, University of California Berkeley, Vallianatos, M., Smith, M., Morrow, G., Mendel, J., & Jessie, W. (2019). *Measure JJJ: An Evaluation of Impacts on Residential Development in the City of Los Angeles*. <https://wordpressstorageaccount.blob.core.windows.net/wp-media/wp-content/uploads/sites/867/2019/06/2019-Measure-JJJ-An-Evaluation-of-impacts-on-residential-development-in-City-LA.pdf>

- “A standard discount of **20 to 30%** will be considered for affordable housing projects with units restricted to an average AMI of 46% - 60%.”
- “A high discount of **30 to 60%** will be considered for affordable housing projects with units restricted to an average AMI of 45% or below.”

Discretionary exceptions are made for desired projects in high rises that help BART reach affordability goals. Each project’s discount is subject to BART’s conditions, one of which states that in order to reach a maximum discount, projects should pursue “eligible sources of revenue that provide additional funding to transportation or infrastructure on BART property, such as Affordable Housing & Sustainable Communities or the Infill Infrastructure Grant.”<sup>34</sup> BART states that in addition to advancing the goals of BART’s TOD Policy, the financial return expectations of any affordable project considers the following baseline conditions: A) Fair Market Value; B) Sources of Revenue from TOD; C) Net Ridership Gains and D) Parking Revenue.<sup>35</sup>

Lastly, BARTs 10-year Workplan focuses on equity and the priority areas where BART intends to pursue Transit Oriented Development. Following its completion of current pipeline projects, one of the top priority strategies in the near term (2020-2025) is to: “Advance racial and economic equity by prioritizing housing for lower-income residents in areas experiencing displacement, and high-opportunity communities in the core of the system. “

## Sound Transit

In the Seattle area, Sound Transit gives local governments, housing authorities and non-profits the first offer to bid on 80 % of land deemed surplus and suitable for housing, whether through sale, long term lease, or transfer. If the qualified entity accepts the offer, they are required to construct housing where 80% of the units are affordable for households below 80% AMI. Property discounts are provided based on financial assessments demonstrating the project’s gap funding and financial needs of Sound’s corridor and system expansion. Sound Transit considers value capture across TOD projects to support affordable housing, including “allowing cross-subsidy across a master development site or through transfer of development rights to a market-rate site generating revenue to support affordable housing development.”<sup>36</sup>

To make affordable housing more feasible near transit stations and fill the gaps in affordable housing finance across the region, Sound Transit created the Affordable Housing Revolving Loan Fund. Sound Transit is incorporating \$4 million per year for 5 years and leveraging additional funding contributions from public and private sources. Much like Metro’s MATCH fund, the fund is a self-replenishing, utilizing

<sup>34</sup> San Francisco Bay Area Rapid Transit District. (2020a). *BART TOD Framework for Determining Financial Return from Affordable Housing*. <https://www.bart.gov/sites/default/files/docs/Att%202%20-%20BART%20TOD%20Draft%20FR%20Framework%20-%20v7%202020-04-13.pdf>

<sup>35</sup> San Francisco Bay Area Rapid Transit District. (2020a). *BART TOD Policy*

<sup>36</sup> Sound Transit. (2018). *Resolution No. R2018-10 Adopting an Equitable Transit Oriented Development Policy*.

interest and principal payments on old loans to issue new ones. To maximize the fund's application and serve unmet local needs, Sound conducted an Affordable Housing Needs Assessment with Local Initiatives Support Corporation (LISC). LISC used a mixed methods approach, including affordable housing "stakeholder interviews, focus groups, a review of 15 LIHTC project proformas, extensive analysis of public policies and resources that affect affordable housing, and an analysis of the funding gaps that exist." <sup>37</sup>

### **MARTA Transit Oriented Development**

MARTA in Atlanta sets a goal of having 20% of each project's units as "affordable units", where affordable housing includes 1) housing affordable to seniors with low, moderate, or fixed incomes and persons with disabilities; 2) rental workforce housing (60-80% AMI); and 3) for-sale workforce housing for households earning 80% to 100% of AMI. Projects containing more than 10 units are required to meet affordability goals and will be reviewed on a project to project basis. <sup>38</sup>

### **Massachusetts Bay Transportation Authority**

MBTA requires JD projects with at least 15 units to build 20% of its units as affordable (up to 60% AMI) or workforce housing (61% - 100 AMI), but will work with municipalities to determine project feasibility and adjust inclusionary requirements to as low as 10%. <sup>39</sup>

### **Caltrain**

As of February 2020, Caltrain requires new housing projects to offer below market rate rents for 30% of their units. Of those below market rate units, 10% must be reserved for households <50% AMI, 10% for households <80% AMI, and the remainder of units will be offered to households making no more than 120% of AMI. <sup>40</sup>

### **Unbundling Parking Costs**

In 2019, the City of San Diego began requiring all parking spaces within Transit Priority Areas (TPA) be "unbundled" from housing development, so parking is optional and paid separately from the rent or home sale price. The policy was based on a city study on parking costs that found that a single parking

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<sup>37</sup> Local Initiatives Support Corporation (LISC). (2020, April). *Sound Transit Affordable Housing Revolving Loan Fund Needs Assessment*. <https://www.soundtransit.org/sites/default/files/documents/revolving-fund-needs-assessment-short-20200616.pdf>

<sup>38</sup> MARTA. (2010). *MARTA TOD Implementation Policies*. [https://www.itsmarta.com/uploadedFiles/More/Transit\\_Oriented\\_Development/MARTA-TOD-Implementation-Policies-Adopted-Text-November-2010.pdf](https://www.itsmarta.com/uploadedFiles/More/Transit_Oriented_Development/MARTA-TOD-Implementation-Policies-Adopted-Text-November-2010.pdf)

<sup>39</sup> Massachusetts Bay Transportation Authority, & Massachusetts Department of Transportation. (2017). *MBTA TOD Policies and Guidelines*. [https://www.mass.gov/files/documents/2017/10/17/TOD\\_Policy.pdf](https://www.mass.gov/files/documents/2017/10/17/TOD_Policy.pdf)

<sup>40</sup> Caltrain. (2020). *Transit Oriented Development Policy*. [https://www.caltrain.com/Assets/\\_\\_\\_Agendas+and+Minutes/JPB/2020/Item+\\$!239a+TOD+Presentation.pdf](https://www.caltrain.com/Assets/___Agendas+and+Minutes/JPB/2020/Item+$!239a+TOD+Presentation.pdf)

spot adds between \$35-90,000 in housing costs per unit.<sup>41</sup> Another study from the Victoria Transport Policy Institute estimates that a single parking space increases the price of a housing unit by 12.5%.<sup>42</sup>

Parking unbundling can be done in a variety of ways, as outlined by the Victoria Transport Policy Institute:

- *“Parking spaces are not included in the base rent/purchase cost and are rented by the tenant/owner separately.*
- *Landlords/condo associations can provide a discount to renters/owners who do not want to use the standard number of parking spaces.*
- *Landlords/condo associations can create a secondary market for parking by renting unused spaces out as a separate commodity.*
- *Unbundling can be used as a municipal code tool that allows developers to reduce the amount of parking they are required to provide.”<sup>43</sup>*

### **Parking Minimums and Maximums**

San Diego’s Transit Priority Area policy also removed parking minimums for multifamily units around Transit Priority Areas, or neighborhoods located ½ mile from a major transit stop, to allow developers to provide parking in accordance with perceived market demand. This builds off of Seattle and Portland’s successful removal of parking requirements for multifamily units, which resulted in “decreased automobile ownership, increased transit use, and greater housing production and affordability.”<sup>44</sup> In 2006, San Francisco replaced parking requirements with maximums of 1 parking space for every 4 housing units in certain downtown commercial zones, in addition to policies on unbundling parking and car-sharing.

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<sup>41</sup> The City of San Diego Planning Department. (2019). Parking Standards in Transportation Priority Area Fact Sheet. [https://www.sandiego.gov/sites/default/files/tpa\\_fact\\_sheet\\_updated\\_04.24.19\\_final\\_onwebpage.pdf](https://www.sandiego.gov/sites/default/files/tpa_fact_sheet_updated_04.24.19_final_onwebpage.pdf)

<sup>42</sup> Litman, J. (2020). Parking Requirement Impacts on Housing Affordability. Victoria Transportation Policy Institute. <https://vtpi.org/park-hou.pdf>

<sup>43</sup> *Parking Requirements & Unbundling*. (Accessed September 26, 2020). ParkingPolicy.com

<sup>44</sup> The City of San Diego Planning Department. (2019). Parking Standards in Transportation Priority Area Fact Sheet. [https://www.sandiego.gov/sites/default/files/tpa\\_fact\\_sheet\\_updated\\_04.24.19\\_final\\_onwebpage.pdf](https://www.sandiego.gov/sites/default/files/tpa_fact_sheet_updated_04.24.19_final_onwebpage.pdf)



# Metro Joint Development Policy Update

Policy and Planning Committee  
Wednesday, January 20, 2021

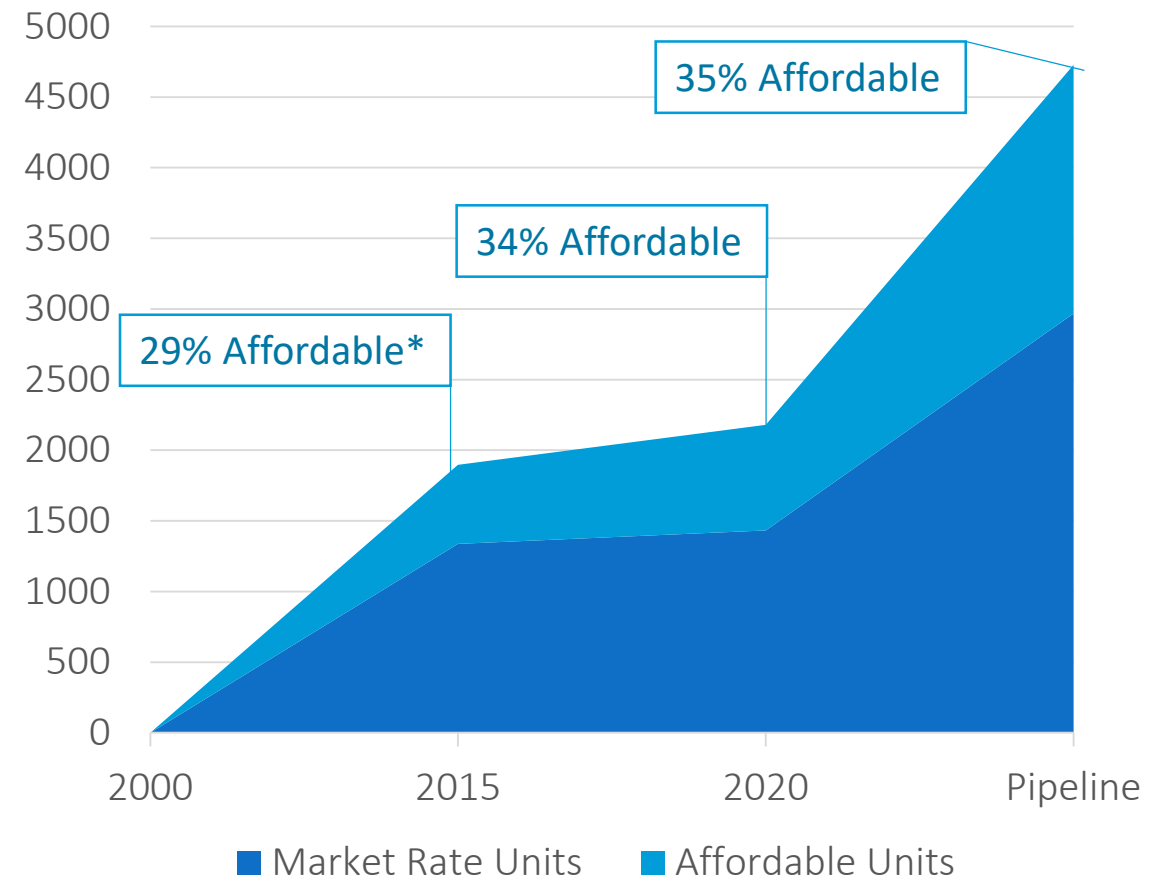


# Existing JD Policy

## Metro's Existing Joint Development Policy

- Sets a portfolio-wide goal of 35% affordable units;
- Defines “affordable” as housing for people earning less than 60% of area median income (AMI); and
- Allows up to 30% land value discount for affordable housing...
- ...and is on track to meet that goal despite significant reductions in local funding for affordable housing.

## Joint Development Housing Portfolio

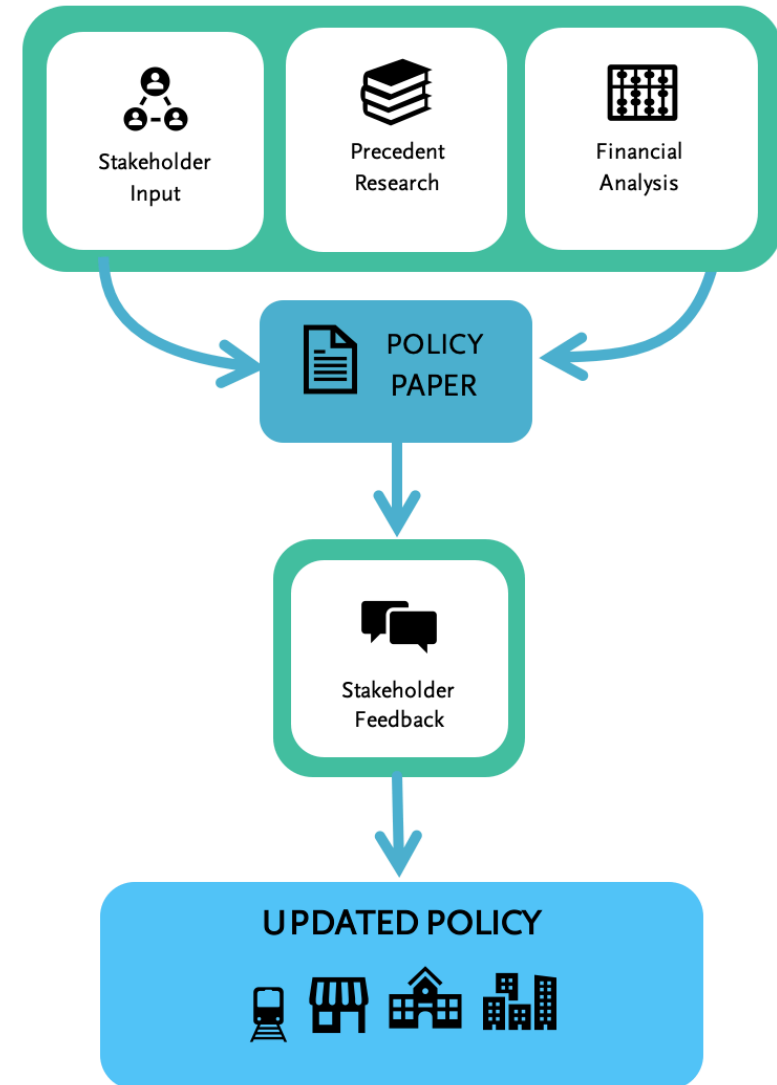




# Policy Update Process

Research, outreach and technical analysis informed the Policy Paper.

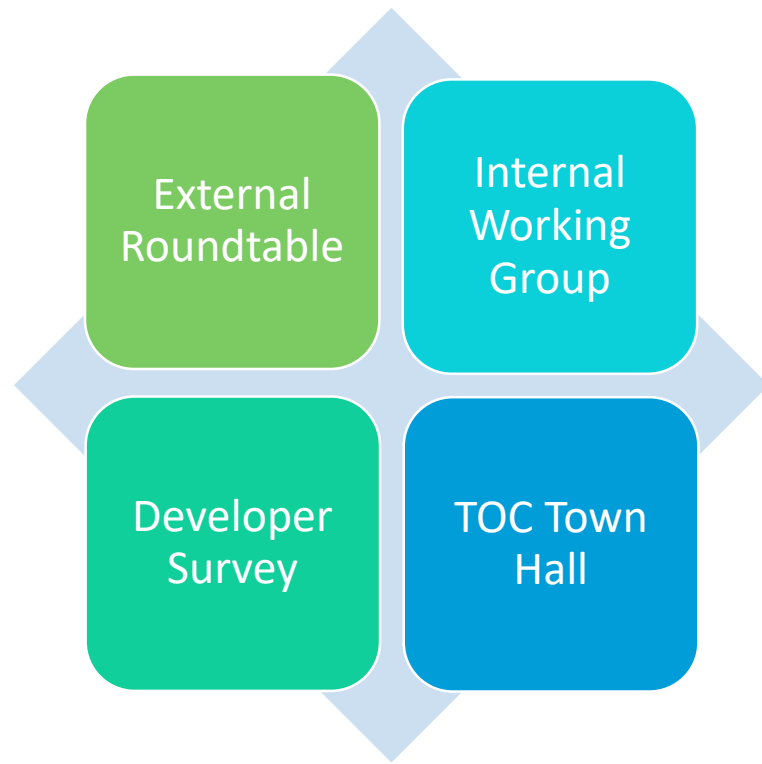
Feedback on the Policy Paper will inform the JD Policy.



# Outreach



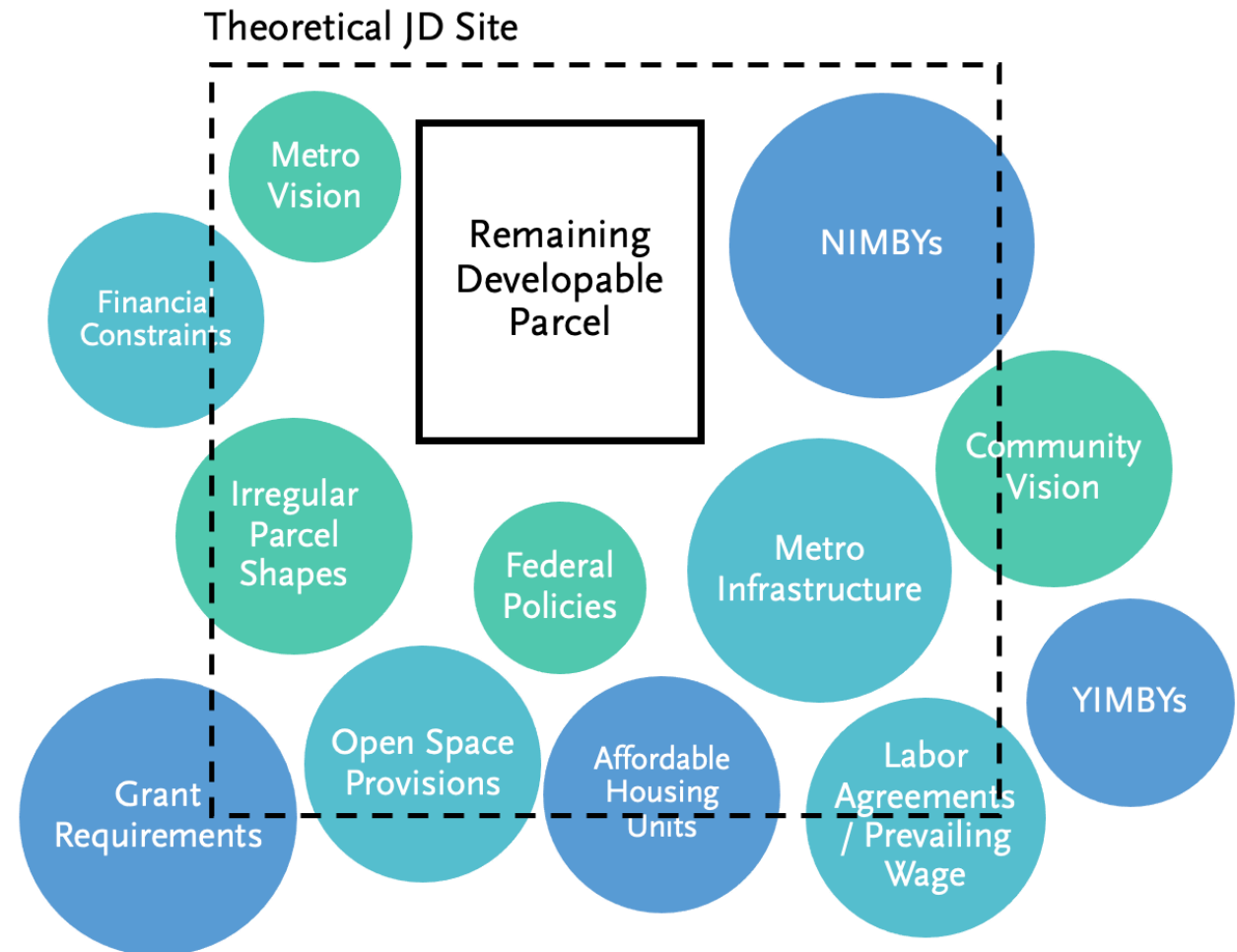
## Key Touchpoints



- **Internal Working Group:**  
Metro representatives from Equity, TOC, Innovation, Real Estate, Communications, and Sustainability.
- **External Roundtable:**  
Industry stakeholders including CBOs, affordable housing developers, non-profit lenders, municipal staff.
- **Developer Survey:**  
Online poll collecting technical information from affordable and market-rate developers
- **Town Hall *(planned)*:**  
Community meeting (virtual) in partnership with CBOs and Board leadership.

# Tensions & Tradeoffs

- Balancing regional housing need with community vision
- Creating more units and incorporating public benefits
- Accommodating Metro infrastructure while keeping costs down

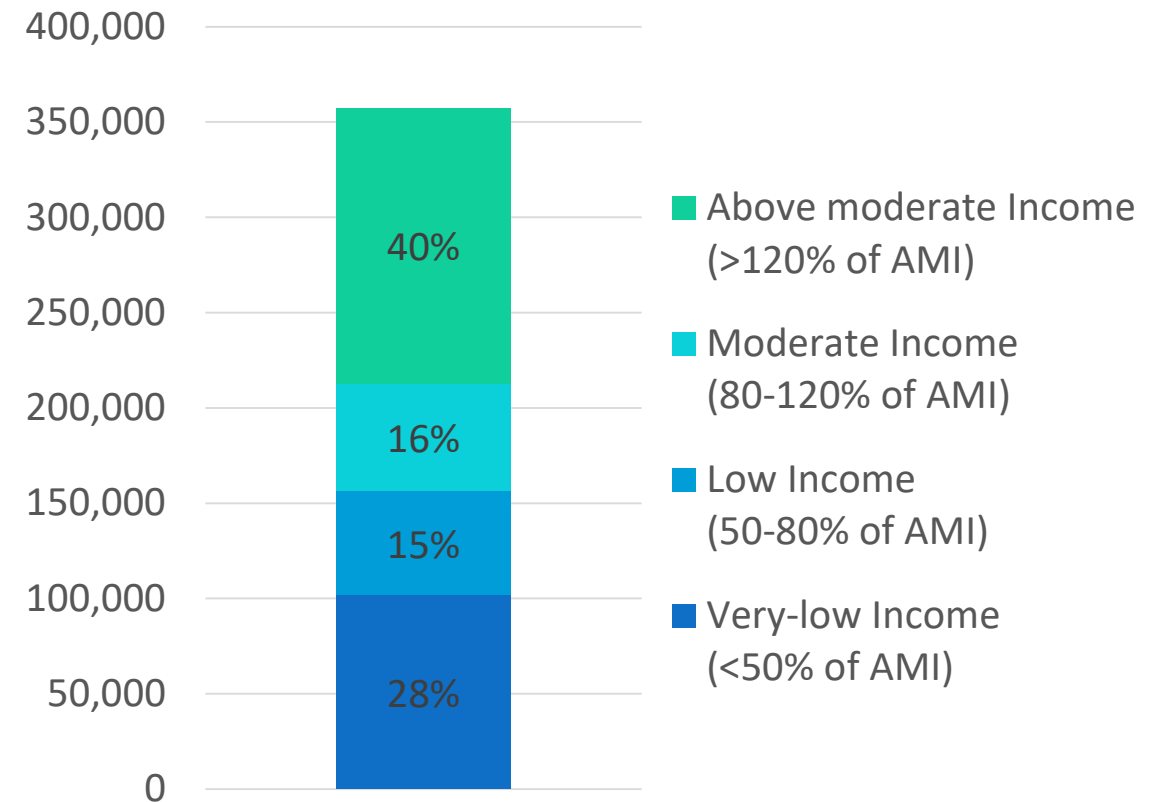


# Regional Housing Needs Assessment (RHNA)



- SCAG model identifies 350,000 unit county-wide housing deficit
- Housing need is spread across a wide range of income bands
- Substantial need among households earning <50% of Area Median Income (AMI)

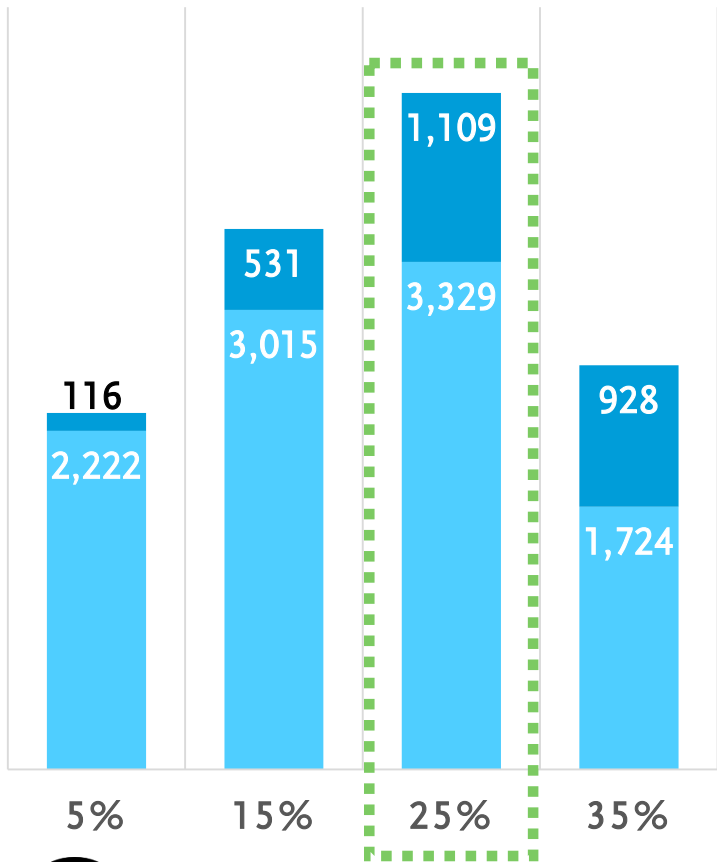
Regional Housing Need by Income



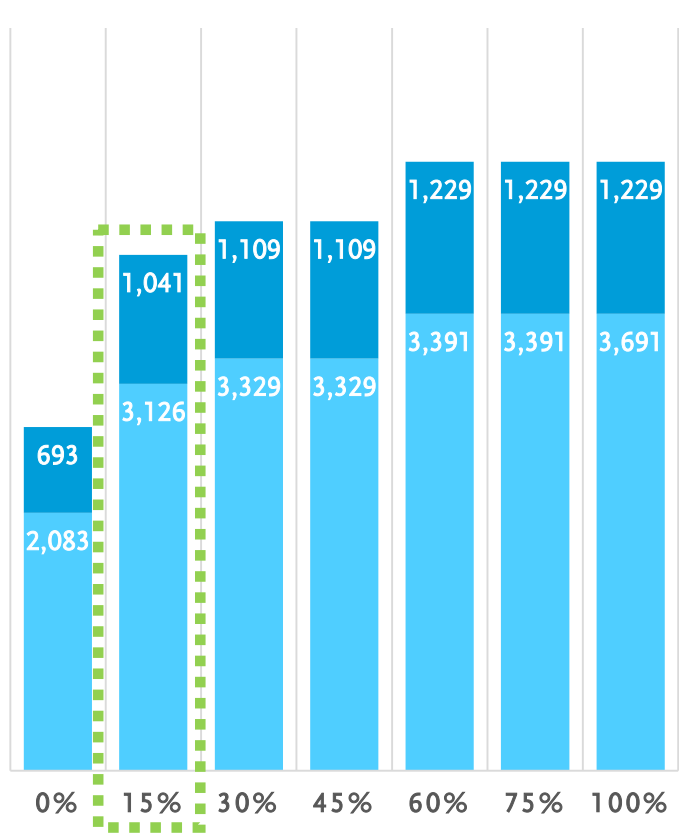
# Financial Model Findings



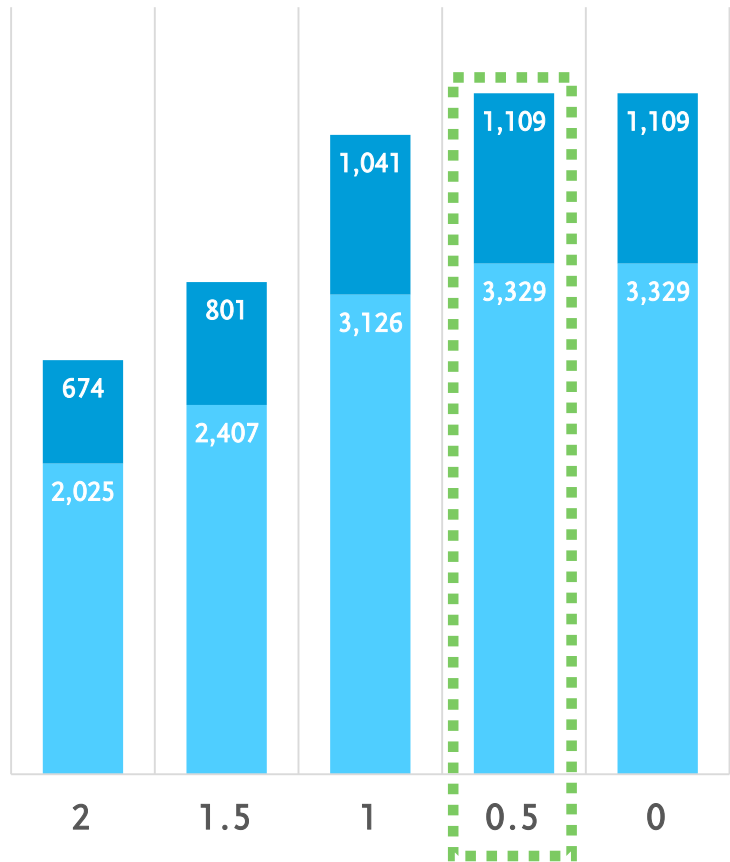
Minimum Affordability



Land Discount



Parking Requirements



# Structure of the Policy Paper



## 1. Setting the Stage

- Introduction
- Methodology
- Policy Values:
  - **INCLUSION**
  - **ACCESS**
  - **PERFORMANCE**
  - **INNOVATION**
- Background
- Precedents

## 2. Potential Policy Tools

- **DELIVER** housing for everyone
- **MAXIMIZE** the public benefit derived from the JD Portfolio
- **RESPECT** communities by providing benefits and counteracting displacement
- **LEAD** the region and nation by driving innovation

## 3. Potential Process Tools

- **PRIORITIZE** communities with the deepest need
- **STREAMLINE** process for faster project delivery
- **EVALUATE** and select the most inclusive projects
- **MEASURE** outcomes against policy objectives

# Key Tools - Policy



## ***DELIVER Housing for Everyone***

- Affordable First: All JD sites to first be pursued as 100% income-restricted.
  - Define “affordable” to include up to 80% of AMI and “moderate” as 80% to 120% AMI.
  - Use “neighborhood AMI” for each project.
  - If not 100% income-restricted, provide at least 25% of units at 80% AMI.

## ***MAXIMIZE the Public Benefit***

- Eliminate existing (max. 30%) proportional land discount; use dollar amount subsidy only when required.
- Limit parking to 0.5 parking spaces per bedroom
- Use proceeds to invest in TOC-supportive activities such as an affordable housing trust fund, a strategic acquisition fund and a “Metro Housing Lab.”

## ***RESPECT Communities***

- Prioritize ground floor retail for community-serving, local, legacy businesses.
- Require baseline sustainability features for all projects.
- Prioritize community benefits focused on mobility.



# Key Tools - Process



## ***PRIORITIZE communities with the deepest need***

- Prioritize projects where the need is greatest.

## ***STREAMLINE process for faster project delivery***

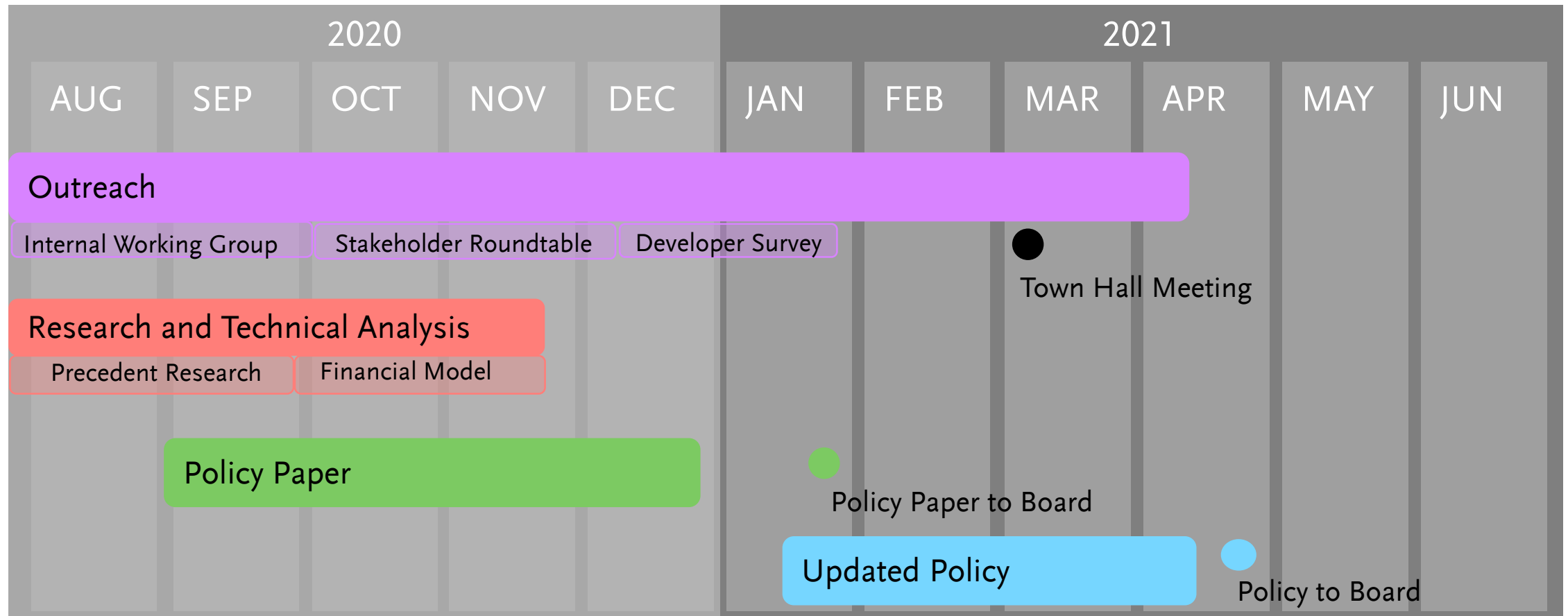
- Increase transparency in the unsolicited proposals process.
- Only accept unsolicited proposals from developers with control of adjacent properties.

## ***MEASURE outcomes against policy objectives***

- Replace the 35% portfolio-wide affordable goal with unit number targets and other metrics.



# Schedule





## Board Report

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**File #:** 2020-0612, **File Type:** Plan

**Agenda Number:** 18.

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### PLANNING AND PROGRAMMING COMMITTEE JANUARY 20, 2021

**SUBJECT: FINAL 2021 LA COUNTY GOODS MOVEMENT STRATEGIC PLAN**

**ACTION: ADOPT PLAN**

**RECOMMENDATION**

ADOPT the final 2021 LA County Goods Movement Strategic Plan.

**ISSUE**

Staff developed the 2021 Los Angeles County Goods Movement Strategic Plan (Plan) in partnership with a wide range of regional goods movement stakeholders at the public, private and community level. The Plan (Attachment A) reflects input, core values, priorities and strategies elicited from these stakeholders and supports Metro Board positions and planning efforts, particularly Vision 2028, the Long Range Transportation Plan (LRTP) and the Equity Platform.

The Plan presents the vision, priorities, Sustainable Freight Competitiveness Framework and Early Action Initiatives that were developed through ongoing stakeholder engagement over the past two years, along with an implementation strategy and equity considerations for these items. Our stakeholders agreed that the Plan should be founded on the values of equity and sustainability - values that are elevated and infused within the priorities, strategies and initiatives developed through the Plan to help create a more inclusive and sustainable economic growth and shared prosperity for LA County.

Following the presentation of the draft Plan to the Board in June 2020, staff initiated a 60-day public comment period, conducted additional stakeholder outreach and hosted a Telephone Town Hall meeting at the request of the Board to allow for more comprehensive input to be received and incorporated within the final Plan.

Staff now returns to the Board to present the final Plan and seeks adoption of the Plan and its priorities, strategies and Early Action Initiatives for Metro's goods movement planning team to pursue and implement over the next five years.

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**BACKGROUND**

As the nation's most populous county with the country's busiest seaport complex, LA County reaps tremendous economic and employment benefits from - yet suffers impacts to local communities, mobility and public health due to - the tremendous volume of containers moved annually through the San Pedro Bay Ports, the thousands of trucks and trains that distribute goods daily throughout the region and the facilities that support the region's vibrant goods movement industry.

Existing conflicts and looming problems threaten LA County's economic competitiveness. These factors include high costs of conducting business, recurrent congestion, local to national policies and regulations that create uncertainty over benefits of operating business through the county and intensifying competition from East Coast, Gulf Coast and Canadian ports. Most recently in 2019 LA County's preeminence in attracting discretionary cargo bound for the United States was endangered as the laden container volume at the Port of Long Beach dropped from second to third place in national container port rankings behind the Port of New York and New Jersey.

As LA County fends off increasing efforts by rival ports and trade gateways to siphon away economic and employment opportunities, we also find ourselves reckoning with the legacy of long-standing sustainability and equity challenges associated with moving goods, particularly in regard to air quality. Air pollutant emissions from goods movement sources - in particular from ships, trucks, train locomotives, cranes and other equipment that moves goods - are major sources of regional air pollution that affect both public health and climate. Much of LA County (excluding the Antelope Valley) falls within the South Coast Air Basin (SoCAB), which exceeds federal Clean Air Act standards for ozone and particulate matter (PM<sub>2.5</sub>). Reduction of nitrogen oxides (NOx), a major component of ozone, will require a focus on goods movement sources which constitute approximately 52% of the total NOx emissions for the SoCAB region within the past five years - of these sources heavy-duty trucks and locomotives generated 58% and 7%, respectively, of these goods movement-related NOx emissions.

The public health impacts of goods movement-related air pollution have particularly affected disadvantaged and minority communities located adjacent to major freight corridors and facilities. Residents of disadvantaged, equity-focused communities are more susceptible to respiratory and cardiovascular illnesses and higher death rates associated with exposure to diesel pollution. COVID-19 preyed on these existing preconditions and exposed these existing racial and economic inequities in goods movement-affected communities - home to many essential workers in logistics and other industries - as demonstrated by higher mortality rates linked to health impacts caused by long-term exposure to freight emissions.

These challenges to LA County's economic competitiveness, environmental sustainability and social equity - heightened by the COVID-19 pandemic - have only intensified since Metro last convened regional freight stakeholders and developed the Multi-County Goods Movement Action Plan (2008) with partner agencies in Southern California. Since that time three major developments of great importance to LA County have emerged in the world of goods movement:

- First, the level of funding for goods movement projects has reached its highest level ever, thanks in large part to LA County's passage of two transportation sales taxes in 2008 (Measure R) and 2016 (Measure M), the State's passage of the Road Repair and

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Accountability Act (Senate Bill 1) of 2017 - and its component discretionary grant programs - and the federal passage of the Fixing America's Surface Transportation Act of 2015 (FAST Act) and its new freight-focused grant programs.

- Second, the state and federal governments have recently released new freight plans (the California Freight Mobility Plan 2020 and the National Strategic Freight Plan, respectively) meant to guide policy and investment decisions that will ultimately affect LA County.
- Third, the long-standing concerns raised by equity-focused communities regarding the impacts of goods movement on their vulnerable residents - coupled with the overlapping goal to improve air quality through reducing harmful emissions attributed to freight - have crystallized into aggressive action by state agencies and the Governor in the form of new regulations, mandates and executive orders affecting aspects of goods movement planning and investment priorities.

The 2021 LA County Goods Movement Strategic Plan represents the results of Metro's leadership in bringing together myriad stakeholders from the community, private and public sectors to develop a forward-looking, shared vision for how the county should work together over the next five years to assert itself at the state and federal level and advance common goals. Central to the equity-focused Plan is the Sustainable Freight Competitiveness Framework developed collaboratively with stakeholders to achieve inclusive growth that supports the county's economic competitiveness, environmentally sustainability and social equity goals.

## **DISCUSSION**

The 2021 LA County Goods Movement Strategic Plan is Metro's response to the many freight-related transportation planning challenges that undermine our county's efforts to be economically competitive, environmentally sustainable and socially equitable. Metro neither controls, operates nor maintains many aspects of the regional goods movement system; therefore, to develop this Plan, staff convened an unprecedented array of leaders and stakeholders involved with or impacted by the goods movement system to ensure the Plan reflects and meets the needs of the various public and private agencies, community groups and entities that plan, operate, use, depend on and live near our essential countywide goods movement system.

Developed in consultation with these stakeholders, the Plan is founded on the values of equity and sustainability and sets a direction for Metro as a leader and partner in shaping a more competitive and equitable LA County by serving as:

- **A national leader and regional partner** in implementing a modern, responsive, coordinated and effective freight transportation system through policies, programs and projects that support a competitive global economy; and
- **A steward of equitable and sustainable investments and technological innovation** that will increase regional economic competitiveness, advance environmental goals and provide access to opportunity for county residents.

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From this vision emerged four guiding priorities and correlated questions identified by the Plan's stakeholders that helped create the Sustainable Freight Competitiveness framework:

**1. A Strong Labor Force:**

- Do existing policies and programs position the local labor force of today to support the goods movement industry of tomorrow?
- What education and skill gaps need to be addressed and what opportunities exist to partner across industries and regions to address these gaps?
- Does the regional transportation system provide adequate mobility options to connect existing and future workers to these jobs and industries?

**2. A Safe and Efficient Multimodal System:**

- As the population grows how can we ensure the shared-use system safely meets future demand for capacity?
- Will the multimodal system be able to respond to changes in the way people and goods move?

**3. Strong Markets and Reliable Supply Chains:**

- Do we have a strong, articulated and coherent economic strategy to develop a tactical mix of businesses and policies to foster a vibrant and inclusive economy?
- Are we aware of and protecting against external threats that can disrupt our markets and supply chain?

**4. A Culture of Investment and Innovation:**

- Is the mix of regional leadership, policy environment and available capital sufficient to support investments in infrastructure and technology?
- How do we balance our unique regulatory and policy environment with the need for private sector investment?

Metro will implement the Plan's vision and advance its four guiding priorities over the next five years by undertaking a series of Early Action Initiatives that will allow the region to preserve and enhance LA County's competitiveness in an equitable and sustainable manner. The package of recommendations (Table 1) presents an opportunity for Metro to take a leadership role in addressing goods movement issues in the county, working with local, regional, state and national partners as appropriate. Each of these focus areas (Attachment A, pages 80-99) will be supported by specific implementation steps.

Table 1

**Strategic Goods Movement Early Action Initiatives**

Initiatives	Description
1. Equity for Goods Movement	Initiate a recurrent goods movement-focused task force comprising equity-focused stakeholders as a forum to give and receive input to guide Metro's planning efforts on goods movement-related issues.
2. LA Metro Countywide Clean Truck Initiative	Develop a Countywide Clean Truck Initiative to accelerate the deployment of near-zero and zero-emission trucks in the region to address air quality and public health concerns, particularly for our most vulnerable communities along major freight highway corridors.
3. Southern California Rail Investment Partnership	Craft a public-private framework for a collaborative freight rail investment partnership focused on improving the region's shared-use freight rail corridors.
4. Urban Freight Delivery	Mainstream urban delivery and curbside demand issues across other planning efforts within Metro and LA County jurisdictions to achieve coordinated solutions to address these challenges.
5. Logistics Workforce and Competency	Ensure that LA County has a strong labor pool to support its economy and fill the jobs of tomorrow through research and initiatives to identify and address workforce skillset gaps and investment need.

**Building Equity as a Foundation**

As staff developed the Plan and engaged community stakeholders, the role of equity in the Plan transformed from a component to a core value around which its priorities, strategies and initiatives are centered. The timing of the Plan's finalization allowed staff to capitalize on the treatment of equity within the LRTP, the creation of the Office of Equity and Race and the development of Metro's Equity Platform. In August 2020 the Metro Board adopted an agency-wide definition of equity to guide Metro's work around equity and create project-specific equitable outcomes. The Plan recognizes that disparities and challenges exist in our current goods movement system throughout LA County, and they will persist if we do not intentionally work to eliminate them.

Staff has collaborated with the Executive Officer for Equity and Race to engage various stakeholders from community advocacy, environmental justice, public health and equity fields - with the goal of better understanding equity risk factors that are strongly correlated to goods movement activities to ground the Plan's priorities and strategies in equity considerations. These gatherings were highlighted by the dedicated townhall meeting on Equity and Goods Movement that staff hosted on May 20, 2020 to present the Plan and its context within Metro's overall work on equity. The townhall featured a presentation by the USC Program for Environmental and Regional Equity (PERE) and discussion with stakeholders from throughout the county. Feedback from these meetings was very informative but also emphasized the need for more frequent discussions with these groups to ground -truth future goods movement planning work and to provide more opportunities for Metro to discuss equity-related issues with a larger array of equity-focused stakeholders.

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The Plan recognizes that Metro must continue to develop stronger and more comprehensive opportunities for ongoing dialogue with communities on goods movement issues - partly to gain knowledge and partly to improve trust. The Early Action Initiative to create an equity-focused goods movement working group will help develop the institutional framework for this important discussion to broaden and enrich the dialogue between Metro and our communities on how goods movement planning can help reduce disparities, improve public health and increase opportunities for members of goods-movement impacted communities to share in an inclusive LA County economy.

### Stakeholder Engagement

Over the course of developing the Plan, staff made significant outreach to members of the goods movement industry, regulatory agencies, academic institutions, community-based organizations, technology and equipment manufacturers and workforce development programs. Staff created and hosted four Freight Working Group meetings to develop the elements of the Plan. Additionally, staff supplemented these large meetings with targeted, smaller meetings with various groups for more in-depth discussion on the Plan overall and its Early Action Initiatives. Staff also presented the Plan at multiple meetings for Councils of Governments, economic groups and Metro's Policy Advisory Committee.

The emergence of COVID-19 eliminated the use of in-person meetings starting in March 2020. Staff pivoted to hosting its meetings online and added more opportunities for discussion and stakeholder input through initiative-focused webinars that solicited over 50 participants each. In addition to these webinars and the Equity and Goods Movement townhall, staff also hosted a Telephone Town Hall meeting designed to provide an expanded opportunity for residents most affected by goods movement issues to participate and provide input into the Plan.

The use of online and telephone-focused outreach and conversation proved to be an effective supplement to and alternative for the traditional in-person meetings Metro hosts for its planning work. In particular the Telephone Town Hall meeting, requested by the Board at the June 2020 meeting, proved to be a successful new front for Metro outreach on goods movement issues. On September 22, 2020 Metro made calls to 100,000 home residences for the event - half directed to neighborhoods adjacent to key freight corridors (I-710, I-605, I-5 and SR-60) and half made to other residents throughout the county. The event attracted approximately 3,500 listeners, including 266 Spanish-language participants. Metro Board members Hahn and Dupont-Walker offered opening remarks, while staff from goods movement planning, equity and race and transit operations answered many questions over the course of the hour-long session. The format also allowed for staff to conduct polls which identified several important outcomes, primarily that reducing air pollution associated with goods movement is a strong priority for the participants. Even after the effects of the pandemic subsides, Metro should incorporate more of these types of outreach events as part of the lessons learned from COVID-19 and best practices going forward.

### Goods Movement and COVID-19

COVID-19 has brought the essential nature of the region's goods movement network and the effectiveness of its resilient supply chains to the fore. While much of the Plan discusses the importance of improving LA County's economic competitiveness by building upon and improving our

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multimodal goods movement network, what the pandemic has shown us is that without a strong goods movement system our society will break down in the face of external crisis and supply chain disruptions.

As we respond to COVID-19, the pandemic crisis poses challenges to local, state and federal governments to review and adapt goods movement planning processes of the past as we discover what the “new normal” will be going forward. In particular we must understand how the disparities in the impacts of COVID-19 on the county’s minority and disadvantaged populations - especially those compromised by air quality impacts - must lead to and support the county’s renewed commitment to address equity and sustainability needs head-on.

Metro has an opportunity to guide the county’s recovery from COVID-19 across all of its work. For the goods movement industry, Metro should seek ways to support the freight infrastructure development needed to maintain and increase national market share, to strengthen the regional logistics workforce and competency and to deliver on sustainability and equity goals to lift up communities burdened with a long history of poor investment and ongoing freight industry impacts. Through the strategies and recommendations presented in the final Plan, staff aims to provide the Board with a stakeholder-guided, consensus-based roadmap to deal with these many challenges over the next five years.

#### Internal Next Steps

Metro began the development of the Plan by meeting with representatives from across Countywide Planning and Development planning divisions and other Metro departments to determine (1) the goods movement impacts and opportunities that affected their work and (2) how the Plan could help them meet their respective goals.

What became clear during these discussions is that - given the shared use nature of our multimodal transportation system - goods movement issues do affect many aspects of Metro’s day-to-day work, including the safe operation of buses; development of complete streets and active transportation plans and programs; implementation of workforce development, sustainability and equity goals; and construction of Measure R and M transit and highway projects.

Metro staff remained engaged throughout the development of the Plan by participating in the Freight Working Group meetings, providing input and helping craft the Plan’s Vision, Goals and Early Action Initiatives. In concert with the implementation of the Plan’s Priorities and Early Action Initiatives, staff will take additional steps to mainstream goods movement planning within Metro through various activities such as the following:

- convening regular meetings for staff across departments to discuss current issues related to goods movement;
- working with the Office of Equity and Race to advance Metro’s Equity Platform;
- supporting multimodal planning efforts;
- identifying freight-related projects to be developed for future grant applications;
- exploring freight-related technologies and applications;



- hosting a cross-disciplinary curbside mobility working group; and
- updating existing and future planning documents with additional goods movement-related planning goals and needs.

### Equity Platform

The LA County Goods Movement Strategic Plan supports three of the four Equity Platform Pillars I (Define and Measure), II (Listen and Learn) and III (Focus and Deliver).

Pillar I (Define and Measure): By focusing on Equity and Sustainability as the core element of the Plan, working with stakeholders to receive input on equity concerns and creating inclusive conversations on goods movement issues, the Plan calls for developing measurable objectives around goods movement issues to guide Metro's advancement of equity goals for LA County.

Pillar II (Listen and Learn): Staff held targeted meetings with key equity-focused communities and representatives to gain an understanding of equity needs for the region. Staff also coordinated with the Executive Officer for Equity and Race to develop opportunities for input via webinar and telephone town hall. To build on this foundational relationship, staff will establish an ongoing working group tailored specifically to goods movement equity-focused organizations and develop forums for discussion to inform Metro's goods movement planning and help achieve desirable outcomes for LA County.

Pillar III (Focus and Deliver): The Plan, through input from our stakeholders, identifies where Metro can lead and where Metro can partner in implementing equity-conscious policies and programs to improve health, sustainability and access to opportunities, promote inclusive economic growth and ameliorate the quality of life for those most impacted by freight externalities in LA County.

### **DETERMINATION OF SAFETY IMPACT**

This item does not have a direct safety impact for Metro, but it does address Metro's commitment to safety and supports collaboration with other goods movement stakeholders to develop a safer multimodal goods movement system and improve public health.

### **FINANCIAL IMPACT**

Adoption of the final 2021 LA County Goods Movement Strategic Plan will not have any financial impact to the agency.

#### Impact to Budget

No impact to the budget is anticipated as a result of this item.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The 2021 LA County Goods Movement Strategic Plan supports implementation of the following

Strategic Plan Goals:

**1. Provide high-quality mobility options that enable people to spend less time traveling**

- The Plan includes efforts to improve the efficiency of goods movement on the county's shared multimodal transportation system, as well as calls for investment to support added capacity for regional rail transit opportunities.
- Inclusion of goods movement planning in existing Metro planning efforts, such as Complete Streets and curbside management, will help reduce congestion and impacts to mobility at the local community level.

**3. Enhance communities and lives through mobility and access to opportunity**

- The Plan calls for providing more transit connectivity for logistics workforce members to jobs currently difficult to reach by transit.
- Developing equity and logistics workforce development initiatives will support local access to opportunity, especially for some of the more disadvantaged, freight-impacted communities in LA County.

**4. Transform LA County through regional collaboration and national leadership.**

- The Plan identifies priorities and policies generated through regional collaboration and stakeholder engagement to drive funding and policymaking decisions at the state and federal level in support of LA County goals.

## **ALTERNATIVES CONSIDERED**

The Metro Board can choose to delay adoption of the 2021 LA County Goods Movement Strategic Plan. Delay in adopting the plan will hinder Metro's ability to mainstream the importance of goods movement planning within the agency and to implement the five Early Action Initiatives that seek to provide improvements to equity, air quality, workforce development, local curbside management and strategic investment in our multimodal freight system.

## **NEXT STEPS**

Upon Board approval of the final 2021 LA County Goods Movement Strategic Plan, staff will further develop and begin implementation for each of the Early Action Initiatives. Staff will subsequently report to the Board every quarter with an update on goods movement planning activities.

## **ATTACHMENTS**


Attachment A - Final 2021 LA County Goods Movement Strategic Plan

Attachment B - Public Comment and Support Letters

Attachment C - Webinars

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Phillip A. Washington  
Chief Executive Officer



Metro®

We're planning a better way  
to move goods.

2021 LA County Goods Movement Strategic Plan

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## In Memory

LA Metro honors the memory and legacy of Connie Rivera, the Public Affairs Director for the Alameda Corridor Transportation Authority, who for many years provided tremendous insight, wisdom, leadership and her trademark great sense of humor in many LA County goods movement forums and discussions.

A product of Southern California, Connie resided in Long Beach, attended local schools and earned her bachelor's degree from Cal State University, Long Beach. She was passionate about her family and serving her community through the YMCA and Rotary Club. She will be remembered fondly by her many colleagues, especially the Ladies of Logistics, an informal group of women in non-traditional jobs leading and serving the logistics industry in Southern California.

Connie led with humility and graced Metro as a member of the Freight Working Group – her voice is embedded within the vision, principles and priorities of the LA County Goods Movement Strategic Plan. Metro dedicates this plan to Connie's memory and her unwavering belief that through hard work, collaboration and kindness people can come together to lift up and improve the quality of life for all LA County residents, families and communities.

## In Tribute

LA County owes a deep debt of gratitude to the truck drivers, warehouse workers and all essential members of the logistics sector for keeping our homes, businesses and hospitals supplied with food, medicine and other necessities during the COVID-19 crisis. Your dedication and bravery ensured our families would be fed and have access to necessary goods at a critical time in our history. We honor those members of this vital industry that lost their lives during the pandemic and support your future efforts to distribute life-saving vaccines and treatments to all in need. Thank you.

## In Thanks

LA Metro extends its deepest appreciation and thanks to the many community members, elected officials, agency staff members and executive leaders that came together over many meetings – in person and virtually – to develop the vision, mission and initiatives for the 2021 LA County Goods Movement Strategic Plan. Metro seeks to reflect within this plan the many hours of input you contributed and the collective vision you helped create to improve the goods movement system and the quality of life for all of LA County's residents, businesses and future generations.

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*LA County's goods movement system is the backbone of our regional economy. It supports our current standard of living.*

Our vibrant system continues to evolve through emerging industries and technologies, generating billions of dollars and thousands of jobs.

DRAFT



Source: Performance Team



Global supply chains are changing and rival ports are expanding, shifting dollars and jobs away from LA County. Growing demand for goods has increased vehicular traffic and decreased air quality, threatening our region's health, mobility and competitiveness.

*Worse, a legacy of inequitable policies, displacements and investments has placed freight-related burdens primarily on low-income communities of color.*



Source: Jae C. Hong/Associated Press



In response to these local and global challenges, we have a plan that will make LA County more resilient and efficient.

Our transformative plan is economically competitive, environmentally sustainable and socially equitable for our friends and neighbors. *It's a shared vision, a path to better health and prosperity for everyone.*



DRAFT



# Letter from the CEO

Dear Friends,

**The LA County Goods Movement Strategic Plan sets forth a bold and timely course of action for Metro to lead and partner with our regional stakeholders to create a future LA County that is economically competitive, environmentally sustainable and socially equitable.**

**The timing of the plan could not be better – as our nation shut down in response to COVID-19, we saw clearly how our goods movement industry is vital to keep our families fed, our businesses open and our hospitals fully stocked. We also saw how pre-existing inequities and poor health caused by the movement of freight are further exacerbated by the deadly health and economic impacts of this devastating global pandemic.**

**This strategic plan is a call to action for LA County stakeholders and our state and federal partners to work together today on behalf of our 10.3 million residents to respond to the many freight-related challenges that will constrain our inclusive, sustainable shared prosperity of tomorrow.**

The national and regional importance of the Ports of Long Beach and LA cannot be understated – an estimated 40% of waterborne cargo entering the United States flows through the San Pedro Bay Ports and one-third of all jobs in the region are dependent upon the goods movement industry. Our goods movement system is the lifeblood of an LA County economy that would be the 18th largest in the world if we were considered a nation.

LA County's position as the nation's pre-eminent trade gateway, thanks in large part to our proximity to Pacific Rim markets, faces strong competition from other regions in the country that have invested in their ports and landside infrastructure to siphon discretionary cargo – and the jobs, tax revenues and opportunities for upward social mobility that come with it – from Southern California.

**Metro must take an active leadership role working with our goods movement stakeholders to reverse this trend.** To do so we must invest in our shared use multimodal transportation system that moves people and goods to produce the requisite efficiencies and capacity that will create an infrastructure inheritance for future generations of Angelenos to enjoy greater mobility, cleaner air, economic prosperity and equitable opportunity. We will seek funding and supportive policies from our state and federal partners that rely so heavily on the economic activity generated by our LA County ports.

With this looming crisis in mind, Metro convened an unprecedented array of leaders from local communities, the goods movement industry, public agencies and the private sector to help us develop a plan that reflects the current concerns, priorities and goals of LA County as a whole. Our stakeholders confirmed Metro's view that increasing our economic competitiveness must include a commitment to environmental sustainability and regional equity. Metro believes these goals are complementary, not mutually exclusive. With this in mind our colleagues came to a consensus that Metro should promote a sustainable freight competitiveness framework that is **centered on equity**.

From this framework emerged five early action initiatives our partners identified as near-term equity-conscious strategies to implement the plan's vision: (1) creating a formal, recurring equity freight working group; (2) deploying cleaner truck technology to displace diesel operations on freight-intense highway corridors; (3) forming a high-level freight rail partnership to drive investment into the LA County; (4) leading a countywide discussion on the role of goods movement needs in curbside management planning and policies; and (5) partnering across the region to foster workforce development programs that support the freight labor needs of tomorrow.

The goods movement challenges facing LA County require Metro and our partners to work together with urgency and take bold leadership to implement this inclusive, sustainable and equitable strategic plan to engender robust economic growth and shared prosperity. We thank our regional partners and Metro staff for their tireless support to create this dynamic, transformative plan that will guide Metro's goods movement planning activities over the next five years and to achieve together what we cannot accomplish alone.

Delivering the strategies within this plan will position LA County to provide outstanding passenger and freight transportation to the world when we host the 2026 World Cup and 2028 LA Summer Olympic Games, and to make good on our promises to our residents that entrusted us with implementing Measure R (2008) and Measure M (2016).

We have much work to do before then, so let's get moving.

Sincerely,



Phillip A. Washington  
Chief Executive Officer

DRAFT



# Metro's Call to Action

The 2021 LA County Goods Movement Strategic Plan is Metro's response to the many freight-related transportation planning challenges that undermine our county's efforts to be economically competitive, environmentally sustainable and socially equitable. As the nation's most populous county with the country's busiest seaport complex, LA County reaps tremendous economic and employment benefits from – yet suffers impacts to local communities, mobility and public health due to – the tremendous volume of containers moved through the San Pedro Bay Ports annually, the thousands of trucks and trains that distribute goods daily throughout the region and the facilities that support the region's goods movement industry.

These challenges have only intensified since Metro last convened regional freight stakeholders and developed the Multi-County Goods Movement Action Plan (2008) with partner agencies in Southern California. Since that time three major developments have emerged in the world of goods movement of great importance to LA County.

- > First, the level of funding for goods movement projects has reached its highest level ever, thanks in large part to LA County's passage of two transportation sales taxes in 2008 (Measure R) and 2016 (Measure M), the state's passage of the Road Repair and Accountability Act of 2017 (Senate Bill 1) – and its component discretionary grant programs – and the federal passage of the Fixing America's Surface Transportation Act of 2015 (FAST Act) and its new freight-focused grant programs.
- > Second, the state and federal governments have recently released new freight plans (the California Freight Mobility Plan 2020 and the National Strategic Freight Plan, respectively) meant to guide policy and investment decisions that will ultimately affect LA County.
- > Third, the long-standing concerns raised by equity-focused communities regarding the impacts of goods movement on their vulnerable residents – coupled with the overlapping goal to improve air quality through reducing harmful emissions attributed to freight – have crystallized into aggressive action by state agencies and the Governor in the form of new regulations, mandates and executive orders affecting aspects of goods movement planning.

The 2021 LA County Goods Movement Strategic Plan represents the results of Metro's leadership in bringing together myriad of stakeholders from the community, private and public sectors to develop a shared vision for how the county should work together over the next five years to advance common goals and assert itself at the state and federal level. Central to the plan is the strategic framework developed collaboratively with stakeholders to achieve inclusive growth that supports the county's economic competitiveness, environmental sustainability and social equity goals.

This plan aligns with Metro's Vision 2020 Strategic Plan and 2028 Long Range Transportation Plan and sets forth the early action initiatives and priorities for Metro's goods movement planning activities over the next five years.



Source: Performance Team



Goods Movement Vision

Metro endeavors to serve LA County as:

- > A **national leader** and **regional partner** in implementing a modern, responsive, coordinated and effective freight transportation system through policies, programs and projects that support a competitive global economy; and as
- > A steward of **equitable and sustainable investments** and **technological innovation** that will increase regional economic competitiveness, advance environmental goals and provide access to opportunity for county residents.

Guiding Values

**Equity and Sustainability:** The Goods Movement Strategic Plan is founded on the values of equity and sustainability. The strategies and initiatives developed through the plan seek to elevate and engrain these values into its priorities and early action initiatives.

Guiding Priorities

**A Strong Labor Force:** Do existing policies and programs position the local labor force of today to support the goods movement industry of tomorrow? What are the education and skill gaps that need to be addressed? Where are the opportunities to partner across industries and regions to enhance the labor force? Does the regional transportation system provide adequate mobility options to connect existing and future workers to these jobs and industries?

**A Safe and Efficient Multimodal System:** As the population grows how can we ensure the shared use system safely meets future demand for capacity? Will the multimodal system be able to respond to changes in the way people and goods move? Are mitigations and improvements scheduled to be implemented to reduce impacts associated with greater use of the system?

**Strong Markets and Reliable Supply Chains:** Do we have a strong, articulated and coherent economic strategy to develop a vital mix of businesses and policies to foster a vibrant and inclusive economy? Are we aware of and protecting against external threats that can disrupt our markets and supply chain?

**A Culture of Investment and Innovation:** Is the mix of regional leadership, policy environment and available capital sufficient to support investments in infrastructure and technology? How do we balance our unique regulatory and policy environment with the need for private sector investment?

Strategic Goods Movement Early Action Initiatives

Metro developed the following early action initiatives and strategies to operationalize the plan’s guiding values and priorities. These initiatives reflect input and feedback Metro received from goods movement stakeholders and partners, presenting an opportunity for Metro to take a leadership role addressing LA County goods movement issues, while partnering and collaborating with local, regional, state and federal partners.

Figure 1  
Strategic Goods Movement Early Action Initiatives

Initiatives	Strategies
<b>1. Equity for Goods Movement</b>  Initiate a recurrent goods movement-focused task force comprising equity-focused stakeholders as a forum to give and receive input to guide Metro's planning efforts on goods movement related issues.	1.1 Engage in meaningful, ongoing dialogue with equity-focused stakeholders and experts to develop a deeper understanding of equity issues, risk factors and disparities so that equity considerations are mainstreamed in Metro's Goods Movement planning efforts.  1.2 Develop a list of equity risk factors that are most affected by goods movement activities and create performance measures to track progress and link Metro's equity promises and accountability.  1.3 Develop an information clearinghouse on goods movement equity strategies and programs in partnership with other departments within Metro in support of an agencywide Equity Program.
<b>2. LA Metro Countywide Clean Truck Initiative</b>  Develop a Countywide Clean Truck Initiative to accelerate the deployment of near-zero and zero emission trucks in the region to address air quality and public health concerns, particularly for our most vulnerable communities along major freight highway corridors.	2.1 Establish a formal, recurring Countywide Clean Truck Initiative Working Group consisting of representatives from community groups, local/state/federal agencies, the trucking industry, air quality regulators, the ports, utilities, Caltrans, researchers and manufacturers.  2.2 Develop an information clearinghouse in partnership with other agencies for Countywide Clean Truck Initiative programs.  2.3 Establish revenue streams to fund the Countywide Clean Truck Initiative.  2.4 Develop scope, funding eligibility, funding methods, evaluation processes, performance metrics and performance monitoring mechanisms for programs developed through the Countywide Clean Truck Initiative.  2.5 Develop and implement the 710 Clean Truck Program on the I-710 corridor.
<b>3. Southern California Rail Investment Partnership</b>  Craft a public-private framework for a collaborative freight rail investment partnership focused on improving the region's shared use freight rail corridors.	3.1 Develop a freight rail investment partnership for LA County.  3.2 Assess and implement opportunities to realize equity and sustainability goals.  3.3 Develop an LA County Freight Rail Investment Legislative Platform.  3.4 Support regional mobility goals through the improvement of shared use transportation infrastructure.
<b>4. Urban Freight Delivery</b>  Mainstream urban delivery and curbside demand issues across other planning efforts within Metro and LA County jurisdictions to achieve coordinated solutions to address these challenges.	4.1 Understand the scope and magnitude of issues surrounding urban delivery issues across the county.  4.2 Continue the curbside mobility forum as a recurring event.  4.3 Develop Metro's Curbside Mobility Policy platform.  4.4 Create a countywide data portal for curbside demand management.  4.5 Pursue pilot projects to test findings from all the aforementioned efforts.
<b>5. Logistics Workforce and Competency</b>  Ensure that LA County has a strong labor pool to support its economy through research and initiatives to identify and address workforce skillset gaps and investment needs.	5.1 Partner with academic and research institutions to pursue applied research to understand gaps in skills and competencies of the region's logistics workforce that are sought after by employers.  5.2 Expand Metro's partnership with trade schools, community colleges and major employers to offer opportunities to experiment and validate existing workforce development programs.  5.3 Expand Metro's local and targeted hiring policies to benefit historically disadvantaged community members.  5.4 Expand Metro's current training programs with the foresight to train the workforce of the future to ensure it will be equipped to respond to changing technologies in the transportation and transit industry.  5.5 Advocate for regional, state and federal funding programs for building and enhancing workforce development and competency to ensure that workers in LA County will be able to capitalize on employment opportunities.  5.6 Improve the countywide transit service network offered by Metro and regional partners to meet the needs of the goods movement workforce and enhance its ability to access desirable jobs and training sites.



# Goods movement is the lifeblood of our regional economy.

LA County's extensive goods movement transportation network, which includes deep water ports, airports, railways and freeways, has positioned the region as one of the most dynamic and competitive markets in the entire world. We are the gateway of choice for international trade and our system supports the everyday need of local residents and the economies of California and the United States.





# Where goods flow, the economy grows.

Successful societies across the history of civilization share similar hallmarks – in particular, their economic competitiveness and quality of life depend greatly on a strong transportation system that allows for the efficient movement and delivery of goods. This flow of goods serves as a physical manifestation of the millions of consumer economic choices and production activities that fuel our daily lives.

Unsurprisingly, the rise of LA County as the 18th largest economy in the world (2020)<sup>1</sup> – and as a regional, national and international economic, industrial and manufacturing powerhouse – traces its genesis directly to the development of its regional, multimodal freight system. The arrival of the Santa Fe Railroad in 1885, the founding of the Port of Los Angeles in 1907 and the Port of Long Beach in 1911 and the post-war development of the region's extensive freeway system connected local and regional industries to national and global markets. These developments fostered the county's growth in economic opportunity, attracted westward migration and improved the quality of life for all Southern Californians. This symbiotic relationship remains true today, even as the LA County freight network has expanded into a sophisticated system of marine terminals, railroads, highway corridors and air cargo facilities, while the industries supported by this system have evolved beyond dairy, citrus and oil production to include aerospace and defense, bio-science, technology and logistics.

Today, LA County's goods movement system is the backbone of the regional and national economy. This "system of systems" is the lifeblood for industries that contribute billions to the regional economy and provide thousands of jobs nationwide. This system has helped the county become the gateway of choice for international trade and is key to the attraction, retention and growth of county businesses and their attendant employment opportunities. At the local level this multimodal network facilitates a robust and convenient urban quality of life by allowing residents and businesses to access goods from across town or around the world, all delivered to their doorsteps, sometimes in a matter of hours.

Existing conflicts and looming problems threaten LA County's economic competitiveness. These factors include high costs of conducting business, recurrent congestion, local to national policies and regulations that create uncertainty over benefits of operating business through the county and intensifying competition from East Coast, Gulf Coast and Canadian ports. Most recently in 2019 LA County's preeminence in attracting discretionary international cargo into the United States was endangered as the laden container volume at the Port of Long Beach dropped from second to third place in national container port rankings<sup>2</sup>.

While the productivity and efficiency improvements in a healthy goods movement system materialize, such as lower prices of goods and product availability, the prosperity brought by robust economic activities has been shared unevenly across communities, thus resulting in a series of challenges that increasingly threaten the county's ability to ensure quality of life for everyone. Historically underserved communities, particularly those near goods movement corridors and facilities, lose community cohesiveness and suffer displacement due to freeway construction, bear disproportionate exposure to pollutant emissions and their associated health impacts and lack sufficient means to realize upward mobility as a result of long-standing adversarial public policy and investment decisions.



Source: Performance Team

We find ourselves at an important juncture in LA County's history. Rival North American trade gateways have invested heavily to vie for discretionary cargo and gain market share, leading to the siphoning away of our region's economic prosperity. To fend off these competitors, LA County must also invest in its multimodal freight system – an effort to be conducted within the policy parameters of achieving future mobility goals and air quality mandates, while acknowledging and addressing past inequitable policies and investment decisions. LA County must rise to meet these challenges and steer a course toward economic prosperity and opportunity that is built on equity, inclusion and sustainability. This 2021 LA County Goods Movement Strategic Plan (the plan) will help guide that course. Through the development and implementation of this plan, Metro has an opportunity to lead the region in identifying and addressing goods movement challenges and to partner with myriad regional goods movement stakeholders to allow the nation's most populous county to make progress toward its economic, mobility, environmental and equity goals.

LA County's goods movement system is the lifeblood for industries that contribute billions to the regional economy and provide millions of jobs nationwide.



## LA County Goods Movement at a Glance

In 2018, the San Pedro Bay Ports together ranked as the largest container port complex in the United States and the **9th largest in the world**<sup>3</sup>.

In 2018, LAX was ranked the **4th busiest cargo airport** in the United States and **10th in the world**<sup>4</sup>.

In 2018, **29.5% of intermodal containers** flowing through the ports were moved by BNSF Railway and Union Pacific Railroad<sup>5</sup>.

In 2019, LA County housed nearly **495 million square feet** of manufacturing space and nearly **568 million square feet** of warehouse space<sup>6</sup>.

The multimodal freight system serves the goods movement and mobility needs of the nation's most populous county – with **over 10 million residents** – and an estimated **50 million visitors** annually.

In 2019, the LA region, the nation's top-ranked customs district, registered **\$486 billion worth of exports** and imports transported through the San Pedro Bay Ports and the Los Angeles International Airport (LAX)<sup>7</sup>.

LA County is the “food capital” of the United States, serving as the core of the nation's food supply chain. In 2012, LA County **ranked 1st** (by county) in both food outflow and inflow, **shipping 33% and receiving 78% more tons of food** than the #2 county<sup>8</sup>.



Image to come

Image to come Los Angeles World Airports

Source: Los Angeles World Airports



# This plan is a new strategic direction.

Metro’s mission is to provide a world-class transportation system that enhances quality of life for all who live, work and play within LA County. How Metro will achieve this broad mission over the next 10 years is guided by two key planning initiatives.

### Vision 2028

Adopted by the Metro Board in June 2018, this is the agency’s big picture plan for improving mobility across LA County. As outlined in the *Vision 2028 Strategic Plan*, Metro’s visionary outcome is to double the share of transportation modes other than solo driving. Its five goals underpin all of Metro’s activities, including this Goods Movement Strategic Plan:

- 1 Provide high-quality mobility options that enable people to spend less time traveling
- 2 Deliver outstanding trip experiences for all users of the transportation system
- 3 Enhance communities and lives through mobility and access to opportunity
- 4 Transform LA County through regional collaboration and national leadership
- 5 Provide responsive, accountable, and trustworthy governance within the Metro organization

### Long Range Transportation Plan (LRTP)

This plan serves as the blueprint for how Metro will spend anticipated revenues in the coming decades to operate and maintain both our existing and planned system<sup>9</sup>. This blueprint will be informed by a variety of other Metro plans, including this Goods Movement Strategic Plan.

This Goods Movement Strategic Plan is Metro’s response to the many freight-related challenges we face. It defines the vision of Metro and the goods movement stakeholders, and aligns that vision with Metro’s overall mission and goals. The plan describes how Metro should work with local, regional, state and national partners to improve LA County’s competitiveness in an equitable and sustainable manner, delineating which initiatives Metro should lead, partner and support. Altogether, this plan provides a strategic framework to guide Metro’s goods movement-related planning activities, investments, partnerships and decision-making over the next five to seven years.

### Our Goods Movement Vision

Metro’s Goods Movement vision is that the implementation of this plan will allow Metro to become:

- > A national leader and regional partner in implementing a modern, responsive, coordinated and effective freight transportation system through policies, programs and projects that support a competitive global economy; and
- > A steward of equitable and sustainable investments and technological innovations that will increase regional economic competitiveness, advance environmental goals and provide access to opportunity for county residents.

Metro’s Goods Movement vision fits squarely within these existing frameworks.

### Access to Opportunity

Well-planned goods movement activities foster sustainable economic competitiveness and create job opportunities that offer access to upward mobility.

### Complete Streets

Integrating urban goods movement needs into complete streets planning helps create safe and thriving communities by reducing conflicts between people and freight activities.

### Less Congestion

Efficient freight movements on shared use rail and highway corridors reduce congestion, create additional opportunities for transit and support the timely movement of goods.

Figure 2

Metro’s Framework for Improving Mobility in LA County





# Metro can’t do it alone.

The movement of goods within and through LA County depends upon, impacts and supports many communities, businesses, organizations, public agencies and private companies. Numerous agencies plan, fund and regulate the “economy in motion” at the local, regional, state and federal levels. Metro must rely on a robust and diverse network of these vital stakeholders to develop a Goods Movement Strategic Plan that is relevant, impactful and forward-looking. The plan was established on the principle of equity, and focuses on implementing priorities to advance LA County’s sustainable freight competitiveness that aligns with regional, state and federal planning efforts. Accordingly, Metro cannot implement and advance sustainable freight competitiveness priorities alone. To be successful Metro must foster a strong collaboration and partnership with our partner communities, agencies and organizations.

### Policy and Institutional Framework

Metro’s LA County Goods Movement Strategic Plan must be responsive to planning efforts developed by many agencies at the county, regional, state and federal levels. As more funding opportunities and regulatory requirements are established for the goods movement sector, these planning efforts will need to intersect and support each other in a coordinated manner. Convening stakeholders, engaging in dialogue and developing areas of overlapping priorities will be vital to ensuring that Metro’s plan is coordinated with and funded by the many stakeholder agencies involved with advancing goods movement policy and projects.

Figure 3 lists local stakeholders who contributed to the development of the plan. Figure 4 documents the coordination efforts and corresponding plans and funding programs offered at the regional, state and federal level.

Metro must rely on a robust and diverse network of these vital stakeholders to develop a Goods Movement Strategic Plan that is relevant, impactful and forward-looking.

Figure 3  
LA County Stakeholders

Category	Organization
California Transportation Commission (CTC)	Commissioners Fran Inman, Hilary Norton and Dr. Joseph Lyou
Community-based Organizations	BREATHE California of Los Angeles County Coalition for Environmental Health and Justice (CEHA)) Communities for a Better Environment East Yard Communities for Environmental Justice Long Beach Alliance for Children with Asthma
Delivery Service	FedEx United Parcel Service (UPS)
Economic and Workforce Development	Bizfed International Brotherhood of Electrical Workers, Local 11; National Electrical Contractors Association, Los Angeles; LMCC International Brotherhood of Teamsters, Local Union 848 Labor For Sustainability Los Angeles Area Chamber of Commerce Los Angeles County Economic Development Corporation
Equity, Health and Environmental Advocacy	California Endowment Coalition for Clean Air Environmental Defense Fund Natural Resources Defense Council (NRDC)
Freight Industry	FuturePorts LA Customs Brokers & Freight Forwarders Association, Inc.
Freight Railroads – Class I	BNSF Railway Union Pacific Railroad (UP )
Freight Railroads – Class III (Short Line)	Los Angeles Junction Railway (LAJ) Pacific Harbor Line (PHL)
Highway/Auto Policy	Automobile Club of Southern California (AAA)
Local Jurisdictions and Councils of Governments (COGs)	City of Long Beach City of Los Angeles City of Palmdale County of Los Angeles (Department of Public Works) County of Los Angeles, Supervisorial Districts 1, 4 and 5 Gateway Cities Council of Governments North Los Angeles County Transportation Coalition San Gabriel Valley Council of Governments South Bay Cities Council of Governments
Marine Terminals	APM Terminals Pier 400 Los Angeles Long Beach Container Terminal Pacific Merchant Shipping Association (PMSA) TraPac West Basin Container Terminal (WBCT), Yang Ming (America) Corp.
Original Equipment Manufacturers (OEMs)	BYD Motors Cummins Westport Toyota Motor Company US Hybrid

Category	Organization
Ports	Los Angeles World Airports (LAWA) Port of Long Beach Port of Los Angeles
Public Utilities Commission	California Public Utilities Commission
Real Estate Industry	Majestic Realty, Inc. The Commercial Real Estate Development Association (NAIOP) Watson Land Company
Regulatory Agency	California Air Resources Board (CARB) South Coast Air Quality Management District (SCAQMD) U.S. Environmental Protection Agency Region 9
Research/Academic	Calstart CSULB Center for International Trade & Transportation (CITT) METRANS Transportation Center (USC/CSULB) UCLA Luskin Center for Innovation USC Program for Environmental and Regional Equity (PERE)/Equity Research Institute (ERI): Data and Analysis to Power Social Change
Technology	Clean Energy Fuels Los Angeles Cleantech Incubator
Transportation and Planning Agencies	Alameda Corridor Transportation Authority (ACTA) Caltrans District 7 Los Angeles Department of Transportation (LADOT) Metrolink (Southern California Regional Rail Authority) Southern California Association of Governments (SCAG)
Trucking Industry	California Fleet Solutions/Velocity Vehicle Group California Trucking Association Harbor Trucking Association NEXT Trucking
Utilities	Los Angeles Department of Water and Power (LADWP) Southern California Edison Southern California Gas

Figure 4  
Regional, State and Federal Relationships

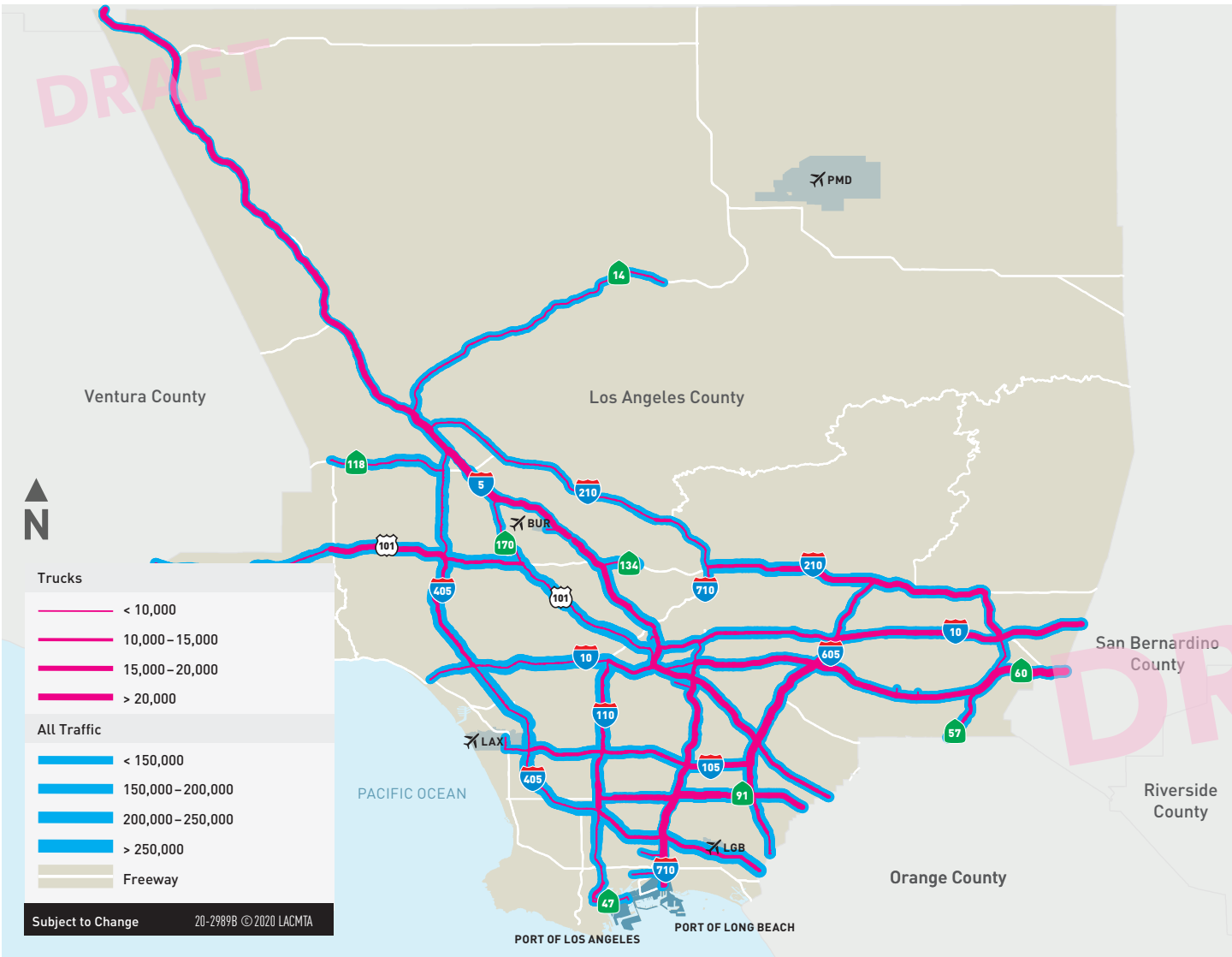
	Agency	Plans	Funding Programs
Regional	LA Department of Water and Power, Southern California Edison		Charge Ready Transport Program
	Metrolink (Southern California Regional Rail Authority)	Southern California Optimized Rail Expansion (SCORE) Program	
	Mobile Source Air Pollution Reduction Review Committee (MSRC)		Regional Goods Movement Program
	Orange, Riverside, San Bernardino and Ventura Counties		
	Southern California Association of Governments (SCAG)	Regional Transportation Plan/ Sustainable Communities Strategies (RTP/SCS)	
	South Coast Air Quality Management District (SCAQMD)	Air Quality Management Plan (AQMP)	Goods Movement Emission Reduction Projects (Proposition 1B Program)
State	California Air Resources Board (CARB)	California Sustainable Freight Action Plan	Carl Moyer Memorial Air Quality Standards Attainment Program
		The Climate Change Scoping Plan	Clean Off-Road Equipment (CORE) Voucher Incentive Program
		The State Implementation Plan	Hybrid & Zero-Emission Truck & Bus Voucher Incentive Project (HVIP) AB617-Community Air Protection Funds
			Truck Loan Assistance Program
			Volkswagen Environmental Mitigation Trust
	California Department of Transportation (Caltrans)	California State Rail Plan	State Highway Operation and Protection Program (SHOPP)
		Southern California Freight Strategy	
	California Energy Commission (CEC)	Integrated Energy Policy Report (IEPR)	Electric Program Investment Charge (EPIC) Program
			Natural Gas Program
			The Clean Transportation Program
	California Public Utilities Commission (CPUC)		Section 130 Grade Crossing Hazard Elimination Program
			Section 190 Grade Separation Program
	California State Transportation Agency (CalSTA)	California Freight Mobility Plan (CFMP)	Transit & Intercity Rail Capital Program (TIRCP)
		Climate Action Plan on Transportation Infrastructure (CAPTI)	
	California Transportation Commission (CTC)		Senate Bill 1 Solutions for Congested Corridors Program (SCCP)
			Senate Bill 1 Trade Corridor Enhancement Program (TCEP)

	Agency	Plans	Funding Programs
Federal	United States Department of Energy (DOE)		Office of Energy Efficiency and Renewable Energy (EERE)
	United States Department of Transportation (USDOT)		Better Utilizing Investments to Leverage Development (BUILD) Grant Program
			Infrastructure for Rebuilding America (INFRA) Grant Program
	Federal Aviation Administration (FAA)		
	Federal Highway Administration (FHWA)		Advanced Transportation and Congestion Management Technologies Deployment (ATCMTD) Grant Program
			National Highway Freight Program
	Federal Maritime Administration (MARAD)	National Maritime Strategy	Port Infrastructure Development Program (PIDP)
	Federal Railroad Administration (FRA)		Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program
			Railroad Rehabilitation and Improvement Financing (RRIF) Program
	United States Environmental Protection Agency (EPA)		Diesel Emission Reduction Act (DERA) Program
			Targeted Airshed Program





Figure 6  
VOLUMES ON THE NATIONAL HIGHWAY FREIGHT NETWORK



LA County is known for its expansive highway system that serves the goods movement and personal mobility needs of over 10 million county residents<sup>15</sup>. This system is also a shared regional, state and national freight resource, connecting adjacent counties, states and national markets to the SPB Ports and local freight facilities – 485.15 miles of LA County's system is designed as part of the National Highway Freight Network, representing nearly 14% of the designated miles in California.

Several freeways (I-710, I-605, SR-60 and SR-91) carry upwards of 25,000 trucks a day on some segments – with SR-60 carrying more than 51,000 daily trucks during its peak traffic hours. Other highway corridors (I-5, I-10, I-15 and I-210) carry on a daily basis more than 20,000 trucks (Figure 6).

These freeways also serve as key commute corridors, handling volumes of up to half a million vehicles per day in some locations<sup>16</sup>. These constrained corridors will only see increased demand from trucks and vehicles as LA County's population, goods consumption and port-related container traffic increase in the coming years.

In LA County BNSF and UP provide freight rail services that connect the SPB Ports to places east of the Rocky Mountains, including many Midwest states and Chicago. Goods moved by rail include imported consumer goods through the SPB Ports and exported items like recycled materials, petroleum products and agricultural products from the Midwest.

Figure 7  
LA COUNTY MAINLINE RAIL NETWORK



LA County's freight rail connectivity is critical in supporting agricultural exports from the Midwest as those exports are directly impacted by delays and service disruptions on the rail system and at the SPB Ports.

At the SPB Ports the Pacific Harbor Line (PHL) provides on-dock rail service to both BNSF and UP traffic that travels through the Alameda Corridor to access primary intermodal railyards near downtown Los Angeles. The Los Angeles Junction Railway, located near the LA River in the City of Vernon, provides manifest train service to industrial and merchandise customers that are located in the vicinity.

Within LA County Metrolink (the regional commuter rail operator) and Amtrak also operate over the same rail corridors shared by BNSF and UP. Nearly 40,000 Metrolink passengers board each weekday, while Amtrak's Pacific Surfliner serves five million passengers annually<sup>17</sup>. Over the next 25 years, the LA region's rail traffic is expected to grow significantly in support of the regional and national economy, as well as rail passenger mobility<sup>18</sup>. Without capacity improvements on the shared use system, efforts to accommodate the expected growth in rail ridership and intermodal/domestic freight will be considerably impacted. One opportunity to address this capacity challenge is to form a strategic partnership among the key freight rail stakeholders to identify and secure investment in the rail system, similar to how Chicago and other regions have addressed their capacity problems in the past.

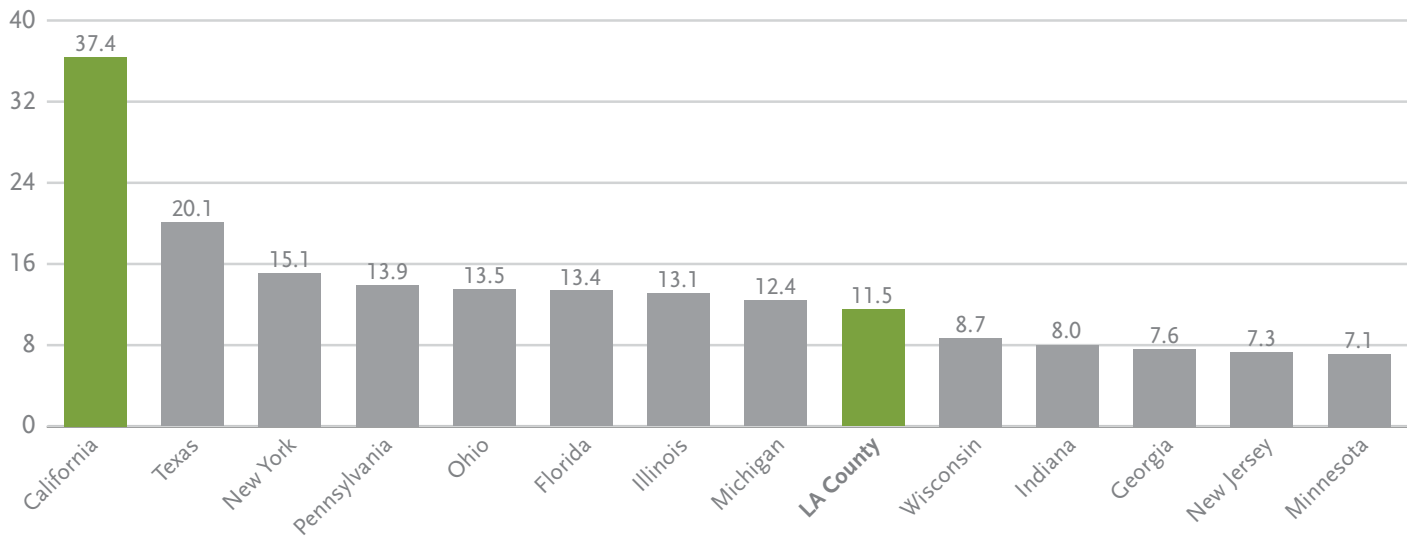
# Freight is our economy in motion.

Freight movements are often described as the “economy in motion.” The LA County multimodal freight system not only moves the local economy, but also sustains the vitality of Southern California and the nation. Collectively, the trade and logistics industry in the greater LA County area generates nearly \$225 billion in economic output annually, supported by direct spending of \$132 billion, which includes \$44 billion in labor income paid to its employees in 2016<sup>19</sup>.

LA County’s unparalleled strength in international trade benefits not just large, multi-national companies, but also underpins the success of the more than 244,000 small and mid-sized businesses in LA County – particularly those that rely on an efficient goods movement system, like restaurants, construction, manufacturing and markets<sup>20</sup>.

LA County is one of the top manufacturing hubs in the nation. In fact, if LA County were a state, it would be the ninth largest manufacturing state in the nation by the number of firms in 2018, following the state of Michigan with close to 11,500 manufacturing firms (Figure 8). The top five manufacturing sectors are in 1) fabricated metal product, 2) apparel, 3) food, 4) printing, and 5) miscellaneous product<sup>21</sup>. Roughly one quarter of all cargo coming through the SPB ports are intermediary goods that feed into manufacturing processes.

Figure 8  
Top 13 U.S. States by Number of Manufacturing Firms, 2018 (in thousands)



Source: U.S. Census, County Business Pattern, 2018

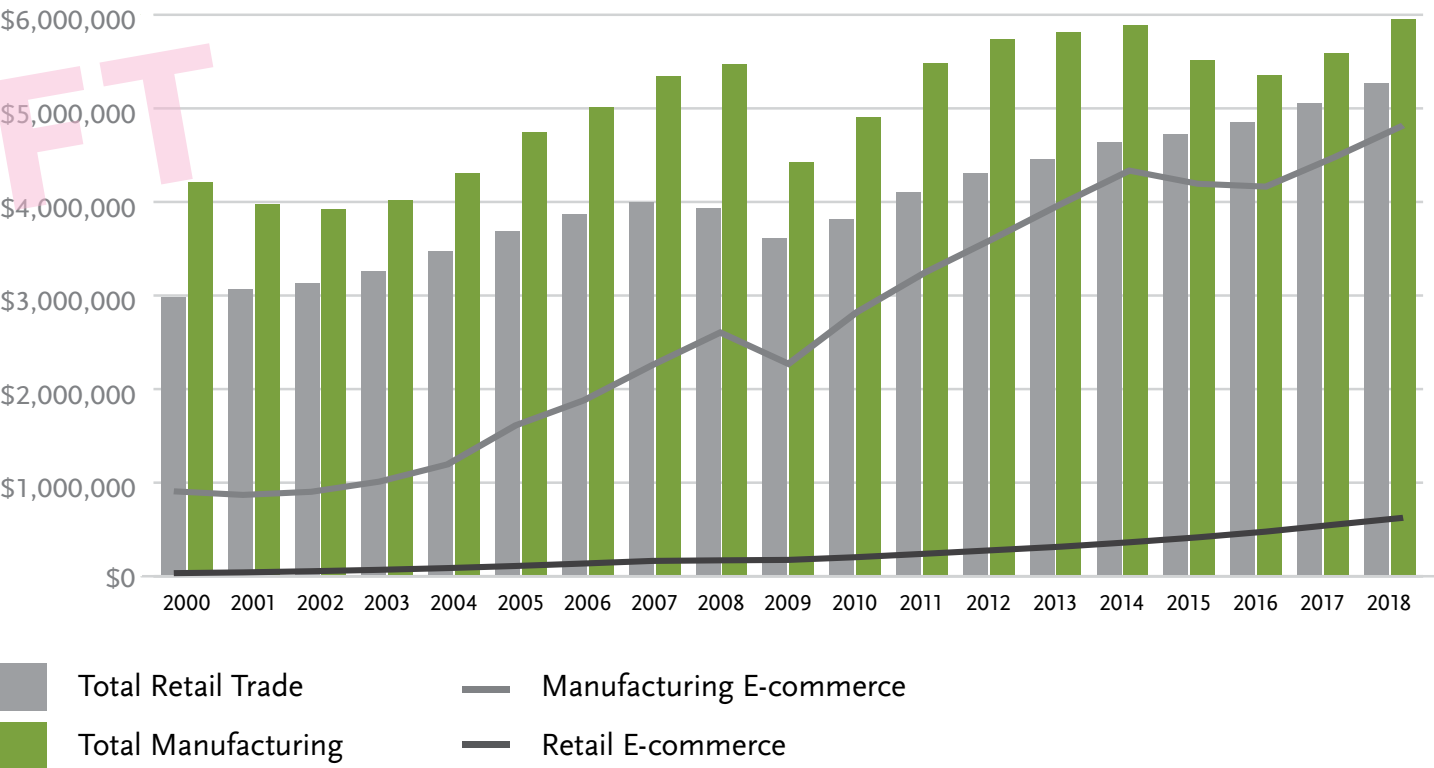
Grouping all industries nationwide into four sectors of 1) manufacturing, 2) retail, 3) service, and 4) merchant wholesale trade, then analyzing the value of these shipments, sales and revenues, provides a better understanding of the role of manufacturing in our economy. At the national level the total value of manufacturing shipments in 2018 was \$5,954 billion, following service (\$16,196 billion) and merchant wholesale trade (\$8,192 billion); however, the manufacturing sector’s share of e-commerce shipment value is the highest among the four sectors at 67.3% (Figure 9)<sup>22</sup>. Compared to the retail sector that oftentimes receives a great amount of attention associated with delivery demand, the manufacturing sector actually generates a significantly higher value in e-commerce shipments – a value that increased at an average annual growth rate of 10.27% between 2000 and 2018. While this growth rate was statistically smaller than that of the retail sector (17.95%), the sheer magnitude of the manufacturing sector’s growth in the value of these shipments and sales merits noting (Figure 10). Although it is premature to link the value of shipments to the demand for delivery trucks, assuming this national trend can be similarly observed in LA County, the role of manufacturing and its contribution to the local economy and associated impact on local delivery demand is quite significant.

Figure 9  
Total U.S. Value of Shipments/Sales/Revenues and E-commerce Share (2018) (\$ in millions)

Industry Category	Total	E-commerce or Revenue from Electronic Sources	Share Of E-commerce/ Electronic Sources
Total for Service Industries	\$16,195,954	\$1,151,736	7.1%
Total Merchant Wholesale Trade	\$8,192,344	\$2,642,374	32.3%
Total Manufacturing	\$5,954,927	\$4,010,570	67.3%
Total Retail Trade	\$5,269,468	\$519,635	9.9%

Source: U.S. Census, 2018 E-commerce Multi-Sector Data Tables

Figure 10  
Total U.S. Value of Shipments/Sales and E-commerce Share Trend (2000-2018) (\$ in millions)



Source: U.S. Census, E-commerce Multisector Data Tables



In LA County, some manufacturers receive their shipments via trucks and others via rail with direct rail spurs serving their facilities, highlighting the important role that the freight transportation system – across all modes – plays in keeping our economy in motion.

Collectively, businesses in LA County – along with their customers and employees – help drive property and sales tax revenue, which is used to support critical needs across the county like law enforcement, fire protection, transportation and education.

In 2018, LA County recorded taxable sales transactions over \$166 billion. Using the lowest sales tax rate in LA County (9.5%) as the standard, these transactions generate a minimum of \$15.8 billion in sales taxes for the county. Although the sales tax amount generated by the trade and logistics sector is low because of its nature as

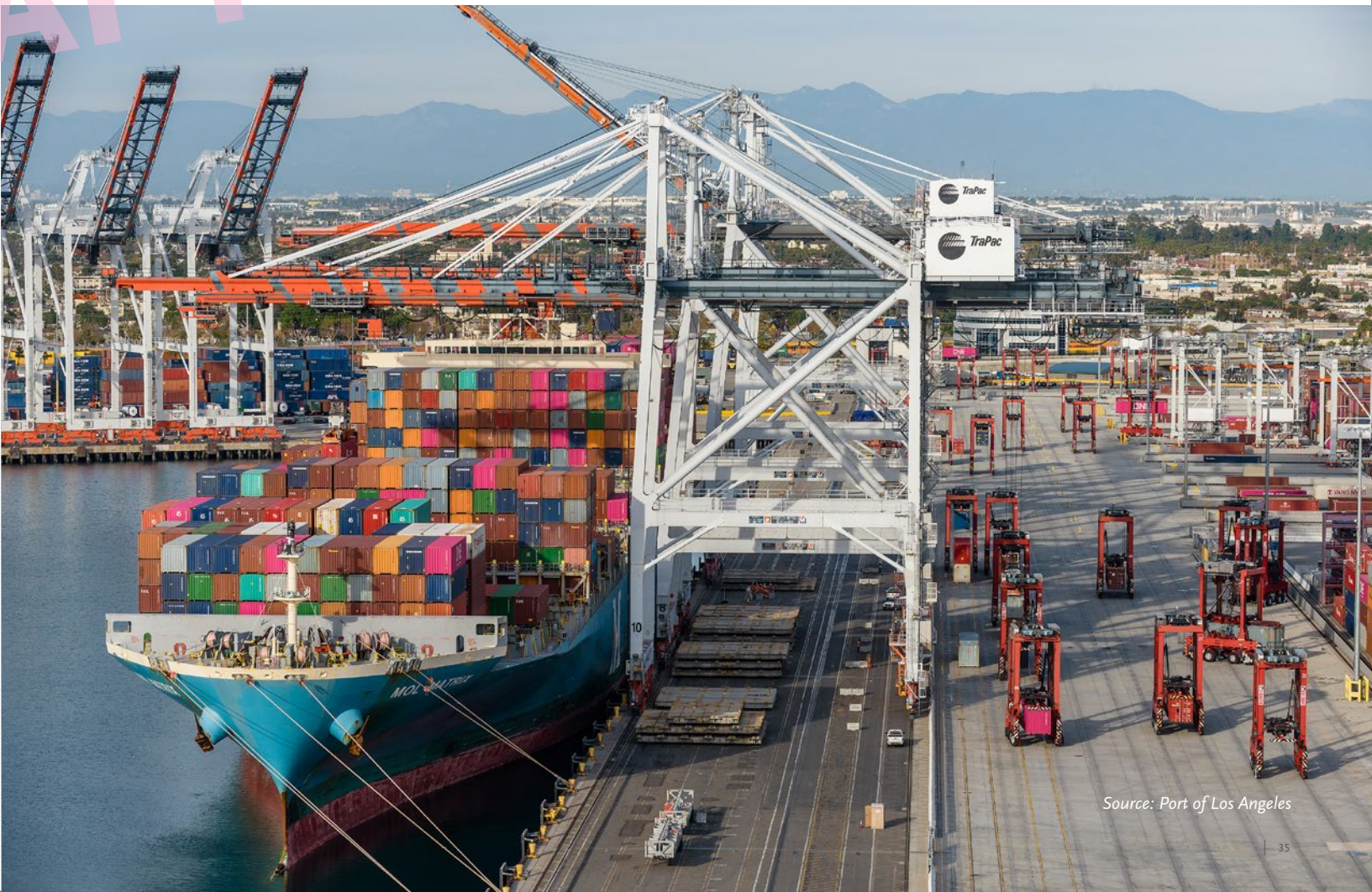
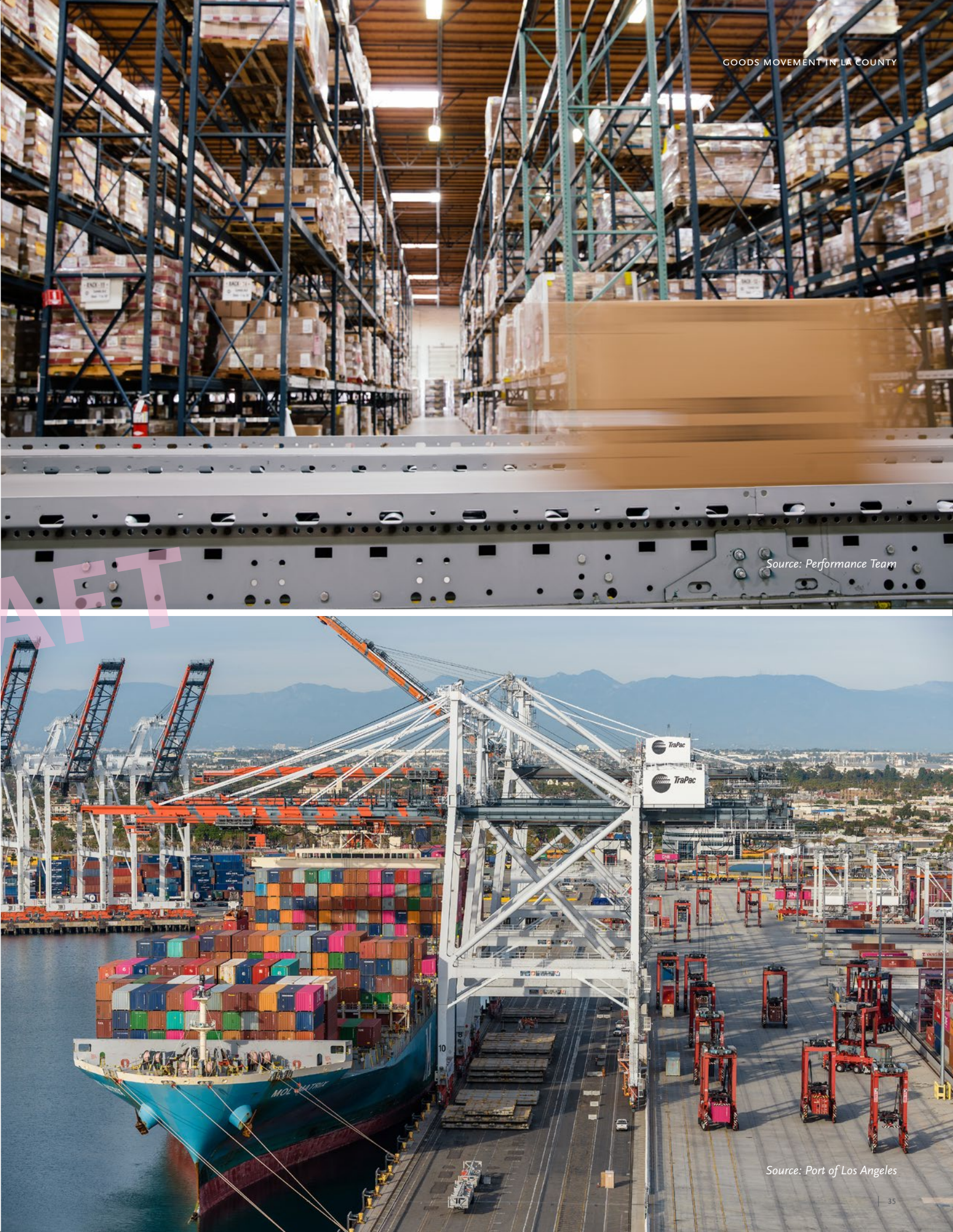
a service provider, it provides essential support to the retail and food service sectors whose contribution to sales tax revenue is tremendous (Figure 11). These industries rely on consistent, safe and efficient deliveries of goods to sustain their operations and maintain their own competitiveness. Altogether, these retail and food sectors generated approximately \$11.3 billion in sales taxes for LA County<sup>23</sup>.

LA County’s goods movement sector plays an oversized role in supporting and driving the local economy – especially for Metro, whose annual budget depends heavily on the sales tax receipts generated through the county’s four ½-cent sales tax measures. Metro’s core services – building the county’s transit system and operating bus and rail service – are funded primarily through the sales taxes generated by LA County’s robust economy and goods movement industry.

Figure 11  
LA County Sales Taxes Generated by Business Type, 2018 (\$ in millions)



Source: California Department of Tax and Fee Administration





# Goods movement drives our quality of life.

A reliable and responsive goods movement system is essential to maintaining the region's collective quality of life, not only allowing access to basic items, such as fresh food, medicine and jobs; but also supporting the events, activities and destinations that make Southern California an attractive place to live, work and visit. By connecting producers and consumers, supplying power plants, hospitals and gas stations and providing a wide range of employment opportunities, the freight system contributes to our quality of life in LA County in a number of ways. Here are a few examples:

## Food Supply Chain Ecosystem

For local food manufacturers like Farmer John – famous for their Dodger Dogs sold at Dodger Stadium – or Huy Fong Foods, the maker of the Sriracha Hot Chili Sauce, LA County is an epicenter for the food production industry. Food processing and manufacturing employed over 36,800 employees in LA County in June 2020 and as recently as 2012 created more than \$16 billion of economic output<sup>24/25</sup>. The local industry thrives because of a large concentration of suppliers, distributors, access to an abundance of fresh produce and ingredients, national distribution centers and a transportation and logistics infrastructure that serves regional, national and international markets. These producers offer an incredible variety of products to customers around the country and the globe<sup>26</sup>.

## Supplying an Island Getaway

Just 22 miles off the coast of Southern California, Catalina Island is a tourist hotspot known for its natural beauty, outdoor activities and seaside charm. With an estimated one million visitors every year and 3,500 yearly residents, the island relies on daily overnight deliveries such as food, fuel, raw materials and consumer goods to support its way of life. For small businesses such as Abe's Liquor Store, which has been supplying groceries for the island since 1933, business would not exist without the supply shipment that runs almost daily between the Port of Los Angeles and the island<sup>27</sup>.

## Supporting International Events

LA County is preparing to host the 2028 Summer Olympic and Paralympic Games and anticipates the arrival of hundreds of thousands of fans that will watch over 10,000 athletes compete in about 300 events taking place throughout the region. The U.S. is also a co-host for the 2026 World Cup, with the LA region likely to play host to multiple games during that event. LA County's success in hosting the athletes and visitors for these major sporting events will rely heavily on efficient transportation and logistics to transport tons of goods to sites and venues scattered across the region. Leading up to the Games, massive amounts of equipment to support athletes, coaches and game operations from around the world will be shipped, stored, delivered and returned. For the 2012 Summer Olympic Games in London, 30 million items were moved in and out of the city<sup>28</sup>. A reliable goods movement system will allow the Olympic Games to increase the prestige of the region and bring an enjoyable event to LA County residents and visitors.

## Responding to a Global Pandemic

The outbreak of the novel coronavirus and the disease it causes (COVID-19) first began as a regional crisis in Wuhan, China, but quickly became a worldwide threat to health, travel and commerce due to the virus' highly contagious nature. Throughout much of 2020, with the entire nation under "shelter in place" orders, the global pandemic created sweeping impacts on manufacturing and production, consumer demand and supply chains. The effects of COVID-19 have rippled through global distribution networks and reduced the volume of goods, with direct impacts on LA County. At the SPB Ports, pandemic effects created an erratic trade flow. At the end of July 2020, the container volumes for the calendar year 2020 at the Port of Los Angeles and the Port of Long Beach were 15% and 3%, respectively, lower than the same period in calendar year 2019. However, the monthly container volumes at the Port of Long Beach in July and at the Port of Los Angeles in August both surpassed those from the same month in the prior calendar year. For both ports combined the container volumes for July, August and September 2020 increased year-over-year by 5%, 10% and 13%, respectively. This level of unpredictability in trade volumes requires flexibility in operational capacity, modernized equipment, landside capacity outside of the ports and a competent workforce.



Source: Ergin Yalcin/iStock/Getty Images Plus

In the midst of this crisis, the logistics industry has provided critical, life-saving services to LA County and the rest of the country by delivering essential supplies, such as food, paper products, personal protective equipment (PPE) and sanitation supplies. In March 2020 the City of Los Angeles and the Port of Los Angeles implemented a medical supply chain program to procure and provide equipment to the medical field and first responders. The program, entitled Logistics Victory Los Angeles (LoVLA)<sup>29</sup>, was initiated by City of Los Angeles Mayor Eric Garcetti and is being managed and led by the Port of Los Angeles executive director Gene Seroka. The LoVLA effort has enlisted the aid of the entire supply chain, including PPE manufacturers, the hospital community and logistics service providers, and formed a working group comprising many key supply chain stakeholders, including California Transportation Commissioner Fran Inman. These efforts have helped to raise the public awareness about – and appreciation of – the importance of efficient supply chain and distribution operations, and the workers that run the logistics system, especially amidst a disruptive pandemic.

During the pandemic, goods movement by air proved to be critical in transporting PPE, particularly those that were imported from overseas. While passenger traffic volumes declined by 80 to 90% across the 10 busiest U.S. cargo airports following March 2020, some airports recorded growth in air cargo volumes despite the economic downturn. Typically, air cargo volumes are directly correlated to GDP and goods trade growth, but in this case the increase in overall air cargo volumes during pandemic highlighted the dramatic increase in e-commerce activities and the need for PPE<sup>30</sup>.



# Goods movement sectors provide pathways to sustainable employment.

The health of the region's goods movement industry reflects and drives the health of its overall economy. Nearly one-third of jobs in LA County are in goods-producing and freight-dependent industries<sup>31</sup>. The SPB Port Complex alone accounts for one in every 12 jobs in Los Angeles and Long Beach, nearly one million jobs in the six-county Southern California Association of Governments (SCAG) region and almost three million jobs throughout the United States<sup>32</sup>. In total, the trade and logistics industry (which includes wholesale trade, transportation and warehousing) accounts for nearly 600,000 jobs in LA County – and the industry continues to expand. Between 2008 and 2017, LA County's employment in the transportation and warehousing sectors increased by more than 300,000 workers, reflecting a growth rate of 38%, the highest growth rate of any industry during this time period<sup>33</sup>.

The goods movement industry serves as a stable employment base for low- and middle-skill workers with limited education attainment, offering opportunities for advancement and social mobility. The industry includes several opportunity occupations, which are defined as employment accessible to workers without a bachelor's degree and typically paying above the national annual median wage. These occupations include heavy and tractor-trailer truck drivers, general and operations managers, sales representatives, wholesale and manufacturing<sup>34</sup>. Since most of the entry-level positions in this sector provide the workforce on-the-job training, these jobs are the most advantageous to candidates with low educational attainment with a high school diploma or high school equivalency diplomas obtained through General Educational Development (GED) or High School Equivalency Test (HiSET) exams.

Furthermore, the five-year outlook of the transportation and warehousing sector from 2015 to 2020 forecasted that about 42% of the jobs would require a high school diploma without job experience, approximately 26% could be occupied by applicants without a high school diploma and 16% of the jobs would be filled by applicants with a bachelor's degree<sup>35</sup>. Given the small to medium sizes of many logistics firms, many opportunities exist to advance from technician to supervisor through training or to become a small business owner.

Figure 12  
**Jobs Generated through the San Pedro Bay Port Complex**



**1 in 12 Jobs in Los Angeles/Long Beach**

**190,000 total jobs**



**1 in 9 Jobs in Five-County Region**

**992,000 total jobs**



**Jobs Throughout United States**

**2,800,000 total jobs**

Whereas disparities and negative impacts of goods movement activities commonly affect disproportionately low-income and non-white communities, jobs in this sector have historically required relatively few specialized skillsets, providing ladders of opportunities to a broad segment of the population with lower to middle levels of education. In considering sustainable employment and equitable opportunities, worker safety, worker protections and living wages also need to be included in our discussions around economic competitiveness and sharing benefits.

Like many sectors in the economy, the goods movement industry is also experiencing significant change and disruption largely due to widespread adoption of technology and changes in supply chain operations. As a result, workers with current technical credentials will continue to need on-the-job training and professional development to adapt to and use new systems<sup>36</sup>.

Recognizing the all-important need to build and maintain a skilled workforce pipeline, Metro established the Workforce Initiative Now-Los Angeles (WIN-LA), a workforce development program focused on careers in all sectors of the transportation industry<sup>37</sup>. The WIN-LA program aims to promote diversity and inclusion in LA County, provide access to education and training programs to increase the participants' workforce readiness and contribute to the development of their transportation career pathways in construction and non-construction careers, such as

operations, maintenance and professional services. The program's priorities – which align with Metro's diversity, equity and inclusion initiatives – is to accept program participants from historically underrepresented communities, including single parents, veterans, homeless and unemployed residents of the county. The program also targets college students and women in its goal of promoting diversity and inclusion. Since its launch in 2017, the program has registered 117 participants in total of which 31 participants have successfully secured jobs within the transportation industry<sup>38</sup>. Other public sector entities in the transportation and logistics industries have also taken active roles in building and strengthening the local labor pool. The Port of Los Angeles and the Port of Long Beach have formed partnerships with local high schools to cultivate an interest in the trade and logistics sectors and to build connections between the classroom and the port terminal. For incumbent workers the International Longshore and Warehouse Union and the Pacific Maritime Association use the High Road Training Partnership offered through the California Workforce Development Board to upskill, reskill and transition longshore workers. Similarly, the Professional Designation Program for Global Logistics Professional (GLP) certification provides conceptual learning and skillset development on international trade and supply chain management. This program, offered online and in person, was established in partnership with the Center for International Trade and Transportation (CITT) and the California State University – Long Beach (CSULB) College of Professional and International Education (CPIE).



Source: Performance Team



# We have challenges to solve.

LA County's current goods movement system creates challenges and hurdles for LA County residents. Growing demand has increased congestion and worsened air quality. A history of inequitable investment has placed the impacts of freight-related burdens disproportionately on low-income communities of color.





# We have compounding challenges.

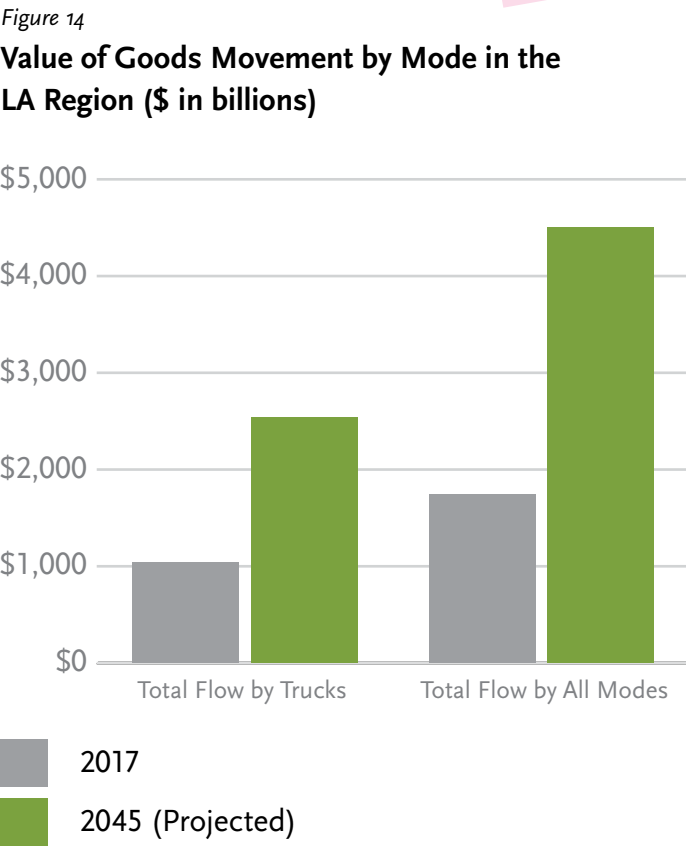
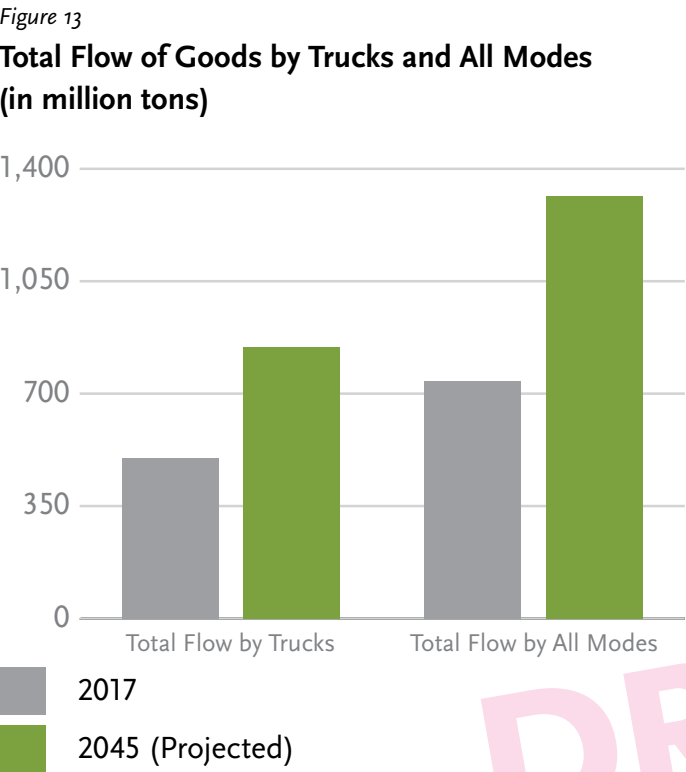
The short- and long-term economic competitiveness of LA County relies on the level of productivity of its multimodal system, access to a skilled and competent labor force, freight infrastructure that can adapt to fast-changing supply chain strategies and logistics networks and collaborative institutional partnerships. Several key issues and challenges face the region's goods movement system that could threaten its overall competitiveness as a premier gateway for freight traffic.

In 2018 LA County moved over 740 million tons of goods on its multimodal freight system<sup>39</sup>. Trucks, including single-unit and combination trucks, carried the vast majority of this traffic – over 500 million tons with a combined value of over \$1 trillion (Figure 13 and 14). These trucks operate on a system that is already incredibly congested. The Los Angeles metro area has the second slowest average truck speeds in the U.S. (second only to the San Francisco Bay Area) and LA County is home to two of the nation's top 10 worst truck bottlenecks<sup>40</sup>. Truck congestion in urban areas within the SCAG region resulted in approximately \$2.6 billion in costs due to wasted labor hours and fuel in 2010<sup>41</sup>.

The region's freight rail system is equally strained, as much of the freight rail system shares tracks with passenger rail. Close to 30% of intermodal containers at the SPB Ports utilize the same regional rail corridors to deliver goods to their next destination, while Metrolink moves nearly 40,000 passengers each weekday<sup>42</sup>.

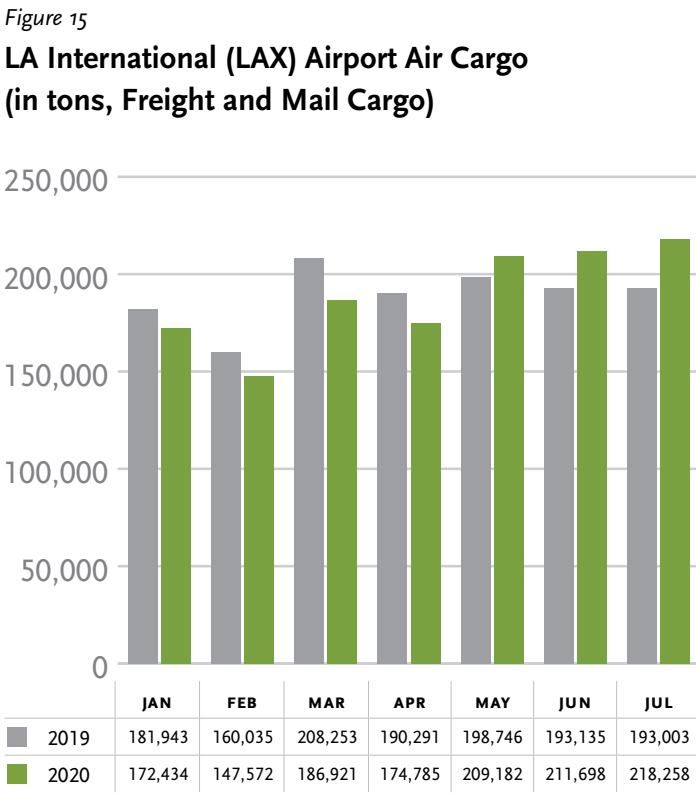
Combined, the Ports of Los Angeles and Long Beach are the two largest container ports in the U.S. – and the 9th largest in the world. Although market share has declined in the past two years due to trade war tariffs and more recently with the COVID-19 pandemic, the ports handled a combined 17 million 20-foot equivalent units (TEU) in 2018 (Figure 19)<sup>43</sup>.

Air cargo volumes at LAX – already the nation's fourth largest cargo airport – have been dropping slightly, but have increased recently in the wake of COVID-19. LAX recorded moderate decreases in air cargo volumes from January to April of 2020 compared to the same period in 2019. The air cargo volumes in LAX then surpassed the 2019 volumes in May and June with a 13% increase in July, compared to 2019, yielding more than one million total air cargo tonnage for the first seven months of 2020 while only 0.2% down from the same period in 2019 (Figure 15)<sup>44</sup>.



In addition to the recent volatilities of air cargo volumes due to the pandemic, LAX also suffers from congestion on and around the airport caused by its decades-old cargo handling facilities that cannot accommodate today's larger aircraft and that have only one entrance/exit area<sup>45</sup>.

These existing issues will be magnified by expected growth in freight traffic. By 2045, an estimated 1.3 billion tons of goods (Figure 13) valued at \$4.5 trillion (Figure 14) are projected to be moved by all modes through the Southern California region annually, representing an increase of 78% by weight and 159% by value. Trucks are estimated to be moving 846 million tons of goods valued at \$2.5 trillion in 2045 (Figure 13 and 14)<sup>46</sup>. Further, more than one and a half million people will be added over the next 25 years to the six-county Southern California region<sup>47</sup>. Combined, the vast increase in freight movement and regional population growth will exacerbate existing congestion on key local trade corridors and arterials that already rank among the most congested in the nation.



Source: Los Angeles World Airports (LAWA), Traffic Comparison (TCOM)

## Summary of Our Challenges

- > Volumes are increasing and supply chains are changing but the shared use infrastructure capacity remains the same. Both trucks and freight rail are competing for the strained capacity against other users.
- > LA County serves as the gateway for national commerce – while the benefits are broadly distributed through the regional and national economy, the impacts and externalities disproportionately affect local communities. A history of inequitable policies and investments have worsened these issues.
- > The goods movement industry provides jobs to a range of demographics and skill levels, but prospective employers' needs are changing rapidly as they strive to keep up with industry practices and trends. This trend means that there will need to be a closer coordination amongst employers and skills and job training institutions to ensure investments are placed in the manner that closes the gap in skills and competency of our workforce and employer needs.
- > The South Coast Air Basin has a major challenge in meeting the federal Clean Air Act standards for ozone and particulate matter. Promising vehicle technologies to help the region meet the standards are emerging, but their implications on goods movement operators and our region's competitiveness within global supply chains make this challenge even harder to address.
- > Competing investment priorities severely impact constrained resources for investment, both nationally and locally.
- > All of these above challenges, separately and combined, undermine LA County's economic competitiveness, ability to attract an optimal share of discretionary cargo and capacity to support the efficient movement of goods throughout the region.

Anticipated Growth Will Affect Every Mode

Freeways

Freeways link goods movement facilities to destinations both within and outside of the county along the interstate highways. Trucks can be largely categorized into those that serve either domestic markets or international markets. Contrary to popular perception the majority of trucks that operate in and through the county are serving domestic markets, including manufacturing, warehousing, retail, food services, local delivery and construction. In LA County, 90.7% of truck trips are associated with the movement of domestic markets, and the remaining 9.3% of truck trips are associated with international markets, including the trips to the ports and intermodal facilities.

Of the trucks that serve domestic markets, a significant portion (92.0%) operate within the county, meaning their trips originate and end within the county. The remainder (8.0%) either start or end their trips outside of the county.

Trucks serving the international markets include drayage trucks that either originate or end their trips at the SPB Ports or international air cargo facilities. These trucks take international cargo to and from the SPB Ports or LAX and bring it to or from intermodal rail yards, transloading facilities, import warehouses, regional distribution centers or points of productions. Drayage trucks constitute a 7.4% share of all trucks in the county, while intermodal truck trips account for a share of 0.8%. One percent of the trucks in the county are considered secondary port trips, representing the movement of international cargo that was moved by drayage trucks, but are now moved by domestic trucks after going through transloading processes<sup>48</sup>.

The growing commerce associated with population growth and the dynamic nature of logistics practices will lead to increased truck traffic in the county. Truck volumes on some interstate segments are expected to increase by up to 60% by 2045, which translates to more than 50,000 trucks per day<sup>49</sup>. Heavy duty truck hours of delay will more than double to 223 hours of delay annually (Figure 16).

With a growing demand for goods, truck traffic is expected to grow at a much higher rate than passenger auto growth. This trend means that the increased truck traffic on the county's highway network will further deteriorate the system performance that is already under strain (Figure 17). Out of 57 high priority heavy-duty truck bottlenecks identified by SCAG, 43 of them were in LA County, or partially in LA County. Top 10 heavy-duty truck bottlenecks from the list, all of which are located in LA County, accounted for close to 25% of all truck congestion in the SCAG region in 2016<sup>50</sup>. Delays and congestion experienced by trucks will result in an increase in transportation costs, which will be reflected in the price of goods that consumers purchase, as well as exacerbate congestion experienced by commuters who share the road.

Figure 16  
Daily Heavy-duty Truck Hours of Delay

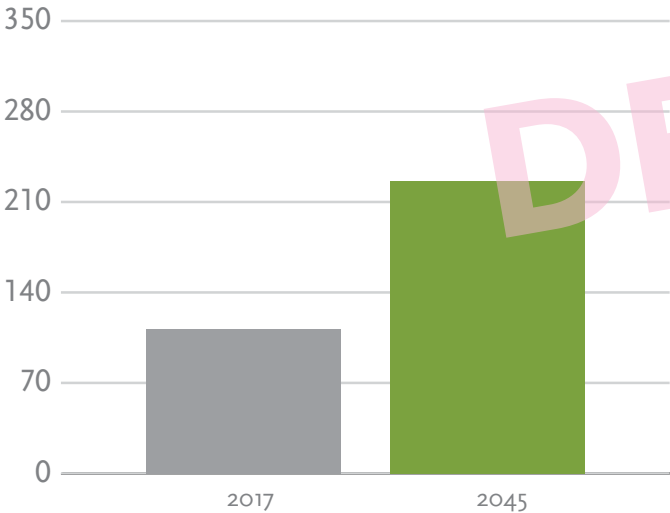
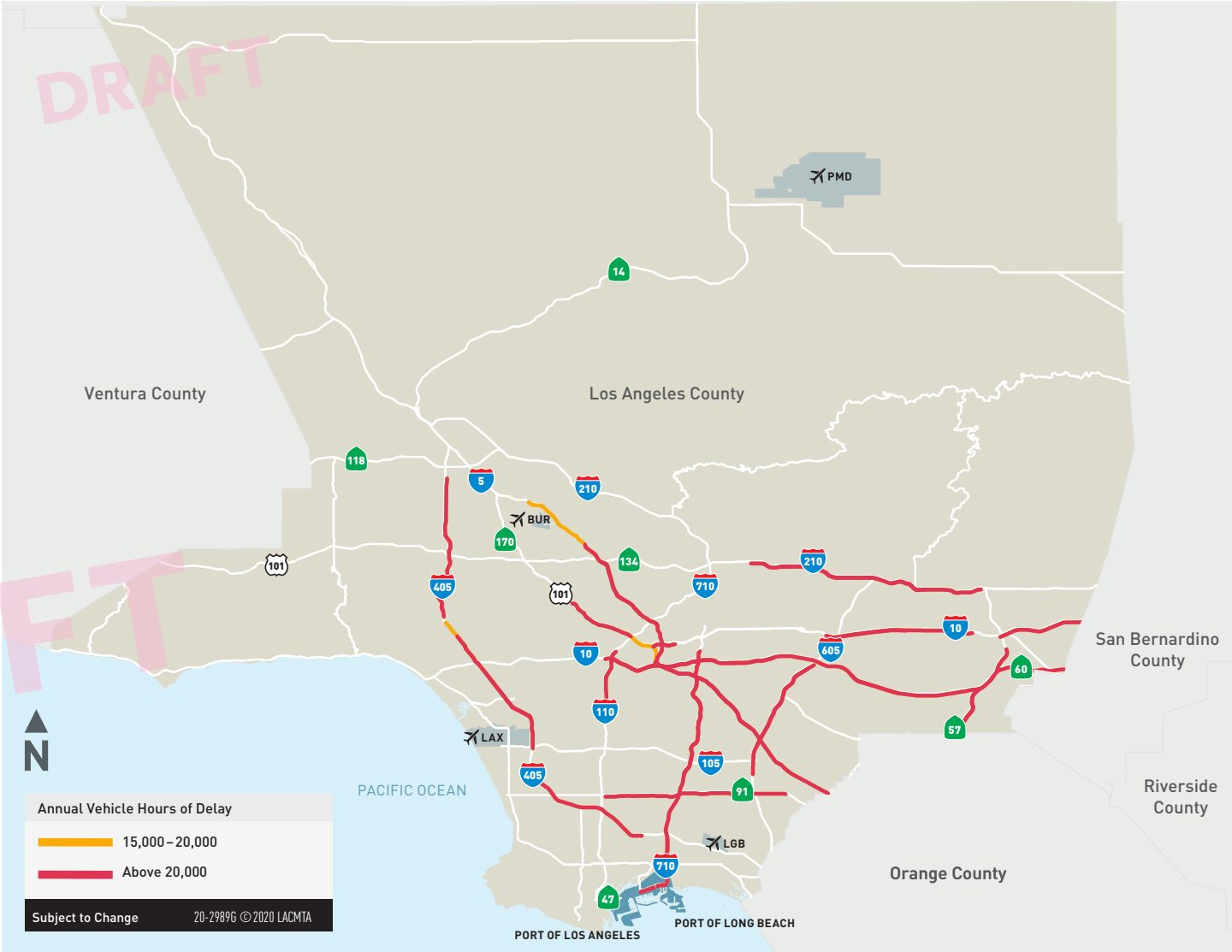


Figure 17  
TRUCK SPEED DELAY LOCATIONS



Source: Southern California Association of Governments

## Ports

The SPB Ports forecast container volume demand to double or more before 2045, indicating that additional capacity will be required to accommodate this expected demand that is generated in Southern California and throughout the U.S. Such capacity will need to be provided by a combination of physical improvements within the existing footprint of the ports and efficiency improvements supported by technology or in the end-to-end supply chain outside of the ports' physical periphery. Efficiency improvements supported by technology and modernization, combined with port expansion projects, could help accommodate forecasted growth. The global trend towards using larger container ships further compounds the demand and infrastructure capacity challenge. With larger container ships higher volumes of goods arrive at once, straining the handling capacity of port infrastructure, labor and the surrounding road and rail infrastructure. These challenges further highlight the need for coordinated planning and real-time information sharing enabled by digital infrastructure.

Addressing infrastructure capacity challenges is not an easy task. Similar to many areas across the county, the SPB Ports are landlocked by residential communities, leaving very little land available to expand. Many of the surrounding communities are low-income communities of color that continue to experience negative impacts of goods movement activities more severely than other parts of the county. These circumstances pose challenges in accommodating the ports' cargo growth through physical expansion in a sustainable and equitable manner. For example, BNSF proposed to build a near-dock facility, the Southern California International Gateway (SCIG), four miles north of the Port of Los Angeles to enhance its Southern California operation. However, given the project's proximity to residential communities and anticipated impacts from its operation, safety concerns from the trucks that would serve the facility, and air pollution concerns from the truck and rail operations, the project has received a number of challenges during the environmental impact report review. Upon completion the SCIG is projected to eliminate approximately 1.3 million truck trips annually on I-710 that would otherwise dray ocean containers between the SPB Ports and intermodal rail yards nearly 20 miles away near downtown Los Angeles<sup>51</sup>.

## Rail

The anticipated growth in all freight rail traffic, combined with a projected increase in Metrolink passengers by as much as 95% by 2025, will constrain rail system capacity, causing bottlenecks and increased delays on the shared system<sup>52</sup>. This is particularly true on the UP Alhambra and Los Angeles subdivisions, which will have up to 110 freight trains daily by 2040, and the BNSF segment from Los Angeles to San Bernardino, which could have as many as 125 freight trains by 2040. Without operational and physical capacity improvements, rail mainline capacity will be severely oversubscribed, reducing overall freight and passenger mobility countywide. Strategic investment partnerships with the freight and passenger rail operators – such as Metrolink's SCORE program – will be important to address these constraints<sup>53</sup>.

## Streets

Local streets serve various accessibility and mobility functions, including transit service, bicycles and pedestrian mobility, parking, passenger loading and unloading, and last mile delivery and emergency vehicle access. Trucks that use local streets fulfill the delivery needs of many industries and individuals, ranging from local retail, food services, manufacturing, hospitality, construction, waste collection to home deliveries. Without access to local streets to complete delivery, the logistics system does not function, and our economy will disintegrate. These streets – whether local, residential streets or major arterials – can be a contested venue for various travel modes and uses all vying for the limited space available. The level of competition is generally more intense in the urban core, particularly in high-density, vibrant mixed use areas that offer various destinations and attract many street users.

Since the year 2000, total U.S. retail trade value has been steadily increasing, except during the Great Recession (2008-2009). Between 2000 and 2018, the e-commerce portion of the total U.S. retail trade value grew at an average annual growth rate of 17.95%. In 2018, the e-commerce share of the total U.S. retail trade value was 9.9%, or \$519.6 billion of the total \$5,269.5 billion in retail trade value<sup>54</sup>.

The majority of e-commerce retail sales is associated with home deliveries, and the steady increase in e-commerce trade value is a reasonable indication that the demand for delivery trucks also increased in a similar manner. As noted earlier (Figure 8) LA County would be the ninth largest manufacturing hub in the country, if we were a state. Local manufacturing firms depend on receiving material for their production and shipping finished goods via trucks that travel on local streets. Neither the long-term economic impact of COVID-19 on purchasing power nor the resulting demand for home delivery and overall manufacturing are yet to be determined. Assuming the economy follows a similar recovery path as it did after the Great Recession, the demand on local street capacity by delivery trucks and the need to accommodate mobility and accessibility of all modes will continue to be an important transportation topic.

Before the COVID-19 pandemic, only 3.7% of grocery shopping was conducted online in the U.S. By the end of May 2020, the share of online grocery shopping had increased to 21.2%, representing a 570% growth rate<sup>55</sup>.



Source: fstop123/E+/Getty Images



Losing National Market Share

LA County's standing as the nation's trade gateway of preference cannot be taken for granted. Ranked as the top two busiest ports in the United States for several decades, the Ports of Long Beach and Los Angeles are suffering steady erosion of national market share despite moving more cargo than before – as the nation grows economically and international trade continues to burgeon, LA County risks exclusion from the prosperity, employment and economic benefits associated with capturing new discretionary cargo destined for the rest of the country.

Rival gateways in Canada, the East Coast and the Gulf Coast have invested heavily in their infrastructure to capitalize on the widening of the Panama Canal and international trade trends to attract more port cargo traffic, national market share and the resulting economic and employment benefits – all at the great expense of LA County<sup>56/57</sup>.

From 2006 to 2019 the SPB Ports' growth has sputtered at only 8% in total container volumes (Figure 18), while rival ports have grown at rates of 47% (New York/New Jersey), 86% (Houston), 102% (Canada's West Coast ports) and 113% (Savannah). Many of these ports enjoy a strong vision

for growth and prosperity supported by the entire state – from the Governor down to the local level – to implement cohesive plans to deepen ports, build on-dock rail and improve the surrounding surface transportation system to attract bigger ships and move more cargo at a faster pace. This unified support also generates federal investment through focused advocacy.

The eroding market share does not mean that LA County is doing nothing to improve the productivity of its freight transportation system. The SPB Ports have been heavily investing in on-dock rail and rail access projects, including the \$2.4 billion investment to build the Alameda Corridor. In just the last 10 years alone, the Port of Los Angeles has invested more than \$500 million in railway-roadway grade separations, roadway, and rail system projects to reduce truck trips, roadway delays and optimize the flow of cargo. To keep cargo flowing efficiently, the Port of Los Angeles and GE Transportation launched the Port Optimizer, which enhances supply chain performance through real-time, data-driven insights in a single port.



Source: Port of Long Beach

Figure 18  
Port Cargo Growth (2006 – 2019)

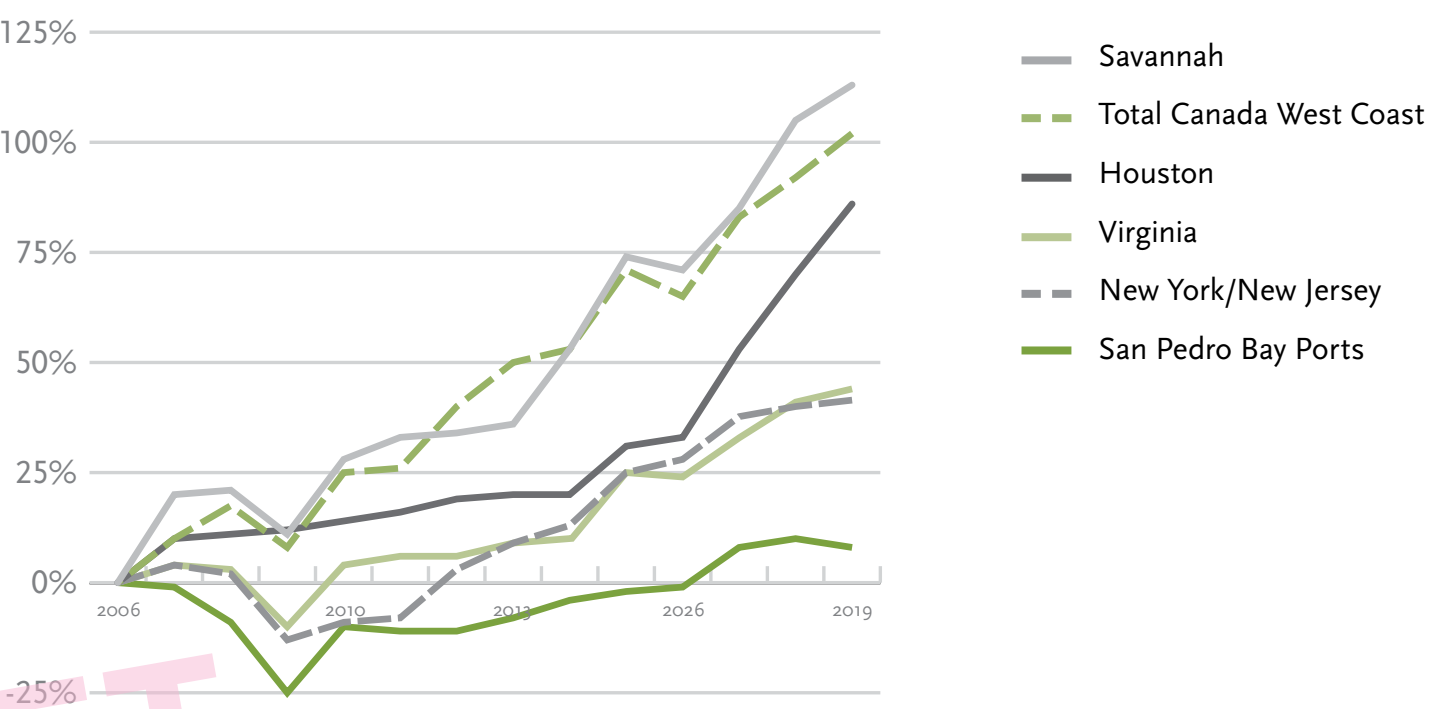
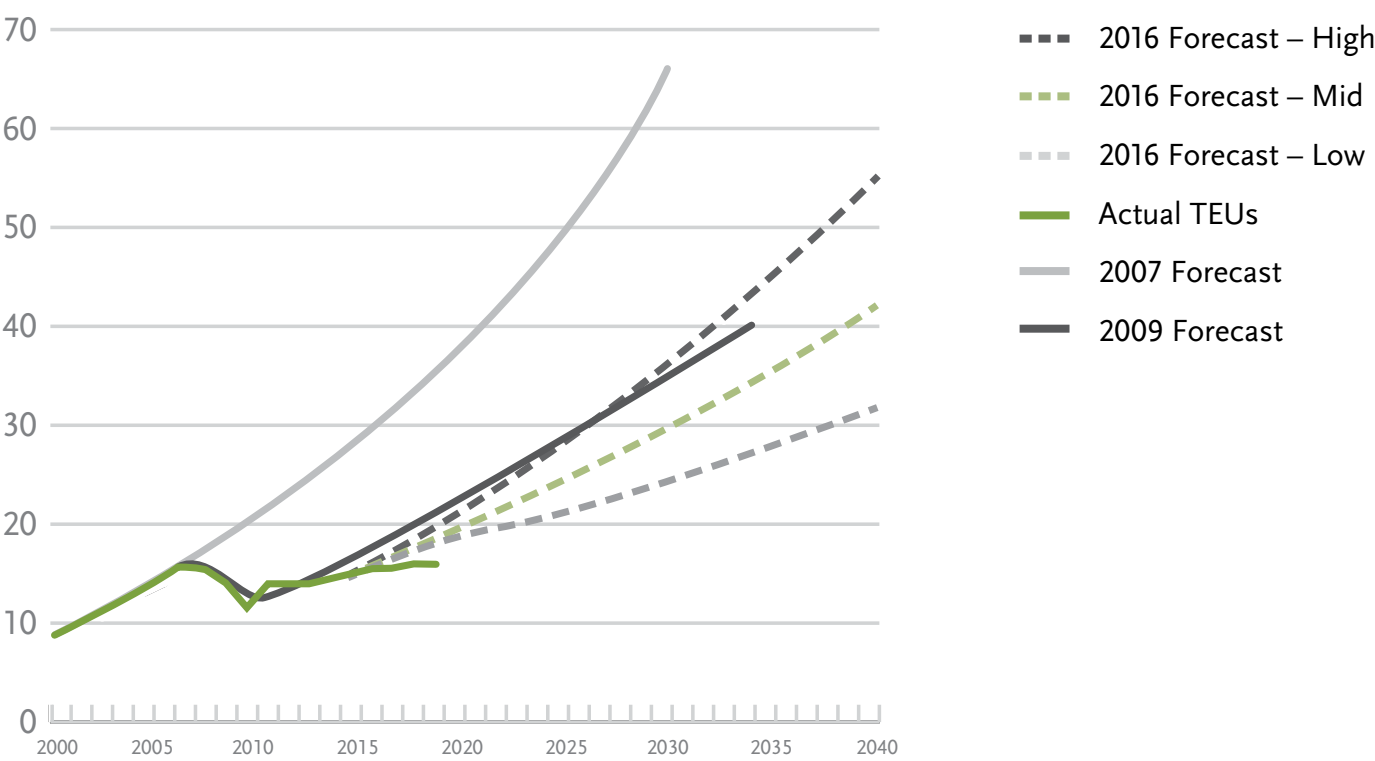


Figure 19  
TEU Container Forecasts for San Pedro Bay Ports (in millions)





The Port of Long Beach has made a similar, if not larger, level of investment to improve the efficiency and productivity of the operations inside and outside of the port periphery, including the \$1.56 billion investment to replace the Gerald Desmond Bridge. All these projects are located on the most important highway and rail line segments of the federally designated National Multimodal Freight Network (NMFN), including the Primary Highway Freight System (PHFS).

Many landside variables can impact the productivity of our freight transportation system. These factors include gate hours (i.e. PierPass), chassis dislocations, chronic freeway congestion across the entire county, truck driver shortages, hours of service restrictions, freight rail mainline capacity, shortage of cargo-handling space near the ports and potential operational disruptions over labor agreements. Various studies also found that port demand elasticity can change quickly, particularly on discretionary cargo that is consumed outside of the greater Los Angeles region. The cost of rail shipping and drayage due to fees and regulations can influence importers’ decisions on diverting discretionary cargo to other ports to minimize the overall transportation cost<sup>58</sup>.

In addition, other macroeconomic trends pose challenges to the LA County’s ability to acquire national market share. These externalities include trade tariff wars with China, recent trends of federal freight investment that have favored rural and developing ports, emerging U.S. agriculture export routes that involve Latin America, shifting global manufacturing activities towards locations west of India and global consumption patterns due to a transition of previously emerging economies into developed, more consumption-based economies.

Cargo Race to Chicago

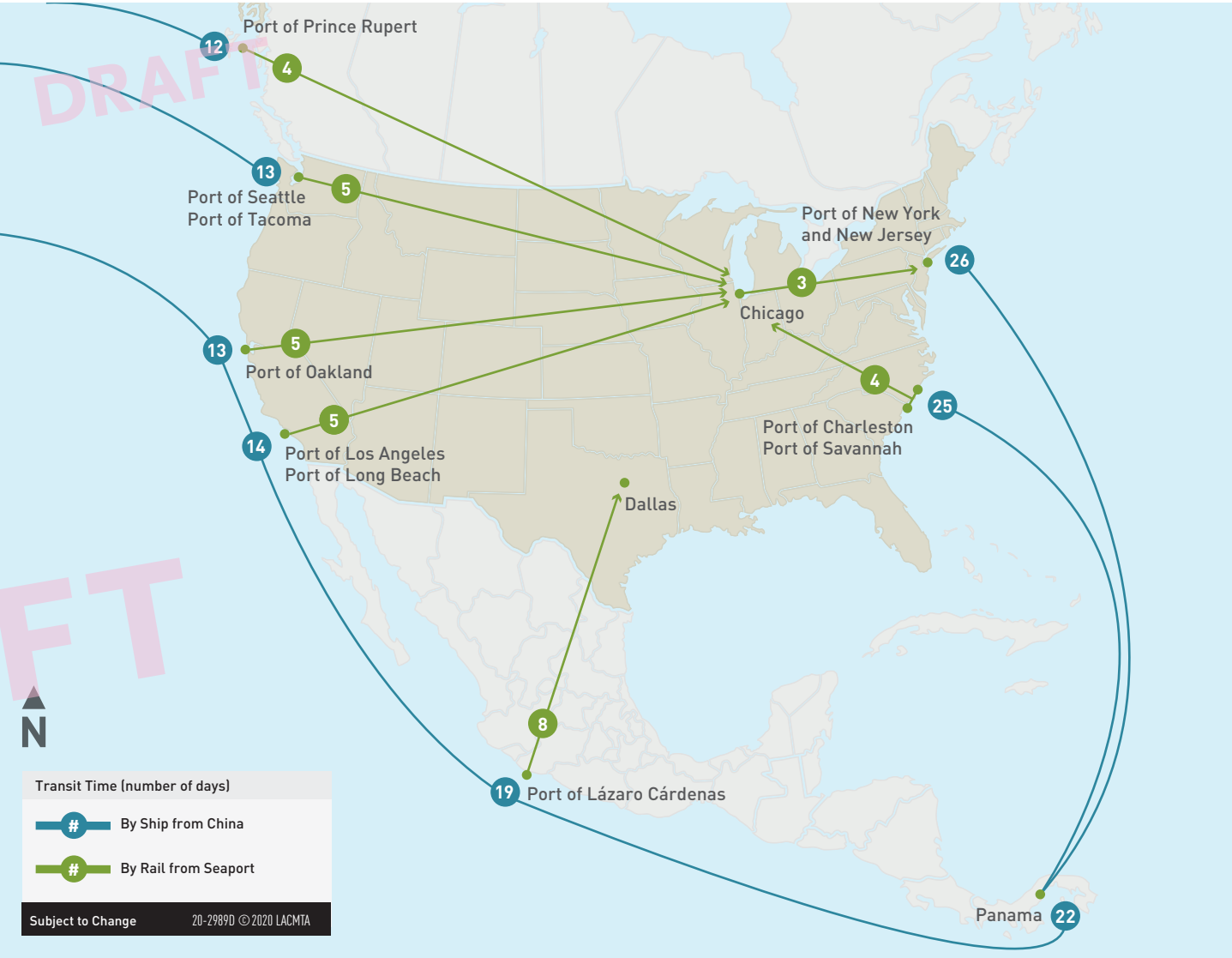
Chicago is North America’s trade crossroads – over 80% of rail container traffic moving across the U.S. moves through the “Windy City.” The total transit time spent moving a container from the port of origin to Chicago by sea and land is one of the decision variables for nationwide importers to determine which North American port to use to import cargo. The SPB Ports’ primary advantages for capturing the majority of Asian imports are 1) their proximity to Asia and the resulting shorter ocean transit time and 2) the large population base in the southwest U.S. where the SPB Ports serve as the closest container ports. For imports destined to Chicago, the ocean transit time to arrive at other West Coast ports is shorter, and the transit time by rail from other West Coast ports to Chicago is either the same or shorter than via the SPB Ports. Although the ocean transit time to East Coast ports takes longer, the land transit time by rail to Chicago takes two full days shorter than that from the SPB Ports (Figure 20).

Meanwhile, the widening of the Panama Canal in 2016 allowed larger ships to transit through the canal to East Coast ports, thus improving the economy of scale of connecting directly to the East Coast and Gulf Coast ports. Other container ports on both coasts have made significant investments in capacity and efficiency enhancements, thus gaining a competitive edge over the SPB Ports by offering an improved operational productivity of moving Asian imports.

To remain economically competitive in securing discretionary cargo, LA County stakeholders must work together to accelerate the movement of cargo through the Ports of LA and Long Beach by making strategic investment in on-dock and off-dock freight rail capacity, optimizing data sharing, implementing operational improvement measures and increasing terminal efficiency. Investments at the ports – especially in rail infrastructure – pay off at the regional level, supporting the regional economy and employment in numerous goods movement industries and protecting LA County’s position as the preeminent national freight gateway.

The total transit time spent moving a container from the port of origin to Chicago by sea and land oftentimes determines which North American port will receive this discretionary cargo.

Figure 20  
NORTH AMERICA TRADE GATEWAY: CHICAGO



Major Safety Concerns

Roadway Safety

Robust goods movement activities can heavily impact roadway safety. During the five-year period between January 1, 2014, and December 31, 2018, there were 9,612 truck involved collisions on roadways in LA County. Of these, 287 individuals were killed, and 12,971 reported injury. The three most common reasons for accidents were unsafe speed (35.35%), unsafe lane changes (17.3%) and improper turning (14.39%). A majority of these collisions resulted in rear-end (3,899) or sideswipe (2,677) impacts<sup>59</sup>.

Truck involved collisions are concentrated on major freeways with heavy truck traffic. These hotspots include the SR-57/-60 confluence, SR-60 between I-605 and SR-57, I-605, I-710 and I-5 near downtown Los Angeles (Figure 21)<sup>60</sup>. Based on the most recent traffic count information available from Caltrans (2014-2017), I-710 at the SR-91 interchange and the SR-57/-60 confluence consistently ranked as having the heaviest truck volumes in Southern California<sup>61</sup>.

An increasing number of delivery trucks is using local streets to serve last mile delivery needs for residential, business and manufacturing purposes alike. The lack of consideration for last mile delivery vehicle needs in the planning, design and implementation of complete streets has resulted in



Source: San Gabriel Valley Council of Governments

unintended consequences and safety hazards for vulnerable roadway users and truck operators. By integrating freight vehicle considerations into all aspects of planning, designing and executing local road improvements, these conflicts can be avoided or mitigated more easily.

Rail Safety – Grade Separations

At-grade crossings (where freight rail lines and roadways cross at grade) have consistently ranked as a major safety concern for communities adjacent to freight rail corridors. In LA County the majority of the UP Railroad mainline travels through dense urban areas of the San Gabriel Valley. This line carries imported containerized cargo, domestic cargo, exports to be shipped out of the SPB Ports and commuter rail traffic. The freight trains are generally longer in length and travel slower than commuter trains, resulting in longer gate downtime at the crossings, that cause traffic delays and congestion at these locations. Some of the at-grade crossings were highly-ranked nationally for the severity of collisions between trains and automobiles. Longer gate downtime is also a concern for limiting emergency vehicle access and response time. To address these issues the San Gabriel Valley Council of Governments established the Alameda Corridor-East (ACE) Construction Authority in 1998 to develop and implement a series of grade separations and at-grade crossing improvements to eliminate collisions and mitigate vehicle delays and emissions caused by at-grade train/ vehicle conflicts.

As of 2020 the ACE Project has completed safety improvements at 40 at-grade crossings and constructed 14 rail-roadway grade separations. Four more grade separation projects are under construction with three more in the design phase. Two of the grade separation projects currently underway, Montebello Boulevard Grade Separation Project and Turnbull Canyon Road Grade Separation Projects, are included in the California Public Utilities Commission’s Fund Priority List for the fiscal year 2020-2021. Metro supports the ACE Project with funding raised through its local sales tax measures.

Figure 21  
HIGHWAY TRUCK COLLISIONS (JANUARY 2014 – DECEMBER 2018)



Evolving Workforce Needs

Nearly one-third of jobs in LA County are in goods-producing and freight-dependent industries. The opportunities for employment in the goods movement sector are diverse – ranging from trucking to rail transportation, stocking to crane operation, waste material collection and moving to transportation supervision. These jobs were previously believed to provide above average wages with low barriers of entry for workers with low to middle level skills; however, that conventional wisdom has shifted in recent years. For example, the typical annual salary in 2019 for transportation and material moving occupations in the Los Angeles area was \$31,328 – this income is below the living wage for one adult, and not sufficient to support a household with two adults (one working) without children in the same area (Figure 22) <sup>62</sup>.

While the Los Angeles area offers an abundance of transportation and material moving jobs as indicated by the location quotient – the ratios of regional concentration of jobs in a given industry as compared to the national average for the industry – only certain goods movement jobs provide above a living wage income to meet one's basic needs. These jobs are also more scarce, with the ratio of less than one, as indicated by the location quotient (Figures 23 and 24) <sup>63</sup>, and they have historically relied on experience and knowledge gained in the workplace or in apprenticeship programs.

In recent years the logistics industry across the board is transforming its operations in pursuit of higher efficiency and productivity to remain competitive amidst growing consumer demand and changing supply chain practices. Increasingly, employers in this industry are citing skill gaps and a need for expanded, multidisciplinary training among mid-level technicians that juggle new supervisory responsibilities, technical requirements, compliance and contracting issues. To address the wage versus the cost of living issue and to stay abreast of evolving skillset needs, regional stakeholders should develop comprehensive policies and target investments necessary to ensure workforce competency and employee career pathways that form the foundation of a sustainable economic competitive framework.

The growing demand for skilled workers will create pressures for logistics companies to ramp up their recruitment and hiring pipelines as they respond to another challenge: a growing number of retirees. Like many other parts of the economy, the goods movement sector is confronting a “silver tsunami” of upcoming retirements. For example, to meet the nation’s freight demand, the industry will need to hire 1.1 million new truck drivers over the next decade – an average of 110,000 per year – to replace retiring drivers <sup>64</sup>.

The global demand for goods has also transformed the industry into a 24-hour sector, with workers needed to fill orders and process shipments around the clock. This schedule creates a need for continual access to these employment locations, many of which are outside of LA County in the Inland Empire, where land is more affordable and suitable parcels can be larger and adjacent to mainline highway and rail corridors. These shifting dynamics stretch out the jobs/housing balance for freight-related industries and create a number of mobility and workforce-related challenges.

Increased Interest In Advanced Technology

The “fourth industrial revolution,” which emphasizes modernization of equipment and processes and data exchange, the “internet of things,” cloud computing, robotics and artificial intelligence, is already reshaping and restructuring supply chains, logistics practices and jobs. While these trends can improve the efficiency, security and transparency of supply chain networks, they also will require new skills in the workforce, such as data interpretation and visualization, forecasting, programming and compliance. Further, various initiatives in California that aspire to accelerate fleet and equipment transitions to zero-emission technologies are creating an increasing demand for entry and mid-level technicians to have at least some foundational understanding of energy systems.

Mobility Concerns

LA County’s increasing housing costs are pushing the logistics workforce farther away from the county’s employment centers toward the outer reaches of the region. In LA County the average commute time has increased every year since 2013, with an average commute of 31 minutes in 2017 <sup>65</sup>. Mobility for the logistics workforce is particularly challenging – only 3.3% of goods movement jobs are accessible within a one-hour transit trip <sup>66</sup>.

Equity Impacts

The combination of the growing jobs/housing imbalance and the lack of mobility options can create significant equity impacts by preventing some county residents from accessing the jobs and resulting ladders of opportunity that the goods movement sector provides. Further, worker safety, worker protections, living wages, local hiring policies and strengthening pipelines to increase accessibility to stable and sustainable jobs and career pathways are important considerations for bringing goods movement benefits to the most impacted communities.

Figure 22  
Annual Median Earnings and Annual Living Wage, 2019



Figure 23  
Annual Average Wage by Goods Movement Jobs, 2019

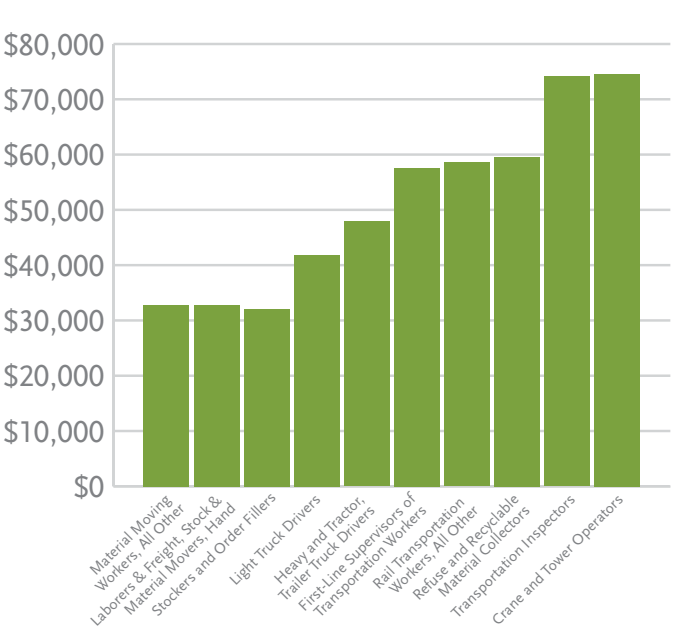


Figure 24  
Location Quotient by Goods Movement Jobs, 2019

Jobs	Location Quotient
Material Moving Workers, All Other	3.84
Laborers and Freight, Stock, and Material Movers, Hand	1.23
Stockers and Order Fillers	0.96
Light Truck Drivers	1.04
Heavy and Tractor-Trailer Truck Drivers	0.59
Rail Transportation Workers, All Other	2.27
Refuse and Recyclable Material Collectors	0.83
Transportation Inspectors	0.78
Crane and Tower Operators	0.81
First-Line Supervisors of Transportation Workers, Except Aircraft Cargo Handling Supervisors	0.96



Air Quality Challenges and Implications

Air pollutant emissions from goods movement sources – in particular from ships, trucks, train locomotives, cranes and other equipment that moves goods – are major sources of regional air pollution. Much of LA County (except for the Antelope Valley) falls within the South Coast Air Basin (SoCAB), which exceeds federal Clean Air Act standards for ozone and particulate matter (PM<sub>2.5</sub>). If the SoCAB region fails to demonstrate air quality conformity by target attainment dates for criteria pollutants, federal sanctions may be imposed, jeopardizing transportation funds and making the permitting of stationary facilities more burdensome. The federal government may also take over local air quality regulation if state plans are not adequate to meet federal standards.

Along with San Joaquin Valley in Central California, the SoCAB region is currently one of only two areas in the nation classified as “extreme” nonattainment for the 1997, 2008 and 2015 eight-hour ozone standards. The target attainment dates to meet these standards are June 2024, July 2032 and August 2038 – by those years, the SoCAB region must reduce ozone concentrations to 80 parts per billion (ppb), 75 ppb and 70 ppb, respectively. Ozone is formed when volatile organic compounds (VOC) and nitrogen oxides (NOx) react in the presence of ultraviolet sunlight, thus making the reduction of NOx the key strategy to meet ozone standards.

NOx emissions from goods movement sources constituted approximately 52% of the total NOx emissions for the SoCAB region in 2016. Heavy-duty trucks contributed 58% of these goods movement-related NOx emissions, or 30% of total NOx emissions in the SoCAB region. Locomotives also played a role in generating NOx emissions, with 7% of goods movement-related NOx emissions and 3.6% of total NOx emissions in the SoCAB region. To meet the 1997 and 2008 eight-hour ozone standards by target attainment dates, the SoCAB region needs to reduce NOx emissions by 45% above and beyond the existing regulations by 2023, and 55% by 2031 – a daunting task for the region.

The SoCAB is also a serious nonattainment area for the 2012 Annual PM<sub>2.5</sub> standards, with an attainment deadline of December 2025. However, in scenarios run by the South Coast Air Quality Management District (SCAQMD), the basin is expected to meet this deadline by 2025.

To meet the National Ambient Air Quality Standards for the eight-hour ozone, we need to significantly reduce NOx emissions from all sources, with a focus on the large share of NOx emissions generated by the goods movement industry.

California state law requires a substantial reduction in greenhouse gas (GHG) emissions – 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050 – through Executive Order B-30-15 and Executive Order B-16-12. Many criteria pollutants, such as NOx, sulfur oxides (SOx) and particulate matter (PM<sub>2.5</sub> and PM<sub>10</sub>) are precursors to the formation of GHGs. Reducing criteria pollutants from goods movement sources to meet the federal Clean Air Act standards also helps in reducing GHGs<sup>67/68</sup>.

Air pollution – particularly NOx, diesel particulate matter and GHGs – is known to impair human health. These negative health impacts are felt by our residents in the following ways:

- > reduced visibility
- > increased episodes of respiratory infections and other illnesses
- > increased number of days of discomfort
- > absent days from work and school
- > increased symptoms related to respiratory disease, including asthma
- > slowed lung function growth and increased asthma risk in children
- > heart disease
- > shortened life spans<sup>69</sup>

Figure 25

NOx Reduction Amount Needed to Demonstrate the Eight-Hour Ozone Standards Attainment (Tons/Day)



Source: 2016 AQMP Appendix iii, Attachment A, Annual Average Emissions by Source Category in South Coast Air Basin

One of the tragedies of the COVID-19 pandemic is that many people suffering from these health conditions associated with highway and freight-related emissions were also made vulnerable to being at a higher risk of death and serious health effects caused by COVID-19, according to a study by the Harvard School of Public Health<sup>70</sup>. In particular the study found that “long-term exposure to PM<sub>2.5</sub> is associated with higher COVID-19 mortality rates”. The urgency to act to reduce these harmful emissions for the sake of public health could not have been made more clear during the pandemic.

In addition to the aforementioned Executive Orders, a number of near- and long-term technological solutions prospectively could reduce GHG and other emissions reduce GHG emissions in the South Coast Air Basin. Although most environmental policies foresee the deployment of near-zero and zero-emission trucks as a long-term solution to reduce emissions, other near-term improvements – including cleaner-fuel trucks, hybrid-electric trucks and combustion engine improvements – are currently available commercially to help the region meet the attainment deadline by 2025<sup>71</sup>.

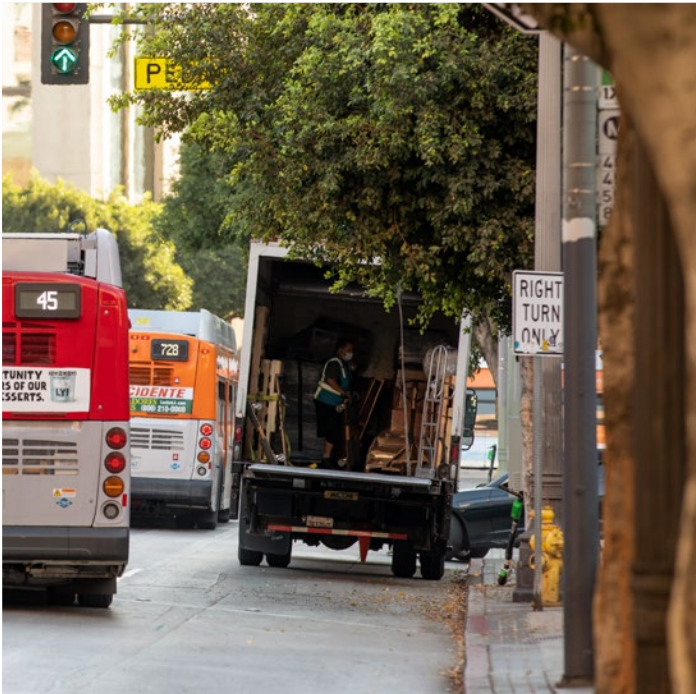
Meeting the federal Clean Air Act standards and reducing particulate matter, NOx and GHGs will require substantial reduction in criteria pollutants. These challenges call for the creation of regional partnerships and collaboration to identify effective strategies and secure funding for implementation. Fortunately, LA County has a precedent for such leadership. The SPB Ports have led the way by implementing the Clean Air Action Plan, the latest version of which set forth aggressive goals to reduce particulate matter, NOx, SOx and GHG from port-related emissions and sources at levels that far exceed volumes and schedules found in existing state and federal regulations.

## Congestion at the Curb

An “urban renaissance” has shaped the goods movement space for urban areas like those throughout LA County. Moving and delivering goods efficiently, safely and reliably becomes increasingly more challenging as more people and businesses move back into cities, creating a denser and more vertical environment. Consumer-generated activities – such as dining at restaurants and shopping for groceries and clothing – generate the need for goods to be brought in and out of urban areas, otherwise known as urban freight. Further fueling urban freight is the advent of online shopping, leading retailers to strive to provide quick and on-time delivery, resulting in an increase in freight movements in urban areas. These deliveries are increasingly being made by a variety of smaller vehicles, including vans, pickup trucks, passenger vehicles and bicycles, with autonomous vehicles and drones starting to emerge as viable delivery options. These new vehicles have smaller payload capacity, so more vehicles are required to handle an increasing volume of deliveries.

All these urban freight trends converge at the curb, which is at the heart of urban freight and mobility issues. From parking to bus stops and loading zones to bike lanes (and now outdoor and on-street dining during the COVID-19 pandemic), curbside assets play many roles within a city. Yet, curb space “real estate” has not historically received as much attention from transportation planners as the roads and highways on which vehicles travel, even though congestion or lack of space at the curb impacts freight movements and deliveries, leading to roadway congestion. Spillover impacts, such as double parking and other forms of illegal parking, also negatively impact safety, accessibility and mobility for many users. Particularly, small business owners without adequate off-street parking near their businesses experience these impacts more severely as they rely on foot traffic and on-street parking for business.

With 88 individual cities and over 100 unincorporated communities, LA County faces a daunting task to achieve coordinated delivery practices, maintain infrastructure and manage curbside parking across the multitude of jurisdictions. As demand increases and diversifies, and as urban landscapes densify, managing curbside assets in ways that allow space for vital economic activities, protect sensitive users like bikes and pedestrians from trucks and vehicles and encourage mobility and traffic flow throughout urban areas will become even more vital. Public planners are demonstrating an increasing interest to understand factors that affect driver decisions, including



where to park on the block, whether to park at loading bays or how long to drive around the block in search of a desirable parking space before moving on. These inquiries could yield a benefit to the overall roadway performance and safety in support of economic activities and personal mobility. The “final 50 feet” of urban deliveries will continue to grow as a focus for researchers and innovators alike<sup>72</sup>.

Moving and delivering goods efficiently, safely and reliably becomes increasingly more challenging as more people and businesses move back into cities, creating a denser and more vertical environment.

## Competing Investment Priorities and Funding Challenges

Substantial investment in the multimodal freight system is needed to ensure that goods move efficiently and in a socially responsible manner. Unfortunately, the amount of available funding across local, state and federal sources to allow the region to continue investing effectively in the shared use system is limited (Figure 26). The 2020 SCAG Connect SoCal – 2020-2045 Regional Transportation Plan and Sustainable Communities Strategies estimates the costs of all regional transportation projects from FY2020-21 to FY2044-45 to be \$638.9 billion, compared with reasonably available resources estimated at only \$493.1 billion<sup>73</sup>. The constrained nature of transportation funding places considerable weight on project priorities and benefits in making investment decisions. While LA County generates locally-controlled transportation investment funds through proceeds from four sales taxes (for a combined 2%), the vast majority of those funds is dedicated through expenditure plans and categorical limits to support transit capital and operational improvements, with very little funding expressly dedicated to

goods movement-related projects. State and federal grant programs provide some amount of funding for freight projects, but the competition for these funds is intense and subject to political influence. From 2010-2020, federal funding for East Coast and Gulf Coast gateways combined outstripped investment in West Coast gateways at a rate of 10 to 1. For example, USDOT received 173 applications for funding from across the country in the FY2020 cycle for federal INFRA grants, yet only 20 awards were made. For the five-year INFRA/FASTLANE program inaugurated in the Fast Act, only four California project applications received funding out of the 148 submitted. The Ports of Long Beach and Los Angeles did not receive a single dollar of the \$500 million set aside for port and intermodal infrastructure projects, despite submitting quality applications for important improvements. With limited funding to meet transportation needs, identification of priorities and strategic investment decisions are needed to improve the freight transportation system while advancing equity, sustainability and mobility goals.

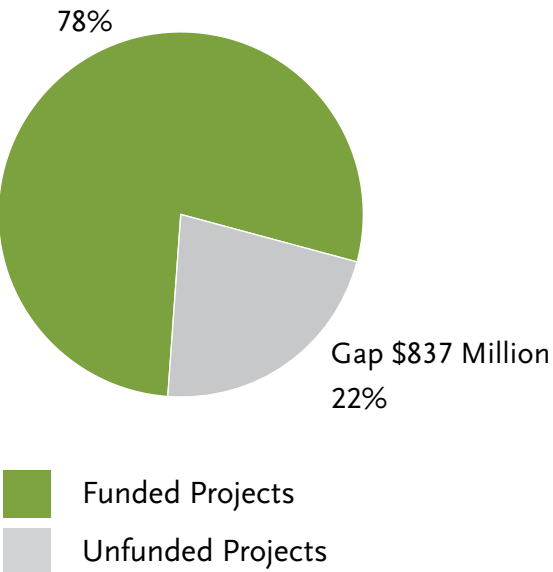
Figure 26

### State and Federal Funding Requested and Awarded for California Freight Infrastructure Projects

#### TCEP FY2018 and FY2020

Total Funding Requested: \$3,747 Million

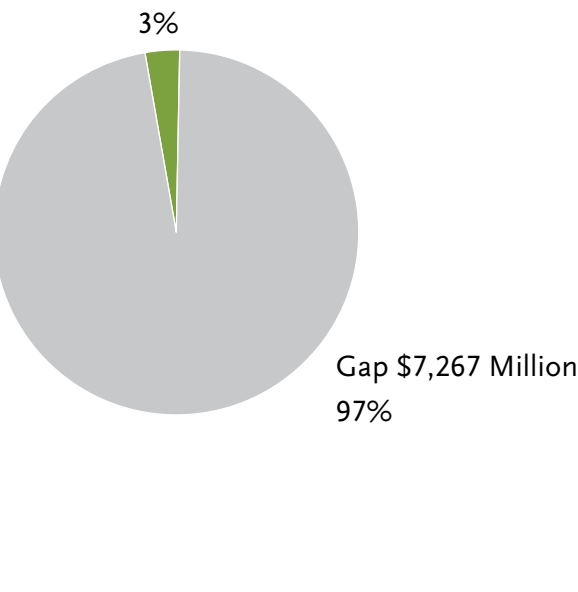
Total Funding Awarded: \$2,910 Million



#### INFRA/FASTLANE FY2016-FY2020

Total Funding Requested: \$7,463 Million

Total Funding Awarded: \$196 Million



Sources: California Transportation Commission (CTC) and U.S. Department of Transportation (USDOT)



Case Study: What it Takes to Deliver an Infrastructure Mega-Project

Delivering major freight infrastructure projects requires strong partnerships, time, a mix of funding sources and leadership. The opening of the Gerald Desmond Bridge Replacement Project to traffic on October 5, 2020, culminated over a decade of work to realize this important project.

The Gerald Desmond Bridge at the Port of Long Beach is one of the most freight-critical pieces of infrastructure in the nation, as 15% of the nation’s imported waterborne cargo travels over the towering span by truck. The bridge also serves as an important access route that connects the Port of Long Beach to downtown Long Beach and surrounding communities. Built in the 1960s the original bridge was neither designed to accommodate the level of truck volume that has increased steadily over the past decades, nor the larger ships that require higher clearance over the channel to pass under.

Although first considered in the 1990s, the bridge replacement project did not begin until the Long Beach Harbor Commission allocated \$26.4 million to develop replacement plans in May 2009. The initial cost estimate in 2008 for the replacement was \$950 million.

The final environmental impact report was adopted in August 2010, with a groundbreaking in January 2013. Nearly eight years later, the Gerald Desmond Bridge Replacement Project celebrated its completion with a Grand Opening on October 2, 2020 (Figure 27).

Securing enough funding to deliver this major capital project was a tremendous task. Since its inception the Port of Long Beach leadership worked tirelessly to secure funding from various sources, including Transportation Infrastructure Finance & Innovation Act (TIFIA) loans, federal and state grants and local funds including Metro’s contribution from the Proposition C County sales tax revenue funds for transportation projects. The bridge replacement project, which arrived at a final cost of \$1.561 billion, was paid for with \$1.042 billion in federal sources, \$170 million in state sources and \$349 million in local sources (Figure 28). Since the time the Harbor Commission allocated the initial funding to develop the bridge replacement plan in 2009, it took over 11 years to fully fund and deliver this nationally significant project.



Source: Port of Long Beach

Figure 27

Gerald Desmond Bridge Replacement Project Major Milestones

May 2009	Long Beach Board of Harbor Commissioners allocated \$26.4 million to develop a plan for the bridge replacement project
February 2010	Port of Long Beach released the draft environmental impact report (EIR)
August 2010	Final EIR adopted by the Long Beach Board of Harbor Commissioners
July 2012	Design-build contract awarded
January 2013	Official groundbreaking ceremony
October 2014	Construction starts on the bridge project foundations
December 2017	Completion of the two 515-foot-high towers, the tallest structures on the bridge project
October 2, 2020	Grand opening
October 5, 2020	The bridge opened to traffic

Sources: Port of Long Beach, About the Bridge, Bridge History newgdbridge.com/about-the-bridge/bridge-history/ and FHWA Approved

Figure 28

Gerald Desmond Bridge Replacement Project Funding by Sources (\$ in Thousands)

	Preliminary Engineering	Right-of-Way	Construction	Total
Federal				
Highway Bridge Replacement and Rehabilitation-Local (HBRR-L)	\$10,000	\$40,000	\$161,800	\$211,800
Project of National and Regional Significance (SAFETEA-LU PNRS)	\$22,078	\$64,715	\$4,207	\$91,000
Surface Transportation Program (STP)	\$5,782			5,782
STP-Local Regional (STPL-R)			\$11,315	11,315
SHOPP/Federal			\$97,500	97,500
TCIF/Federal			\$299,800	299,800
Transportation Infrastructure Finance & Innovation Act (TIFIA)	\$1,834	\$190,665	\$132,501	\$325,000
State				
Corridor Mobility Improvement Account (CMIA)			\$153,600	153,600
State Cash			\$16,207	16,207
Local				
Port Funds, Includes Capitalized Interest	\$11,880	\$14,640	\$305,580	\$332,100
Metro Contribution			\$17,306	17,306
Total Programmed	\$51,574	\$310,020	\$1,199,816	\$1,561,410

Source: FHWA Approved Gerald Desmond Bridge 2019 Financial Plan Annual Update Port of Long Beach

# We must remedy negative impacts.

While LA County’s role as a global trade gateway contributes significantly to the national and regional economy, goods movement activities that support this international trade directly impact local communities. Freight-related activities negatively impact the region’s quality of life, generating air pollutants that threaten public health, as well as traffic, noise pavement deterioration and “visual pollution” or blight.

### Economic Disparities

The economic benefits associated with goods movement jobs are not distributed equally across the communities of LA County, particularly not for those most affected by freight activity. The goods movement sector offers many jobs for both skilled and unskilled workers, which may or may not include benefits, such as health insurance, retirement packages or pensions. These jobs tend to be located near cargo distribution centers. However, since these employees live all over the area, the region’s economy benefits from these jobs. Money spent by employees on housing, food and day-to-day living supports jobs for others and generates further revenues for local communities. As a result, some communities may bear the brunt of goods movement environmental impacts without fully experiencing the economic benefits of jobs associated with freight<sup>74</sup>.

### Air Quality Impacts

According to the National Ambient Air Quality Standards, LA County is classified as an extreme non-attainment area for pollutants, of which goods movement sources are significant contributors<sup>75</sup>. Residents of LA County are exposed to 60% more vehicle pollution than the state average, with the lowest-income households exposed to more than those with the highest incomes (Figure 29). Exposure to tailpipe emission leads to increased risk of premature death, lung cancer, heart and lung diseases and asthma. This public health crisis is particularly true for disadvantaged communities located next to highway and rail corridors where the impacts of poor air quality are disproportionately experienced.

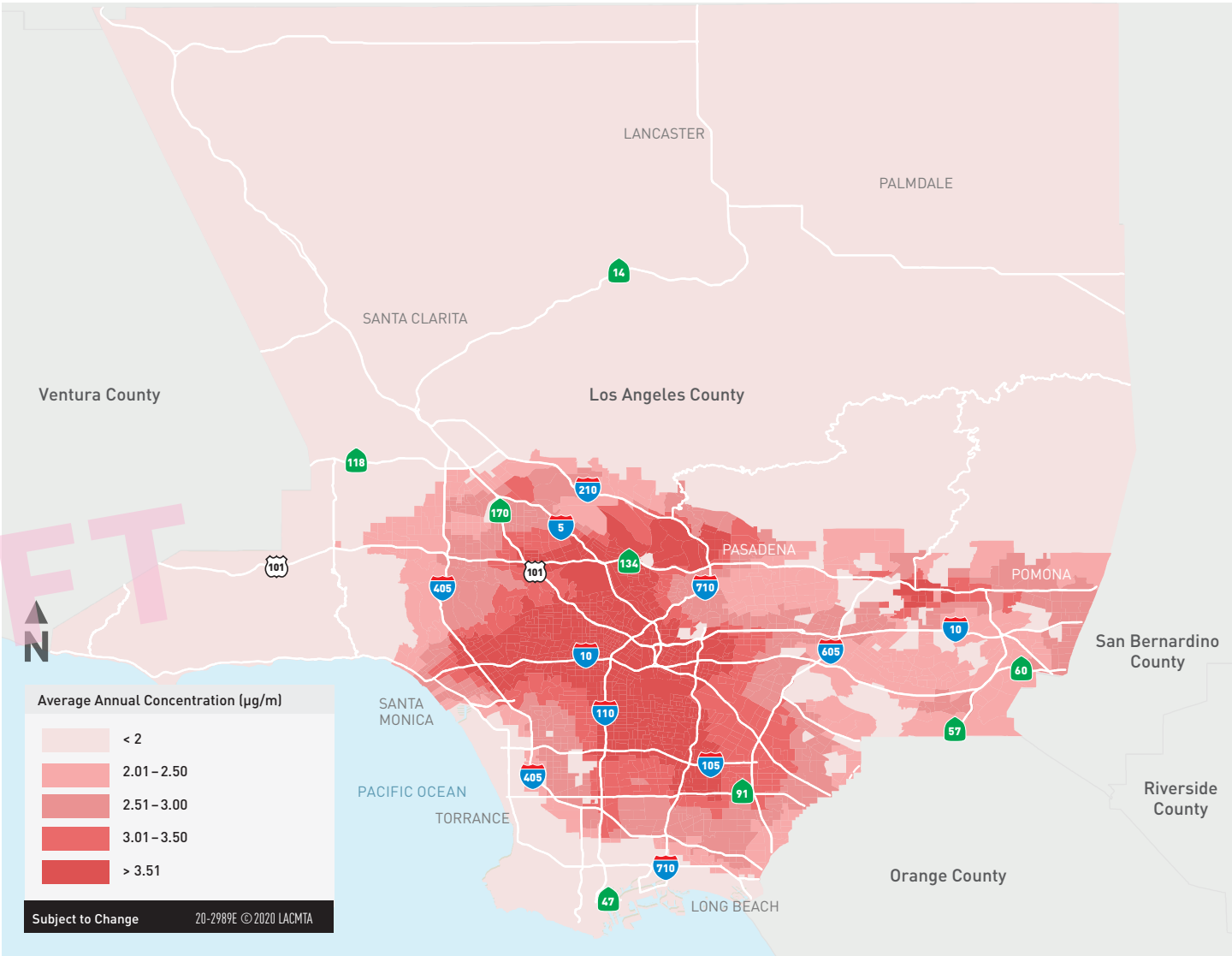


Source: Shtrunts/iStock/Getty Images Plus

LA County is also a majority-minority county, with nearly one-half of residents being Hispanic or Latino. Pollutant emissions have a pronounced impact on air quality, the health of residents living near freight routes and facilities, livability and the environment, often impacting underserved or minority communities located close to emission sources more so than others. Negative health and community impacts on families and neighborhoods include asthma, missed days of school, trips to the hospital, families dying of cancer and other illnesses related to air pollution, including greater risk of death caused by COVID-19. Additionally, the proximity to highways and rail corridors also bring with it exposure to daily noise and disruption caused by trucks and trains.

Figure 29

EXPOSURE TO AIR POLLUTION FROM ALL VEHICLES IN LA COUNTY



Source: [ucsusa.org/resources/inequitable-exposure-air-pollution-vehicles-california-2019](https://ucsusa.org/resources/inequitable-exposure-air-pollution-vehicles-california-2019)



Traffic and Safety Impacts

The freight transportation network is a shared system with other users. Truck travel on local streets to access ports, warehouses and railyards affects pedestrians and bicyclists that share these same roads. Shared use, multimodal streets – particularly those with complete streets treatments – can create unintended consequences that pose challenges for trucks to operate safely in the urban environment. For example, trucks have difficulty navigating restricted turns, narrow lanes and curved or circular travel paths. A high risk for dangerous collisions occurs in areas where pedestrians and bicycles have a higher propensity to travel in truck drivers’ blind spots. Often, lane reduction and installation of dedicated infrastructure for pedestrians, bicyclists and transit can result in reduced capacity, loss of redundancy or changes in directionality on shared or even designated freight routes, often with limited alternative routes available<sup>76</sup>. The magnitude of impacts on truck operations from complete streets treatments and resulting traffic and safety impacts in LA County is not yet well understood, but this area of inquiry merits future analysis and understanding.

Freight rail and highway crossings are another major safety concern stemming from goods movement activities. At-grade crossings pose risks for collisions with freight rail and other modes, typically resulting in fatalities and severe damages. In comparison to commuter trains, freight trains are usually longer and travel more slowly; consequently, a mile-long train rumbling through an at-grade crossing will close the highway crossing for longer times, resulting in longer time delays and increased emissions as drivers are idling as they wait for the train to clear. A long train blocking multiple parallel roadways in the same city for an extended period of time also poses a public safety problem as these closures impede emergency vehicle access. While LA County can count the Alameda Corridor project and Alameda Corridor-East program as major efforts to invest in safety improvements and grade separations at high priority rail/highway crossings, many more will require improvement in future years.

Noise Impacts

Noise coming from trucks, locomotives and loading/unloading activities can negatively affect local residents. The greatest noise impacts come from roads and rail lines, which often run through or adjacent to residential neighborhoods that predominately represent minority and low-income communities. Excess noise can be a health risk for nearby residents, possibly leading to hearing impairment. Most ports, railyards and cargo distribution centers are intentionally located in industrial areas, where their noise has less impact. Yet even the fringes of industrial areas can have impacts where they meet the edges of residential areas if the land uses are not compatible.

Aesthetic Impacts

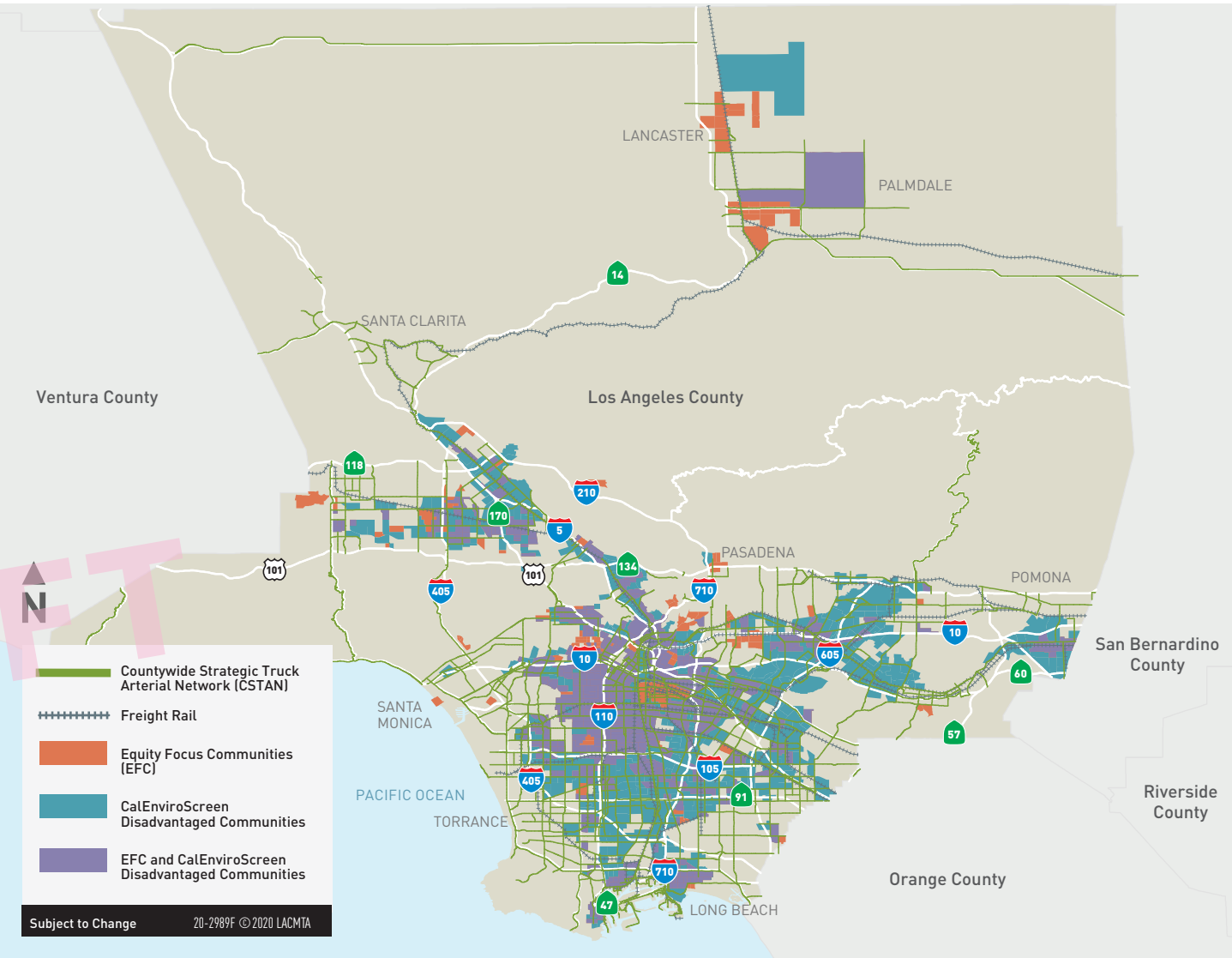
Depending upon the location, local conditions and facility design, goods movement facilities can have varying aesthetic impacts on communities. Some facilities may be the result of redevelopment and provide an improved use for the local community, replacing blight or other undesirable uses with attractive architecture, building design and landscaping. However, goods movement facilities can also cause aesthetic or visual impacts during and after construction, including degrading the appearance of an area, restricting views, illuminating neighborhoods with excess light and glare, or featuring building and landscape designs that are not well-suited to a surrounding community’s design.

All of the aforementioned impacts above fall predominantly on low-income communities and communities of color; they generally can be traced to racial discrimination in housing, its impact on the design and growth patterns of Los Angeles and the inequitable distribution of improvement funds throughout the region.

Members of disadvantaged communities – through which many truck and rail corridors traverse – describe past local transportation investments and proposed mitigations as non-responsive to their needs. The many impacts of goods movement on these communities is an important issue to address and correct moving forward.

Figure 30

INEQUITABLE IMPACTS





# We acknowledge past wrongdoings.

## Redlining

Nearly a century of residential racial segregation practiced and enforced by law and public policy impacted tremendously the site and alignment selections of many of the freeways on which goods are moved today. These public policies also resulted in the degradation of service qualities and limited access to financing mechanisms, open space and basic needs such as food, safety and transportation. Over time the impacts of such government policies and actions have created severe, enduring effects on equity, and the gap in disparities continues to widen<sup>77</sup>. Many of the negative impacts from goods movement activities that harm LA County's residents are tied to locations of communities and their proximity to freeways and goods movement facilities. Metro has established equity and inclusion as an agency-wide goal; for us to improve the future quality of life for all, we must understand the past and its impacts still felt today.

Racial discrimination in housing was legal until 1968 in the United States. Legally-sanctioned redlining policies created inequitable impacts on the patterns of development, financial investment, infrastructure and social dynamics in LA County communities.

The legacy and ongoing ripple effects of these discriminatory policies constitute an integral part of any discussion about transportation and the county's goods movement system. Redlined communities across the county struggled to receive federally-backed home loans due to such policies, which made home ownership a challenge. These policies also made loans for home improvement difficult for homeowners in these communities. "Neighborhoods fell into a circle of decline: the inability to access capital led to disrepair and the physical decline of a community's housing stock, which in turn reinforced the redline designation."<sup>78</sup>

## Freeway Construction and Displacement

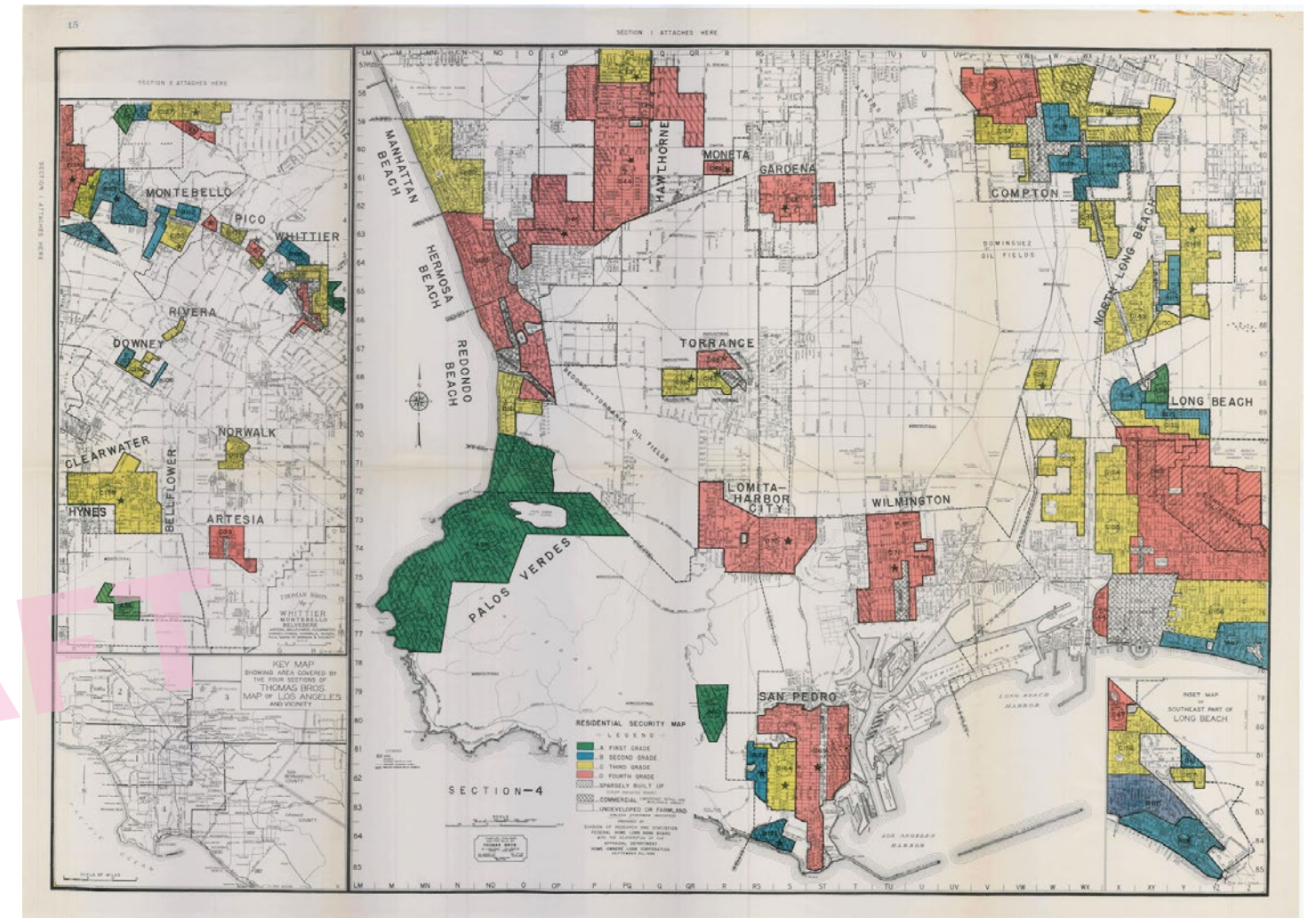
The federal Home Ownership Loan Corporation (HOLC), a government-sponsored corporation created as part of President Franklin D. Roosevelt's New Deal, created a rating system to assess mortgage risk for various communities, with an A rating reserved for communities representing the best investments and a D-rating identifying communities deemed "hazardous". These ratings then in turn led to neighborhoods assigned a D-rating to be designated as an area through which to construct new freeway projects, creating greater community impacts.



Source: John Humble. Construction of I-105 on-ramp in Lennox neighborhood of LA County.

Figure 31

## HISTORICALLY REDLINED COMMUNITIES IN SOUTH LA



Source: [kcet.org/shows/lost-la/segregation-in-the-city-of-angels-a-1939-map-of-housing-inequality-in-la](http://kcet.org/shows/lost-la/segregation-in-the-city-of-angels-a-1939-map-of-housing-inequality-in-la)

In Boyle Heights, for example, proposed freeway projects were approved leading to the neighborhoods on the Eastside being bisected and disrupted by six freeways, displacing 10,000 people and destroying the cohesive nature of the community.

The residual influence of redlining, officially brought to an end by the Fair Housing Act of 1968, could still be felt in LA County with the construction of the 105 Freeway between Norwalk and El Segundo. By the time the \$2.2 billion freeway opened on October 15, 1993, approximately 25,500 people were displaced, and 8,000 structures were destroyed or removed along a wide swath that cut through predominantly minority communities adjacent to Imperial Highway.

Unlike previous freeway projects, the final 105 Freeway project received multiple mitigations as the result of a lawsuit and a preliminary injunction that halted freeway construction in 1972, leading to a federal consent decree that included "a housing program, jobs program, jobs training program, affirmative action program" and, eventually, the Metro C Line (Green)<sup>79</sup>.

As Metro seeks to implement Measures R and M – and as we work with our partners to improve LA County's goods movement system – we must remain conscious of these historical inequities, engage in dialogue with impacted communities and work toward addressing these issues through our policies, programs and projects.



# What is COVID-19 teaching us about goods movement?

When LA County Supervisor Kathryn Barger (in concert with City of Los Angeles Mayor Eric Garcetti, City of Long Beach Mayor Robert Garcia and City of Pasadena Mayor Terry Tornek) announced the Safer-at-Home Public Health Order on March 19, 2020, in response to the rapidly growing COVID-19 pandemic, daily life changed dramatically for LA County's over 10 million residents.

As the nation's largest county grappled with an unprecedented “black swan” event that shut down the economy and imperiled the health of its residents, our goods movement system strained but did not break in the critical effort to connect people to fundamental needs such as food, medicine and supplies.

The vital importance of simultaneously moving goods and people attracted national attention during the COVID-19 pandemic, illustrated by the Trump Administration identifying transportation and logistics workers as essential critical infrastructure workers in guidance issued by the Cyber & Infrastructure Security Agency on March 19, 2020<sup>80</sup>. Once vaccines and new treatments are developed and mass produced, the logistics industry will play a crucial role in ensuring fast and efficient national distribution.

When the supply chain flows the movement of goods can seem “invisible” and easily be taken for granted. In contrast, COVID-19 demonstrated that a resilient, reliable and flexible supply chain can help society remain stable in the face of global disruption. As the pandemic continues to impact transportation planning and supply chain management, we anticipate policymakers will need to consider and adapt to new goods movement trends and challenges going forward.

## Online Shopping – from Trend to Necessity

COVID-19 established as a necessity the growing trend for consumers to shop using e-commerce. Millions of LA County residents began or expanded their use of online shopping – a shift reflected nationally as U.S. consumers spent \$347.26 billion via online shopping over the first six months of 2020, a 30.1% increase over the same period in 2019 (\$266.84 billion), despite the pandemic not taking hold until mid-March of 2020<sup>81</sup>. Similarly, nationwide grocery online shopping volume increased by 570% over the first few months of the pandemic<sup>82</sup>.

Large and small businesses alike have struggled to stay open, with many closing permanently, contracting their number of stores, or filing for bankruptcy – as 21 major North American retailers did over the first five months of the pandemic<sup>83</sup>. With customer traffic at brick-and-mortar locations drying up, businesses – particularly restaurants – suddenly found themselves needing to adapt by accommodating or expanding online pickup and delivery options.

The opportunity to acquire goods through online shopping not only helped businesses stay afloat and prevent additional job losses, but also provided a safe and secure method to acquire groceries, meals, medical supplies and PPE for some of our most vulnerable residents unable to drive or risk public exposure to COVID-19.

## Integration of Goods Movement Needs into First/Last Mile, Sidewalk and Curbside Planning

Experts predict that the current level of online shopping will likely remain even after vaccines become available and people begin to work in offices again – a “new normal” that will drive more home deliveries and curbside pickups, creating new public policy decisions for local jurisdictions. Many cities have adapted to COVID-19 by temporarily replacing parking spaces with loading zones and allowing outdoor sidewalk and on-street dining (such as Los Angeles City's “L.A. Al Fresco program”<sup>84</sup>) to support commercial activity, create safer dining environments and meet the public's desire to acquire goods in a contactless manner. The continued surge in home deliveries – aided by companies like Amazon, UPS, Uber Eats and DoorDash – will lead to increasing truck traffic on residential streets as more purchases and goods will be delivered to the doorstep.

Too often city and regional planners have developed plans overseeing curbside mobility, sidewalk usage and first-last mile connectivity without adequate consideration for the needs of residents acquiring goods at home or at the curb. COVID-19 has illustrated quite clearly that transportation planning is strongest when it integrates and balances the movement of people and goods to support vital commercial activity, public health, personal mobility and quality of life needs.

## Supply Chain Management Practices

COVID-19 exposed as vulnerabilities the efficiencies that allowed companies to reduce costs through just-in-time delivery and leaner inventories, leading to delivery delays and depleted store inventories that created shortages of food, medical supplies and PPE.

U.S. farmers especially had a challenging time getting their fresh produce to market, due to the design of the pre-pandemic distribution network to move 40% of food to restaurants and fast food establishments for consumption<sup>85</sup>. These shortages and supply chain breakdowns, coupled with abnormal consumer behaviors like panic buying and hoarding early on in the pandemic, created indelible images of half-empty stores being picked over as people snapped up essential items such as toilet paper, hand sanitizer, bottled water, beef and eggs. Additionally, person-to-person interactions within the supply chain led to outbreaks of COVID-19, such as those that shut down major meat suppliers like JBS and Tyson Foods Inc<sup>86</sup>.

To protect better against disruptions to the global supply chain caused by future pandemics, businesses may need to consider storing more inventory and sourcing items more locally to protect against future shortages. The logistics industry may also move to reduce person-to-person contact within supply chain interactions and facilities, such as filling out forms when entering a port complex, through technology and automation.

## We Must Keep Equity in Mind

As communities adapt to life during and after the pandemic, we must remain vigilant to recognize and mitigate unanticipated impacts to vulnerable communities caused by changes in the supply chain or new barriers to accessing goods. COVID-19 has exposed existing racial and economic inequities in goods movement-affected communities – home to many essential logistics workers – as demonstrated by higher mortality rates linked to health impacts caused by long-term exposure to freight emissions<sup>87</sup>. Metro, as a leader in reducing disparities and improving equity throughout LA County, must also develop policies and funding strategies to respond to existing and new goods movement equity problems created or exacerbated by COVID-19.





# LA County's competitiveness is at risk.



All of these trends – a history of inequitable investments and impacts, increasing freight demand on a congested shared use highway and rail system, rapidly evolving industry and workforce needs and competing demands for limited funding sources – will, if left unabated, undermine the competitiveness of LA County as a place that offers a skilled and knowledgeable workforce, safe and healthy living and a strong multimodal transportation network that collectively position our county as the nation's gateway of choice.

The region's commitment to and success in enhancing our county's economic competitiveness in a sustainable and equitable fashion will empower Metro and its partners to achieve LA County's much-needed and long-awaited economic, mobility, environmental and public health goals.

To pursue comprehensive and holistic approaches to addressing these interconnected challenges, the goods movement stakeholders and Metro worked collaboratively to identify challenges and opportunities facing LA County that should inform the purpose of the plan. Metro convened a Freight Working Group – comprising representatives from public agencies, the private sector and community groups – to guide our planning process and ensure that a broad range of perspectives was reflected therein<sup>88</sup>. Metro neither controls, operates nor maintains many aspects of the regional goods movement system. Convening and seeking input from myriad leaders and stakeholders involved with or impacted by this vast “system of systems” helped to ensure the plan reflects and meets the needs of the various public and private agencies, community groups and entities that plan, operate, use, depend on, are affected by and live near our essential countywide goods movement system.

## What is economic competitiveness?

The World Economic Forum (WEF) defines economic competitiveness as “the set of institutions, policies and factors that determine the level of productivity of a country” and tracks 114 performance indicators to evaluate a nation's productivity. If LA County were a nation, its Gross Domestic Product of \$867 billion would rank 18th in the world<sup>89/90</sup>.

## Why is it important?

Sustained economic growth remains a critical pathway out of poverty, a core driver of human development and a crucial catalyst for improving living standards.

## Can we achieve economic competitiveness, equity and sustainability concurrently?

Decades of focus on economic growth without equal focus on inclusion and environmental impacts have resulted in uneven, inequitable consequences that impact society at the local and global level. Growth and shared prosperity started to decouple in most of the world's advanced economies in the 1970s. Over the last 50 years, this trend has been accelerated by factors such as globalization, technology, increased market concentration, a decline in public and private productivity-enhancing investments, an inequality of opportunities that limit social mobility and hysteresis effects of economic downturns that disproportionately affect the poor. All of these factors have created forms of inequality that we experience today.

As further elucidated by the effects of COVID-19 exacerbating existing equity fault lines, achieving economic competitiveness, equity and sustainability simultaneously becomes less a question and more a necessity. These goals must be merged into a single sustainable and inclusive economic growth agenda. The WEF's 2019 Global Competitiveness Report explores the relationship between competitiveness, shared prosperity and environmental sustainability and demonstrates how no inherent trade-off exists among building competitiveness, creating more equitable societies, providing opportunity for all and transitioning to environmentally sustainable systems<sup>91</sup>.

**We're creating an economically competitive LA County  
by moving goods in a sustainable way.**

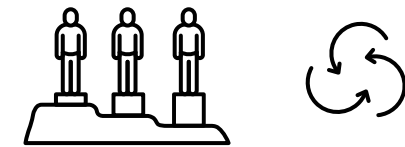
Figure 32

## Our Framework



This framework (*Figure 32*) provides a structure through which to evaluate and make improvements to LA's freight competitiveness in a sustainable way that is consistent with the priorities and values of Metro and the regional stakeholders. These elements will serve as the framework for Metro's goods movement planning activities as we pursue integrated and holistic approaches to improve mobility, accessibility, safety and quality of life, while supporting economic sustainability, equity and prosperity.

**We embed our guiding values into everything we do.**



## Equity and Sustainability

*How can we achieve competitiveness that is founded on equity and sustainability?*

This question – and challenge – is the foundation of the Sustainable Goods Movement Framework. It reflects Metro's commitment to correct inequity within the county, while balancing environmental, economic and social goals. As core values, equity and sustainability must permeate the four priorities of the Sustainable Goods Movement framework and create observable impacts on their development. This plan recognizes that countywide prosperity needs to be based on equity and inclusion. To do so both equity and sustainability need to be considered as a starting point and foundation for any goods movement planning activities and resulting policies, strategies and project concept development. Each of the framework's priorities, described next, will consider and incorporate equity.

### Equity Considerations:

- > What are the measurable outcomes and benchmarks for equity, and how do we track progress?

# Priorities to advance LA County’s competitiveness.



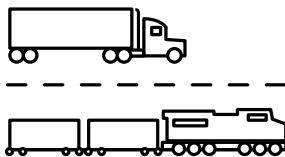
## A Strong Labor Force

*Do existing policies and programs position the local labor force to support the goods movement industry of tomorrow? What are the education and skill gaps and opportunities for partnership? Does the regional transportation system connect workers to goods movement jobs?*

LA County must capitalize on new employment opportunities by investing in education and training. Local training institutions emphasized the gap in employer desired skills and our current workforce skillsets, particularly in heavy equipment handling, welding, automotive technology and certified automotive electricians. The types of employment opportunities in the logistics sector are changing rapidly, with an increasing number of technology intensive jobs that require special skills. The increasing jobs-housing imbalance across the county and a lack of quality accessibility to these jobs within an hour by public transit or reliable transportation are important equity determinants that hinder quality of life and LA County's competitiveness. Ensuring pathways for our workforce to harness opportunities is a key to LA County's quality of life and economic sustainability.

### Equity Considerations:

- > What are the mechanisms for inclusive employment particularly for those who have been underserved, and how do we establish them?
- > How can Metro support educational and training institutions to offer wraparound services, including food, shelter and childcare to benefit students who are struggling?
- > Does LA County provide reliable and convenient transportation means to help people get to jobs and training programs, particularly those that neither own personal vehicles nor can afford one?



## A Safe and Efficient Multimodal System

*How can we ensure the shared use multimodal system safely meets future demand as the population grows and responds to changes in the way people and goods move?*

The ability of the county's multimodal freight transportation infrastructure to move goods safely, efficiently and effectively has significant implications for LA County's freight competitiveness and Metro's ability to meet the mobility needs of LA County residents and businesses. The majority of the freight transportation system in the county is shared infrastructure that also accommodates passenger mobility needs. Some areas of the county's goods movement transportation system are already operating at capacity or are expected to reach capacity in the foreseeable future. An efficient multimodal system is a prerequisite for minimizing negative impacts to mobility of both freight and passengers, while ensuring sound economic activities that are supported by transportation services.

### Equity Considerations:

- > What is the role of technology in improving system productivity and safety to benefit us all?
- > What are the quantifiable goods movement impacts in communities of color and low income that have not received much attention?
- > What are the remedies and benefits that most impacted communities should be prioritized for, and what performance metrics can be used to track the progress?
- > What can Metro do to facilitate inclusive economic growth through a multimodal system investment lens?
- > How can we work with communities and avoid unnecessary displacement and impacts when upgrading regionally-significant infrastructure facilities?



## Strong Markets and Reliable Supply Chains

*Do we have a strong, articulated and coherent economic strategy to develop a vital mix of businesses and policies to foster a vibrant and inclusive economy? Are we aware of and protecting against external threats that can disrupt our markets and supply chain?*

For LA County to thrive it must have a strong economic strategy that supports the needs of our businesses, industries and residents. A reliable, responsive and socially responsible goods movement system is a foundation that supports such a strategy. This priority reflects the relationship of LA County's existing diverse markets, large workforce size and well-developed logistics system to global supply chains, and contemplates the best ways for the county to pursue competitiveness as part of a sustainable and inclusive growth agenda. Our investment decisions must support a strong economic strategy that is committed to providing all residents access to and the benefits generated by a prosperous, equitable economy.

### Equity Considerations:

- > What can Metro do to facilitate inclusive economic growth by supporting local businesses and workforce investment?
- > What are the measurable outcomes that we can use to assess effectiveness of our investments in building strong, diverse markets and supply chains that support progress towards equitable and inclusive economic growth?
- > How can Metro partner with local communities and businesses to concentrate economic opportunities and sustainable practices in areas most affected by the movement of goods?



## A Culture of Investment and Innovation

*Is the mix of regional leadership, policy environment and available capital sufficient to support investments in infrastructure and technology? How do we balance our unique regulatory and policy environment with the need for private sector investment?*

To develop fully the ecosystem of complementary industries that stimulate transportation infrastructure investment and innovation, LA County must desire to invest in both catalytic infrastructure and intellectual capital. LA County is already a well-established incubator for emerging transportation technologies. The county can also take advantage of four voter-approved sales tax measures to invest in its multimodal transportation system and serve as local match to attract state and federal discretionary funding. This culture of investment and innovation must be further nurtured to facilitate a full suite of investment, infrastructure improvements and technology advancement to reap further benefits.

### Equity Considerations:

- > What are the mechanisms to ensure the benefit of such innovation and investments are also felt across the county, and by everyone, equitably?
- > What is the role of Metro in investing in capacity building of organizations who advocate for inclusive economic growth?
- > How can Metro anticipate and mitigate potential unintended impacts on equity as a result of new, disruptive technologies and innovations in the goods movement sector?



# How will we get to better?

Metro has developed the LA County Goods Movement Strategic Plan to facilitate an equitable, sustainable, robust and economically competitive goods movement system throughout the county. This plan provides a framework to guide Metro's goods movement-related activities, investments, partnerships, policies and decision-making over the next five to seven years.





# Here’s our roadmap.

### Goods Movement Vision

Metro’s Goods Movement Vision was developed in consultation with various goods movement stakeholders that actively engaged in the development of the plan. It sets a direction for Metro as a leader and partner in shaping a more competitive and equitable LA County by serving as:

- > A **national leader** and **regional partner** in implementing a modern, responsive, coordinated and effective freight transportation system through policies, programs and projects that support a competitive global economy; and
- > A steward of **equitable and sustainable investments** and **technological innovation** that will increase regional economic competitiveness, advance environmental goals and provide access to opportunity for county residents.

Metro will implement this vision by undertaking a series of activities that will allow the region to preserve and enhance LA County’s competitiveness in an equitable and sustainable manner. This package of recommendations, summarized in Figure 33 and detailed in the next section, presents an opportunity for Metro to take a leadership role in addressing

goods movement issues in the county, working with local, regional, state and national partners as appropriate. Each of the following focus areas will be supported by specific implementation steps.

Freight movements have impacts across boundaries – jurisdictional boundaries between individual cities in LA County and beyond our county borders; interest boundaries among the public, private and community sector; and institutional boundaries, both among and within agencies, including myriad divisions within Metro. Implementing this plan will require Metro to work across these boundaries, both within and outside the agency, to help the region to make progress on its mobility, economic, environmental and equity goals.

### Building Equity as a Foundation

In August 2020 the Metro Board adopted an agency-wide definition for equity to guide Metro’s work in this space and create project-specific equitable outcomes. This plan recognizes that disparities and challenges exist in our current goods movement system throughout LA County, and they will persist if we do not intentionally work to eliminate them.

Metro’s Equity Platform is a policy framework which was adopted by the Board in February 2018. It defines steps for Metro to maximize its transportation authority as a lever to evaluate and address disparities in accessing opportunities that lead to upward social and economic mobility. Equity Focus Communities (EFCs) – defined by the Board in 2019 through the assessment of non-white populations, car ownership rates and annual income – are those communities most heavily impacted by gaps in equity throughout the county.

To establish a more comprehensive framework that considers goods movement impacts, the EFC definition was enhanced to incorporate air and water pollution impacts, the presence of hazardous wastes and the rates of asthma and heart disease using CalEnviroScreen data (Figure 30). This expanded definition will be used throughout this strategic plan to ensure our activities are consistent with Board guidance while reflecting the real impacts of goods movement on our most vulnerable communities. Through ongoing dialogue with equity stakeholders, we will further refine and ground truth this definition with input from the Equity Freight Working Group.

\*CalEnviroScreen identifies California communities by census tract that are disproportionately burdened by, and vulnerable to, multiple sources of pollution.

### Metro’s Definition of Equity

Equity is both an outcome and a process to address racial, socioeconomic and gender disparities, to ensure fair and just access – with respect to where you begin and your capacity to improve from that starting point – to opportunities, including jobs, housing, education, mobility options and healthier communities. It is achieved when one’s outcomes in life are not predetermined, in a statistical or experiential sense, on their racial, economic or social identities. It requires community informed and needs-based provision, implementation and impact of services, programs and policies that reduce and ultimately prevent disparities.

Figure 33  
Strategic Goods Movement Early Action Initiatives

INITIATIVES	DESCRIPTION	LEAD	PARTNER
1. Equity for Goods Movement	Initiate a recurrent goods movement-focused task force comprising equity-focused stakeholders as a forum to give and receive input to guide Metro’s planning efforts on goods movement related issues.	●	
2. LA Metro Countywide Clean Truck Initiative	Develop a Countywide Clean Truck Initiative to accelerate the deployment of near-zero and zero emission trucks in the region to address air quality and public health concerns, particularly for our most vulnerable communities along major freight highway corridors.	●	●
3. Southern California Rail Investment Partnership	Craft a public-private framework for a collaborative freight rail investment partnership focused on improving the region’s shared use freight rail corridors.	●	●
4. Urban Freight Delivery	Mainstream urban delivery and curbside demand issues across other planning efforts within Metro and LA County jurisdictions to achieve coordinated solutions to address these challenges.	●	●
5. Logistics Workforce and Competency	Ensure that LA County has a strong labor pool to support its economy and fill the jobs of tomorrow through research and initiatives to identify and address workforce skillset gaps and investment need.		●





## Initiative 1: Equity for Goods Movement

Over the past few years, Metro has acknowledged and embraced the need to understand equity issues and incorporate recommendations into its various planning processes. Metro initiated the LA County Goods Movement Strategic Plan in the wake of this heightened commitment and sought from the onset to understand better the relationship between goods movement and equity and how best to acknowledge past impacts, mitigate existing issues and identify future opportunities to improve the lives of county residents most affected by the movement of goods through the region. The plan and the Sustainable Freight Competitiveness framework that emerged through dialogue with the mosaic of goods movement stakeholders in LA County reflect our collective commitment to establish equity as the fundamental driver for shaping policies, initiatives and projects that are intended to result in inclusive economic competitiveness.

In recent years Metro has formed the Policy Advisory Committee (PAC), worked with various stakeholders to assist in the creation of the Board-approved Equity Platform and put forth its definition of what equity means to the agency. These actions demonstrate how Metro is investing considerable effort and resources to understand equity concerns and risk factors to address impacts to vulnerable communities in its major planning initiatives and programs<sup>92</sup>. Metro should also broaden and institutionally formalize its communication channels to seek regular input from community-based organizations (CBOs) and equity-focused non-profit groups to better understand LA County's diverse ecosystem and existing health disparities. Metro will work to center our most impacted communities in the process of planning, identifying benefits and benchmarks and developing and implementing solutions to our equity challenges so that transportation and economic investments in the LA County goods movement system will result in outcomes that elevate the well-being and environmental conditions of our most impacted communities.

More than just a symbolic gesture of support for equity issues, Metro's designation of equity as the core value of the LA County Goods Movement Strategic Plan's Sustainable Freight Competitiveness Framework reflects the consensus support of our stakeholders and will serve as an ever-present reminder that implementation of strategies developed through the framework must be achieved in a way that lifts up those communities most marginalized and impacted by the movement of goods through the nation's most vital seaports and trade corridors. Metro must see through the lens of equity and sustainability as we develop programs, projects and policies that create safer and more efficient multimodal freight systems, maintain a resilient supply chain, generate a strong labor force and foster a culture of investment and innovation all in support of maintaining LA County's economic competitiveness in the national and global economy.

Actively and frequently engaging affected communities in the development, refinement and implementation of the plan's programs and strategies will be crucial for Metro to achieve its goal of creating a relevant, effective and forward-thinking LA County Goods Movement Strategic Plan that serves the needs of the entire county, today and for generations to come.



Source: Rick Loomis/Los Angeles Times/Getty Images

Strategy 1.1

Engage in meaningful, ongoing dialogue with equity-focused stakeholders and experts to develop a deeper understanding of equity issues, risk factors and disparities so that equity considerations are mainstreamed in Metro's Goods Movement planning efforts.

ACTION	LEAD	PARTNER
1.1a Establish a formal, recurring Goods Movement Equity Initiative Working Group comprising representatives from community-based organizations (CBOs), non-profits, universities, health agencies and foundations to elevate understanding of equity issues within Metro's planning practice.	●	●
1.1b Develop communication channels with residents and local businesses to fully understand how they are impacted. Establish on-going coordination mechanisms with other equity-focused committees and activities within Metro and with other regional efforts to ensure effective, consistent and collaborative planning, development and deployment of goods movement equity goals throughout Metro and within LA County.	●	●
1.1c Include representation from the Goods Movement Equity Initiative Working Group at the Policy Advisory Council.	●	

Strategy 1.2

Develop a list of equity risk factors that are most affected by goods movement activities and create performance measures to track progress and link Metro's equity promises and accountability.

ACTION	LEAD	PARTNER
1.2a Apply Metro's Equity Platform to work with CBOs, public health, environmental and academic partners to identify equity risk factors and disparities that are most affected or exacerbated by goods movement activities in LA County to serve as focus areas for Metro's goods movement planning initiatives.	●	
1.2b Develop performance measures in consultation with affected communities, advocacy groups and subject matter experts to be used to track progress on disparities associated with goods movement impacts.	●	●
1.2c Create a linkage between Metro's budget and funding priorities and equity risk factors to ensure that Metro investments support closing the equity gaps.	●	
1.2d Collaborate with other Metro departments to develop a mechanism to provide just compensation for CBOs to meaningfully engage in Metro's planning processes and seek to make it part of Metro's agency-wide policy.	●	

Strategy 1.3

Develop an information clearinghouse on goods movement equity strategies and programs in partnership with other departments within Metro in support of an agency-wide Equity Program.

ACTION	LEAD	PARTNER
1.3a Work with Metro's Office of Equity and Race and other departments to develop a collaborative system to disseminate information on Metro's initiatives on equity through updates provided to the public and within Metro.	●	
1.3b Collect, maintain and distribute information on LA County goods movement equity programs (e.g., scope, eligibility, available funding) to impacted parties.	●	
1.3c Develop and distribute a white paper on goods movement equity issues for use by Metro and its partners to advance understanding of these issues.	●	



## Initiative 2: LA Metro Countywide Clean Truck Initiative

Metro should lead a Countywide Clean Truck Initiative to reduce toxic emissions from the movement of goods transported by diesel-powered trucks throughout LA County. To accomplish this goal, the initiative must secure funding, develop and advocate for supportive policies and programs and foster partnerships to accelerate the delivery and use of clean medium- and heavy-duty trucks. Investing in cleaner truck technologies and supporting infrastructure, particularly around high volume trade corridors in LA County, can help improve air quality and public health in equity-focused communities and the region as a whole. The initiative is consistent with Governor Newsom's Executive Order N-19-19, which calls for aligning transportation investments with the state's emissions goals through a wide deployment of clean vehicles, and Executive Order N-76-20, which sets as a state goal that 100% of medium- and heavy-duty vehicles in California be zero-emission by the year 2045 for all operations where feasible, and by 2035 for drayage trucks<sup>93/94</sup>.

A successful Countywide Clean Truck Initiative will feature several hallmarks. First, the initiative will be built upon Metro's partnership with local communities and regional, state and federal agencies; private entities, such as the trucking industry; original equipment manufacturers for vehicles and charging infrastructure; and energy suppliers. Second, the initiative will attract federal and state investment into LA County, lower the total cost of ownership of zero-emission trucks and facilitate the development of a market environment that further stimulates the acceleration and market penetration of clean vehicle technology. Third, the implementation of the initiative will help advance a variety of individual clean truck programs – starting with the programmatic element of the I-710 Environmental Impact Report/Environmental Impact Statement (EIR/EIS), which would unlock additional transportation enhancements along critical trade corridors and accelerate the delivery of public and private benefits. Finally, the initiative will help cement Metro's position as a leader in developing and implementing innovative solutions that address community, sustainability, public health, transportation and goods movement challenges.

This Countywide Clean Truck Initiative will complement, enhance and leverage existing efforts already underway in LA County. These efforts include the Ports of Los Angeles and Long Beach Clean Air Action Program (and associated Clean Truck Program), LA Cleantech Incubator programs, Mobile Source Air Pollution Reduction Review Committee investments, the AQMD Community Air Protection Program (AB617), and other emerging efforts. Metro should also find opportunities to link the work of this initiative with existing efforts to transition transit fleets to zero-emission technologies in the region, including Metrolink's fleet modernization strategy and Metro's Board-adopted goal to electrify its bus fleet and divisions by 2030.

Metro's countywide leadership role in transportation and sustainability provides an opportunity to convene stakeholders across the region, develop collaboration in support of the initiative and complement and enhance existing programs – all while incorporating the input and needs of affected communities, the market readiness of clean fuels and technology and the operating requirements and financial constraints of the trucking industry. Through the initiative, Metro will strive to eliminate some of the greatest health and air quality impacts – particularly for equity-focused communities – caused by the transportation and goods movement industry in LA County.



Source: Port of Los Angeles



Strategy 2.1

Establish a formal, recurring Countywide Clean Truck Initiative Working Group consisting of representatives from community groups, local/state/federal agencies, the trucking industry, air quality regulators, the ports, utilities, Caltrans, researchers and manufacturers.

ACTION	LEAD	PARTNER
2.1a Ensure affected communities are actively engaged in the design, development and implementation of the program throughout its lifespan.	●	
2.1b Working with Metro's Office of Equity and Race, identify equity issues related to the development and implementation of the initiative, focusing on avoiding unnecessary financial, operational and quality of life burdens on equity-focused communities.	●	
2.1c Develop subcommittees to focus on equity implications, coordination with existing regional efforts, technology and funding/financing.	●	
2.1d Ensure that planning, development and deployment of vehicle technologies and supporting infrastructure take place in a concerted and simultaneous manner.	●	●
2.1e Work with regional partners to ensure that LA County will have a sufficient labor pool with appropriate skillsets to meet the increasing demand for new technology-based vehicle and infrastructure maintenance and operations.	●	●
2.1f Identify and prioritize specific clean truck programs to be developed through the initiative.	●	●
2.1g Propose governance and delivery mechanisms to oversee and implement the initiative's various programs.	●	

Strategy 2.2

Develop an information clearinghouse in partnership with other agencies for Countywide Clean Truck Initiative programs.

ACTION	LEAD	PARTNER
2.2a Develop a collaborative structure for maintaining an information clearinghouse with local, regional, state and national partner agencies.		●
2.2b Collect, maintain and distribute information on local, regional, state and national truck programs (e.g., scope, eligibility, available funding) to impacted parties.	●	
2.2c Develop a white paper in partnership with key stakeholders focusing on the characteristics, challenges and opportunities facing the trucking industry in LA County.	●	

Strategy 2.3

Establish revenue streams to fund the Countywide Clean Truck Initiative.

ACTION	LEAD	PARTNER
2.3a Secure Metro-controlled funding as seed funding.	●	
2.3b Identify opportunities to leverage seed funding.	●	
2.3c Develop or advocate for augmented or new revenue streams to support ongoing implementation of clean truck technology countywide.	●	●

Strategy 2.4

Develop scope, funding eligibility, funding methods, evaluation processes, performance metrics and performance monitoring mechanisms for programs developed through the Countywide Clean Truck Initiative.

ACTION	LEAD	PARTNER
2.4a Coordinate with other established programs.	●	
2.4b Define eligibility requirements and evaluation process.	●	
2.4c Finalize funding levels, financing options and funding strategies.	●	
2.4d Identify delivery mechanisms and governance needs.	●	
2.4e Develop performance metrics to measure success.	●	
2.4f Develop a performance monitoring system.	●	
2.4g Identify opportunities to work with and leverage existing regional efforts to develop and implement zero-emission transit fleets and infrastructure, including co-locating zero-emission charging and fueling infrastructure to serve public and private sector operations.	●	●

Strategy 2.5

Develop and implement the 710 Clean Truck Program on the I-710 corridor.

ACTION	LEAD	PARTNER
2.5a Create and initiate the 710 Clean Truck Program Steering Committee.	●	
2.5b Develop program parameters and evaluation process.	●	●
2.5c Receive and incorporate feedback and input from community groups into the design of the program.	●	
2.5d Coordinate the implementation and evaluation of the program with Metro's Highway Program, the Gateway Cities COG, local, regional, state and national stakeholders from both the public and private sector, including utility and supporting infrastructure providers.	●	
2.5e Identify lessons learned and recommend modifications to the Countywide Clean Truck Initiative and other clean truck programs developed by or coordinated with Metro.	●	



### Initiative 3: Southern California Rail Investment Partnership

LA County's historical role as the nation's pre-eminent freight gateway heavily relied upon the continual development of its expansive freight rail system connecting the SPB Ports to intermodal yards, manufacturing centers, farms, businesses and markets throughout the region and country. To continue competing in an ever-changing global economy and supply chain landscape, LA County's past investment in its freight rail system must serve as prologue if we are to handle effectively the oft-dueling demands of an anticipated increase in national container cargo set to flow through the SPB Port Complex and for a more environmentally-responsible and equity-conscious movement of goods through our local communities.

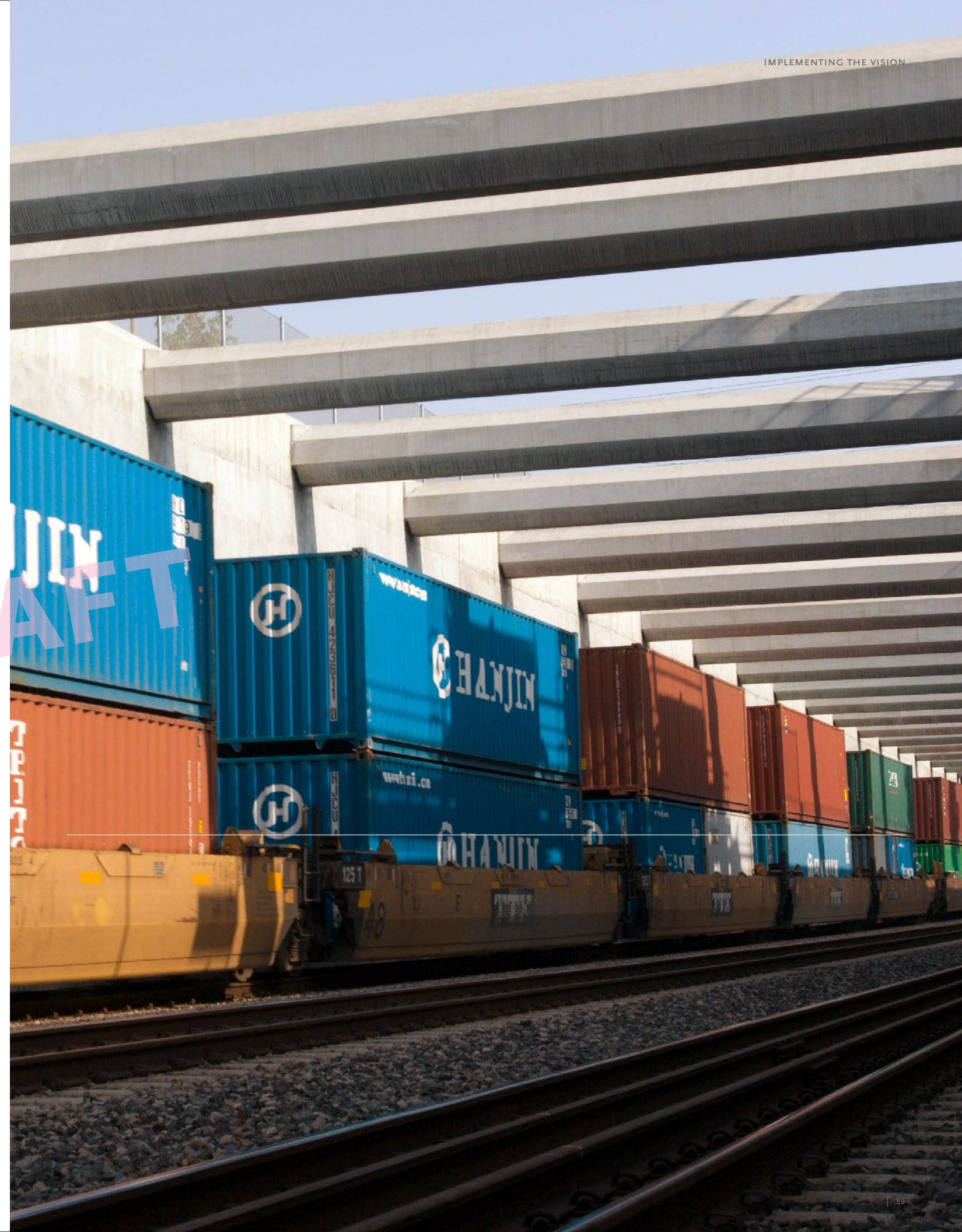
Improving the region's freight rail network – primarily owned and operated by Class I freight railroad companies Union Pacific Railroad (UPRR) and BNSF Railway – will help secure LA County's future competitiveness as a gateway for global trade by supporting vital container movements to and from the ports at the requisite volumes and speeds to keep up with demand for goods generated or consumed in every congressional district in the United States<sup>95</sup>. Targeted investment in safety, capacity and efficiencies will help the SPB Port Complex stave off competition from rival North American ports that siphon vital economic and employment benefits generated by the handling of discretionary cargo.

Expanding the throughput and upgrading the safety of the region's freight rail system will also create opportunities to augment passenger rail service that improves mobility and air quality throughout Southern California by shifting long-distance commuter trips from car to train. The Southern California Regional Rail Authority (Metrolink) and Amtrak operate commuter and intercity rail service (respectively) in LA County, often on shared use freight rail corridors owned by UPRR and BNSF. In particular, Metrolink's goal to increase service, per its Southern California Optimized Rail Expansion (SCORE) program, must meet the challenge posed by constrained rail capacity with strategic investment in and partnership with the freight railroads to secure additional tracks, grade separations and supporting technology. Additional freight rail capacity will also support a regional goal to move more cargo by train versus truck – where possible – to reduce highway congestion and improve regional mobility.

Metro keenly understands that adding more freight rail capacity – and thereby more passenger and freight locomotive activity – must also come with a commitment to mitigate and eliminate externalities (e.g., localized diesel particulate matter and rail/highway at-grade crossing conflicts) to ensure that increasing rail traffic – through natural or incentivized demand – will not inflict additional public health and equity impacts on residents adjacent to freight rail rights-of-way.

The enormity and complexity of goods movement in LA County – and in Southern California – creates challenges to the development of a strategic optimization of the regional freight rail system. While freight, intercity and commuter rail services operate on shared tracks throughout much of the region, no formal institutional arrangement currently coordinates investment priorities across these public and private entities that serve different stakeholders. Despite the new federal funding opportunities provided by the 2015 FAST Act, including \$4.5 billion authorized in discretionary INFRA (formerly FASTLANE) grants, LA County received only one award (\$47 million) in the five-year program, despite our importance to the United States as a national economic engine and international trade gateway. LA County would be well-served to develop a coordinated effort to influence federal policy, expand funding opportunities and advocate for its fair share of discretionary grant awards.

Existing conditions on the existing regional rail system, operational performance and limited capacity will require dramatic improvement to meet our county's aggressive air quality, sustainability, public health and mobility goals. As the regional transportation planning agency, leading provider of public transportation and major funder for transportation infrastructure that facilitates goods movement in LA County, Metro should serve as the catalyst to transform the regional freight railroad network. To accomplish this goal Metro should convene major freight rail stakeholders to develop a formal rail partnership program that will identify project priorities and create a strategic investment plan to modernize the existing regional rail system while keeping equity and public health as important goals to achieve together. Such an effort could be modeled after and built upon successful programs in Chicago (Chicago Region Environmental and Transportation Efficiency [CREATE] Program), the mid-Atlantic states (Mid-Atlantic Rail Operations [MAROps] Task Force) and here in LA County with the Alameda Corridor Transportation Authority (ACTA) and Alameda Corridor-East Construction Authority (ACE).





Strategy 3.1

Develop a freight rail investment partnership for LA County.

ACTION	LEAD	PARTNER
3.1a Identify and convene major freight rail stakeholders in LA County to develop an investment strategy to advance the investment needs of LA County’s freight rail system.	●	
3.1b Develop principles for organizing the partnership and guiding collaboration among stakeholders.		●
3.1c Identify a collective work plan to identify investment priorities collectively, clear public policy objectives and deliver key milestones for the partnership.		●
3.1d Update the LA County Goods Movement Strategic Plan when necessary with the realization of key milestones and adoption of additional scope of work.	●	

Strategy 3.2

Assess and implement opportunities to realize equity and sustainability goals.

ACTION	LEAD	PARTNER
3.2a Work with necessary stakeholders to determine areas where the partnership should work together to develop and implement programs and projects that support regional and local equity and sustainability goals, while supporting LA County’s economic competitiveness.		●
3.2b Incorporate community-focused benefits, such as vocational training, workforce development and employment opportunities.	●	●

Strategy 3.3

Develop an LA County Freight Rail Investment Legislative Platform.

ACTION	LEAD	PARTNER
3.3a Working with partnership stakeholders, develop a legislative platform that articulates a consistent message for investment in LA County freight rail infrastructure.	●	●
3.3b Identify existing funding sources, seek opportunities for new funding sources and develop a strategy to secure the investment necessary to realize partnership priorities.		●
3.3c Seek opportunities to influence federal legislation and secure funding for partnership priorities.	●	●

Strategy 3.4

Support regional mobility goals through the improvement of shared use transportation infrastructure.

ACTION	LEAD	PARTNER
3.4a Develop a compelling narrative to support and communicate the benefits to freight and passenger rail through investment in the LA County freight rail system.	●	●
3.4b Evaluate multimodal projects and programs that could provide benefit to the LA County freight rail system.	●	●
3.4c Humanize transportation infrastructure through public outreach and discussion on the myriad benefits of investment in the LA County freight rail system for local residents.	●	●
3.4d Assess rail multiple unit technology usage on the Metrolink system (i.e., the Antelope Valley Line ZEMU pilot and Redlands Passenger Rail Project) to determine the feasibility for using this technology to provide transit connectivity on freight rail corridors.	●	●
3.4e Integrate freight and commuter rail planning elements and priorities into ongoing and future multimodal highway corridor planning studies and implementation strategies.	●	●



## Initiative 4: Urban Freight Delivery

The volume in urban freight delivery is rapidly growing due to a burgeoning population in the urban core and demand for faster deliveries, considerably generating congestion on local streets. Increasing demand for the same curb space from other uses, including bike share and other shared mobility services, residential street parking, transit services and pedestrian access, adds to the competition for the limited space. Given the multitude of activities that demand the use of limited real estate along the curb, figuring out optimal use cases and demand management strategies that will ensure safe and efficient urban delivery – while enhancing accessibility and providing high-quality mobility service through a world-class transportation system – is a daunting task.

The relationship between how urban delivery demand is generated and how it is fulfilled, along with associated operational requirements and deficiencies, needs to be understood and analyzed before public agencies establish related policies and strategies. In vibrant urban environments many activities require frequent deliveries, including retail stores, restaurants, grocery stores, hospitality industry, offices, medical clinics and residential buildings. Many cities across the country have embraced the concept of complete streets and road diets to enhance pedestrian and bicyclist experience and safety in pursuit of creating vibrant communities. Lack of consideration for freight vehicles in such concepts have, however, created unintended consequences such as conflicts and dangerous conditions for both freight vehicle operators and other roadway users<sup>96</sup>. These instances highlight the pressing need to approach urban mobility, accessibility and safety in a comprehensive manner that truly includes all users, including urban delivery service providers.

Metro's Vision 2028 calls for a travel speed improvement on the countywide bus network by 30% as one of Metro's mobility and accessibility goals. Metro buses operate in a complex urban environment with other users including delivery trucks. Achieving this goal will require Metro to collaborate and coordinate in a robust manner with divisions across the entire agency, including Operations, Program Management, the Office of Extraordinary Innovation, Countywide Planning & Development and others.

Local streets and curb space are primarily managed and maintained by local jurisdictions, many of which rely on multiple departments to oversee all aspects of this work. Within the City of Los Angeles, for example, the entities that exert responsibility for curb space regulation and usage include the LA Department of Transportation (LADOT);

the Department of Public Works which includes the Bureaus of Engineering, Sanitation, Street Lighting and Street Services; and the Department of Water and Power. Involvement of various city departments over curb space is a common practice among the 88 cities and over 100 unincorporated communities in LA County. Understanding local jurisdictions' needs, processes, regulations and their mobility and accessibility goals is a crucial factor in developing policies and strategies aimed to facilitate efficient and effective practice for curb space uses throughout the county.

Within this complex environment Metro recognizes an opportunity to play an influential role in curbside demand management across LA County, both within Metro and in collaboration with its jurisdictional partners, delivery companies and local businesses. Metro's countywide reach through its extensive service and multimodal approach to transportation investments well positions the agency to lead initiatives through partnerships with local agencies and stakeholders to develop efficient curbside use practices. Through its existing governance and institutional structures, Metro should vet how best to utilize its strength as a regional convener and policymaker to coordinate curbside demand management approaches with its regional partners and users. For example, Metro's Freight Working Group comprises members that represent industry stakeholders engaged in urban delivery. This group provides a foundation for Metro to fully understand common challenges experienced by service providers, identify best practices and explore collaborative solutions to curbside conflicts. In 2019 Metro led a major effort to bring a countywide awareness of curbside demand management concerns by partnering with the Federal Highway Administration to convene the LA Metro Curbside Demand Management Symposium, drawing participation from several Metro departments and cities across the county. With all five county supervisors and representatives for all of LA County's 88 cities on its Board, Metro wields unique political power to benefit local, regional, state and federal partners by creating a platform to develop best practices and policy recommendations, secure grant funding and conduct pilot programs to test concepts and generate data.

Metro should build upon the success of the Freight Working Group, synthesize lessons learned from the FHWA-sponsored symposium and use existing governing and institutional structures to develop policies and strategies to help Metro meet the Vision 2028 goals through the lens of efficient and effective urban delivery and curbside demand management.





Strategy 4.1

Understand the scope and magnitude of issues surrounding urban delivery issues across the county.

ACTION	LEAD	PARTNER
4.1a Initiate research efforts to understand the types of issues that are experienced by urban delivery service providers and receivers through data collection and analysis; also, identify directly impacted stakeholders.	●	
4.1b Identify hotspots and root causes.	●	
4.1c Coordinate with local jurisdictions, Metro's Office of Equity and Race, other Metro departments and community groups to identify and develop strategies to overcome equity challenges related to curbside mobility and first/last mile goods movement issues.	●	●
4.1d Develop potential solutions to be tested through pilot projects.	●	
4.1e Work with industry and local stakeholders to develop a review of near-term and long-term impacts to and best practices for curbside mobility as a result of COVID-19.	●	●

Strategy 4.2

Continue the curbside mobility forum as a recurring event.

ACTION	LEAD	PARTNER
4.2a Serve as a platform to exchange information on challenges and issues, the current state of practices and best practices on curbside demand management operations, plans and policies by various organizations and users.	●	
4.2b Maintain a robust membership featuring local jurisdictions, Metro departments and local curb space users.	●	
4.2c Develop a countywide curbside mobility partnership strategy.	●	
4.2d Develop best practice guidance for LA County's curbside demand management, including equity considerations.	●	●

Strategy 4.3

Develop Metro's Curbside Mobility Policy platform.

ACTION	LEAD	PARTNER
4.3a Document and understand operational issues and challenges faced by Metro Bus Divisions with respect to existing conditions at curbside approaches.	●	
4.3b Document and understand operational issues and challenges faced by Metro's mobility groups that manage mobility programs, such as bike share, on-demand services and first/last mile connectivity.	●	
4.3c Engage with Metro's groups involved with Complete Streets Policy, Active Transportation Policy, Transit Corridor Planning, First/Last Mile and Sustainability Plan to explore ways to incorporate urban delivery considerations to minimize unintended consequences of minimizing or excluding freight needs.	●	●
4.3d Develop an equity-focused element in partnership with the Office of Equity and Race and key stakeholders to be included in this platform.	●	
4.3e Create linkages between this platform and other technology-focused efforts, such as the Countywide Clean Truck Initiative and regional transit operations, to assess opportunities to reduce emissions associated with curbside mobility operations.	●	

Strategy 4.4

Create a countywide data portal for curbside demand management.

ACTION	LEAD	PARTNER
4.4a Serve as a clearinghouse for curbside asset inventory.	●	
4.4b Serve as a clearinghouse for regulations and ordinances that govern curb space use case at the local, regional and state level.	●	

Strategy 4.5

Pursue pilot projects to test findings from all the aforementioned efforts.

ACTION	LEAD	PARTNER
4.5a Develop pilot project concepts and select candidate locations based on the work from Strategy 4.1.	●	●
4.5b Seek partnership within Metro and with external partners for funding and implementation.	●	●



## Initiative 5: Investment in Logistics Workforce and Competency

The continued success of LA County as a global freight gateway not only depends on the quality of the multimodal freight infrastructure and the connections among its industries, gateways and supply chain service providers, but also on the quality, quantity and mobility of the regional workforce. The labor pool required to support the goods movement sector is diverse and evolving in order to fulfill many roles required within myriad supply chain activities. Moreover, changes in technology and supply chain strategies to respond to ever-changing delivery expectations are increasing the complexity and sophistication of logistics operations, thereby creating new demands on and expectations of worker skills and knowledge.

Consequently, cultivating and supporting this workforce requires careful coordination across many partners, from workforce development entities and academic institutions that identify and train workers to the employers that hire them. Training the goods movement workforce with the right skills to meet evolving industry needs is critical to maintaining the Los Angeles area's competitiveness as the nation's gateway of choice and sustaining the region's economic vitality. Further, investing in the nurturing of the local workforce through targeted hiring and pathway provisions for members of LA County's underserved communities is an effective tool to correct disparities witnessed in race, income and educational attainment.

As a transportation planner and coordinator, designer, builder and operator for LA County, Metro takes the importance of investing in workforce development to heart. Metro has institutionalized training programs, developed career pathways and instituted targeted hiring policies in the public transit field. Specifically, Metro established the Workforce Initiative Now-Los Angeles (WIN-LA) program; the Expose, Educate & Employ (E3) initiative and associated Metro Transportation School; and the Project Labor Agreement and Construction Careers Policy (PLA/CCP) to provide exposure, educational programming and career pathways in construction, operations/maintenance, administration and professional services both within Metro and throughout the transit industry. Many of the skills developed as part of Metro's programs – particularly related to project management, data visualization, forecasting and compliance – also apply broadly across industry sectors, including goods movement and logistics. Consequently, Metro's workforce development efforts in the transportation sector and other agencies in the logistics sector are ripe to be paired together to create overlapping and mutually reinforcing efforts, in support of regional equity and economic growth.

The industry's recognition of the impact of mobility and accessibility on employment and one's economic and upward social mobility continues to grow. In LA County only 3.3% of goods movement jobs are accessible within a one-hour transit trip. Students in trade schools have identified the lack of a reliable means of transportation as a major barrier to access apprenticeship and internship locations to obtain work experience and complete training programs. Metro and its regional transit partners should consider linking their transit services to goods movement-related industrial locations. Doing so will help close equity gaps created by a lack of transportation opportunity.

A well-trained and competent labor pool is a foundation for a region that embraces innovation and strives to be competitive. While the provision of goods movement-specific workforce development training may not seem to be Metro's core purpose, its relevance becomes clear once one considers that Metro serves important roles as an employer, workforce development partner, a regional mobility provider and a policymaking body. Through dialogue with key stakeholders, several opportunities were highlighted where Metro could serve as a regional leader and partner in advancing workforce competency goals.

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Source: Performance Team



Strategy 5.1

Partner with academic and research institutions to pursue applied research to understand gaps in skills and competencies of the region’s logistics workforce that are sought after by employers.

ACTION	LEAD	PARTNER
5.1a Inventory existing regional workforce development and training programs managed by regional stakeholders, like METTRANS, the SPB Ports, Long Beach City College, Los Angeles Unified School Districts and other community colleges to identify institutional resources in this effort.	●	●
5.1b Work with the partners mentioned in 5.1a to further Metro’s understanding on workforce skill and competency gaps in detail (e.g., at job classification levels).	●	●
5.1c Fully understand transferable skills between the transit and logistics industries and their benefits to articulate Metro’s workforce investment priorities.	●	

Strategy 5.2

Expand Metro’s partnership with trade schools, community colleges and major employers to offer opportunities to experiment and validate existing workforce development programs.

ACTION	LEAD	PARTNER
5.2a Assess whether existing workforce development programs meet the worker and employer needs, and draw suggestions for Metro’s workforce development programs.	●	

Strategy 5.3

Expand Metro’s local and targeted hiring policies to benefit historically disadvantaged community members.

ACTION	LEAD	PARTNER
5.3a Evaluate existing Metro policies on local and targeted hiring to gauge enhancement areas to ensure that Metro’s hiring policies are designed to close equity gaps. These considerations may include CalEnviron disadvantaged communities’ designation, access to reliable transportation, criminal history, income, race and education attainment.	●	
5.3b Consult communities, labor and business groups to discuss and develop details of this strategy and implementation steps.	●	●

Strategy 5.4

Expand Metro’s current training programs with the foresight to train the workforce of the future to ensure it will be equipped to respond to changing technologies in the transportation and transit industry.

ACTION	LEAD	PARTNER
5.4a Define skills and competencies needed to operate and maintain clean technology trucks in conjunction with the Countywide Clean Truck Initiative.	●	
5.4b Institutionalize training and apprenticeship programs to build a consistent pipeline to fulfill regional workforce needs.	●	●
5.4c Join Metro’s Workforce Development Working Group led by the Human Capital & Development Department to ensure gaps in skills and competencies in logistics industries are integrated as opportunity areas for Metro’s workforce development initiatives.	●	
5.4d Assess potential near-term and long-term impacts to the goods movement workforce caused by disruptive technology, innovation and COVID-19 impacts, working in partnership with key stakeholders to develop a countywide perspective.	●	●

Strategy 5.5

Advocate for regional, state and federal funding programs for building and enhancing workforce development and competency to ensure that workers in LA County will be able to capitalize on employment opportunities.

ACTION	LEAD	PARTNER
5.5a Understand existing policies surrounding workforce development investment to set a foundation for creating funding-focused policies.	●	●
5.5b Establish a regional partnership around funding for workforce investment to develop local and regional revenue streams to provide LA County’s match contribution for any regional/state/federal grants opportunities.		●
5.5c Establish a regional funding advocacy campaign in coordination with key partners to call for increased/targeted funding for goods movement workforce development programs.		●
5.5d Define workforce skills and competency needs to support the LA Metro Countywide Clean Truck Initiative to maintain supporting infrastructure.	●	

Strategy 5.6

Improve the countywide transit service network offered by Metro and regional partners to meet the needs of the goods movement workforce and enhance its ability to access desirable jobs and training sites.

ACTION	LEAD	PARTNER
5.6a Understand disparities in access to jobs and trainings for workers and students who use transit services or lack reliable transportation means through a gap analysis of Metro’s transit service to identify opportunities to better serve future populations of workers.	●	
5.6b Develop recommendations to improve access to jobs and trainings throughout the day. For example, assess Metro’s ability to provide “third-shift” service and other nontraditional commute services for the goods movement workforce.	●	●
5.6c Partner with regional municipal operators to address these mobility issues in areas that are wholly or partially served by other transit agencies.		●



Implementing the Plan: Internal Next Steps for Metro

Metro serves as the regional transportation planning agency and the major operator of public transportation for LA County. Over the years as community and regional needs have evolved – and as the public prioritized a wide range of transportation priorities through the approval of two half-cent sales taxes over the past 13 years – Metro has expanded its focus beyond constructing transit projects and operating bus and rail service to the larger collective goal of providing mobility across all modes and improving the quality of life for all communities.

Metro CEO Phil Washington created the Office of Goods Movement Planning within the Countywide Planning & Development (CPD) Department in 2015 to centralize planning functions within the agency related to goods movement and to meet the planning challenges facing and seize funding opportunities available for LA County freight programs and projects. The auspicious timing of this action prepared Metro to respond to the federal government’s adoption of the Fixing America’s Surface Transportation (FAST) Act of 2015, which created the nation’s first freight-focused discretionary grant program (the Nationally Significant Freight and Highway Projects [NSFHP] program) and initiated a call for state freight plans to be created as a requirement to receive formula funding through the National Freight Highway Program.

In the wake of this new legislation more freight-related opportunities emerged at the regional and state level to advance goods movement planning activities and project. LA County voters overwhelmingly approved Measure M in 2016, which provided funding for major goods movement infrastructure needs, such as the Alameda Corridor-East (ACE) program and the State Route 57/60 Confluence project. California then approved Senate Bill 1, the Road Repair and Accountability Act of 2017, which reconstituted and provided \$300 million per year for a goods movement discretionary grant program now called the Trade Corridor Enhancement Program (TCEP).

Metro’s renewed focus on goods movement has had an instant impact, helping the agency in 2018 secure a \$47 million NSFHP grant for truck and High-occupancy Vehicle lanes on Interstate 5 in the Santa Clarita Valley and \$473.6 million in TCEP Cycle 1 funding for projects across LA County – \$354 million for Metro projects, \$78 million for ACE projects<sup>97</sup> and \$41.6 million for SPB Ports projects. Most recently in 2020 Metro received an additional \$335.9 million in funding from TCEP Cycle 2 for critical infrastructure improvements for the SR-57/60 Confluence (\$217.9 million) and the SR-91 Goods Movement Corridor (\$118.0 million)<sup>98</sup>.

Securing funding for infrastructure projects is only part of Metro’s vision for goods movement in LA County. Metro is focused on engaging its myriad partners across the region to build a stronger, cohesive and powerful voice to communicate LA County’s many goods movement needs to our state and federal partners. Metro also will work with its partners across the community, public and private sectors to advance our collective vision to achieve our broader, concurrent goals of economic competitiveness, environmental sustainability and social equity.

For Metro to be an effective partner to implement the LA County Goods Movement Strategic Plan and realize its ambitious goals for the region, we must also continue to work diligently within the agency to harness the expertise and talent of our colleagues and mainstream goods movement planning within Metro. Doing so will not only support the work of this plan but also help the agency achieve its Vision 2028 goal of moving people and goods efficiently and safely throughout the region.

Next Steps within Metro

Metro began the development of the LA County Goods Movement Strategic Plan by meeting with representatives from across CPD planning divisions and other Metro departments to determine (1) the goods movement impacts and opportunities that affected their work and (2) how the plan could help them meet their respective goals. What became clear during these discussions is that – given the shared use nature of our multimodal transportation system – goods movement issues do affect many aspects of Metro’s day-to-day work, including the safe operation of buses; development of complete streets and active transportation plans and programs; implementation of workforce development, sustainability and equity goals and construction of Measure R and M transit and highway projects.

Metro staff remained engaged throughout the development of the plan by participating in the Freight Working Group meetings, providing input and helping craft the plan’s vision, goals and early action initiatives. With the plan now complete, it is time to re-engage our colleagues and continue the work to mainstream goods movement planning needs within the agency in support of a more holistic and seamless regional transportation system that moves people and goods efficiently and safely.

Recommendations

1. Re-engage departments and staff that provided input into the plan to identify opportunities to mainstream goods movement planning needs within the agency.
2. Work within the CPD framework to integrate, update or expand goods movement-related planning goals and needs within existing and future planning documents.
3. Convene a quarterly meeting and provide online opportunities for Metro staff to remain aware of current trends and relevant issues related to goods movement.
4. Support efforts to explore, develop and implement new goods movement-related technologies, including the zero-emission pilot project for the Antelope Valley Line and the Metrolink Fleet Management Plan update.
5. Support multimodal corridor planning efforts and develop a cohesive CPD planning effort that integrates goods movement, highway, regional rail, congestion reduction and transit corridor planning efforts holistically.
6. Work within CPD to develop a formal and regularly recurring curbside mobility working group that will bring together and support transit corridor, active transportation, goods movement, complete streets and other related planning efforts that deal with curbside management.
7. Work with relevant departments to identify and prepare goods movement-related projects that will be competitive for future discretionary grant opportunities to ensure that Metro will have sufficient projects eligible and ready to compete for funding from constrained state and federal competitive funding programs.
8. Explore the feasibility of deploying freight-compatible transit vehicles on existing freight rail corridors to enhance regional transit connectivity for disadvantaged communities adjacent to active rail corridors.
9. Work within CPD and with the Office of the CEO to advance the goals of Vision 2028, the Long Range Transportation Plan and the Office of Equity and Race through future goods movement-related planning activities.



# Let's get moving.

LA County has served as “America’s Global Freight Gateway” for many decades, linking consumers, markets, farms and manufacturers across the country to suppliers, customers and economic opportunities around the globe. More importantly, county residents and businesses have benefited from the employment, economic opportunities and quality of life offered by a vibrant goods movement system serving the nation’s most populous county and all of Southern California.

As international trade grows and the needs of our businesses and homes shift, the goods movement system and workforce must adapt and evolve to remain agile and ready to meet new demands brought on by disruptive trends, such as e-commerce and just-in-time shipping. Meanwhile, LA County continues to grow in population and need more goods, placing a greater emphasis on the efficient use of our existing highway, rail and curbside infrastructure to allow the increased movement of goods to flow unimpeded by and make room for other demands on the same facilities.

LA County will face many challenges – external and internal – to keep its standing as the nation’s dominant trade gateway. Focused and coordinated competition from other freight gateways in Canada and on the East and Gulf Coasts has undercut LA County’s economic position and eroded the SPB Port Complex’s national market share for the movement of imports and exports. Increasing traffic congestion on constrained shared use highway and rail corridors reduces the speed – and increases the cost – to move goods within and through the region. Recent labor disputes at the ports have led to shippers moving discretionary cargo through other ports to reduce risks to the supply chain and bringing products to market. LA County’s size – at times a boon – also creates additional layers of institutional conflicts and coordination problems as 88 cities and over 100 unincorporated communities offer differing priorities, visions and policies through which goods movement operates.

Most importantly, LA County must overcome a long history of equity impacts to many communities adjacent to freight corridors by reducing displacement, implementing mitigations, creating employment opportunities and improving public health for those residents most burdened by the movement of trucks and trains through the region. Additionally, the county faces stringent mandates to reduce truck and locomotive emissions and improve regional mobility to attain federal standards for air quality conformity.

Meanwhile, international trade wars, tariffs and COVID-19 remind us that not every peril can be expected or planned for at the regional level – but creating a resilient freight system will help protect LA County from major – and unforeseen – external disruptions to its supply chain, economy and workforce.

Moving LA County forward – together – toward a future marked by greater equity, economic opportunity and public health for all will require a concerted effort across the spectrum of stakeholders involved with, dependent upon and impacted by the movement of goods through the region.

Metro has convened these stakeholders – public agencies and private businesses, community groups and elected officials, universities and non-profits, manufacturers and technology experts, truck drivers and warehouse workers, to name a few – to identify a common vision and purpose for the LA County Goods Movement Strategic Plan. Our partners have spent many months helping us develop the plan’s Sustainable Freight Competitiveness Framework, which is grounded in the principle of equity. In the many workshops and conversations we held in-person across the county, virtually and by telephone, our stakeholders have identified five priority strategies to be implemented as early action initiatives to advance our collective equity, economic and environmental goals in support of a shared LA County vision for goods movement in the 21st Century.

Through these partnerships Metro seeks to engage communities more directly to understand and address equity issues, to create strategies to improve the highway and rail infrastructure across the county, to deploy cleaner truck and train technology as soon as possible to improve air quality and public health, to help provide the necessary training and education to generate the local logistics workforce of tomorrow and to support our communities’ management of local freight conflicts at the curb and on city streets. By creating a more resilient and efficient goods movement system, LA County will support regional, state and national economic growth even in the face of trade tariffs, COVID-19 and the disruptions of tomorrow. Implementing the priorities of our plan will require a unified regional voice as we work with our state and federal partners to develop pilot programs, supporting legislation and funding opportunities to advance the economic, environmental and equity goals of LA County and its goods movement stakeholders. Together, we can achieve this future. Let’s get moving.



Source: Port of Long Beach



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<sup>74</sup> National Environmental Justice Advisory Council, Reducing Air Emissions Associated with Goods Movement: Working Toward Environmental Justice, 2009.

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<sup>79</sup> Hillel Aron. The Last Freeway, Slake, July 2011. *longreads.com/2015/03/23/the-last-freeway*

<sup>80</sup> Christopher C. Krebs. MEMORANDUM ON IDENTIFICATION OF ESSENTIAL CRITICAL INFRASTRUCTURE WORKERS DURING COVID-19 RESPONSE. *cisa.gov/sites/default/files/publications/CISA-Guidance-on-Essential-Critical-Infrastructure-Workers-1-20-508c.pdf*

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<sup>86</sup> Jacob Bunge. Fresh Wave of Meat Plant Shutdowns Unlikely, JBS USA Chief Says. *The Wall Street Journal*. October 5, 2020. *wsj.com/articles/fresh-wave-of-meat-plant-shutdowns-unlikely-jbs-usa-chief-says-11601935477*

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Michael Cano, *Deputy Executive Officer*  
Goods Movement Planning, Metro



*canom@metro.net*



*metro.net/goodsmovement*

DRAFT



**Metro**<sup>®</sup>

Los Angeles County  
Metropolitan Transportation Authority



**Attachment B – GMSP Public Comments and Support Letters**  
Organizations

Organization	Comment #	Specific to the Plan or Early Action Initiatives	Comments Received
California Transportation Commission (CTC)	1	The Plan	Fix the misalignment in Figure 3 on page 11.
	2	The Plan	What are some of the financial and environmental challenges of building “near dock” facilities?
	3	The Plan	How feasible/helpful would it be to offer free transit to logistics workers to help solve the job access/housing issue?
	4	Southern California Rail Investment Initiative	Are there additional strategies that are part of Initiative 3 the Southern CA Rail Investment Partnership that are still being developed?
Pacific Merchant Shipping Association (PMSA)	5	The Plan	When the document discusses mitigating the impacts from port-related freight, it should acknowledge that the ports lead the world and have in place policies that exceed California’s own goals for having reduced and continuing to reduce freight-related impacts.
	6	The Plan	Competitiveness and mitigation are discussed separately. At some point, the two issues should be brought together. Cost-effectiveness is the key metric to ensure you are reducing impacts and retaining competitiveness.
	7	The Plan	Total costs must be considered in the context of competitiveness, including mitigation. As a result, it is important that measures that reduce cost are considered within the plan. For example, having multiple disparate and potentially contradictory impact mitigation strategies in the County/State will substantially increase costs and not necessarily meaningful emissions.
	8	The Plan	It should be stated that proposed mitigation plans must consider what emission or impact reduction they provide (in both amount and duration) in excess of existing and proposed rules. Otherwise, the same emission reductions could be “purchased” twice.
	9	LA Metro Countywide Clean Truck Initiative	<b>Strategy 2.4a:</b> should be revised to state: Coordinate and ensure consistency with other established programs.
	10	LA Metro Countywide Clean Truck Initiative	<b>Add Strategy 2.4g:</b> Develop program requirements that maximize emission reductions, minimize costs, and ensure emission reductions are real, surplus, quantifiable, and permanent.
	11	LA Metro Countywide Clean Truck Initiative	<b>Strategy 2.4h:</b> The program should include coordination with surrounding regional planning agencies to ensure that bottlenecks improved here do not become bottlenecks in Riverside, San Bernardino, or Orange Counties.
	121	The Plan	I wanted to note that I loved all the anecdotes about local businesses that rely on the ports. In that vein, I wanted to draw your attention to Figure 7 in the attached POLB Economic Impact Report. The figure shows the beneficiaries of exporters through the Port of Long Beach. Unsurprisingly, the areas that most light up in the figure are all in California. It’s another example of how our local businesses are dependent on a healthy goods movement system to remain competitive that you may want to consider referencing.

Coalition for America's Gateways and Trade Corridors (CAGTC)	13	The Plan	<b>Summary of Our Challenges:</b> that caught my eye: “Goods movement has previously been treated in ways that are either in alignment/misalignment with other Metro goals and priorities.” I may have missed it, but I couldn’t find a detailed explanatory paragraph or section explicitly addressing that. Is it implying Metro’s first priority has historically been passenger mobility, which can at times be in misalignment with freight mobility?
Coalition for America's Gateways and Trade Corridors (CAGTC)	14	The Plan	Also, Figure 16 looks incorrect to me. I don’t think any of requests are in the trillions and I am having a difficult time reconciling the numbers. Its also a bit confusing because the title of the figure is “California Project Funding Gaps” but I assume that the INFRA and BUILD charts are looking at overall funding gaps and not just the California applications?
Caltrans District 7	15	The Plan	I suggest that the agency look for global solutions more critically. For many years, France has had a system where large (18 wheelers, tankers, and extremely large) trucks have restrictions on times and days where they are not allowed to share the road with passenger cars and trucks. Since COVID, traffic has declined, but with so much road work on our freeways, sharing the roads is still a challenge to many. The discontinuation of Driver Ed programs in the high schools has not helped. Truck rest areas MUST be established strategically for safety reasons, especially for long distance drivers. Auto-pilot systems in trucks and trains need strong oversight. Without these kinds of considerations, I fear the increase in negative impacts to our environment and the humans who interact with commercial transport will not be beneficial to either.
	16	The Plan	Existing wording suggests labor disputes are on-going or at least pervasive. Consider presenting labor aspect in a larger context.
	17	The Plan	Suggest adding a year for each of the stats presented. Will a source be identified for each of these stats (either as a footnote or as part of narrative elsewhere in this document)?
	18	The Plan	<b>Figure 3:</b> As a general comment, some of the information under Plans and Funding Programs does not seem to be placed on the row associated with the most applicable agency. Some plans, such as the California Sustainable Freight Action Plan, are multi-agency effort. As a suggestion, footnotes could be added for each of the column headings, explaining the context of the information provided under the respective headings and the information could be organized accordingly. It is suggested that this table not be constrained to a single information item under the Plans and Funding Programs headings.
	19	The Plan	Do all these employees live in LA County, or is the \$44 million in labor income to employees who worked--just in LA County, but did not necessarily reside in LA County?
	20	The Plan	At the outset it is stated that \$166 billion in taxable sales transactions occurred. It is subsequently stated that the retail and food service sectors contribute to sales tax revenue tremendously, generating \$11.6 billion in sales taxes. There is no comparative information to illustrate how substantial a percentage the \$11.6 billion is.
	21	The Plan	<b>Linking Farmer and Consumer:</b> If possible, it would be helpful to the larger narrative, if the data reference could be 2018 as it would help to further contextualize the macro data identified in Figure 7.

	22	The Plan	<b><u>Supplying an Island Getaway:</u></b> As the Catalina Island particulars identified in this regard are quite unique, it is suggested that if feasible and possible, another geographical/community example be added, with different population demographics.
	23	The Plan	<b><u>Responding to a Global Pandemic:</u></b> Because the economic impacts attributable to the COVID 19 pandemic have been so dynamic it is recommended that any/all data included in that regard be as contextually specific as possible. For example, if the decrease referenced above is specific to the month of February that should be clearly indicated, as the ports have been doing much better the last couple of months.
	24	The Plan	In the specific context of this sentence it is not clear how, "...greater equity for LA County." ties in.
	25	The Plan	Recommend including some brief data about what WIN-LA has accomplished. Separately, as a suggestion--if this paragraph is not already organized this way, that the information be provided in some particular order—either chronologically or based on the number of people the respective programs serve.
	26	The Plan	Is the reference to trucks in the second sentence, all classes of trucks or just HD trucks? Recommend including this clarification as medium and light duty trucks are not necessarily diesel powered.
	27	The Plan	The document understood to be referenced in footnote 29, SCAG's 2012 Comprehensive Regional Goods Movement Plan and Implementation Strategy, "On The Move-Southern California Delivers The Goods," states on page 31: "Truck congestion in urban areas within the SCAG region resulted in approximately \$2.6 billion in costs due to wasted labor hours and fuel in 2010." As the earlier part of this paragraph references information in the context of 2018, it is recommended that if this information from SCAG's 2012 document is going to be included that the entire sentence be utilized.
	28	The Plan	Recommend revising this sentence. Trade tariffs have been impacting the ports for approximately two years, but COVID only goes back the last 6 months and as noted above, the impacts of COVID have notably lessened (in terms of port volume activity the last couple of months). Also, the ports have been losing market share to other ports for many years.
	29	The Plan	Link below provides access to monthly data updates, including air cargo. Most of the 2020 to 2019 year over year comparisons, by individual months, were decreases in 2020 until the month of May this year. In comparing year to date (January to February, January to March, etc.) between 2020 and 2019, 2020 is less than 2019 in every monthly report, though July's is close to even. Is there a separate source that indicates that air cargo volumes have increased at LAX specifically due to COVID (was that increase possibly specific to transport of medical supplies)?
	30	The Plan	As this plan is specific to LA County it is suggested that this sentence be revised to state, "...key trade corridors and arterials located in Los Angeles County that already...."

	31	The Plan	<b>Summary of Our Challenges, first item:</b> Depending on what was intended to be highlighted with this first challenge, it is possible that the third challenge fully captures it, and the content of the third language is more direct. Aligning with Metro's goals and policies would be thought to be a benefit rather than a challenge. Suggest revising "All of these challenges..." to "All of the above challenges, separately and combined, undermine...."
	32	The Plan	<b>Freeways:</b> It is suggested that the following, all excerpted from SCAG's 2020 RTP/SCS Goods Movement Technical Report (page 47), be incorporated into the discussion provided under Freeways Subject heading: With continued growth in freight demand, regional truck-related activities will increase over Connect SoCal's horizon. SCAG's Heavy-Duty Truck (HDT) model is the primary analysis tool used to evaluate the impacts of truck traffic and highway goods movement strategies on the regional transportation network.
	33	The Plan	<b>Ports, last sentence:</b> Although the assertion in the last sentence that there are financial and environmental challenges associated with building "near dock facilities," is likely well enough understood generally—as is—to not require further elaboration, the lack of information regarding any other way(s) that capacity pressures at port facilities might be relieved, suggests that it is the only way.
	34	The Plan	<b>Rail, first sentence:</b> Given the extraordinary impacts of the pandemic on usage of mass transit, is the 2025 increase in passenger usage of Metrolink still considered applicable?
	35	The Plan	<b>Streets, second sentence:</b> Is it possible the pandemic has already altered the identified doubling timeline?
	36	The Plan	<b>Losing National Market Share, third paragraph:</b> There may be some range of perspectives on what POLA and POLB have identified in their respective Master Plans (and other plans), but it seems like they both enjoy substantial support and it would seem fair to observe that both ports have visions of handling more cargo than they handle now.
	37	The Plan	<b>Evolving Workforce Needs, first paragraph:</b> Picker and Packers (also known as Pick Packers) usually work in retail, logistics, wholesale or manufacturing warehouses and distribution centers. 'Pick' refers to choosing and picking up the items on the order form or 'picking slip', while 'pack' refers to packing the order and getting it ready for transportation. As a picker packer, you use a computer or scanner to check inventory and locate items. In considering the above description of a pick-packer, it might not be an example of a skill set that is unrelated to automation.
	38	The Plan	<b>Air Quality Challenges and Implications, third paragraph:</b> The first paragraph on this page identifies, ships, trucks, and trains. Is it possible to identify ships' contribution to NOx emissions? Perhaps consider replacing "are no easy tasks" with "are tasks that will require substantial reductions in criteria pollutants."
	39	The Plan	<b>Congestion at the Curb:</b> Although there continues to be buzz about autonomous vehicles and drones, the timeframe for when either technology will play a prominent role in freight movement seems to still be, at best, uncertain. The increasing traffic associated with urban freight delivery is already a transportation issue. Regarding the last



			sentence in this paragraph, if feasible (and possible), it is suggested to consider including some reference to recent efforts on this subject that have been worked on by SCAG and by New York City DOT.
	40	The Plan	<b><u>Economic Disparities, first paragraph:</u></b> The second sentence states, "The goods movement sector creates well-paying jobs for both skilled and unskilled workers, which typically include benefits such as health insurance, retirement packages or pensions, for example." Is this across the board or is it limited to only certain employers and/or positions? Recommend clarifying.
	41	The Plan	<b><u>Traffic and Safety Impacts, second paragraph:</u></b> Regarding "at-grade rail/vehicle collisions, do the percentages correlate to the percentages of the vehicle type, i.e. there are more freight trains than passenger trains and there are more passenger vehicles than "freight" trucks. Regarding the third sentence, it is noted that the speeds of trains are regulated just as the speeds of vehicles are regulated. Regarding the fourth sentence, is there any sort of data indicating the frequency in which a train impacted an emergency vehicle's ability to respond to an emergency timely?
	42	The Plan	<b><u>Equity Considerations:</u></b> Who will be able to participate in the discussions that identify the four respective sets of equity considerations (for A Strong Labor Force, A Safe and Efficient Multimodal System, Strong Markets and Reliable Supply Chains, and A Culture of Investment and Innovation)? District 7 would appreciate being included in these discussions.
	43	The Plan	<b><u>A Culture of Investment and Innovation:</u></b> The existing text under this subject heading is well crafted. As an observation, as one of the most critical challenges involves garnering substantive support from the private sector as well as optimizing coordination amongst critical public sector agencies and community groups, is consideration being given to establishing one or more standing working groups, to help facilitate success in this regard? The LA version of CREATE (which hopefully can benefit from understanding any hurdles that hampered Chicago)? Would this be the focus of the "...recurrent goods movement-focused task force..." identified in Initiative 1?
	44	The Plan	<b><u>Incorporating Equity Considerations, second paragraph:</u></b> Suggest changing "To capture the creation of new or aggravated inequalities in our communities, we..." to "In order to establish a more comprehensive composite of the inequalities experienced in our communities, we...."
	45	Southern California Rail Investment Initiative	Although there are substantial freight rail facilities located in Los Angeles County, the Class 1 railroads that operate within the county have a much larger geographical focus. Additionally, the State has a strong interest in rail, from both a passenger and freight perspective. Perhaps consider identifying Metro as "Partner" rather than "Lead?"
	46	Urban Freight Delivery Initiative	Recognizing the sheer number of local jurisdictions involved, if feasible and possible, it would seem likely that there would be increased chances for measurable progress if Metro were "Lead" instead of "Partner."
	47	Equity for Goods Movement Initiative	Perhaps consider adding a discussion referencing and/or tying into the three AB 617 community efforts located within Los Angeles County?

	48	LA Metro Countywide Clean Truck Initiative	As the environmental document for the I-710 Corridor project is addressing both State and federal requirements (which among other things, facilitates the ability to pursue federal funding, it is recommended to reference the I-710 environmental document as "I-710 Environmental Impact Report/Environmental Impact Statement (EIR/EIS)." It may not be common knowledge that the "Mobile Source Air Pollution Reduction Review Committee," is an AQMD committee.
	49	LA Metro Countywide Clean Truck Initiative	<b>Strategy 2.1:</b> It is recommended that Caltrans be added to this working group as the state highway system would be anticipated to be a regular focus of efforts in this regard. Strategy 2.1, Actions 2.1d and 2.1e. For actions 2.1d and 2.1e, might it make more sense for Metro to "Partner?"
	50	Southern California Rail Investment Initiative	In the last sentence, it is suggested to delete the word "regional," as the demand for a more environmentally-responsible (and sustainable) movement of goods is—and will be, multi-faceted.
	51	Urban Freight Delivery Initiative	<b>Strategy 4.1:</b> The "curbside mobility working group" was not defined or discussed in the narrative under Urban Freight Delivery. It is recommended that some discussion of this group be included. Separately, it is recommended that Caltrans District 7 be included as part of the "curbside mobility working group" as there are many miles of conventional highway in Los Angeles County. Recommend Metro be identified as "Lead" for all actions under Strategy 4.3. Strategy 5.4, Action 5.4b. Recommend that District 7 be included as part of the Goods Movement Technology Working Group.
	52	The Plan	<b>Let's Get Moving, third paragraph:</b> Regarding the reference to the number of unincorporated communities in LA County in the last sentence, on page 64 the reference is to "...over one hundred..." Sixth paragraph. Are the five priority strategies, "...our stakeholders have identified..." the five initiatives included in this draft? If this is the case, it is recommended that the five priority strategies be specifically identified, either as part of this sentence or elsewhere in this paragraph.

## Attachment B – GMSP Public Comments and Support Letters

### Public Comments

Name	Comment #	Specific to the Plan or Early Action Initiatives	Comments Received
Jacob	53	The Plan	The plan does not investigate the use of Metro's rapid transit system for goods delivery, instead focusing on cleaner trucks and higher-capacity mainline rail corridors. However, the former does not improve traffic safety, only emissions; the latter does not improve transportation in the areas of LA county far from the freight lines. It is not obvious to me that reuse of Metro's system is possible (c.f. transportation scholar Alon Levy's remarks on the inherent difficulty of doing so at <a href="https://pedestrianobservations.com/2020/02/19/freight-rapid-transit/">https://pedestrianobservations.com/2020/02/19/freight-rapid-transit/</a> ). However, both Dresden and Karlsruhe are attempting to reuse their tram network for freight delivery, so I encourage Metro to study whether an analogous approach might be appropriate here.
Richard	54	Equity Initiative	To help separate and speedup both commuters and freight, build the 710 Freeway tunnel.
N/A	55	The Plan	No Metro does not lead or coordinate well, such as with the SR-710 North Extension and funds diverted to parking structures and use elsewhere in LACity. Also, poor coordination and absence of leadership killed the High Desert Corridor and the good center/corridor that would have greatly reduced air pollution throughout the eastern sector of SCAQMD and the I-110/I-710 corridor.
Tom	56	Logistics Workforce and Competency Initiative	Invest in work force training upgrading and affordable living in northern LA County, Palmdale-Lancaster-Apple Valley. Long term PoLA/PoLB will lose out in shipping by cheaper and direct national transfer/transport east of California via Port - Prince Rupert and perhaps more to much cheaper Port Cardenas (Mex)
	57	Countywide Clean Truck Initiative	Only deals with <15% of total containers limited to LACo, not even SoCal or SCAQMD area. No relevant to national transfers.
	58	Regional Freight Rail Initiative	Metro must coordinate and assist the Ports of Los Angeles and Long Beach conversion from truck based to multi-modal/rail transfer from ship<>rail and then in High Desert Corridor Rail<>Truck. As demonstrated at Port of Prince Rupert and Port of Cardenas (Mexico).
	59	The Plan	NO not at all. Need much more visual, BlockFlow Diagrams and Flow-Charts rather than text unless you specifically want to have the readers turnoff and confuse. The purpose of the Goods Plan is to confuse, confound, and discourage readers (=Public) and knowledgeable concerned readers.



July 24, 2020

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Pomona  
Rosemead  
San Dimas  
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Sierra Madre  
South El Monte  
South Pasadena  
Temple City  
Walnut  
West Covina  
First District, LA County  
Unincorporated Communities  
Fourth District, LA County  
Unincorporated Communities  
Fifth District, LA County  
Unincorporated Communities  
SGV Water Districts

The Honorable Mayor Eric Garcetti  
Chairman, Board of Directors  
Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, CA 90012-2952

**RE: Draft Los Angeles County Goods Movement Strategic Plan Process**

Dear Chairman Garcetti,

On behalf of the San Gabriel Valley Council of Governments (SGVCOG), we are writing to express our support and appreciation for the work that is carried out by the Goods Movement Planning Office. This office has successfully created a process that addresses the challenges of goods movement, unites goods movement planning activities across the agency, as well as developed partnerships with Los Angeles County's goods movement stakeholders, including the SGVCOG.

Goods movement has been a high priority for the SGVCOG for more than 20 years, first with the initiation of the Alameda Corridor-East (ACE) Project and more recently with the State Route 57/60 Confluence Project, both projects of regional and national significance being implemented by SGVCOG in partnership with Metro. The development of the Goods Movement Strategic Plan has embraced the need for goods movement infrastructure projects while prioritizing the environmental issues associated with goods movement as well as the need to plan for sustainable growth.

The Goods Movement Strategic Plan will guide the agency and region in moving Los Angeles County forward in a sustainable manner. Broad-based stakeholder input has been instrumental in shaping effective regional initiatives, including this plan, and the SGVCOG has participated in and appreciates the stakeholder process Metro has undertaken.

As the Goods Movement Strategic Plan progresses, the SGVCOG looks forward to the continued close coordination with the Metro highway program in moving forward on high priority goods movement projects like the State Route 71 freeway gap project in Pomona and the continued involvement of San Gabriel Valley cities and stakeholder groups. If there are any questions, please do not hesitate to contact me at (626) 457-1800.

Sincerely,

Marisa Creter  
Executive Director  
San Gabriel Valley Council of Governments





# North Los Angeles County Transportation Coalition

August 27, 2020

Mr. Phil Washington  
CEO, Los Angeles County Metropolitan transportation Authority  
One Gateway Plaza  
Los Angeles, California 90012-2952

RE: **Draft Los Angeles County Goods Movement Strategic Plan**

Dear Mr. Washington:

On behalf of the North Los Angeles County Transportation Coalition JPA (NCTC) member agencies Los Angeles County 5<sup>th</sup> District, the Cities of Lancaster, Palmdale and Santa Clarita located in North Los Angeles County, we are pleased to support the Draft Los Angeles County Goods Movement Strategic Plan.

The LA Metro charter enabling legislation underscores the prominent role goods movement has in Los Angeles County mobility: *"Establishment of overall goals and objectives to achieve optimal transport service for the movement of goods and people on a countywide basis."*

The movement of people and goods is intertwined in North Los Angeles County – we share the same multimodal transportation network. The NCTC has participated in numerous LA Metro and other efforts to improve goods movement throughout Los Angeles County and we applaud the recent comprehensive Los Angeles County Draft Goods Movement Strategic Plan process.

The recent Covid pandemic highlighted the importance of our goods movement network from the ports to our local market. We must continue to work together to achieve mobility solutions with our goods movement partners who provide an essential service for our quality of life.

The NCTC JPA supports and looks forward to working with LA Metro on the implementation of the Los Angeles County Goods Movement Strategic Plan.

Sincerely,

Arthur V. Sohikian  
Executive Director

# Coalition for America's Gateways and Trade Corridors

AECOM

Alameda Corridor-East  
Project, San Gabriel Valley  
Council of Governments

Broward County's  
Port Everglades

California Department  
of Transportation

Cambridge  
Systematics, Inc.

Canaveral Port Authority

Cascadia Center

Chicago Metropolitan  
Agency for Planning

City of Chicago

City of Industry

COMPASS – Community  
Planning Association of  
Southwest Idaho

Dewberry

Florida Department  
of Transportation

Florida East  
Coast Railway

Florida Ports Council

Florida Transportation  
Builders' Association, Inc.

Freight Mobility Strategic  
Investment Board  
(Washington State)

Gateway Cities Council of  
Governments

Great Lakes Dredge & Dock  
Company

HERZOG

HNTB Corporation

Illinois Soybean  
Association

Intermodal Association  
of North America

Kootenai Metropolitan  
Planning Organization

Los Angeles  
County Metropolitan  
Transportation Authority

Majestic Realty Co.

Maricopa Association of  
Governments

Memphis Chamber of  
Commerce

Metropolitan Transportation  
Commission

September 8, 2020

The Honorable Mayor Eric Garcetti  
Chairman, Board of Directors  
Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, CA 90012-2952

## RE: Draft Los Angeles County Goods Movement Strategic Plan

Dear Chairman Garcetti:

I write to express congratulations and appreciation for developing Los Angeles County's Goods Movement Strategic Plan. As a key North American gateway, the Los Angeles region is a critical hub in our nation's freight network.

I commend you and your team for developing a thoughtful and comprehensive plan that examines the region's transportation challenges holistically. It also underscores the importance of meeting these challenges: nearly one-third of jobs in LA County are in goods-producing and freight-dependent industries. Nationally, the San Pedro Bay port complex supports nearly 3 million jobs across the United States.

The nation's freight network is interconnected. Infrastructure efficiency, safety, and capacity in key freight hubs – such as Los Angeles County – impact the national freight system.

Beyond identifying challenges, the plan also outlines a roadmap to achieving positive results. Success in Los Angeles County will result in benefits both locally and nationally.

I appreciate your leadership on this important issue and look forward to engaging with you as the Goods Movement Strategic Plan advances.

Sincerely,



Elaine Nettle  
Executive Director  
Coalition for America's Gateways & Trade Corridors

Moffatt & Nichol

National Railroad  
Construction and  
Maintenance  
Association

NASCO – North  
American Strategy for  
Competitiveness

The Northwest  
Seaport Alliance

Nossaman LLP

Orange County  
Transportation Authority

Port Authority of  
New York & New Jersey

Port Houston

Port Newark Container  
Terminal

Port of Hueneme

Port of Long Beach

Port of Los Angeles

Port of New Orleans

Port of Oakland

Port of San Diego

Port Tampa Bay

Port of Vancouver USA

Ports America  
Chesapeake

Prime Focus, LLC

Puget Sound Regional  
Council

RAILCET

SANDAG - San Diego  
Association of  
Governments

Southern California  
Association of  
Governments

Tampa Hillsborough  
Expressway Authority

Tennessee Department  
of Transportation

Washington State  
Department of  
Transportation

Will County Center for  
Economic Development  
WSP

## Attachment C – Webinars

### 2021 LA County Goods Movement Strategic Plan

*All meetings listed below held in 2020*

- **LA Metro Countywide Clean Truck Initiative Working Group Meeting #2 – March 17**  
<https://www.youtube.com/playlist?list=PLDhNWkoQLh9SakGPu2Qxw32vOOQfR4gwth>
- **May Web Meetings on Early Action Initiatives – May 14 and May 15**
  - Equity for Goods Movement – May 14  
<https://www.youtube.com/watch?v=iDjtZWlzMVM&feature=youtu.be&t=989>
  - Investment Workforce and Competency – May 14  
<https://www.youtube.com/watch?v=iDjtZWlzMVM&feature=youtu.be&t=1347>
  - Urban Freight Delivery – May 14  
<https://www.youtube.com/watch?v=AriOU5rBcUQ&feature=youtu.be&t=1267>
  - LA Metro Countywide Clean Truck Initiative – May 15  
[https://www.youtube.com/watch?v=a5\\_zeKphqtE&feature=youtu.be&t=1398](https://www.youtube.com/watch?v=a5_zeKphqtE&feature=youtu.be&t=1398)
- **Equity for Goods Movement Stakeholder Meeting – May 20**  
[https://www.youtube.com/watch?v=NBb\\_S4r9yAQ](https://www.youtube.com/watch?v=NBb_S4r9yAQ)
- **Freight Working Group Meeting #4 – June 2**  
<https://www.youtube.com/watch?v=tmJVRrkqELo>
- **Telephone Townhall Meeting – September 22**  
[https://www.youtube.com/watch?v=\\_1wOdt\\_dyp0&feature=youtu.be](https://www.youtube.com/watch?v=_1wOdt_dyp0&feature=youtu.be)



## Board Report

File #: 2020-0263, File Type: Contract

Agenda Number: 19.

### PLANNING AND PROGRAMMING COMMITTEE JANUARY 20, 2021

**SUBJECT: DORAN STREET CROSSING GRADE SEPARATION**

**ACTION: APPROVE RECOMMENDATIONS**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

A. EXECUTE Modification No. 12 to Contract No. PS2415-3046 with HNTB Corporation to provide professional services in order to complete final design for the Doran Street Crossing Grade Separation Project in the amount of \$2,390,316 increasing the total contract value from \$5,969,654 to \$8,359,970.

B. EXECUTE all necessary agreements and task orders with third parties to support this project.

#### **ISSUE**

A contract modification in the amount of \$2.39 million is needed to modify and complete the final design for Doran Street Crossing Grade Separation Project that includes a two-way interim configuration to support the business stakeholders within the Atwater Village area in the City of Los Angeles. In addition, the final design will include quiet zone ready improvements at the Doran Street Crossing as requested by the Pelanconi Estates Home Owner's Association in the City of Glendale and the City of Glendale.

#### **DISCUSSION**

In working with the Atwater Village and Pelanconi Estates communities, the two-way interim configuration concept with quiet zone ready improvements at Doran Street crossing will replace the one-way interim configuration concept at Doran Street issued by the California Public Utilities in 2012. At the request of the business stakeholders in the Atwater Village in the City of Los Angeles to address the potential localized traffic congestion and limited circulation issues with the one-way interim configuration concept, staff modified the design to a two-way interim condition. The CPUC approved the two-way interim configuration concept with unanimous approval from Pelanconi Estates Home Owner's Association in the City of Glendale and the cities of Glendale and Los Angeles in 2019. The approval of this action will modify and complete the final design to bring it shovel ready status and enhance the potential opportunity for local, state and federal grants.



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### Background

The CPUC identified the Doran Street at-grade crossing as one of the most hazardous intersections in the City of Glendale and the City of Los Angeles. With 18 recorded pedestrian and vehicular incidents by the Federal Railroad Administration (FRA), the CPUC had an initial ruling that Doran Street should convert to a one-way westbound movement until the at-grade crossing can be closed permanently when the grade separation is built. In 2014, the Broadway/Brazil crossing improvements were completed to provide the first safety enhancements for the project area. Due to the West San Fernando Road and Broadway/Brazil Street signalized intersection changing from stop control to a signalized configuration, the crossing experienced significant traffic congestion and a high volume of complaints from the public and business owners. Due to this congestion, the number of vehicles started utilizing the West Doran Street crossing and required a process to start a petition for modification of this initial 2012 CPUC ruling.

### Doran Street and Broadway/Brazil Grade Separation

In 2017, The Metro Board approved the Doran Street and Broadway/Brazil Grade Separation. That proposes the elimination of two at-grade rail crossings at the Doran Street and Broadway/Brazil Street intersections to alleviate traffic delay and congestion, reduce train horn noise and improve vehicle and pedestrian safety and mobility. To maintain vehicle and pedestrian access there will be two grade separated structures for vehicular movement and two grade separated structures for active transportation movement through the project area. The first structure shall extend from West San Fernando Road and Doran Street to the Fairmont Avenue Bridge over the Verdugo Wash. The other structure shall be an overpass near Salem Street and Sperry Street that spans over Wilson Avenue, San Fernando Road, Metro rail right-of-way and West San Fernando Road. There will be one pedestrian bridge over the Verdugo Wash connecting the Glendale Narrows Riverwalk Trail to the east bank of the Los Angeles River. The other pedestrian bridge will span over San Fernando Road and the railroad corridor at Doran Street.

### Quiet Zone Ready Improvements

The City of Glendale currently has three consecutive at-grade crossings at Sonora Avenue, Grandview Avenue and Flower Street approximately 1.7 miles north of the Doran Street that are now identified as a quiet zone. A quiet zone is a section of a rail line at least one-half mile in length that contains one or more consecutive public highway-rail grade crossings at which locomotive horns are not routinely sounded when trains are approaching the crossings after the installation of federally required and approved supplemental safety measures.

The Board's approval of staff's recommendations will allow staff to complete the final design with quiet zone ready improvements at Doran Street. Once constructed, Doran Street Crossing Grade Separation Project will include quiet zone ready improvements that will meet the Federal Railroad Administration's (FRA) approval of future Quiet Zones should the City of Glendale wish to file the Notice of Intent (NOI) for Quiet Zone. Thereby, there will be a total of (4) four consecutive at-grade crossings in the City of Glendale with the longest quiet zone corridor for Los Angeles County. Quiet Zone ready improvements are additional supplemental safety measures (SSM) that mitigate the need for trains to sound their horns. These SSMs include improvements such as flashing lights, quad gates, center medians, etc., to enhance vehicular and pedestrian safety at the crossing.

**DETERMINATION OF SAFETY IMPACT**

This Board action will not have an impact on safety. The Doran Street Crossing Grade Separation Project is being designed in accordance with Metro and SCRRA standards, state and federal requirements and in compliance with the Americans with Disabilities Act.

**FINANCIAL IMPACT**

Board approval Modification No. 12 would bring the total commitment to complete the final design phase of the Doran Street Crossing Grade Separation Project from \$8.6 to \$11 million in Measure R 3% funds.

Of the additional \$2,367,513.96, only \$500,000 is required for fiscal year 2021 and already included in the adopted budget in cost center 2415. Since this is a multi-year contract, the cost center manager, and Senior Executive Officer of Regional Rail will be accountable and responsible for budgeting the cost of future fiscal year requirements in department 2415, Regional Rail, Project No. 460091 as shown in Table 1 below.

**Table 1 Preliminary Cashflow**

<b>Fiscal Year</b>	<b>Projected Amount to Budget % be Spent</b>	
FY-2021	\$500,000.00	21
FY-2022	\$1,500,000.00	63
FY-2023	\$367,513.96	16
Total	\$2,367,513.96	100%

**Impact to Budget**

The source of funds for this request is Measure R 3% Transit Capital. These funds are not eligible to be used for Metro bus/rail operating or capital budget expenses.

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Recommendation supports strategic plan goals 1, 2 and 4. Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. Goal 2: Deliver outstanding trip experiences for all users of the transportation system. Goal 4: Transform LA County through regional collaboration and national leadership. This project requires close collaboration with many local, regional, state and federal partners including City of Los Angeles, SCRRA, LOSSAN Authority, Caltrans, California High Speed Rail Authority and Amtrak.

**ALTERNATIVES CONSIDERED**

The Board may elect not to approve the staff recommendation to execute Modification No. 12 and not advance the Doran Street Crossing Grade Separation project. However, this will not adhere to CPUC ruling in order to close these two at-grade crossings causing significant delays and operational challenges to the other commuter and intercity rail projects along the Antelope Valley and Ventura

County lines north of this project location.

### **NEXT STEPS**

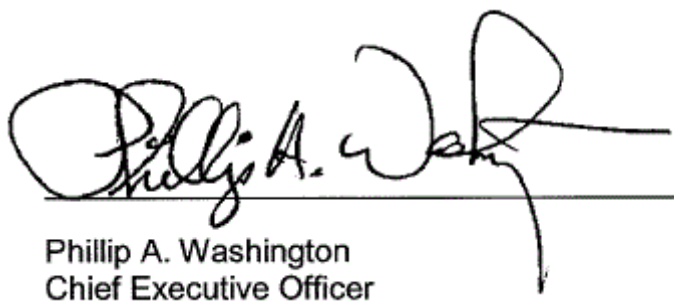
Upon Board approval, staff will execute Modification No. 12 to Contract No. PS2415-3046 with HNTB Corporation to provide professional services to complete final design for the Doran Street Grade Crossing Separation Project.

### **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - Contract Modification/Change Order Log  
Attachment C - DEOD Summary

Prepared by: Brian Balderrama, Senior Director, Regional Rail, (213) 418-3177  
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Reviewed by: Richard Clarke, Chief Program Management Officer, (213) 922-7557  
Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## DORAN STREET CROSSING GRADE SEPARATION /PS2415-3046

1.	<b>Contract Number:</b> PS2415-3046			
2.	<b>Contractor:</b> HNTB Corporation			
3.	<b>Mod. Work Description:</b> Complete final design for the Doran Street Crossing Grade Separation Project			
4.	<b>Contract Work Description:</b> Doran Street Crossing Grade Separation			
5.	<b>The following data is current as of:</b> November 25, 2020			
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>	
	<b>Contract Awarded:</b>	04/24/13	<b>Contract Award Amount:</b>	\$5,236,205
	<b>Notice to Proceed (NTP):</b>	07/24/13	<b>Total of Modifications Approved:</b>	\$733,449
	<b>Original Complete Date:</b>	07/23/16	<b>Pending Modifications (including this action):</b>	\$2,390,316
	<b>Current Est. Complete Date:</b>	12/31/21	<b>Current Contract Value (with this action):</b>	\$8,359,970
7.	<b>Contract Administrator:</b> Gina Romo		<b>Telephone Number:</b> (213) 922-7558	
8.	<b>Project Manager:</b> Brian Balderrama		<b>Telephone Number:</b> (213) 418-3177	

**A. Procurement Background**

This Board Action is to approve Contract Modification No. 12 issued to provide professional services in order to complete final design changes that were approved by the California Public Utilities Commission to modify the Doran Street crossing to a two-way interim configuration with quiet zone ready improvements for the Doran Street Crossing Grade Separation project. This Contract Modification also extends the period of performance through December 31, 2021.

This Contract Modification was processed in accordance with Metro's Acquisition Policy and the contract type is cost reimbursable.

On April 24, 2013, the Board awarded cost reimbursable Contract No. PS2415-3046 to HNTB Corporation, in the amount of \$5,236,205 for the Doran Street Crossing Grade Separation project.

A total of 11 modifications have been issued to date.

Refer to Attachment B – Contract Modification/Change Order Log.



## **B. Cost Analysis**

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), cost analysis, technical analysis, Metro's Management and Audit Services (MAS) audit, fact finding and negotiations.

<b>Proposal Amount</b>	<b>Metro ICE</b>	<b>Negotiated Price</b>
\$2,367,514	\$1,500,000	\$2,390,316

The primary difference between the negotiated price and proposal amount is due to the contractor using outdated rate structures versus their existing rate structure. In addition, the negotiated price includes additional hours to develop and coordinate with the Active Transportation Plan concepts, assist with the alternative alignment development and support Metro for the preparation of the grant application.

The ICE did not account for:

- increase in coordination efforts required with the Los Angeles Bureau of Engineering and Department of Transportation (LABOE and DOT);
- additional legal descriptions and plats as well as off-site parcel surveys
- Army Corps of Engineers technical work, nor was it included in the original scope or any of the previous modifications;
- plan development work required to start the active transportation project and finalize interim improvements for the Doran Street improvements;
- rework to go from 60% design back to a starting point when the at-grade crossing was approved from a one-way configuration to a two-way configuration with a quite zone ready infrastructure;
- the decision that directs the Contractor to perform all planned improvements/upgrades to accelerate the project versus having the work split between the Contractor and the City.

## CONTRACT MODIFICATION/CHANGE ORDER LOG

## DORAN STREET CROSSING GRADE SEPARATION/PS2415-3046

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Additional requirements including the evaluation of additional alternatives.	Approved	09/15/13	\$452,687
2	Additional engineering requirements for Board selected alternative.	Approved	11/04/15	\$94,953
3	Additional requirements and traffic analysis.	Approved	07/14/16	\$185,809
4	No cost extension of period of performance (POP) through 7/14/18.	Approved	06/19/17	\$0
5	No cost extension of POP through 10/12/18.	Approved	06/14/18	\$0
6	No cost extension of POP through 2/11/19.	Approved	11/07/18	\$0
7	No cost extension of POP through 6/30/19.	Approved	01/16/19	\$0
8	No cost extension of POP through 9/30/19.	Approved	04/29/19	\$0
9	No cost extension of POP through 5/31/20.	Approved	09/16/19	\$0
10	No cost extension of POP through 12/31/20.	Approved	04/06/20	\$0
11	No cost extension of POP through 2/28/21.	Approved	10/30/20	\$0
12	Complete final design for the Doran Street Crossing Grade Separation Project and no cost extension of POP through 12/31/21.	Pending	Pending	\$2,390,316
	<b>Modification Total:</b>			<b>\$3,123,765</b>
	<b>Original Contract:</b>	<b>Approved</b>	<b>07/12/13</b>	<b>\$5,236,205</b>
	<b>Total:</b>			<b>\$8,359,970</b>

## DEOD SUMMARY

## DORAN STREET CROSSING GRADE SEPARATION /PS2415-3046

**A. Small Business Participation**

HNTB Corporation made a 26.47% Small Business Enterprise (SBE) commitment. The project is 66% complete and the current SBE participation is 21.58%, representing a 4.89% shortfall.

Based on the Shortfall Mitigation Plan submitted by HNTB, the project is entering into the final design phase where significant portions of the work are being performed by SBE subconsultants. With the commencement of the final design phase, the SBE participation will start to increase. HNTB remains committed to meeting its SBE commitment on this project.

Notwithstanding, Metro Project Managers and Contract Administrators will work in conjunction with DEOD to ensure that maximum SBE participation is achieved by HNTB Corporation. Accordingly, these teams have been provided access to Metro's web-based monitoring system to ensure that all parties are actively tracking Small Business progress.

<b>Small Business Commitment</b>	<b>26.47% SBE</b>	<b>Small Business Participation</b>	<b>21.58% SBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>	<b>Current Participation<sup>1</sup></b>
1.	Arrellano Associates	3.04%	4.42%
2.	BA Inc.	9.31%	2.02%
3.	Chris Nelson Associates	2.66%	2.44%
4.	Earth Mechanics	2.57%	0.46%
5.	Lynn Capouya, Inc.	2.70%	0.17%
6.	Safeprobe	0.60%	0.69%
7.	Sapphos Environmental	2.08%	2.64%
8.	Terry A. Hayes Associates	3.51%	1.18%
9.	Gibson Transportation Consulting (added)	-	2.87%
10.	Lin Consulting (added)	-	1.75%
11.	Pacific Railway (added)	-	2.94%
	<b>Total</b>	<b>26.47%</b>	<b>21.58%</b>

<sup>1</sup>Current Participation = Total Actual amount Paid-to-Date to SBE firms ÷ Total Actual Amount Paid-to-date to Prime.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

A review of the current service contract indicates that the Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) was not applicable at the time of award. Therefore, the LW/SCWRP is not applicable to this modification.

**C. Prevailing Wage Applicability**

Prevailing Wage requirements are applicable to this project. DEOD will monitor contractors' compliance with the State of California Department of Industrial Relations (DIR), California Labor Code, and, if federally funded, the U S Department of Labor (DOL) Davis Bacon and Related Acts (DBRA). Trades that may be covered include: surveying, potholing, field, soils and materials testing, building construction inspection, construction management and other support trades.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. Project Labor Agreement/Construction Careers Policy is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.