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**Agenda - Final**

**Wednesday, June 16, 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*

*Stephanie Wiggins, Chief Executive Officer*

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(ALSO APPLIES TO BOARD COMMITTEES)

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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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- 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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## LIMITED ENGLISH PROFICIENCY

A Spanish language interpreter is available at all Committee and Board Meetings. All other languages must be requested 72 hours in advance of the meeting by calling (213) 922-4600 or (323) 466-3876. Live Public Comment Instructions can also be translated if requested 72 hours in advance.



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The Committee Meeting begins at 3:00 PM Pacific Time on June 16, 2021; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-251-2949 and enter  
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La Reunion de la Junta comienza a las 3:00 PM, hora del Pacifico, el 16 de Junio de 2021. Puedes unirse a la llamada 5 minutos antes del comienzo de la junta.

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### **Written Public Comment Instruction:**

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

Please include the Item # in your comment.

Email: BoardClerk@metro.net

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Board Administration

One Gateway Plaza

MS: 99-3-1

Los Angeles, CA 90012

## CALL TO ORDER

## ROLL CALL

APPROVE Consent Calendar Item: 13.

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

## CONSENT CALENDAR

**13. SUBJECT: 1ST & LORENA JOINT DEVELOPMENT**

[2021-0271](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to execute an amendment to the Joint Development Agreement (JDA) with A Community of Friends (Developer) and fund \$1,460,037 into an escrow account to be repaid by the Developer at construction closing in order to facilitate the reabandonment of an oil well on Metro-owned property at the northeast corner of 1st and Lorena Streets in Boyle Heights (Site).

**Attachments:** [Presentation](#)

## NON-CONSENT

**14. SUBJECT: COUNTYWIDE PLANNING MAJOR PROJECT STATUS REPORT**

[2021-0176](#)

**RECOMMENDATION**

RECEIVE AND FILE monthly report on the Major Capital Projects in the environmental planning phase by the Chief Planning Officer.

**Attachments:** [Attachment A - Countywide Planning Major Project Status Report](#)

**15. SUBJECT: JOINT DEVELOPMENT POLICY UPDATE**

[2021-0192](#)

**RECOMMENDATION**

ADOPT updated Joint Development Policy (Attachment A).

**Attachments:** [Attachment A - Joint Development Policy](#)  
[Attachment B - Joint Development Policy Matrix of Changes](#)  
[Attachment C - Policy Paper](#)  
[Attachment D - Stakeholder Feedback Summary](#)  
[Presentation](#)

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**16. SUBJECT: COMMUNITY BASED ORGANIZATION PARTNERING STRATEGY** [2021-0367](#)

**RECOMMENDATION**

RECEIVE AND FILE status report on Community Based Organization Partnering Strategy: Elements for Successful Partnering in Professional Services (Attachment A).

**Attachments:** [Attachment A – CBO Partnering Strategy](#)

**17. SUBJECT: MODERNIZING THE METRO HIGHWAY PROGRAM** [2021-0291](#)

**RECOMMENDATION**

ADOPT:

A. REVISED Measure R Highway Program Criteria - Project Eligibility for Highway Operational Improvements and Ramp/Interchange Improvements (Attachment A); and

B. REVISED Measure M Guidelines, Section X - Multi-Year Programs (Highway Subfunds) (Attachment B).

**Attachments:** [Attachment A - Revised Measure R Highway Program Criteria](#)  
[Attachment B - Revised Measure M Guidelines, Section X - Multi-Year Program](#)  
[Attachment C - Summary Table of Comment Letters](#)

**18. SUBJECT: OPEN AND SLOW STREETS GRANT PROGRAM CYCLE FOUR** [2020-0224](#)

**RECOMMENDATION**

AUTHORIZE:

A. The revised Metro Open and Slow Streets Grant Program Cycle Four Application Package and Guidelines; and

B. Staff to administratively release Application and Guidelines Packages in the future cycles of the Open Streets Grant Program to Los Angeles County jurisdictions in anticipation of returning to the Board for funding recommendation approval.

**Attachments:** [Attachment A - June 27, 2013 Board Motion #72](#)  
[Attachment B - Open and Slow Streets Cycle Four Program Application and Gu](#)  
[Attachment C - Metro Open Streets Grant Program Evaluation Study](#)  
[Attachment D - Metro Board Motion 2020-0375](#)  
[Attachment E - Open Streets Cycle Four Guidelines Presentation](#)

19. SUBJECT: METRO FREEWAY SERVICE PATROL

[2021-0307](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

A. INCREASE Contract Modification Authority (CMA) to 27 existing Freeway Service Patrol (FSP) contracts as delineated below for an aggregate amount of \$5,580,000, thereby increasing the CMA amount from \$28,919,130 to \$34,499,130 and extend the periods of performance as follows:

- Beat no. 3: Hollywood Car Carrier Contract No. FSP3469400B3/43, for \$245,000 for up to 9 months
- Beat no. 5: Sonic Towing, Inc. Contract No. FSP3469500B5/17, for \$455,000 for up to 9 months
- Beat no. 6: Neighborhood Towing 4 U Contract No. FSP3469600B6, for \$320,000 for up to 9 months
- Beat no. 7: Girard & Peterson Contract No. FSP3469900B7/11, for \$195,000 for up to 9 months
- Beat no. 10: Neighborhood Towing 4 U Contract No. FSP3848100FSP1410, for up to 4 months
- Beat no. 11: Girard & Peterson Contract No. FSP3469900B7/11, for \$195,000 for up to 9 months
- Beat no. 12: Tip Top Tow Contract No. FSP2826700FSP14, for \$140,000 for up to 4 months
- Beat no. 17: Sonic Towing, Inc. Contract No. FSP3469500B5/17, for \$265,000 for up to 9 months
- Beat no. 18: Bob & Dave's Towing, Inc. Contract No. FSP2690300FSP1418, for \$365,000 for up to 9 months
- Beat no. 20: Bob's Towing Contract No. FSP2836600FSP1420, for \$340,000 for up to 9 months
- Beat no. 21: Bob's Towing Contract No. FSP2839000FSP1421, for \$25,000 for up to 4 months
- Beat no. 24: T.G. Towing, Inc. Contract No. FSP2833200FSP1424, for \$130,000 for up to 9 months
- Beat no. 27: Hovanwil, Inc. dba Jon's Towing Contract No. FSP3470400B27/39, for \$440,000 for up to 9 months
- Beat no. 28: Hadley Tow Contract No. FSP3847300FSP1428, for \$80,000 for up to 9 months
- Beat no. 29: Platinum Tow & Transport, Inc. Contract No. FSP3470600B29, for \$175,000 for up to 9 months
- Beat no. 31: Navarro's Towing Contract No. FSP3470700B31/50, for \$110,000 for up to 9 months
- Beat no. 33: Mid Valley Towing Contract No. FSP2851900FSP1433, for \$280,000 for up to 9 months

- Beat no. 34: South Coast Towing, Inc. Contract No. FSP2839600FSP1434, for \$170,000 for up to 4 months
- Beat no. 36: Hadley Tow Contract No. FSP2841400FSP1436, for \$235,000 for up to 9 months
- Beat no. 37: Reliable Delivery Service Contract No. FSP3696000FSP1437, for \$210,000 for up to 9 months
- Beat no. 38: Steve's Towing Contract No. FSP38468001438, for \$205,000 for up to 9 months
- Beat no. 39: Hovanwil, Inc. dba Jon's Towing Contract No. FSP5966400FSPB39, for \$335,000 for up to 9 months
- Beat no. 42: Platinum Tow & Transport Contract No. FSP2842100FSP1442, for \$205,000 for up to 9 months
- Beat no. 43: Hollywood Car Carrier Contract No. FSP3469400B3/43, for \$250,000 for up to 9 months
- Beat no. 50: Navarro's Towing Contract No. FSP3470700B31/50, for \$130,000 for up to 9 months
- Beat no. 70: Tip Top Tow Contract No. FSP3471300B70, for \$30,000 for up to 4 months
- Beat no. 71: Bob & Dave's Towing, Inc. Contract No. FSP3471500B71, for \$50,000 for up to 4 months

**Attachments:**      [Attachment A - Procurement Summary](#)  
[Attachment B - Contract Modification Authority \(CMA\) Summary](#)  
[Attachment C - Contract Modification/Change Order Log](#)  
[Attachment D - FSF BEAT Map](#)  
[Attachment E - DEOD Summary](#)

**SUBJECT:      GENERAL PUBLIC COMMENT**

[2021-0385](#)

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**

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**File #:** 2021-0271, **File Type:** Agreement**Agenda Number:** 13.

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**PLANNING AND PROGRAMMING COMMITTEE  
JUNE 16, 2021****SUBJECT: 1<sup>ST</sup> & LORENA JOINT DEVELOPMENT****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer (CEO) to execute an amendment to the Joint Development Agreement (JDA) with A Community of Friends (Developer) and fund \$1,460,037 into an escrow account to be repaid by the Developer at construction closing in order to facilitate the reabandonment of an oil well on Metro-owned property at the northeast corner of 1st and Lorena Streets in Boyle Heights (Site).

**ISSUE**

In April 2021, the Developer learned that it cannot secure a building permit for its affordable housing project from the City of Los Angeles until the oil well on the Site is reabandoned to current regulatory standards, which was originally contemplated to occur during the ground lease term. Both obtaining the building permit and securing all funding to construct the affordable housing project are conditions to the closing of the ground lease under which the Developer will construct its project. Since Metro has not granted the Developer the right to access and develop the Site, the Developer is unable to secure financing to cover the estimated \$1,460,037 cost to reabandon the well.

Staff is seeking authorization to amend the Joint Development Agreement (JDA) so that Metro can advance the \$1,460,037 into an escrow account that the Developer will draw from to pay for the cost of the oil well reabandonment. The JDA amendment will require the Developer to repay Metro for any use of the \$1,460,037 when the ground lease closing occurs. The JDA amendment will be accompanied by a license agreement granting site access to perform the reabandonment. Without the requested Board action, the Developer will be at an impasse in its affordable housing development.

**BACKGROUND***Site and Project Overview*

The Site is an approximately 0.8-acre portion of the approximately 1.3 acres of Metro-owned property situated on the northeast corner of 1<sup>st</sup> and Lorena Streets, just north of the Metro L Line (Gold). The remaining Metro-owned property is occupied by a traction power substation for the operation of the

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Metro L Line and is not part of the Site. In March 2021, Metro and the Developer entered into a JDA for the construction and operation of a 49-unit affordable housing project with up to 7,500 square feet of ground floor commercial space (the "Project") on the Site. The JDA included a \$1,460,037 discount to the ground-lease payment to accommodate the required reabandonment of the oil well.

#### *Oil Well Reabandonment*

The oil well on the Site was used for exploratory purposes only and was abandoned in 1949, a week after it was drilled. To develop the Project, this well must be reabandoned to current regulatory standards as required and established by the California Geologic Energy Management Division (CalGEM) and the Los Angeles Office of Petroleum and Natural Gas Administration and Safety. This well reabandonment action is required by Public Resources Code (PRC) §3208.1 "when a well could be potentially impacted by planned property development or construction activities resulting in significant and potentially dangerous issues associated with development near oil, gas, and geothermal wells". This action is also consistent in LA Metro's policy *GEN 49: Environmental Liabilities Assessment and Reporting* to reduce environmental liabilities.

The cost to reabandon the oil well is up to \$1,460,037 based on bids obtained by the Developer and reviewed by Metro's Environmental Compliance and Sustainability Department and environmental consultant. Metro and the Developer previously contemplated that the Developer would perform the reabandonment during the first several months of the ground lease term.

## **DISCUSSION**

In April 2021, the Developer learned that the Los Angeles Fire Department would not sign off on the Project's Building Clearance Summary Sheet-a necessary condition for awarding a building permit through the City of Los Angeles-until the oil well is reabandoned and all regulatory agencies have signed off on the work. The Project is anticipated to receive an allocation of tax credits in June 2021, after which the Developer will need to secure a building permit for the Project by December 2021. The Developer must start the oil well reabandonment in July 2021 in order to obtain a building permit by December 2021. If the Developer does not meet this deadline, it will lose its tax credit financing, resulting in a \$22 million financing gap and an a minimum one-year delay in Project delivery.

As a non-profit affordable housing developer, the Developer has exhausted other potentially viable financing alternatives for the oil well reabandonment. Unsecured financing would force the Developer to guarantee loans and provide investments into Metro-owned property without secured long-term development rights to construct and operate the Project. The Developer explored applying its awarded Infill Infrastructure Grant funds from the California Department of Housing and Community Development (HCD), however HCD deemed this option infeasible because it requires the Developer to have full site control via a ground lease prior to disbursing funds. The Developer also explored several grant options from the Department of Toxic Substances Control (DTSC) but found the DTSC programs require the applicant sites be either a Brownfield Site or an Underutilized Property as defined by California Health and Safety Code Section 25395.20. The Site does not qualify under either definition.

#### *JDA Amendment and License Agreement*

The JDA amendment will allow the Developer to perform the well reabandonment prior to the

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Project's construction period. It will require the Developer to refund any use of the escrow funds upon construction closing, which is anticipated to occur in December 2021. All other terms of the existing JDA will remain unchanged.

Upon Board approval of the JDA amendment, Metro will also execute a license agreement with the Developer to grant them access to the Site to perform the re-abandonment. The license agreement will include the terms in which the Developer may request disbursement from the escrow account. The license will require a performance bond and include a cross-default provision so that default under the license agreement would be a default under the JDA. Oil well reabandonment costs in excess of \$1,460,037 will be the Developer's responsibility. Metro will retain ownership and, in the event of a default, the value of any work completed on the Site would be recouped through increased value of the land as a result of mitigating the environmental condition.

### **EQUITY PLATFORM**

Consistent with the Equity Platform, the eventual development of the Project provides an opportunity to "focus and deliver" by adding much needed transit-accessible, affordable housing to an Equity Focus Community.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will improve safety as it facilitates reabandonment of the oil well. CalGEM's requirements for reabandonment, as indicated in Public Resources Code § 3106, "prevent as far as possible, damage to life, health, property, and natural resources; damage to underground oil, gas and geothermal deposits; and damage to underground and surface waters suitable for irrigation or domestic purposes."

Reabandonment of the oil well will reduce the environmental issues at the property as well as potential Metro environmental liability.

Under the license agreement, the Developer is also required to submit both a health and safety plan and work plan for Metro's review and approval before commencing the reabandonment work.

### **FINANCIAL IMPACT**

The funding source is general fund and is eligible for bus and rail operations and capital projects.

### **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 approving this recommendation and advancing the Project, Metro will specifically implement Initiative 3.2, which states the agency "will leverage its transit investments to catalyze transit-oriented communities and help stabilize neighborhoods where these investments are made."

### **ALTERNATIVES CONSIDERED**

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The Board could choose not to authorize execution of the JDA amendment. Staff does not recommend this alternative since proceeding with the Project is the quickest and surest way to bring much needed transit-accessible, affordable housing and commercial space to the Boyle Heights community. The Developer's longstanding commitment to the Project, including its financial investment to date, provides further reason not to choose this alternative. This recommended action also mitigates the existing environmental issue on this Metro-owned property.

### **NEXT STEPS**

Upon approval of the recommended action, Metro and the Developer will execute the JDA amendment and license agreement and initiate reabandonment of the oil well. The reabandonment is expected to be completed by December 2021.

Once the reabandonment is complete, the Developer will secure its building permit from City of Los Angeles. Metro and the Developer anticipate execution of a ground lease in the fourth quarter of 2021 in accordance with the terms and conditions set forth in the Term Sheet approved by the Board in February 2021. Construction of the Project is expected to commence promptly thereafter and should be completed in two years.

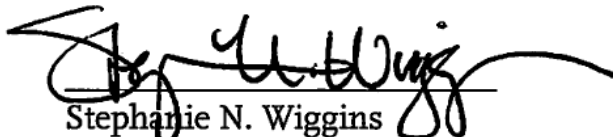
### **ATTACHMENTS**

None.

Prepared by:

Nicole V. Avitia, Senior Manager, Countywide Planning & Development, (213) 922-7439  
Wells Lawson, Deputy Executive Officer, Transit Oriented Communities, (213) 922-7217  
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



Stephanie N. Wiggins  
Chief Executive Officer



# Next stop: vibrant communities.

**1<sup>st</sup> & Lorena Joint Development**  
Planning & Programming Committee  
June 16, 2021  
Legistar File: 2021-0271



# Recommendation

CONSIDER:

AUTHORIZING the Chief Executive Officer (CEO) to execute an amendment to the Joint Development Agreement (JDA) with A Community of Friends (Developer) and fund \$1,460,037 into an escrow account to be repaid by the Developer at construction closing in order to facilitate the re-abandonment of an oil well on Metro-owned property at the northeast corner of 1st and Lorena Streets in Boyle Heights (Site).

# Background

- Proposed Project:
  - 49 apartments
  - Up to 7,500 sq. ft. of commercial space
- June 2013: Exclusive Negotiation Agreement and Planning Document (ENA) executed.
- March 2021: Joint Development Agreement (JDA) executed.
- April 2021: Developer learned that oil well must be re-abandoned prior to receiving building permit from the City of LA (originally planned to occur during ground lease).



# Issue

- Developer must start the oil-well re-abandonment in July 2021 in order to obtain a building permit by December 2021.
- If the Developer does not meet this deadline, it will lose its tax credit financing, resulting in a \$22 million financing gap and an at least one-year delay in Project delivery.
- Estimated cost to re-abandon well is \$1,460,037. Developer is unable to secure financing for re-abandonment.



# JDA Amendment and License Agreement

- JDA amendment will allow the Developer to perform the well re-abandonment prior to the Project's construction period.
- It will require the Developer to refund any use of the escrow funds upon construction closing, which is anticipated to occur in December 2021.
- Metro will also execute a license agreement with a cross-default to the JDA
- Metro retains ownership and the value of any work completed on the Site

# Next Steps

- JDA amendment and license agreement executed and re-abandonment initiated.
- Once the re-abandonment is complete, the Developer will secure its building permit from City of Los Angeles.
- Late 2021: Ground Lease executed.
- Early 2022: Construction begins and is estimated to take two years to complete.

**Board Report**

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**File #:** 2021-0176, **File Type:** Informational Report

**Agenda Number:** 14.

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**PLANNING AND PROGRAMMING COMMITTEE  
JUNE 16, 2021**

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

**ACTION: RECEIVE AND FILE**

**RECOMMENDATION**

RECEIVE AND FILE monthly report on the Major Capital Projects in the environmental planning phase by the Chief Planning Officer.

**DISCUSSION**

This month's Major Project Status Report provides the regular update for Metro's four Pillar Projects and the North Hollywood to Pasadena Bus Rapid Transit (BRT) Project. This report also includes new updates on recent developments for a project that has reached critical milestones recently: Crenshaw Northern Extension.

- **West Santa Ana Branch Corridor (WSAB)**

Metro staff is working on submitting the third and final round of the Draft Environmental Impact Statement/Environmental Impact Report (Draft EIS/EIR) to the Federal Transit Administration (FTA). The third administrative will be submitted to FTA on June 9, 2021. FTA is currently expected to authorize public circulation of the Draft EIS/EIR by mid-July 2021.

In April, the Project team conducted two Stakeholder Working Group (SWG) meetings, to share the latest details on the project alternatives, environmental process and next steps, including the anticipated release of the Draft EIS/EIR this summer. The SWG provides feedback from a community perspective and serves as a communication liaison/ambassador. The participants include business, community, education, environmental justice and faith-based organizations.

Public outreach will be conducted this spring and summer during the release of the Draft EIS/EIR, including the official 45-day comment period. Both in-person open houses and virtual public-hearings are being contemplated at this time. The date and time of these meetings will be finalized by end of this month. To enhance project awareness and access to the latest updates, several multi-media tools will be launched to inform users about the project corridor and environmental process. Communications Toolkits also will be shared with community leaders to support their engagement with constituents, and presentations and project updates are available by request.

The project continues to advance field survey work and verification of existing utilities identified as part of the 15% design. Staff continues to coordinate with various third parties as necessary including Union Pacific Railroad, cities, Caltrans, U.S. Army Corps of Engineers, and various utility providers.

- **Green Line to Torrance LRT Extension**

Staff is in the process of evaluating the 700 comments have been received during the scoping period. Comments received will be a part of the environmental process. The majority of comments received were generally supportive of the project, however many included specific concerns regarding the two alternatives under consideration. These concerns included alignment configuration and potential impacts such as noise, vibration, property acquisition, safety, and changes to aesthetics/community character that need to be further evaluated. Based on scoping comments, the project team will move forward with the Draft EIR and conceptual design of the alternatives under evaluation.

The project team and BNSF Railroad are having on-going discussions to better understand their daily operations and accommodating an extension of the Green Line (C Line) under consideration. BNSF has certain requirements to maintain their existing and future needs along the ROW. The discussions are providing both teams with a better understanding of what is needed to accommodate BNSF's requirements and are being taken under consideration as the initial designs of the alternatives are being developed.

Initial Risk workshops for the project were conducted on May 3 and 5 with a final discussion on June 7. The workshops provide an opportunity to understand and monitor potential risks for the project across multiple disciplines; these risks are also monetized for project cost estimations. The workshops will be held on an on-going basis during the project development to address and minimize risks as the project progresses.

Community outreach will be ongoing and project updates will be shared as the environmental process progresses. On May 26, the project team conducted a visual site visit of both alternatives under consideration to better understand comments received during the scoping process. Targeted stakeholder meetings will be scheduled to discuss community concerns and project opportunities throughout the study area. Coordination will continue as well with Caltrans and BNSF to understand current and future operational needs for both entities and alternatives under evaluation. Potholing activities are being scheduled with both Caltrans and BNSF to identify the location of existing utilities on both alternatives to better inform the conceptual design process.

- **Eastside Transit Corridor Phase 2**

The Eastside Transit Corridor Phase 2 project team is nearing completion of the Community-Based Organization (CBO) Outreach Strategy based on input received from Community Relations and Race and Equity Departments, Board offices, and key stakeholders.

Metro staff received feedback from the following key stakeholders:

- o Leaders from the East Los Angeles Chamber of Commerce and the Whittier Boulevard Merchants Association (March 30)
- o East Los Angeles Small Business Roundtable (March 31)
- o Washington Coalition (April 1 and May 6)
- o Health Innovation Community Partnership (April 2)

The CBO Outreach strategy will follow the guidance of the Equity Platform and the CBO Partnering Strategy. Next steps involve the development of participatory criteria and scope of work with assistance from the project team's outreach consultant. The CBO Outreach Strategy is anticipated to be implemented this summer, prior to commencing community engagement for the Eastside Transit Corridor 2.

The environmental and engineering consultant teams are advancing the project with an anticipated release of the Draft EIR in spring 2022. The engineering consultant continues to further evaluate station locations, maintenance storage facility sites, and design variations along the alignment. Additionally, feasibility analysis progresses on an at-grade configuration in the City of Montebello and the I-605 crossing.

- **Sepulveda Transit Corridor**

On April 14, 2021, Metro staff notified the Board of the five Valley-Westside alternatives entering into the environmental process for the Sepulveda Transit Corridor Project. These five alternatives collectively represent the concepts advanced by the Sepulveda Transit Corridor Feasibility Study and the Pre-Development Agreement (PDA) process. Staff is preparing for the environmental scoping period in fall 2021. Following the March 2021 contract award of two PDA teams, Program Management continues working to execute the Notice to Proceed with the teams. A virtual community meeting on June 8, 2021, will update the community of project activities since the publication of the Feasibility Study and provide an overview of the upcoming environmental process.

- **North Hollywood (NoHo) to Pasadena Bus Rapid Transit (BRT)**

Following Board approval of the Proposed Project in May 2021, this Project is now in the Final EIR phase. Since the release of the Draft EIR and through public input and community engagement, staff had developed a refined Proposed Project that was presented to the public at a community meeting held on April 1, 2021. A total of 369 people attended the meeting and were given the opportunity to ask questions and provide feedback on the Proposed Project. Most of the questions and comments pertained to the Eagle Rock segment of the project. Overall, the feedback received from participants leaned slightly in favor of the Proposed Project in Eagle Rock, with those opposed expressing concerns over traffic congestion and spillover onto adjacent neighborhood streets, resulting from the loss of travel lanes. Based on the feedback received from the public and key stakeholders, staff updated the recommended Proposed Project to include two center-running BRT design options for Colorado Boulevard in Eagle Rock - one which converts a travel lane in each direction to a bus lane

and the other which retains all travel lanes but reduces parking and median space to accommodate bus lanes.

The refined Proposed Project was approved by the Metro Board on May 27, 2021. Staff will begin preparing a Final EIR and will continue coordinating with the cities and conduct additional community outreach in the months ahead.

- **Countywide Planning Dashboard**

While this report focuses on the four Major Capital (“Pillar”) Projects, there are six other Measure M projects, five non-Measure M projects, and four Strategy & Policy initiatives. For an update on these other 15 projects, please refer to Attachment A of this report, which provides the Countywide Planning Dashboard.

Of note, the following project reached important milestones this month as highlighted below:

- **Crenshaw Northern Extension**

The Crenshaw Northern Extension project completed public scoping on May 28, as part of the environmental review process. Approximately 421 participants attended three virtual meetings, during which staff presented scoping and project objectives and walked participants through the environmental review process for the three alignments being studied.

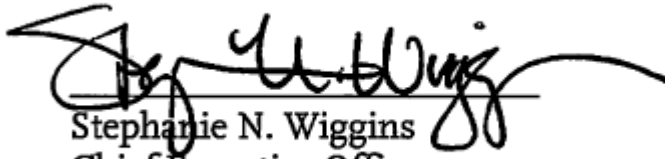
Approximately 390 public comments (virtual speaker, email, or voice mail) were received. This study will evaluate three potential alignments to extend the Crenshaw/LAX line north from the E (Expo) Line with connections to the D (Purple) and B (Red) Lines and five of our busiest bus lines, with a potential terminus at the Hollywood Bowl. A Post-Scoping Alternatives Report will be prepared (anticipated in fall 2021) documenting all the comments heard; that information will be used to help further refine the alternatives.

## **ATTACHMENTS**

Attachment A - Countywide Planning Monthly Major Projects - June 2021

Prepared by: Dolores Roybal Saltarelli, DEO, Countywide Planning & Development, (213) 922-3024  
Cory Zelmer, DEO, Countywide Planning & Development, (213) 922-1079  
Allison Yoh, EO, Countywide Planning & Development (213) 922-4812  
David Mieger, SEO, Countywide Planning & Development, (213) 922-3040

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



Stephanie N. Wiggins  
Chief Executive Officer

# Countywide Planning Monthly Project Updates

## June 2021 Monthly Update

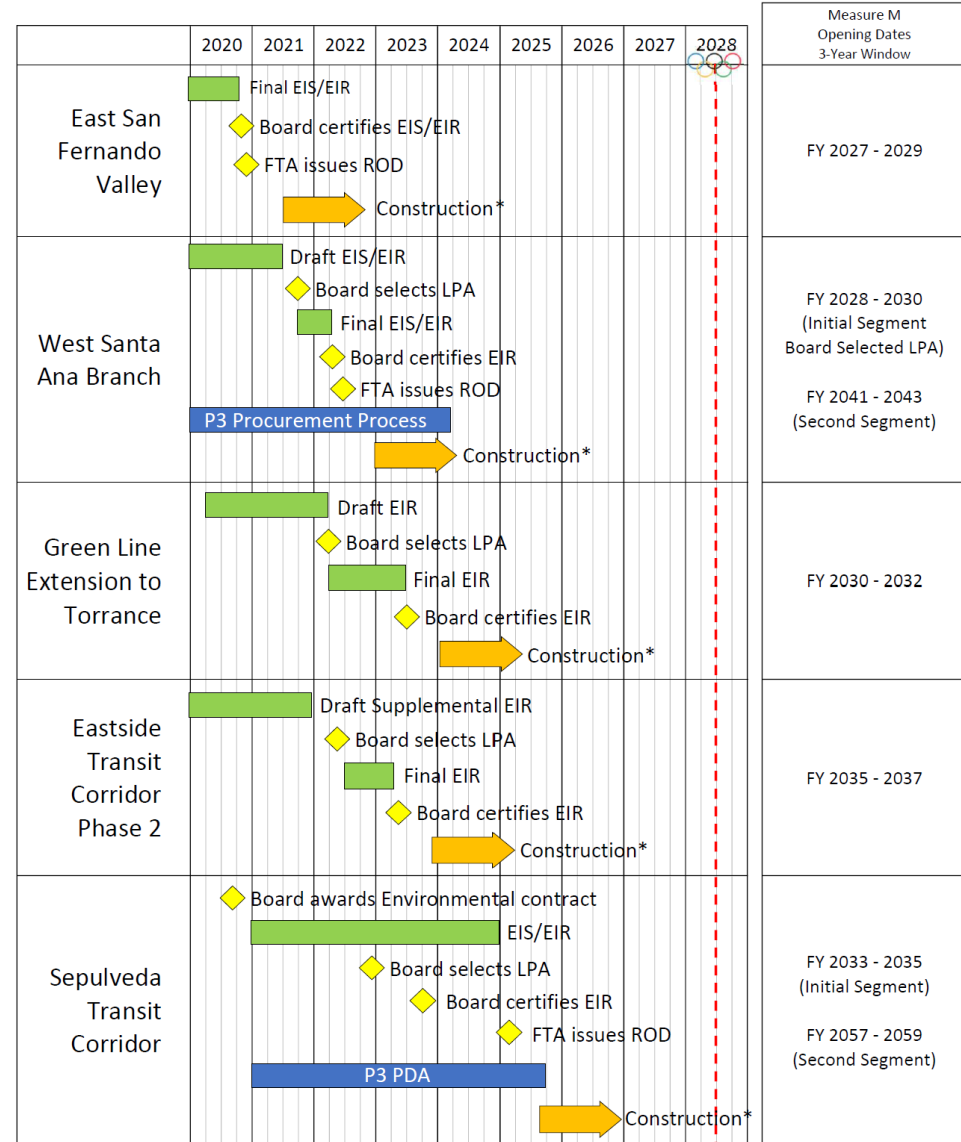
### > Monthly Status of Major Projects

- West Santa Ana Branch
- Green Line to Torrance
- Eastside Transit Corridor Phase 2
- Sepulveda Transit Corridor
- NoHo to Pasadena BRT

### > Countywide Planning Dashboard



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



# West Santa Ana Branch Transit Corridor

## > Status

### • Draft EIS/EIR

- Anticipated Draft Release: July 2021
- Anticipated LPA Selection: Fall 2021

## > Key Activities in April

- Submitting third Administrative Draft to FTA on June 9, 2021
- UPRR ongoing coordination on commercial development study
- 15% design work continues to conduct field surveys of utilities
- 3rd Party Coordination with Caltrans and Army Corps
- Preparing for public outreach and public hearings during the 45-day circulation period

## > Next Actions

- Incorporate 3rd round of FTA comments on the administrative draft
- Release Draft EIS/EIR in July
- July to August: Community engagement during the release of the Draft EIS/EIR



# Green Line Extension to Torrance

## > Status

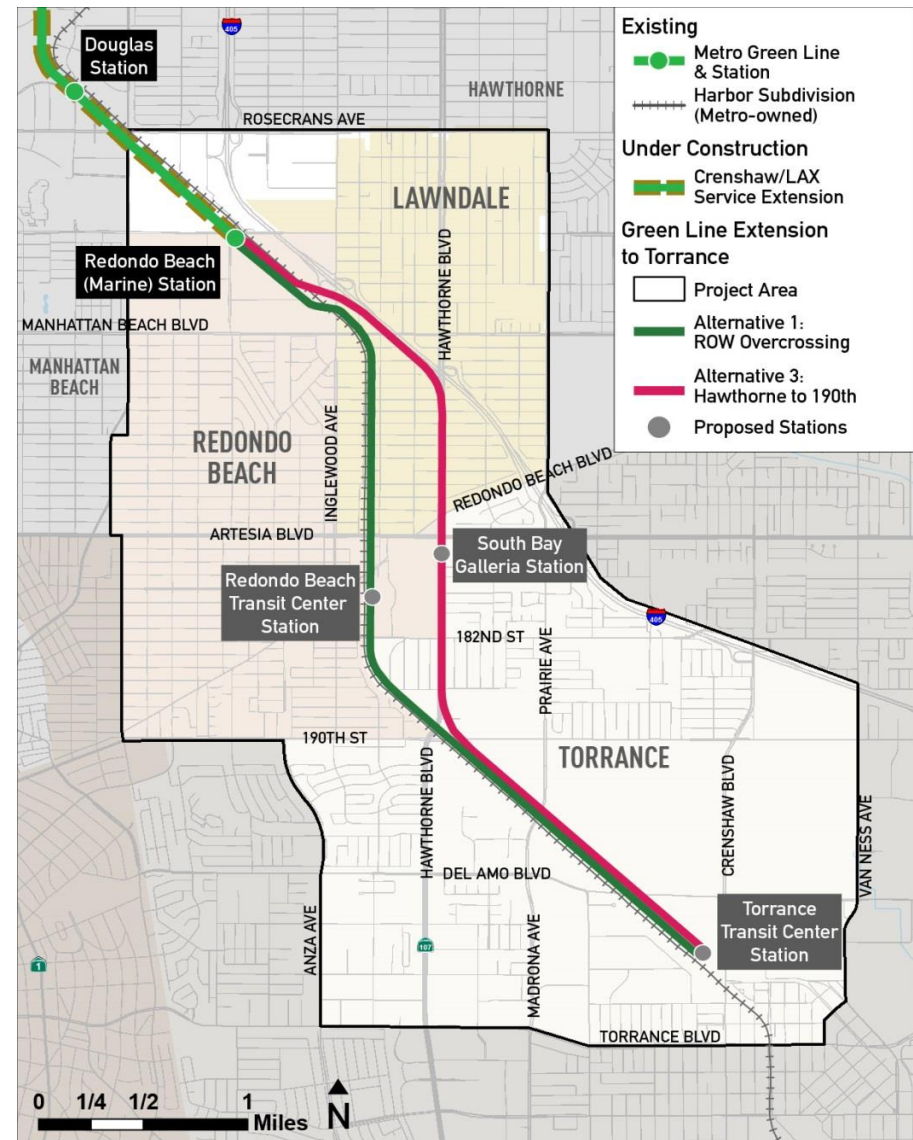
- Draft EIR + Advanced Conceptual Engineering tasks are proceeding (15% design)

## > Key Activities

- Review of over 700 comments received during the scoping period to incorporate necessary public issues into environmental review
- Ongoing coordination meetings with BNSF on shared track segments
- Engineering analysis of Hawthorne versus ROW technical issues

## > Next Actions

- Ongoing outreach:
  - Cities, BNSF, Caltrans
  - Communities
- Summer Walking Tours with Community Stakeholders, Residents



# Eastside Transit Corridor Phase 2

## > Status

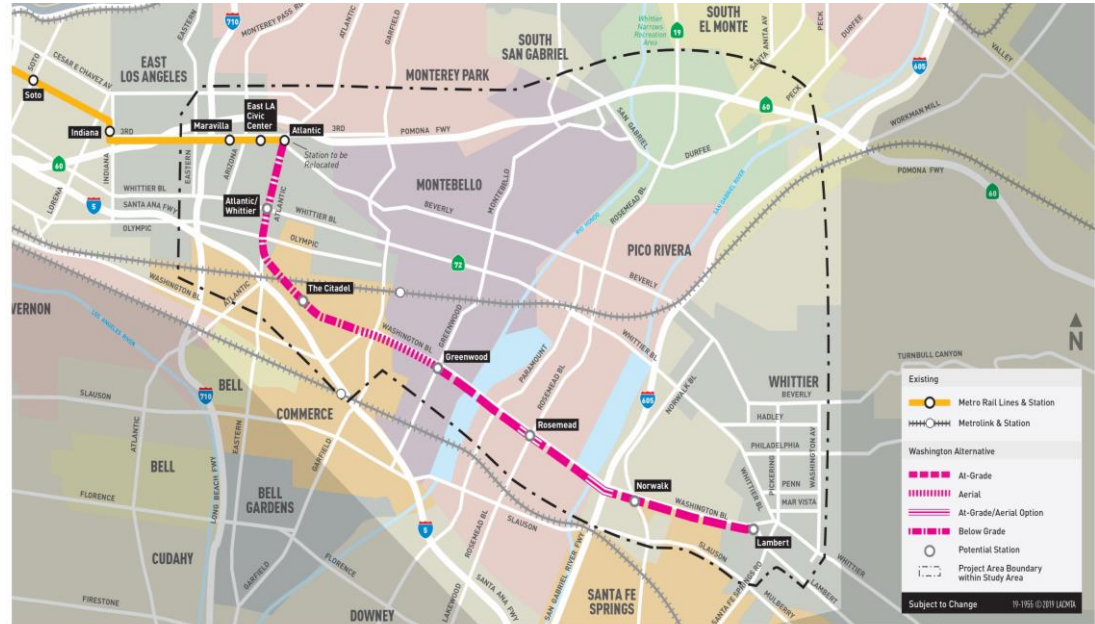
- Environmental Analysis, Systems Engineering and Advanced Conceptual Engineering (ACE)

## > Key Activities

- Community Based Organization Outreach strategy is close to being finalized with input from Community Relations and Race & Equity Departments
  - Strategy anticipated to be implemented this summer

## > Next Actions

- Continuing design and alternatives definition refinements of below ground segment, proposed Maintenance Yard sites and Washington Boulevard profile configurations in Montebello (aerial and at-grade)



# Sepulveda Transit Corridor

## > Status

- Identified the five Valley-Westside alternatives entering into the environmental process
- Conduct a virtual community meeting on June 8, 2021, updating the community of project activities since the publication of the Feasibility Study and provide an overview of the upcoming environmental process

## > Key Activities

- Preparing Notice to Proceed (NTP) for Pre-Development Agreement (PDA) teams
- Preparing for virtual community meeting on June 8, 2021

## > Next Actions

- Preparation for Environmental Scoping Period in Fall 2021



# NoHo to Pasadena BRT

## > Status

- Following Board approval of Proposed Project in May, Project is now in FEIR phase

## > Key Activities

- Ongoing stakeholder outreach to inform Project design
  - March 2021 – Conducted 3 meetings with Eagle Rock stakeholders and businesses (80 participants)
  - April 2021 – Corridor-wide community meeting (369 total attendees) to present the recommended Proposed Project prior to Board approval in May
  - April 2021 – Staff provided response to December Board motion on optional left-side boarding
  - May 2021 – Metro Board approved the Proposed Project Preferred Alternatives

## > Next Actions

- Summer 2021 – Conduct further studies in Eagle Rock and Burbank in response to Board Direction (May)
- Fall 2021 – Board certification of Final EIR



# Countywide Planning Dashboard

Pillar Projects									
	Project Name	Env Completion (FY)	Measure M Opening (FY)	Project Phase				Date	Action/Status
				AA	Draft Env	Final Env	Construction		
1	West Santa Ana Branch LRT	2022	2028-2030		X			April 2021	Approve Gateway COG Funding Agreement Modification and Extension
								July 2021	Release of Draft EIS/EIR
2	Green Line Extension to Torrance LRT	2023	2030-2032		X			April 2021	Review of EIR Scoping comments
								March 2022	Receive Draft EIR and Select Locally Preferred Alternative
3	Eastside Transit Corridor Phase 2	2024	2035-2037		X			Fall 2021	Select Locally Preferred Alternative (LPA)
4	Sepulveda Transit Corridor	2025	2033-2035	X				Fall 2021	Environmental Scoping

Other Measure M Projects									
	Project Name	Env Completion (FY)	Measure M Opening (FY)	Project Phase				Date	Action/Status
				AA	Draft Env	Final Env	Construction		
5	East San Fernando Valley Transit Corridor LRT	2020	2027-2029				X	Summer 2021	Environmental Clearance completed; initiate Supplemental ROW Study.
6	North San Fernando Valley BRT	2021	2023-2025		X			Summer 2021	Approve Proposed Project
7	North Hollywood - Pasadena BRT	2022	2022-2024			X		May 2021	Received Draft EIR and initiated Final EIR
8	Crenshaw Northern Extension LRT	2023	2047-2049		X			Fall 2021	EIR Scoping period completed. Initiate Post-Scoping Alternatives Report.
9	LA River Path (central gap)	2024	2025-2028		X			January 2022	Receive Draft EIR and Select Locally Preferred Alternative
10	Vermont Transit Corridor	2024	2028-2030	X				May 2021	Award Environmental Contract

Non-Measure M Projects			Project Phase						
	Project Name	Env Completion (FY)	Opening/ Completion (FY)	AA	Draft Env	Final Env	Construction	Date	Action/Status
11	Centinela Grade Separation	2021	2025			X		Summer 2021	Approve funding and project delivery plan
12	LAUS Forecourt and Esplanade Improvements	2021	2023			X		June 2022	Life of Project Approval
13	Rio Hondo Confluence Station Feasibility Study	TBD. Feasibility Study anticipated to be completed in 2022	TBD	X				TBD	Receive Feasibility Study Report and determine next steps for the potential Rio Hondo Confluence Station
14	Rail-to-River ATC (Segment B)	TBD. Supplemental study	TBD	X				Fall 2021	Receive Supplemental Alternatives Analysis Select Revised Locally Preferred Alternative
15	Arts District/ 6th Street Station HRT	TBD	TBD		X			April 2021	Initiate EIR Scoping
16	First/Last Mile Implementation in Transit Corridor Projects (PLE 2 and forward)	varies by project	varies by project					Summer 2021	Approve FLM Plan for PLE 1; Other periodic project-specific actions in the future;

Strategies/ Policies			Phase					
	Project Name	Groundbreaking / Initiation (FY)	Opening/ Completion (FY)	Policies/ Strategic Plans	Implementation Plans	Date	Action/Status	
17	Transit Oriented Communities (TOC) Implementation Plan:Semi-Annual Reports	Ongoing	Ongoing		X	Summer 2021	Report on TOC Implementation Plan Semi Annual Reports	
18	BRT Vision and Principles Study	2019	2021	X		June 2021	Response to March 2021 Board Motion	
19	First/Last Mile Guidelines	N/A	N/A	X		May/June 2021	Adopt Guidelines	
20	Joint Development Policy	N/A	N/A	X		May 2021	Joint Development Policy Paper published and presented at January Board Adopt Revisions to Policy	



## Board Report

File #: 2021-0192, File Type: Policy

Agenda Number: 15.

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### PLANNING AND PROGRAMMING COMMITTEE JUNE 16, 2021

**SUBJECT: JOINT DEVELOPMENT POLICY UPDATE**

**ACTION: ADOPT UPDATED JOINT DEVELOPMENT POLICY**

#### **RECOMMENDATION**

ADOPT updated Joint Development Policy (Attachment A).

#### **ISSUE**

In order to strengthen Metro's response to the housing crisis, staff recommends adoption of the updated Joint Development (JD) Policy which will increase the effectiveness of delivering JD projects and supporting equitable transit-oriented communities (TOCs). To inform the recommended JD Policy update, staff consulted key stakeholders, researched best practices, and analyzed the pipeline of future JD sites using a custom financial model, all of which informed a Joint Development Affordable Housing Policy Paper (Policy Paper) which was presented to the Board in January 2021. The findings of the Policy Paper informed a virtual community event with over 300 attendees, an online survey, and additional conversations with key stakeholders, all of which have been reflected in the updated JD Policy (Attachment A). Key changes to the JD Policy are summarized in the Matrix of Changes (Attachment B).

#### **BACKGROUND**

The Metro JD Program is a real estate management program that creates partnerships with private sector developers to build developments on Metro properties. The JD Program is guided by the existing JD policy document, the Joint Development Program: Policy ("JD Policy"), which was last updated in January 2017. The Metro JD Program has generated nearly 2,200 units of housing on Metro property to date, more than 1/3 of which are affordable. The number of units will more than double in the next few years bringing more than 1,000 affordable units online. Yet the issue of housing undersupply, affordability and homelessness have only worsened in LA County, and the Metro Board directed JD staff to assess what more Metro could do to address this regional crisis. Staff convened an internal working group, a series of roundtables with external stakeholders, issued several on-line surveys and hosted a Metro Conversations virtual event to broaden public input into the project. In January 2021, staff filed a Policy Paper (Attachment C) with the Metro Board that evaluated the potential policies under consideration. The draft Policy was posted on metro.net from May 7 to June 1 along with a survey to gather feedback and comments.



## **DISCUSSION**

### Metro Housing Nexus

As Metro builds out the Measure M transit system, achieving equitable outcomes from this investment will depend in large part on the ability to ensure the availability of affordable housing near the stations. Metro JD provides the opportunity to demonstrate community-driven, equitable development that advances TOC goals. Furthermore, Metro transit investments have the potential to increase land values near transit; in order to protect lower income residents and core riders from displacement and serve vulnerable populations, transit-oriented affordable housing is essential to equitable TOCs.

### Policy Update Process

Throughout 2020, JD staff collected more than 150 suggestions for changes to the JD Policy from Board Directors, community stakeholders, advocates, industry experts, and colleagues. Precedent research scanned the national policy landscape for lessons learned and best practices. The tools that could be analyzed quantitatively were tested in a custom financial model that allowed staff to evaluate the impact of potential changes on the feasibility of development on future JD sites. Staff distilled the findings from this research and analysis into a Policy Paper which was delivered to the Metro Board in January 2021 and served as a basis for further stakeholder discussions and feedback.

### Outreach

To build an equitable and successful Policy, staff sought input through a variety of stakeholder groups and formats. Key outreach included:

- Roundtable listening sessions with affordable housing and market rate developers, community-based organizations, institutional partners, local government partners, and academics. Participating organizations included UCLA, Abundant Housing, ACT LA, West Angeles Community Development Corporation, Enterprise Community Foundation, Abode Communities, Watt Companies, City of Los Angeles, Thomas Safran Housing, the Southern California Association of Non-Profit Housing (SCANPH), Community Power Collective and Little Tokyo Service Center, among others.
- An on-line survey of existing and prospective development partners, which sought to test the sensitivity of certain policies on project feasibility and invited comments on opportunities to streamline our process.
- Presentations to the Metro Policy Advisory Council, local organizations and neighborhood councils.
- An online comment form and survey soliciting feedback from the public.
- A virtual community event hosted April 7, 2021 to invite feedback on the Policy Paper and spur discussion with stakeholders.

- The public posting of the draft JD Policy for 24 days on Metro.net for review and comment.
- Eblasts to Metro's Joint Development stakeholders with updates on the policy and opportunities for feedback.
- Posting "Frequently Asked Questions" to the website and distributing to stakeholders to provide public responses to questions received.

### Portfolio Model

A consultant was retained to assess the impact of various policies on the aggregate potential to develop affordable units on Metro-owned land. Among other things, the model revealed that

- establishing a threshold affordability requirement is feasible insofar as it aligns with local and state density bonuses that increase the development potential of a property;
- discounting Metro property has a diminishing benefit beyond 15%; and,
- because the cost to construct and maintain parking is a major component of development cost, limiting parking can substantially improve project feasibility (and hence the potential to develop more affordable units overall).

Staff used the findings from this model to inform the recommendations that follow. Assuming the implementation of these policies, in the next decade the JD portfolio could expand from its current size of 2,221 units to approximately 10,000 units, approximately half of which would be income restricted.

Staff will report the percentage and total units of the portfolio that is income restricted. Staff considered recommending a new portfolio-wide percentage goal for affordable units. However, staff does not recommend adopting a percentage goal as it may distract from the core need of delivering as many affordable housing units as possible, as quickly as possible. Further, in some cases, the current percentage goal has led to the misunderstanding that each JD project must achieve this goal, when the focus should instead be placed on projects' ability to maximize the number of affordable units near transit. For example, plans to construct 80 units of affordable housing (100% affordable) at one site faltered because there was not enough project revenue to cover the cost to construct over Metro's infrastructure. Today, Metro is negotiating for the construction of approximately 668 units on and adjacent to its property, of which 234 units (35%) would be income restricted. In this, and many other instances, it has been essential to focus not on the percentage of affordable units, but instead on the absolute number that may be delivered.

### Policy Changes

After a year of careful analysis, outreach, and consideration, staff has prepared an updated JD Policy that describes the policy tools that best position Metro JD to combat the LA housing affordability crisis on Metro-owned land. The updated JD Policy includes, among other updates, the following key provisions:

#### *Affordability*

- Require that all JD sites first be pursued for 100% income-restricted housing. Income restriction guidelines are established each year by the United States Department of Housing and Urban Development (HUD) and published annually by the California Department of Housing and Community Development (HCD).
- HUD guidance determines income restrictions based on county-level area median income (AMI). JD projects will align affordability levels with neighborhood incomes and rents using a Neighborhood AMI analysis.
- Where a 100% income-restricted project is not feasible, require that a minimum of 25% of housing units be affordable to households earning 80% or less of AMI (or an equivalent minimum, to be determined by an affordability score).

### *Resources*

- Adjust the existing policy that allows up to 30% proportional land discount to require that any discount provided is expressed as a dollar subsidy, with no percentage cap, when required for feasibility or specific benefits.
- Limit parking to 0.5 parking spaces per bedroom.
- Prioritize projects where need is highest, and the greatest benefit may be realized fastest.
- Reinvest JD proceeds into TOC activities.
- Use the Metro Acquisition Policy as a general guideline to pursue fair and open competition and seek best value for the public; manage developer solicitation within the JD department.

### *Unsolicited Proposals*

- Only accept unsolicited proposals from developers who bring unique benefit to a Metro site such as adjacent property.
- Consult impacted stakeholders before advancing unsolicited proposals for Board consideration.

### *Metrics*

- Expand the metrics used to track the delivery of affordable homes. The portfolio-wide affordability percentage would continue to be tracked and reported, however the metrics would be expanded to track the total number of units, the speed at which they are delivered, and other outcomes such as job generation and community benefits.
- Analyze outcomes using a program database and tenant surveys.
- Establish a Metro “Housing Lab” to drive innovation around transit-oriented housing and pursue new methods of engagement, financing, and construction in order to deliver projects faster and more equitably.

All of the recommended changes were evaluated in detail in the January 2021 Policy Paper and are summarized in Attachment B.

### Proposed TOC Reinvestment

The updated JD Policy would allow for proceeds from JD projects to be reinvested in TOC activities. By strategically leveraging a relatively modest revenue stream, Metro can amplify returns and maximize community benefits. For example, JD revenues could be used to acquire additional property in what might otherwise be a partial take to support a new transit station, and in so doing unlock a transit-oriented development and affordable housing opportunity that might not otherwise be feasible.

### Proposed 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. This Housing Lab would consist of a partnership with academic and private sector interests, other non-profit partners and/or legal advisors to test and evaluate housing strategies, such as:

- Land banking or community land trusts
- Partnerships with public or private entities to provide equity or debt
- Modular, prefabricated, or 3-D printed units
- Micro units, co-housing, live/work or interim use housing
- Passive house, net zero, or geothermally powered buildings
- Design contests, publications, or speaker series

### Updated Policy Applicability and Legal Framework

If adopted, the updated JD Policy would apply to all new JD projects that are not yet in negotiations. While the spirit of the JD Policy may influence deal points that have yet to be determined on Projects for which Exclusive Negotiations Agreements or Joint Development Agreements with developers are in place, key disposition terms or scope definition on several of these projects have already been negotiated and would not necessarily be changed to conform to the updated JD Policy. Properties acquired with Federal resources are subject to Federal Transit Administration guidance on Joint Development. The updated JD Policy requires compliance with applicable Federal, State and local regulations.

### Equity Platform

The updated JD Policy reflects the four pillars of the Equity Platform:

- I. Enhanced processes for community outreach will ensure staff can listen and learn;
- II. Targeted analysis of potential JD sites and ongoing metrics of JD projects will define and measure;
- III. New affordability priorities will enable staff to focus and deliver housing to low-income households and historically marginalized communities; and
- IV. The on-going system for monitoring outcomes and innovative housing pilots will allow staff to train and grow.

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**DETERMINATION OF SAFETY IMPACT**

The updated JD Policy will have no impact on safety.

**FINANCIAL IMPACT**

The recommended JD Policy specifies that JD proceeds are reinvested into TOC activities. JD proceeds currently are considered general revenue and are eligible for transit operations. JD revenues are typically received in the form of one-time capitalized ground lease payments, or as annual payments that currently average approximately \$3 million per year.

**Impact to Budget**

Adoption and implementation of the updated JD Policy would not impact the Fiscal Year 2021 Budget.

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The updated JD Policy is fulfilling Strategic Plan Goal 3.2 by seeking to catalyze TOCs with affordable housing and stabilize neighborhoods, and Goal 3.4 by playing a leadership role in addressing homelessness.

**NEXT STEPS**

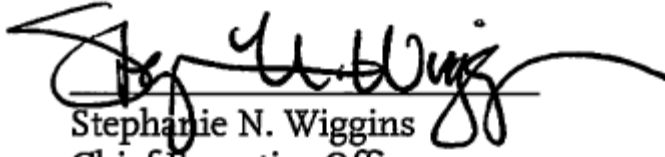
Upon the Board’s approval, the JD Policy will take effect immediately. Staff will revisit the pipeline of future joint development projects to ensure consistency with the adopted guidelines for project prioritization and new project solicitations will follow the updated procedures and requirements. Internal operating procedures, templates, informational media, and training resources will be updated, and staff will implement a “dashboard” to track the number and percentage of affordable units in Metro’s JD portfolio and other new performance metrics, with results communicated annually to the Board. Finally, staff will explore potential partnerships and initiate program design for the proposed Housing Lab.

**ATTACHMENTS**

- Attachment A - Joint Development Policy
- Attachment B - Joint Development Policy Matrix of Changes
- Attachment C - Metro Joint Development Affordable Housing Policy Paper
- Attachment D - Stakeholder Feedback Summary

Prepared by: Marie Sullivan, Manager, Countywide Planning & Development, (213) 922-2556  
Wells Lawson, DEO, Countywide Planning & Development, (213) 922-7217  
Nick Saponara, EO, Countywide Planning & Development, (213) 922-4313  
Holly Rockwell, SEO - Real Estate, Transit Oriented Communities and  
Transportation Demand Management, (213) 922-5585

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



Stephanie N. Wiggins  
Chief Executive Officer

Los Angeles County  
Metropolitan Transportation Authority

# Joint Development Policy



**Metro**<sup>®</sup>

JUNE 2021

## I. INTRODUCTION

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### **Vision 2028 Strategic Plan**

The Los Angeles County Metropolitan Transportation Authority (Metro) Vision 2028 Strategic Plan encourages the development of affordable housing near transit in order to give more people, especially in low-income communities, better access to transit.

### **Metro Joint Development**

The Metro Joint Development (JD) Program is a real estate development program for properties owned by Metro.

This document serves to inform communities in which JD projects are constructed, developers who build them, and the general public, about the values, policies, and processes that govern the JD Program.

### **Land Use and Transit**

Transit systems are most effective if they are surrounded by transit-supportive land uses that includes jobs, housing, schools, and amenities. While Metro does not have land use authority in Los Angeles County (the local jurisdictions hold this power), Metro can leverage the land it owns on behalf of the public, usually adjacent or proximate to Metro's transit infrastructure to deliver transit-supportive uses (to the extent these uses comply with local land use policies).

### **Housing Affordability**

Los Angeles County is suffering from a severe housing affordability crisis which is disproportionately impacting low-income residents, who make up Metro's core ridership.

### **Purpose**

This policy is intended to enable Metro to build as much quality housing near transit as possible for those who need it most, as soon as possible. Additionally, the Policy will continue to enable the development of other transit-serving uses (beyond housing) that will increase access to opportunity and support an efficient transit network.



## II. VALUES & GOALS

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### Equity & Inclusion

- Deliver housing and amenities for everyone, focusing benefits for historically disadvantaged communities.
- Actively engage community members.

### Access

- Preserve, protect and promote transit infrastructure and use.
- Respect communities around transit by stabilizing and enhancing housing and other amenities.
- Increase transit ridership and decrease single occupancy vehicle use.

### Performance

- Leverage the value of the JD portfolio to maximize and accelerate positive impact.
- Streamline process to deliver projects faster without compromising quality or cutting corners.
- Measure the impact of the JD Program with specific performance metrics.

### Innovation

- Lead the region and nation by driving innovation around transit-oriented housing.
- Pursue new methods of engagement, financing, and construction to deliver projects faster and more equitably.

**MISSION STATEMENT:** Create high-quality homes, jobs, and places near transit for those who need them most, as soon as possible.

### III. POLICIES

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#### A. Income-Restricted Housing

##### 1. Affordable First.

Metro will pursue all new JD sites for housing developments with 100% of residential units as Income-Restricted to persons and families of Extremely Low, Very Low, Lower or Moderate Income, in alignment with neighborhood incomes, as further described below.

##### 2. Neighborhood Alignment.

Metro will consider the local context and select an appropriate range of housing types to meet the needs of a diversity of household incomes, sizes, and ages. Metro will determine the affordability levels of any Income-Restricted Units by evaluating neighborhood income and rent levels as further described in the Process Section.

##### 3. Minimum Affordability.

If development of 100% Income-Restricted Units are determined to be infeasible, at least 25% of units will be affordable to Lower Income households or below, or an equivalent number of Income-Restricted Units at income levels calculated to an equivalent “Affordability Score,” defined below. A Mixed-Income Project may also be pursued if a greater number or depth of Income-Restricted units can be generated in a Mixed-Income Project than in a 100% Income-Restricted project.

##### 4. Affordability Definitions.

The “Affordability Score” is a measure of the overall project affordability levels determined by the percentage of Income-Restricted Units and their depth of affordability. Scores will be determined consistent with the following equivalent unit mixes. Scores may also be adjusted to encourage additional housing-related benefits.

- Extremely Low Income: 11% of units
- Very Low Income: 15% of units
- Lower Income: 25% of units
- Moderate Income: 50% of units

“Area Median Income” or “AMI” is the median annual income for a family or household in the County of Los Angeles. This amount is established each year by the United States Department of Housing and Urban Development (HUD) and published annually by the California Department of Housing and Community Development (HCD). As a point of reference, in April 2021, the Los Angeles County AMI for a three-person household was \$106,400. The commonly used income categories are approximately as follows, subject to variations for household size and other factors:

- Extremely Low Income: 0-30% of AMI
- Very Low Income: >30% to 50% of AMI
- Lower Income: >50% to 80% of AMI
- Moderate Income: >80% to 120% of AMI

“Income-Restricted Units” are housing units that are reserved for people or households earning no more than a certain threshold income.

A “Mixed-Income Project” is a JD project with both Income-Restricted Units and market rate units.

“Neighborhood AMI” is a measure of the median income in a neighborhood surrounding a proposed JD project and will only be used to inform income levels for Income-Restricted Units where Neighborhood AMI is lower than County AMI.

## **B. Transportation & Access**

### **1. Transit-Supportive Land Use.**

Metro will prioritize trip generating uses on JD sites to allow more people to drive less and access transit more. Projects will be prioritized which include more housing units for transit riders or a greater intensity of activity.

### **2. Preservation of Transit Facilities.**

Metro must retain authority over its transit facilities and services, and development shall not negatively impact existing or future public transportation facilities.

### **3. Transit Connections.**

Metro will maximize connections to transit facilities from and through JD projects, where appropriate. Projects are encouraged which provide for increased station access using buses, active transportation, and other alternative modes of travel. Projects should include provisions for effective and flexible curbside management of last-mile goods delivery and shared mobility services such as rideshare, microtransit, carshare, and carpools to minimize unintended consequences.

### **4. Parking.**

Metro will require projects that include parking spaces for residential uses to be at a ratio no higher than 0.5 parking spaces per bedroom. If the resulting residential parking is less than the minimum required by local land use policies, then JD projects will include residential parking at ratios no higher than the minimum required by such local policies. For JD projects built on existing park and ride lots or providing park and ride spaces, Metro will consider parking demand and pricing strategies when determining a strategy for replacement parking, if applicable.

- Unbundled Parking. All off-street parking spaces related to residential uses in a JD project must be “unbundled” (i.e., marketed and rented separately from the units within the project) in order to capture the actual cost to construct and maintain the dedicated parking spaces. An exception may be granted for Income-Restricted Units, if required by funding sources.
- Shared Parking. Metro will evaluate and pursue, wherever possible, shared parking strategies with the overarching goal of reducing the total number of off-site spaces constructed on the JD site.
- Replacement Parking. In the event that a Metro JD project is pursued on an existing Metro park and ride lot, demand-responsive considerations should inform replacement parking, if any.

5. Equity.

Metro will ensure that all projects are consistent with the Metro Equity Platform. Projects will be analyzed with Metro equity analysis tools and will strive to address past unintended consequences and provide the most opportunity to the most vulnerable populations, especially transit-dependent residents. In addition, Metro will ensure that JD projects comply with FTA Title VI Civil Rights and Environmental Justice requirements. Compliance with Title VI will be required of developer’s selected for JD projects.

**C. Resources**

1. Maximize Benefit.

Metro will seek the project that secures the best value for the public which may include affordable housing, public amenities or financial return that can be reinvested into Transit Oriented Communities activities.

2. Land Subsidies.

Where appropriate, and necessary for project feasibility, Metro may, subject to the approval of the Metro Board of Directors (“Board”), subsidize JD projects by discounting ground leases below the fair market value in order to accommodate transit infrastructure, Income-Restricted Units or other community benefits. Ground lease discounts from fair market value will be disclosed to the Board in an absolute dollar amount when transaction terms are presented to the Board for approval.

3. Collaborative Contribution.

Projects are encouraged which obtain capital, loans, grants, in-lieu contributions, or strategic partnerships from other agencies, including use of Local Return dollars in accordance with the Board-adopted TOC Policy, to create greater community economic benefit to JD projects.

#### 4. Land Ownership.

Metro will retain fee ownership of its land, relying on long-term ground leases to develop its property. In exceptional cases where Metro's continued ownership of a property is neither convenient nor necessary, Metro may sell the property in fee to the developer. In the event that a fee disposition of Metro property is necessary for a JD project, Metro will place a covenant on the property requiring that any Income-Restricted Units developed remain Income-Restricted in perpetuity, where feasible, and in any case for a period of not less than 99 years.

#### 5. Use of Proceeds.

Proceeds from JD projects will be reinvested in Transit Oriented Communities activities.

#### 6. Strategic Acquisition.

To encourage opportunities for JD projects surrounding transit investments, Metro will evaluate transit corridor projects in the initial planning (e.g., during the environmental and preliminary engineering phases) and shall seek to create the most advantageous conditions for JD projects in the acquisition of required property, location of new station sites, and construction of station facilities.

### D. **Community Outreach**

#### 1. Community Engagement.

Metro will pro-actively engage with the communities throughout the JD process and require that developers do so as well.

#### 2. CBO Participation.

Metro will require, wherever feasible, that developers collaborate with local Community Based Organizations (CBOs), both formally as development partners or informally as community partners providing independent community-level input on the project scope, design and program.

#### 3. Local Collaboration.

Metro will consult and work cooperatively with local jurisdictions and developers to encourage transit-supportive, high-quality development at stations and surrounding properties. All JD projects must follow local laws and land use policies of the jurisdiction in which they are located.

## **E. Developer Solicitation.**

### **1. Competitive Solicitation.**

Metro's preferred method for selection of developers for its JD projects is conducted through a full, open and competitive selection process that is further detailed in the Process section.

### **2. Unsolicited Proposals.**

Staff may consider unsolicited proposals that seek the right to develop or improve Metro property by bringing unique benefit to a Metro site such as adjacent property or innovative design. For example, a successful proposal might add additional land area to a Metro site that would enable the combined properties to support a superior development than the Metro property alone. Unsolicited proposals must comply with all policies set forth herein.

If pursued, Metro will conduct market and zoning analysis, study the surrounding Neighborhood AMI, and seek input of impacted stakeholders to ensure the unsolicited proposal is in alignment with community needs.

## **F. Project Requirements.**

### **1. Small & Disadvantaged Businesses.**

Development teams shall provide opportunities for Metro-certified Small Business Enterprises (SBE), Disadvantaged Business Enterprises (DBE), Disabled Veterans Business Enterprises (DVBE), and Minority and Women Business Enterprises to partner in their projects through the delivery of professional or construction services.

### **2. Design Excellence.**

Metro is committed to design excellence in JD projects. Metro will promote context sensitive planning, architectural integration, and quality materials for all programmatic elements of JD sites. Metro will ensure that projects demonstrate a high quality of design that is both sensitive to community context and enhances the surrounding community. If applicable, staff may require developers to incorporate community-appropriate public art and/or Metro directional signage into the proposed project.

JD projects will often require a signage and wayfinding program connecting the development to the transit system. These designs must reinforce Metro's brand identity and shall be prepared by a professional environmental graphic design consultant contracted by the Developer. JD projects may also provide opportunities for developers to commission public art in order to support cultural equity and articulate a community identity. Emphasis should be focus on spaces with high visibility and opportunity for architectural integration.

3. Sustainability.

Metro will require that JD projects shall be built to the latest green building codes and in accordance with the Metro Moving Beyond Sustainability plan.

4. Project Labor.

Metro will apply its agency-wide Project Labor Agreement and Construction Careers Policy to JD projects that meet the following thresholds: a mixed-use project containing both a residential and a commercial component, where there are more than sixty (60) residential units being built; a residential only project that exceeds sixty (60) residential units; or a commercial only project (retail, office or hotel) that exceeds forty thousand (40,000) square feet of space.

## IV. PROCESS

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While this document is Board-adopted, Metro may continue to refine this Process section administratively as needed, so long as any refinements are in keeping with the Policy statements set forth in the previous Policy Section.

### A. Site Selection

#### 1. Acquisition.

In the initial planning of a transit corridor project (e.g., during the environmental and preliminary engineering phases), Metro may conduct site analysis and evaluate proposed station sites for their JD potential. Working with Metro's Corridor Planning, Real Estate and Program Management departments, JD staff shall review proposed transit project property acquisitions for JD potential before the acquisition footprint is established and cleared during environmental review.

#### 2. Site Prioritization.

The JD staff has finite resources; therefore, the decision to begin a JD project must be made carefully, factoring in several criteria including, but not limited to market conditions, community input, ability to generate Income-Restricted Units, potential for local jurisdiction partnerships, and Metro resources. The JD workplan will prioritize projects with consideration of the following:

- Neighborhood Stabilization. Metro will prioritize projects located in areas at higher risk of displacement based on the most recent and reputable data available.
- Equity Focus Communities (EFCs). Metro will prioritize projects that fall within the Equity Focus Community geographies which have lacked investment and experienced disenfranchisement, as defined in Metro's Long Range Transportation Plan.
- Access to Opportunities. Metro will prioritize projects that deliver Income-Restricted Units in areas with greater access to opportunities, such as jobs, schools, and other amenities.
- Streamlining. Metro will evaluate projects based on their potential to be delivered quickly and with the least cost to Metro.
- Maximizing Impact. Metro will prioritize projects that can best leverage transit supportive land use policies and deliver the greatest public benefit.



## B. Project Scoping

### 1. Site Analysis.

At the outset of the site selection process, staff shall conduct zoning and market analysis to determine the capacity of a JD site for housing units, community benefits and financial potential. Staff will conduct a community needs assessment and asset mapping to identify opportunities for the development program to leverage existing community resources and fill gaps where they exist. Potential JD sites will be evaluated through Metro equity analysis tools to address past unintended consequences and provide the most opportunity to the most vulnerable populations, especially transit-dependent residents. Metro will estimate any additional costs of upgrades required to develop the property in a manner that preserves existing transit infrastructure and operations. Examples of such costs include adding a new entrance, building replacement park and ride parking, or development features necessary to span or otherwise accommodate existing transit infrastructure.

### 2. Neighborhood Income Analysis.

As part of the site analysis, Metro will evaluate income and rent data for the area that is within an approximately 15-minute walk of the site. The evaluation will include an historic “lookback” to determine a baseline “Neighborhood AMI” that will inform the threshold of household income levels and rents that will be targeted for projects with Income-Restricted Units. The neighborhood income and rent data will inform the outreach and preparation of Development Guidelines, with a goal of aligning housing affordability levels with the needs of the neighborhood and ensuring a realistic conversation about tradeoffs.

### 3. Community Engagement.

Outreach should focus on upfront visioning and community updates throughout the process. In conducting outreach, Metro will utilize a breadth of outreach tools designed to broaden participation beyond traditional channels for gathering community input including, but not limited to focus groups, one-on-one meetings, workshops, pop-up events, attending other community meetings and events, intercept surveys, participation in community events, as well as virtual and online tools such as online surveys and virtual workshops to reach a broader stakeholder base.

Metro will consult with local jurisdictions and conduct outreach to solicit input from the community surrounding a JD site. JD staff, working closely with Metro Community and Construction Relations staff, shall work with community stakeholders and the local jurisdiction to define a vision for the potential project.

### 4. Development Guidelines.

Upon determination of a unified vision that is desirable to the community and economically feasible, Metro will prepare Development Guidelines which will be presented to the Board for approval. The Development Guidelines will articulate the following project expectations:

- Scale and Program. Results of the market and zoning analysis, community outreach, and neighborhood income and rent levels will be reflected in the Development Guidelines to set expectations for proposals.
- Transit Infrastructure Requirements. (if applicable). To the extent that additional transit investments are required to create a developable parcel, the scope and estimated cost for such improvements will be disclosed.
- Regulatory and Planning Framework. In communities where there has been a recent community plan or specific plan update or extensive outreach and visioning effort, the Development Guidelines will be informed by that document. The Development Guidelines will also incorporate relevant Metro plans and policies.
- Community-Informed Development Vision. The Development Guidelines will outline site-specific, community-informed priorities based on site analysis and community outreach.
- Project Checklist. Transit-oriented developments are expected to be walkable, human-scaled, and supportive of alternative transportation modes, among other attributes. These attributes will comprise a standardized “project checklist” to include design-related expectations such as the treatment of ground floor uses, pedestrian enhancements, community spaces and the like.
- Design Criteria. The Development Guidelines will specify urban design elements and site plan expectations unique to the site, as well as environmental graphics and public art for each project, if applicable.
- Community-Informed Evaluation Criteria. Community members will 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 solicitation.

## C. Developer Selection

### 1. Project Solicitation.

After Board approval of the Development Guidelines, Metro will solicit proposals for development of a JD site through a Request for Information and Qualifications (RFIQ) and/or an Request for Proposals (RFP). Because of the unique nature of JD transactions and their divergence from a typical public procurement of goods or services, the developer solicitation process will use the Metro Acquisition Policy as a general guideline. Unique processes may be pursued in order to bring forward the best value project for Metro and the community. The RFIQ/RFP process will adhere to applicable state and federal codes, and, if the subject site was purchased with federal funding, will conform to Federal Transit

Administration FTA circular 7050.1B, which governs JD projects, as it may be amended from time-to-time.

2. Fostering Partnerships.

During the solicitation process, staff may host a “Building Partnerships” event to highlight small businesses and local CBOs with the goal of connecting them with potential developer proposers.

3. Proposal Evaluation.

Metro will assemble an evaluation panel generally consisting of key Metro personnel, a representative of the local jurisdiction, and a community stakeholder, to the extent feasible and appropriate. Additionally, an urban design or development consultant, financial services consultant, community representative, and/or local jurisdiction technical staff may be used to provide support and advisory services in the evaluation of proposals. The evaluation panel will evaluate JD proposals and select a developer to be recommended to the Board or defer a JD project if none of the proposals maximize JD objectives.

4. Evaluation Criteria.

JD proposals will be evaluated based on their conformance with site-specific Development Guidelines and their support of the JD Policy. The selection team will evaluate various criteria and award points for project attributes including, but not limited to, the following:

1. Vision, Scope and Design. Projects that carry out Metro’s JD Policies herein and the vision for the JD site as described in the site-specific Development Guidelines.
2. Affordability. Projects with a greater number of Income-Restricted Units, and/or deeper affordability levels following the Affordability Score and the alignment of affordability levels with Neighborhood AMI.
3. Transit-supportive Land Uses. Projects with trip-generating uses that allow more people to drive less and access transit more.
4. Financials. Projects with a reasonable and financially feasible proforma that compensates Metro at a fair market value for the land.
5. Implementation Streamlining. Projects that have a clear schedule for implementation, have the potential to be delivered fastest and with the least cost to Metro; projects that are “by-right” and do not require discretionary local actions; and projects with demonstrated community support that are less likely to be delayed by opposition.
6. Development Team. Proposers with demonstrated experience and success and proposers that consist of Community-Based Organizations (CBOs) Small

Business Enterprises (SBE), Disadvantaged Business Enterprises (DBE), Disadvantaged Veteran Business Enterprises (DVBE) and Minority and Women Business Enterprises members.

7. Community Engagement. Proposals that reflect robust engagement with community-based organizations (CBOs) and other community stakeholders as part of the development process.

## 5. Unsolicited Proposals.

Metro will evaluate unsolicited proposals using a three-phased approach:

- Phase One: Conceptual Proposal
- Phase Two: Detailed Proposal
- Phase Three: Community Outreach and Preliminary Discussions Can we be more explicit about how we say no based on site prioritization and staff time?
- 

Metro will respond to unsolicited proposals by following federal procurement guidelines for competitive procurement. Metro may, at any time, choose not to proceed further with any unsolicited proposal.

### *Phase One – Conceptual Proposal*

Phase One includes a basic threshold review and evaluation of conceptual proposals, based on their compliance with the policies set forth in Section III, the site prioritization metrics set forth in Section IV.A.2, and the availability of staff resources at the time of receipt. Unsolicited proposals will only be accepted from developers with site-control of adjacent properties. If staff determines that the Phase One proposal should proceed, staff will request additional detailed information in a Phase Two proposal.

### *Phase Two – Detailed Proposal*

During Phase Two, developers can meet with JD staff to better understand the process and the requirements for the proposed project. A Phase Two proposal will be evaluated based on its advancement of the policy priorities set forth in this document and the evaluation criteria set forth in Section IV.C.4. If Metro intends to move forward with a Phase Two proposal, JD staff and the proposers shall conduct outreach to targeted stakeholders in Phase Three.

### *Phase Three – Community Outreach and Preliminary Discussions*

During Phase Three, Metro and the developer will conduct robust community outreach to understand the reception of the proposed project by the community. This outreach may consist of:

- meeting with local elected officials and municipal staff where the subject property is located;
- meeting with key community and business stakeholder groups;
- convening a public open house seeking community feedback;

- collecting written feedback or survey responses received on-line; and
- conducting virtual workshops, pop-ups, participating in community events, station intercept surveys, etc.

In response to the community input, the developer will be asked to address concerns raised and may submit a revised detailed proposal in response to public feedback. If the project is successful in addressing community concerns and JD staff determines a viable project can move forward, the proposal will be recommended to the Board to enter into an Exclusive Negotiation Agreement.

## D. Development Phase

### 1. Exclusive Negotiation.

Following either the RFIQ/RFP or unsolicited proposal processes described above, Metro may decide to enter into an Exclusive Negotiation Agreement and Planning Document (ENA) with a developer. Before recommending the selected developer's proposal to the Board, Metro will negotiate an (ENA with the developer. Upon approval of a recommended developer and authorization by the Board, Metro will execute the ENA with the developer.

*Developer Responsibilities under the ENA include but are not limited to:*

- Create a robust community engagement plan that will carry throughout the design, entitlement and construction process for the project.
- Negotiate in good faith, including such project design and project financing information as necessary for staff to negotiate a transaction.
- In consideration for entering into the ENA, the developer will provide Metro a non-refundable fee and will also provide Metro with a deposit to pay Metro's actual costs to negotiate and evaluate the proposal, including certain Metro in-house and third-party costs.

*Metro Responsibilities under the ENA:*

- During the negotiation period, provided that the developer is not in default of its obligations under the ENA, Metro will negotiate exclusively and in good faith with the developer a Joint Development Agreement (JDA) and Ground Lease to be entered into between Metro and the developer and will not solicit or entertain offers or proposals from other parties concerning the site.

*Term of the ENA:*

- ENA terms will consist of a twenty-four (24) month base period with the option to extend up to a total of sixty (60) months administratively, with notifications to the Board which will include a project status update, reasons for the extension, and proposed next steps. In considering an extension, staff will

determine whether substantial progress has been made towards fulfillment of the requirements of the ENA and may require payment of additional fees and/or deposits.

2. FTA Concurrence.

If a JD project will occupy land initially purchased with federal dollars, the project will need to obtain concurrence from the FTA in order to proceed.

3. Environmental Compliance.

Metro cannot enter an agreement that would legally obligate the project's completion until the Board - as a responsible agency under CEQA and/or NEPA - considers and analyzes the environmental impacts of the project. The project must be cleared through CEQA before a JDA or a Ground Lease can be approved by the Board. Metro is not the lead CEQA agency for JD projects; the agency with local regulatory land use authority generally serves that function.

4. Joint Development Agreement.

Upon satisfactory fulfillment of the development requirements in the ENA, negotiation of acceptable terms, and adoption of CEQA findings by the lead agency, Metro will recommend that the Board (a) adopt the CEQA findings as a responsible party and (b) authorize entering into a JDA and Ground Lease for the implementation of a project. The JDA shall describe the rights and responsibilities of both parties as established in the ENA negotiations.

5. Ground Lease.

Upon satisfactory fulfillment of the closing conditions required in the JDA, and receipt of FTA concurrence, Metro will enter into a Ground Lease for the use of the site. The Ground Lease will describe the rights and responsibilities of both parties with respect to the site. The CEO or designee may also enter into such other documents and agreements to implement and administer the project as described in the JDA and Ground Lease.

## V. PROGRAM METRICS

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### A. Outcome Tracking

Metro will monitor and assess the JD Program and revise the JD Policy as needed. Metro will track the JD portfolio via a regularly updated dashboard of both completed and in-progress projects which will include data such as:

- Number and percentage of units by AMI levels
- Developer characteristics (ex. market rate or non-profit, minority and/or women-led firms)
- Number of residents
- Resident employment and income characteristics
- Resident demographics
- Geographic distribution of JD projects
- Associated community benefits such as parks, community space, or street improvements
- Commercial space
- Number and tenure of small businesses
- Construction and permanent jobs created
- First/last mile improvements
- Transit infrastructure improvements
- Revenue to Metro

Developers will be required to allow Metro to conduct annual commercial and residential tenant surveys to gather metrics for ongoing monitoring. 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 policy objectives such as transit use, demographic data (as allowed/feasible), car ownership, move in/move out information, revenue generation 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).

In addition, Metro will conduct regular surveys of both existing and potential JD developers to identify areas of improvement for the JD Program.

## VI. LEGAL FRAMEWORK

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### B. Statutory Basis

The Metro JD Program maintains statutory basis as obtained by a predecessor agency, the Southern California Rapid Transit District. Under California Public Utilities Code, Section 30600: “the district may take by grant, purchase, gift, devise, or lease, or by condemnation, or otherwise acquire, and hold and enjoy, real and personal property of every kind within or without the district necessary or incidental to the full or convenient exercise of its powers. That property includes, but is not limited to, property necessary for, incidental to, or convenient for joint development and property physically or functionally related to rapid transit service or facilities. The Board may lease, sell, jointly develop, or otherwise dispose of any real or personal property within or without the district when, in its judgment, it is for the best interests of the district to do so.”

### C. State Regulations

In response to the state housing crisis, a number of new laws have been adopted that prioritize and expedite the development of Income-Restricted Units, specifically on public lands such as Metro JD sites. In pursuing JD projects, Metro will comply with all relevant state laws.

Metro JD sites which were acquired with assistance from State funding sources may be subject to additional State laws or processes and will follow State guidance to ensure compliance.

### D. Federal Regulations

Metro JD sites which were acquired with assistance from the FTA are subject to and will follow FTA guidance and will be reviewed individually by the FTA to ensure compliance. Current guidance in FTA Circular 7050.1B on FTA-funded real property for joint development, stipulates that joint developments follow four criteria: subject JD projects

1. Economic Benefit – project must enhance economic benefit or incorporate private investment.
2. Public Transportation Benefit – project must enhance the effectiveness of public transportation and be related physically or functionally to public transportation, or it can establish new or enhanced coordination between public transportation and other modes.



3. Revenue – developer and Metro must negotiate and agree on the amount of revenue the project will provide to Metro. The FTA does not define what amounts to a “fair share of revenue” but Metro will provide FTA with a reasonable determination that the terms and conditions of the joint development project are reasonable and fair to Metro.
4. Fair Share of Costs – developers and commercial tenants must pay a fair share of the costs through rental payments or other means. The FTA does not define what amounts to a fair share of the costs of the facility and will not impose a particular valuation methodology. Metro will determine how to document its reasonable determination that the rental payment, or other means, is reasonable and fair.

#### **E. Local Jurisdictions**

Metro JD projects are subject to local land use laws, policies and procedures in the host jurisdiction, similar to any private development. The selected developer for any JD site must follow the land use, zoning, permitting, and entitlement process for the local jurisdiction of that site.

Los Angeles County  
Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.9200 Tel  
213.922.5259 Fax  
*metro.net*



Joint Development Policy  
Matrix of Changes

ATTACHMENT B

Section	Topic	Previous Policy (2017)	Updated Policy (2021)	Rational and Policy Paper Reference
I.	Purpose	The Policy serves to inform communities in which joint developments take place, developers who build them, and the general public, about the objectives, policies, and processes that govern the Joint Development Program.	This policy is intended to enable Metro to build as much quality housing near transit as possible for those who need it most, as soon as possible. Additionally, the Policy will continue to enable the development of other transit-serving uses (beyond housing) that will increase access to opportunity and support an efficient transit network.	Metro's JD portfolio may double in size over the next decade, creating the opportunity to lead the region in progressive, innovative, community-serving housing and other inclusive community benefits. (Introduction)
II.	Values & Goals	<ul style="list-style-type: none"> <li>• Transit Prioritization</li> <li>• Community Integration, Engagement, Affordable Housing and Design</li> <li>• Fiscal Responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Equity &amp; Inclusion</li> <li>• Access</li> <li>• Performance</li> <li>• Innovation</li> </ul>	At the center of this Policy is the understanding that the people impacted most by this housing affordability crisis are historically marginalized communities. Metro's core riders are often the same historically marginalized communities that are most impacted by the housing crisis. (Policy Values)
II.	Mission Statement	Not included.	Create high-quality homes, jobs, and places near transit for those who need them most, as soon as possible.	Metro can advance equity and reduce disparities while also supporting transit ridership and Metro's mission of world-class transportation in LA County. (Policy Values)
III.A.1	Affordable Housing	Metro's Joint Development Program seeks to facilitate construction of affordable housing units, such that 35% of the total housing units in the Metro joint development portfolio are affordable for residents earning 60% or less of the Area Median Income (AMI).	Staff shall pursue all new JD sites for housing developments with 100% of residential units as Income-Restricted to persons and families of Lower or Moderate Income and below, in alignment with neighborhood incomes, as further described below.	In order to prioritize public land for affordable housing near transit. (Policy Tool A.1.1)

III.A.2	Affordability Levels	Affordable housing is defined as housing that is covenant-controlled, provided on an income-restricted basis to qualifying residents earning 60% or less than AMI as defined by the CA Tax Credit Allocation Committee, and often subsidized by public or non-profit funding sources.	Staff shall consider the local context and select an appropriate range of housing types to meet the needs of a diversity of household incomes, sizes, and ages. Staff shall determine the affordability levels of any Income-Restricted Units by evaluating neighborhood income and rent levels as further described in the Process Section.	In order to ensure that the units created will be affordable to local residents. (Policy Tool A.1.2)
III.A.3	Affordable Minimum	Not included.	If development of 100% Income-Restricted Units are determined to be infeasible, at least 25% of units will be affordable to Lower Income households or below, or an equivalent number of Income-Restricted Units at income levels calculated to an equivalent “Affordability Score,” defined below.	In order to leverage the public market to create income-restricted units without public subsidy. (Policy Tool A.1.3)
III.A.4	Affordability Definitions	Metro will define affordable housing as housing for residents earning 60% or less than AMI, and will prioritize units with even deeper affordability levels for very low income and extremely low income residents	<p>“Income-Restricted Units” are housing units that are reserved for people or households earning no more than a certain threshold income.</p> <p>“Area Median Income” or “AMI” is the median annual income for a family or household in the County of Los Angeles. This amount is established each year by the United States Department of Housing and Urban Development (HUD) and published annually by the California Department of Housing and Community Development (HCD). The commonly used income categories are approximately as follows, subject to variations for household size and other factors:</p> <ul style="list-style-type: none"> <li>• Extremely Low Income: 0-30% of AMI</li> <li>• Very Low Income: &gt;30% to 50% of AMI</li> <li>• Lower Income: &gt;50% to 80% of AMI</li> <li>• Moderate Income: &gt;80% to 120% of AMI</li> </ul> <p>“Neighborhood AMI” is a measure of the median income in a neighborhood surrounding a proposed JD project and will only be used to inform income levels for Income-Restricted Units where Neighborhood AMI is lower than County AMI.</p> <p>The “Affordability Score” is a measure of the overall project affordability levels determined by the percentage of Income-Restricted Units and their depth of affordability. Equivalent scores</p>	<p>Expanding the affordable housing definition to 80% AMI 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, <i>without any public subsidy.</i></p> <p>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. (Policy Tool A.1.2)</p>

			<p>will be determined consistent with the table below and may be adjusted by additional housing-related benefits.</p> <p>Scores will be determined consistent with the following equivalent unit mixes:</p> <ul style="list-style-type: none"> <li>• Extremely Low Income: 11% of units</li> <li>• Very Low Income: 15% of units</li> <li>• Lower Income: 25% of units</li> <li>• Moderate Income: 50% of units</li> </ul>	
III.B.4	Parking	Not included.	<p>Staff shall require projects that include parking spaces for residential uses to be at a ratio no higher than 0.5 parking spaces per bedroom. If the resulting residential parking is less than the minimum required by local land use policies, then JD projects will include residential parking at ratios no higher than the minimum required by such local policies. For JD projects built on existing park and ride lots or providing park and ride spaces, staff shall consider parking demand and pricing strategies when determining a strategy for replacement parking, if applicable.</p> <ul style="list-style-type: none"> <li>• <u>Unbundled Parking</u>. All off-street parking spaces related to residential uses in a JD project must be “unbundled.”</li> <li>• <u>Shared Parking</u>. Staff shall evaluate and pursue, wherever possible, shared parking strategies with the overarching goal of reducing the total number of off-site spaces constructed on the JD site.</li> <li>• <u>Replacement Parking</u>. In the event that a Metro JD project is pursued on an existing Metro park and ride lot, demand-responsive considerations should inform replacement parking, if any.</li> </ul>	Reducing parking construction through parking maximums and other incentives makes housing less expensive to build. (Policy Tool A.2.2)
III.C.1	Resources	Maximize Revenue. Joint development projects are expected to generate value to Metro based on maximizing ground rent revenues received, or equivalent benefits negotiated, for the use of Metro property.	Maximize Benefit. Staff shall seek projects that maximize public benefit by including public amenities and/or maximizing financial return from lands that can be reinvested into TOC activities.	Flexibility is key to leveraging the JD real estate portfolio as a unified asset for achieving strategic outcomes.

III.C.2	Land Discount/ Subsidy	Where appropriate, and subject to FTA approval (if applicable), Metro may discount joint development ground leases below the fair market value in order to accommodate affordable housing. The proportional discount of the ground lease may not be greater than the proportion of affordable units to the total number of housing units in the project, with a maximum discount of 30%.	Where appropriate, and necessary for project feasibility, Metro may, subject to the approval of the Metro Board of Directors (“Board”), subsidize JD projects by discounting ground leases below the fair market value in order to accommodate income-restricted housing or other community benefits. Ground lease discounts from fair market value will be disclosed to the Board in an absolute dollar amount when transaction terms are presented to the Board for approval.	Land discounting can 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. Subsidizing beyond a 30% discount is not usually helpful in creating more units or deeper affordability because land is a relatively small component of overall project costs. Thirty percent is an arbitrary cap and additional flexibility will be beneficial. (Policy Tool A.2.1)
III.C.4	Land Ownership	Ground Lease Preference. Use of a long term ground lease is generally preferred to fee disposition.	Use of a long-term ground lease is generally preferred to fee disposition. In specific cases where Metro’s continued ownership of a property is neither convenient nor necessary, Metro may sell the property in fee to the developer. In the event that a fee disposition of Metro property is necessary for a JD project, staff shall place a covenant on the property requiring that any income-restricted units developed remain income-restricted in perpetuity, if applicable.	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. (Policy Tool B.4.2)
III.C.6	Use of Proceeds	Not Included.	Proceeds from JD projects will be reinvested in Transit Oriented Communities activities.	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 (Policy Tool A.2.3)
III.C.6	Strategic Acquisition	To encourage opportunities for joint developments surrounding transit investments, when appropriate, Metro will consider joint development opportunities in the acquisition of required property, location of new station sites, and construction of station facilities.	To encourage opportunities for JD projects surrounding transit investments, staff shall evaluate transit corridor projects in the initial planning (e.g., during the environmental and preliminary engineering phases) and shall seek to create the most advantageous conditions for JD projects in the acquisition of required property, location of new station sites, and construction of station facilities.	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. (Policy Tool A.2.4)
III.D.2	Community Engagement	Metro will ensure that the Joint Development Process actively engages community members at every development stage.	Staff shall pro-actively engage with the communities throughout the JD process and require that developers do so as well.	Updated Policy with current best practices for outreach and community engagement and align with the Metro Community Based Organization Action Plan.
III.D.3	Community-Based Organization Participation	Metro strongly encourages partnerships with local Community Based Organizations that provide affordable housing and other community serving programs and uses to its joint development sites, as part of the development team.	Staff shall require, wherever feasible, that developers collaborate with local Community Based Organizations (CBOs), both formally as development partners or informally as community partners providing independent community-level input on the project scope, design and program.  Points will be awarded to proposals that reflect robust engagement with community-based organizations (CBOs) and other community stakeholders as part of the development process.	In keeping with the agency-wide CBO strategy, this tactic will deliver more equitable and community-informed projects.
III.E.2	Unsolicited Proposals	Metro does not encourage unsolicited proposals. Metro may consider unsolicited proposals in limited cases, as set forth in Metro's <i>Unsolicited Proposals &amp; Public/Private Sector Engagement Policy</i> (Metro UP Policy).	Staff may consider unsolicited proposals that seek the right to develop or improve Metro property by bringing unique benefit to a Metro site such as adjacent property or innovative design. For example, a successful proposal might add additional land area to a Metro site that would enable the combined properties to support a superior development than the Metro property alone. Unsolicited proposals must comply with all policies set forth herein.  If pursued, Metro will conduct market and zoning analysis, study the surrounding Neighborhood AMI, and seek input of impacted stakeholders to ensure the unsolicited proposal is in alignment with community needs.	The existing Unsolicited Proposal Process does not allow sufficient communication between JD staff, local jurisdictions and community members. (Policy Tool B.2.5)
III.F.2	Design Excellence	Projects shall demonstrate a high quality of design that is both sensitive to community context and enhances the surrounding community.	Metro is committed to design excellence in JD projects. Staff shall promote context sensitive planning, architectural integration, and quality materials for all programmatic elements of JD sites. Staff shall ensure that projects demonstrate a high quality of design that is both sensitive to community context and enhances the surrounding community. If applicable, staff may require	JD projects are a gateway to the Metro system and a beacon to potential riders that will endure decades. Care must be taken to ensure JD designs are

			<p>developers to incorporate community-appropriate public art and/or Metro directional signage into the proposed project.</p> <p>JD projects will often require a signage and wayfinding program connecting the development to the transit system. These designs must reinforce Metro's brand identity and shall be prepared by a professional environmental graphic design consultant contracted by the Developer. JD projects may also provide opportunities for developers to commission public art in order to support cultural equity and articulate a community identity. Emphasis should be focus on spaces with high visibility and opportunity for architectural integration.</p>	aesthetically appealing and context sensitive.
IV.A.1	Acquisition		In the initial planning of a transit corridor project (e.g., during the environmental and preliminary engineering phases), staff may conduct site analysis and evaluate proposed station sites for their JD potential. Working with Metro's Corridor Planning, Real Estate and Program Management departments, JD staff shall review proposed transit project property acquisitions for JD potential before the acquisition footprint is established and cleared during environmental review.	See Section III.C.6
IV.A.2	Site Prioritization	The determination to select sites for joint development is dependent on several factors including, but not limited to: market conditions, community input, local jurisdictions, and Metro resources. These factors may provide the basis for establishing project priorities, project implementation strategies, and ultimately the creation of Development Guidelines, to ensure maximum attainment of Metro's Joint Development Objectives.	<p>The JD staff has finite resources; therefore, the decision to begin a JD project must be made carefully, factoring in several criteria including, but not limited to market conditions, community input, ability to generate Income-Restricted Units, potential for local jurisdiction partnerships, and Metro resources. The JD workplan will prioritize projects with consideration of the following:</p> <ul style="list-style-type: none"> <li>• Neighborhood Stabilization</li> <li>• Equity Focus Communities (EFCs)</li> <li>• Access to Opportunities.</li> <li>• Streamlining</li> <li>• Maximizing Impact</li> </ul>	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. These priorities advance the overarching policy objective of building as much housing as quickly as possible for those who need it most. (Policy Tool B.1)
IV.B.1	Site Analysis	Not Included.	At the outset of the site selection process, staff shall conduct zoning and market analysis to determine the capacity of a JD site for housing units, community benefits and revenue generation. Potential JD sites will be evaluated through Metro equity analysis	This initial analysis can inform the outreach and RFP process to ensure a realistic conversation about the



			<p>tools to address past unintended consequences and provide the most opportunity to the most vulnerable populations, especially transit-dependent residents. Staff shall estimate any additional costs of upgrades required to develop the property in a manner that preserves existing transit infrastructure and operations. Examples of such costs include adding a new entrance, building replacement park and ride parking, or development features necessary to span or otherwise accommodate existing transit infrastructure.</p>	<p>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 will be the starting off point for the community conversations and the RFP. (Policy Tool B.2.2)</p>
IV.B.2	Neighborhood Income Analysis	Not Included.	<p>As part of the site analysis, staff shall calculate the median income and median rent for the area that is within an approximately 15-minute walk of the site, which will inform the Neighborhood AMI. The Neighborhood AMI will determine the threshold of household income levels and rents that will be targeted for projects with Income-Restricted Units. The neighborhood income and rent data will inform the outreach and preparation of Development Guidelines, with a goal of aligning housing affordability levels with the needs of the neighborhood and ensuring a realistic conversation about tradeoffs.</p>	<p>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. (Policy Tool A.1.2)</p>
IV.B.3	Community Engagement	<p>Once a site has been selected for a potential joint development, Metro will consult with local jurisdictions and conduct outreach to solicit input from the community surrounding the site. The Joint Development Program staff, working closely with Metro Community Relations, will work with the community stakeholders and local jurisdiction to determine a vision for the potential project.</p>	<p>Staff shall consult with local jurisdictions and conduct outreach to solicit input from the community surrounding a JD site. JD staff, working closely with Metro Community and Construction Relations staff, shall work with community stakeholders and the local jurisdiction to define a vision for the potential project.</p> <p>Outreach should focus on upfront visioning and community updates throughout the process. In conducting outreach, staff shall utilize a breadth of outreach tools including, but not limited to focus groups, one-on-one meetings, workshops, pop-up, attending other community meetings and events, intercept surveys, participation in community events, as well as virtual and online tools such as online surveys and virtual workshops to reach a broader stakeholder base.</p>	<p>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. These methods can increase confidence in decision-making, which in turn may accelerate the speed at</p>

				which the JD team is able to deliver projects, in order to address the regional housing needs. (Policy Tool B.2.3)
IV.B.3	Development Guidelines	Upon determination of a unified vision that is desirable to the community and economically feasible, Metro will prepare Development Guidelines specific to the site. The Development Guidelines will articulate the intensity and type of land uses that Metro and the community desire for that site, as well as any desired transit and urban design features. The Development Guidelines will be presented to the Metro Board for approval.	Upon determination of a unified vision that is desirable to the community and economically feasible, staff shall prepare Development Guidelines which will be presented to the Board for approval. The Development Guidelines will articulate the following project expectations: <ul style="list-style-type: none"> <li>• Scale and Program</li> <li>• Transit Infrastructure Requirements (if applicable)</li> <li>• Regulatory and Planning Framework</li> <li>• Community-Informed Development Vision.</li> <li>• Project Checklist</li> <li>• Design Criteria</li> <li>• Community-Informed Evaluation Criteria</li> </ul>	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. (Policy Tool B.2.2)
IV.C.1	Project Solicitation	The standard RFIQ/RFP procedure will be managed through the Vendor/Contract Management Department and will be consistent with Procurement Policies.	After Board approval of the Development Guidelines, staff shall solicit proposals for development of a JD site through a Request for Information and Qualifications (RFIQ) and/or an RFP. Staff shall use the Metro Acquisition Policy as a general guideline to pursue fair and open competition and seek best value for the public. The RFIQ/RFP process will adhere to applicable state and federal codes, and, if the subject site was purchased with federal funding, will conform to Federal Transit Administration FTA circular 7050.1B, which governs JD projects, as it may be amended from time-to-time.	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. (Policy Tool B.2.4)

IV.C.2	Fostering Partnerships	Not Included.	During the solicitation process, staff may host a “Building Partnerships” event to highlight small businesses and local CBOs with the goal of connecting them with potential developer proposers.	Partnership events can facilitate projects with better community integration and more equitable outcomes.
IV.C.4	Evaluation Criteria	Not Included.	<p>JD proposals will be evaluated based on their conformance with site-specific Development Guidelines and their support of the JD Policy. The selection team will evaluate various criteria and award points for project attributes including, but not limited to, the following:</p> <ul style="list-style-type: none"> <li>• Vision, Scope and Design</li> <li>• Affordability</li> <li>• Transit-supportive Land Uses.</li> <li>• Financials</li> <li>• Implementation Streamlining</li> <li>• Development Team</li> <li>• Community Engagement</li> </ul>	In addition to the typical proposal evaluation process which scores project submissions based on qualifications of the team, approach, and the vision presented, these evaluation metrics can aid the JD team in selecting a project proposal and project developer that advance equity and other policy values. (Policy Tool B.3)
IV.D.5	Unsolicited Proposals	<p>Included as part of agency-wide unsolicited proposals process with two phases:</p> <ul style="list-style-type: none"> <li>• Phase One: Conceptual Proposal</li> <li>• Phase Two: Detailed Proposal</li> </ul>	<p>Staff shall evaluate unsolicited proposals using a three-phased approach:</p> <ul style="list-style-type: none"> <li>• Phase One: Conceptual Proposal</li> <li>• Phase Two: Detailed Proposal</li> <li>• Phase Three: Community Outreach and Preliminary Discussions</li> </ul>	The Phase Three allows for improved communication between JD staff, local jurisdictions and community members. Protecting the privacy and integrity of the procurement process needs to be balanced with transparency. (Policy Tool B.2.5)
IV.E.1	Exclusive Negotiation	The term of the ENA shall generally be eighteen (18) months; provided, the term and any extensions shall not exceed thirty (30) months. In considering an extension, the CEO or designee shall determine whether substantial progress has been made towards fulfillment of the requirements of the ENA and may require payment of additional fee and/or deposit amounts.	ENA terms will consist of a twenty-four (24) month base period with the option to extend up to sixty (60) months administratively. In considering an extension, the CEO or designee will determine whether substantial progress has been made towards fulfillment of the requirements of the ENA and may require payment of additional fees and/or deposits.	Robust community engagement, city permitting, environmental clearance, and affordable housing funding sources are all time consuming processes. Most projects with the current timeframe have required ENA extensions which add several months in additional administration and additional project risk.

V.A	Outcome Tracking	Not Included	<p>Staff shall monitor and assess the JD Program and revise the JD Policy as needed. Staff shall track the JD portfolio via a regularly updated dashboard of both completed and in-progress projects.</p> <p>Developers will be required to allow Metro to conduct annual commercial and residential tenant surveys to gather metrics for ongoing monitoring.</p> <p>In addition, staff shall conduct regular surveys of both existing and potential JD developers to identify areas of improvement for the JD Program.</p>	To advance pillar one of the Equity Platform, tracking data such as transit use, demographics, car ownership, and tenant satisfaction will help inform features of future projects. (Policy Tool B.4.1)
VI.C	FTA Regulations		Updated to align with new guidance from FTA Joint Development Circular C 7050.1B revised August 14, 2020.	

Note: Subjects on which no significant changes were made are not listed in this matrix.

# ATTACHMENT C

December 14, 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., Peloquin, 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.

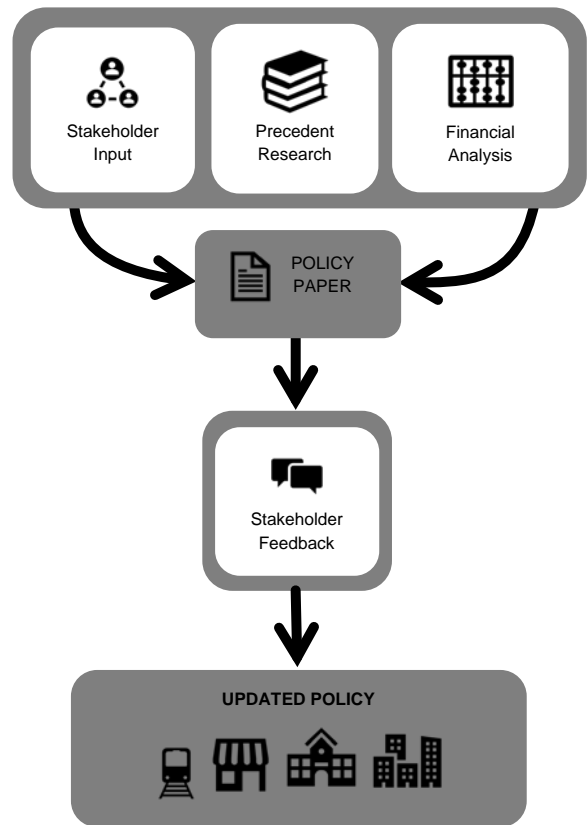


Figure 1: Methodology Diagram



## 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](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>

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 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**

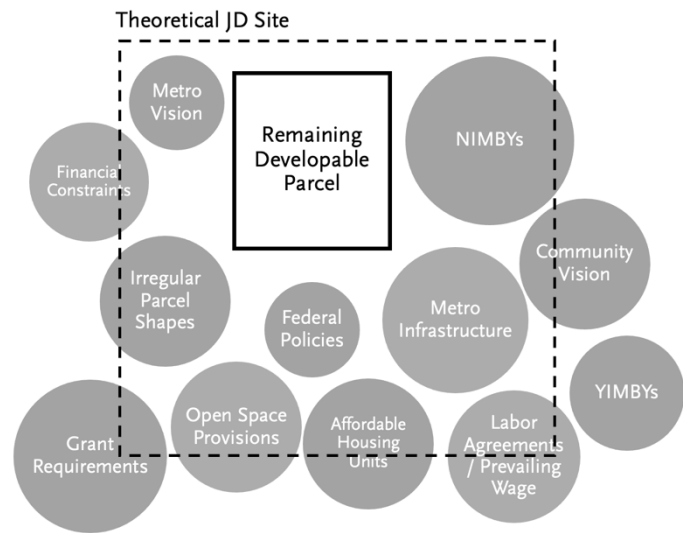
While it is difficult to estimate the true market value of the JD portfolio, our analysis identifies more than 100 acres of future joint development sites along new Metro transit lines, equating to as much as \$1 billion in potential value. Strategic, thoughtful stewardship of this public asset will ensure that it is leveraged 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-9568-0a3407720ef>

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.

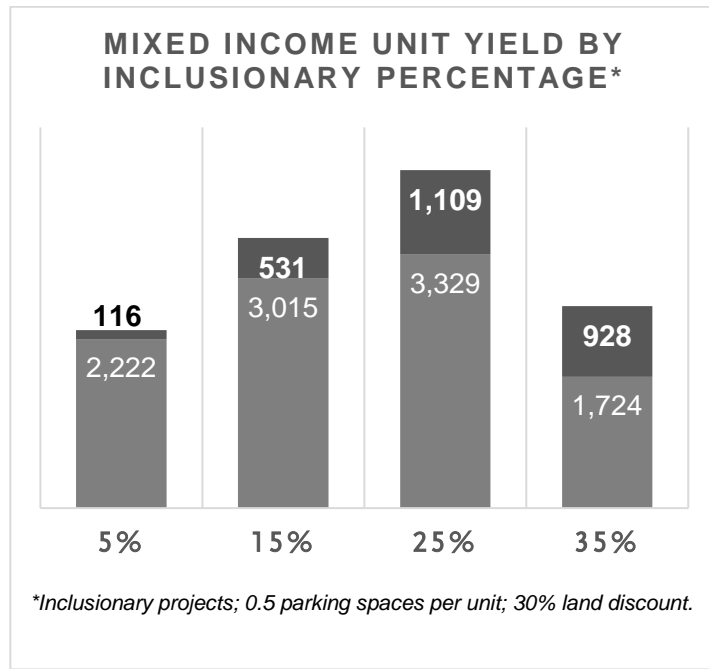


Figure 3: Mixed Income Unit Yield by Inclusionary Percentage

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

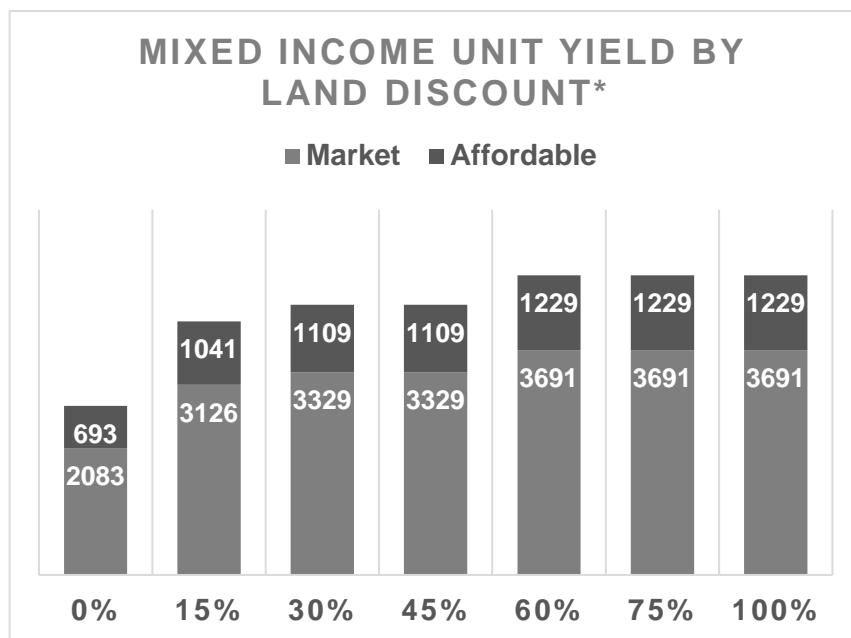
### A.2.1 Leverage land value

- **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 Figure 3.) 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.

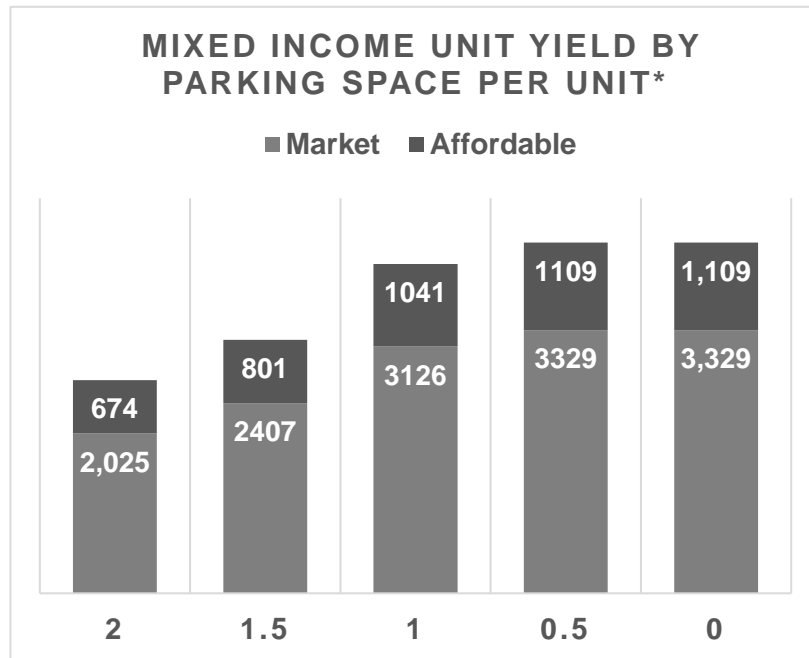
Figure 4: Mixed Income Unity Yield by Land Discount

### 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.*



*\*Inclusionary projects; 25% of units affordable at 80% AMI; 30% land discount.*

*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.**

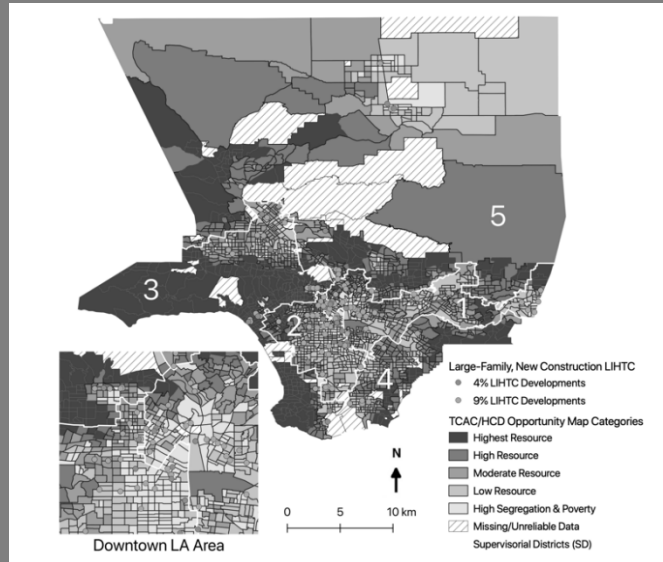
In addition, given Los Angeles’ vast geography, part of ensuring access to opportunity for all requires ensuring that JD efforts are geographically distributed. Consideration of new project starts can take into account the communities and jurisdictions in which the proposed projects will be located, 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>

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<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.



## 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.**
- **Establish blanket authorization to enter into ENAs with highest scoring proposal if project meets key Board-established criteria.**

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.

To help address the housing crisis, California policy makers have established state and local laws that allow developments to proceed if they will build a minimum percentage of affordable housing. Metro could adopt its own by-right process by giving CEO authority to enter exclusive negotiations with developers that a) have the highest scoring proposal based on Board-approved evaluation criteria, and b) the final proposal meets certain objective affordability and transit-supportive standards.

### ***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	INCLUSI ON	ACCES S	PERFORMA NCE	INNOVATI ON
<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	INCLUSI ON	ACCES S	PERFORMA NCE	INNOVATI ON
<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>INCLUSI ON</b>	<b>ACCES S</b>	<b>PERFORMA NCE</b>	<b>INNOVATI ON</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>INCLUSI ON</b>	<b>ACCES S</b>	<b>PERFORMA NCE</b>	<b>INNOVATI ON</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	INCLUSI ON	ACCES S	PERFORMA NCE	INNOVATI ON
<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	INCLUSI ON	ACCES S	PERFORMA NCE	INNOVATI ON
<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.3 EVALUATE and select the most inclusive projects.	INCLUSI ON	ACCES S	PERFORMA NCE	INNOVATI ON
<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>	◐	◐	●	●
<ul style="list-style-type: none"> <li>Establish blanket authorization to enter into ENAs with highest scoring proposal if project meets key Board-established criteria.</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>INCLUSI ON</b>	<b>ACCES S</b>	<b>PERFORMA NCE</b>	<b>INNOVATI ON</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



700 South Flower Street, Suite 2995, Los Angeles, CA 90017  
T: 310-581-0900 | F: 310-581-0910 | www.hraadvisors.com

## 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

#### Unit Mix

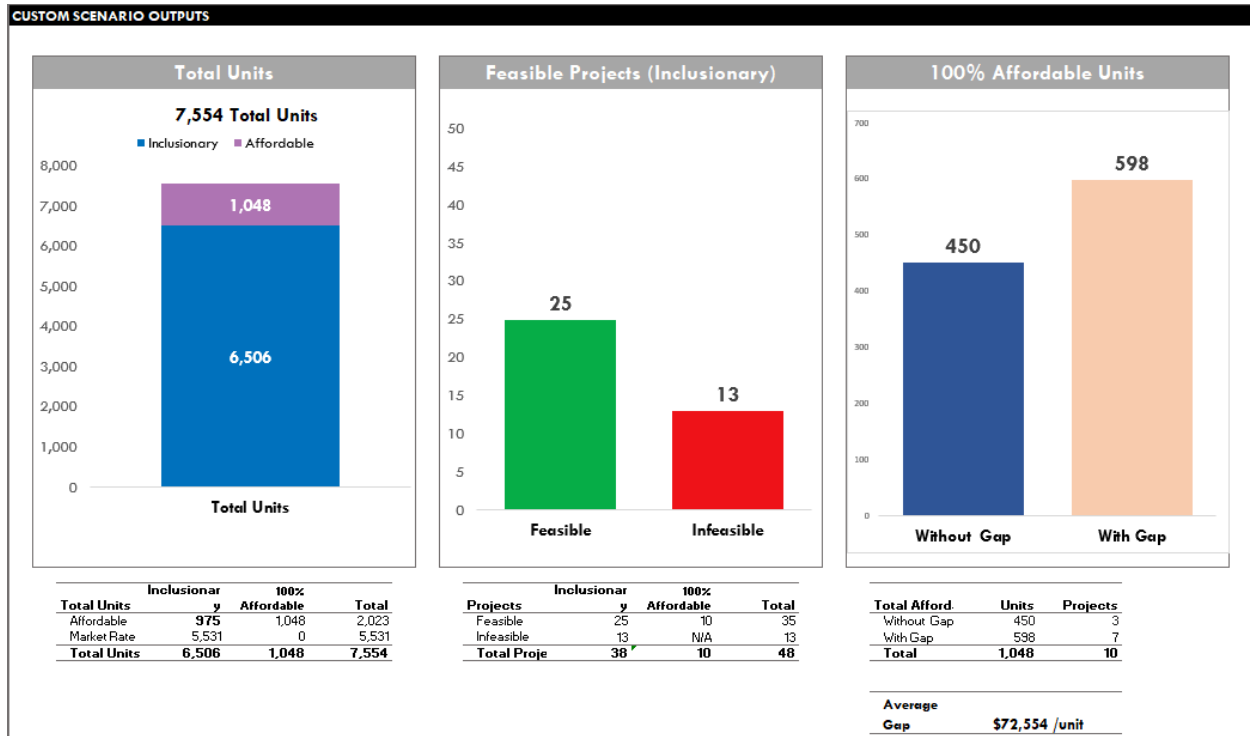
30% AMI (TOC: 11%)	0%	Unit mix and affordability share across every project in the portfolio
50% AMI (State Bonus: 11% / TOC: 15%)	0%	
60% AMI (State Bonus: 20% / TOC: 25%)	0%	
80% AMI (State Bonus: 20% / TOC: 25%)	25%	
100% AMI	0%	
120% AMI	0%	
Affordable Units	25%	
Market Rate Units	75%	
<b>Total</b>	<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.

*Note: Lost land value may be lower than discount amount of custom scenario adds additional value.*

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 AMI, affordable to households earning below \$54,000, is far cheaper for a developer to provide compared to a 2-bedroom 50% AMI unit, which are affordable to households earning below \$32,000 annually. If a policy required 15% at 50% AMI inclusionary, the model outputs **735 potential inclusionary affordable units**. At 25% affordable for 80% AMI, 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 of 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 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		Inclusionary Affordable Units	Total Units
		baseline	Market Rate 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		Inclusionary Affordable Units	Total Units
		baseline	Market Rate 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 (+2,359)	4,907	1,632
	11% at 50% AMI	6,943 (+970)	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
			<i>(existing policy)</i>				
<b>Premium</b>	<b>0%</b>	5,228	5,228	5,228	5,228	5,228	5,228
	<b>5%</b>	2,486	2,585	3,265	3,695	3,877	3,877
	<b>8%</b>	2,144	2,243	2,923	3,353	<b>3,535</b>	3,535
	<b>10%</b>	1,048	1,147	1,827	2,257	2,439	2,439
	<b>15%</b>	1,048	1,147	1,827	2,257	2,439	2,439
	<b>20%</b>	1,048	1,147	1,827	2,257	2,439	2,439
	<b>25%</b>	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.

<b>Additional Development</b>	<b>Total Units</b>		<b>Inclusionary</b>		<b>Total Units</b>
			<b>Market Rate Units</b>	<b>Affordable Units</b>	
\$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.

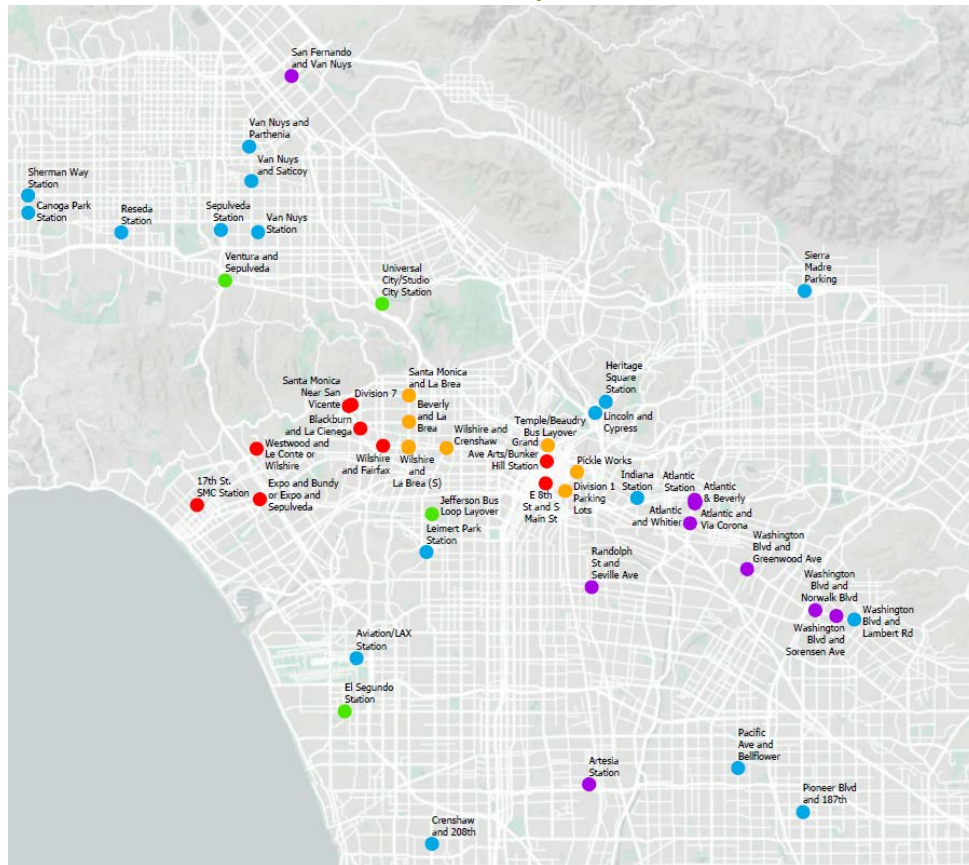
<b>Typology</b>	<b>Average Unit Size (GSF)</b>	<b>Net to Gross</b>	<b>Resi HC per GSF</b>	<b>Retail HC</b>	<b>TI / LC (GSF)</b>
High-Rise (25 to 39 stories)	1,000 SF	78%	\$376/SF	\$376/SF	\$30/SF
High-Rise (13 to 24 stories)	1,000 SF	79%	\$336/SF	\$336/SF	\$30/SF
High-Rise (8 to 12 Stories)	1,000 SF	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>

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

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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>

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 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

<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*.

<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-9568-0a3407720ef>

To expedite housing production and address the housing crisis in housing in Los Angeles, LPlus & 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"
- "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

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<sup>33</sup> LPlus & 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>



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, BART’s 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 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

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<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*.

<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>

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 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.*

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<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)

<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>

- *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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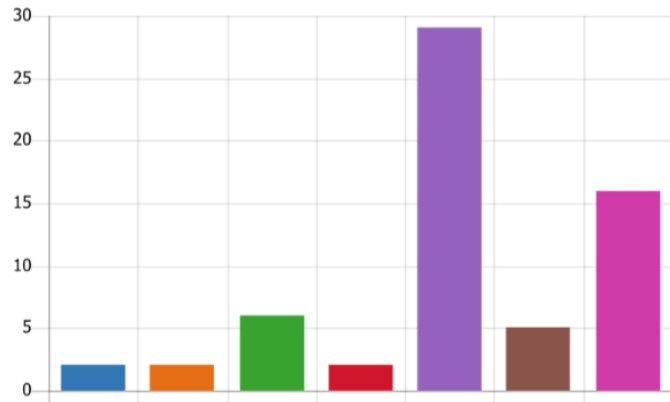
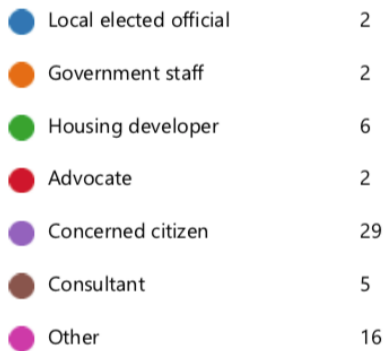
<sup>43</sup> *Parking Requirements & Unbundling.* (Accessed September 26, 2020). ParkingPolicy.com

<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)

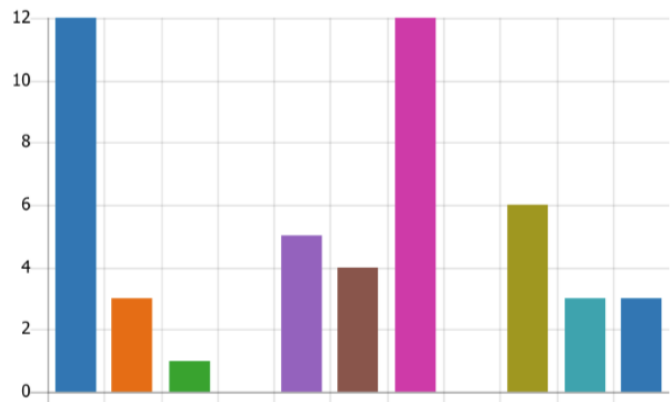
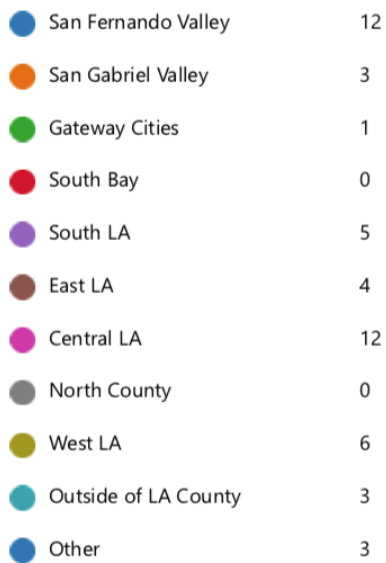
## Metro Joint Development Policy Stakeholder Feedback Summary

In order to Joint Development Policy Survey and Comment form, to which there were 50 responses in reaction to the Metro Conversations virtual event and the publicly posted updated Policy.

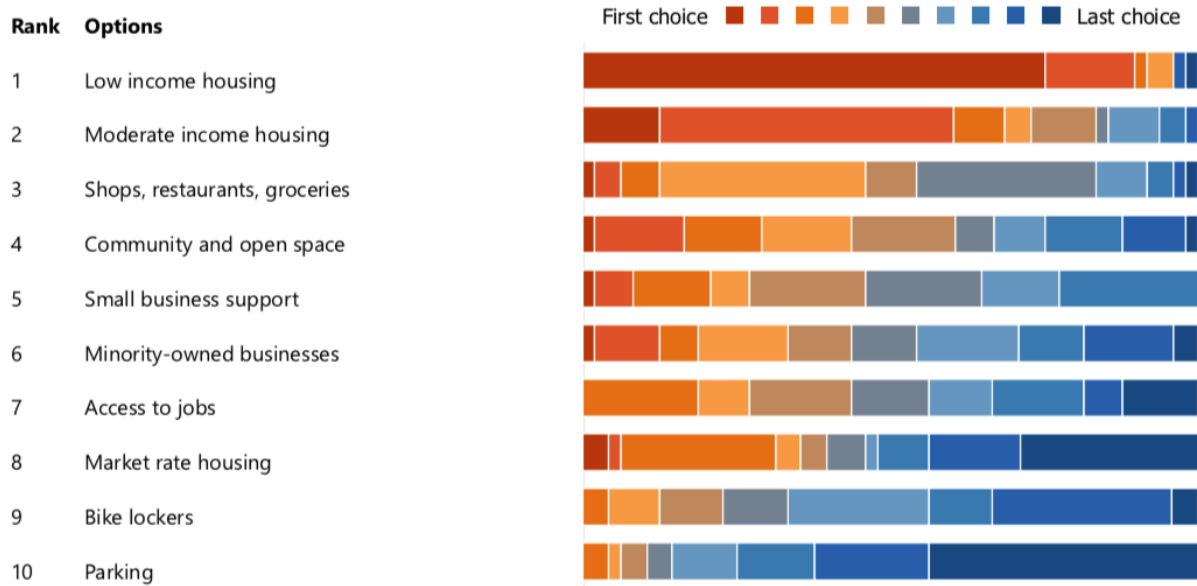
### 1. Which of the following best describes you?



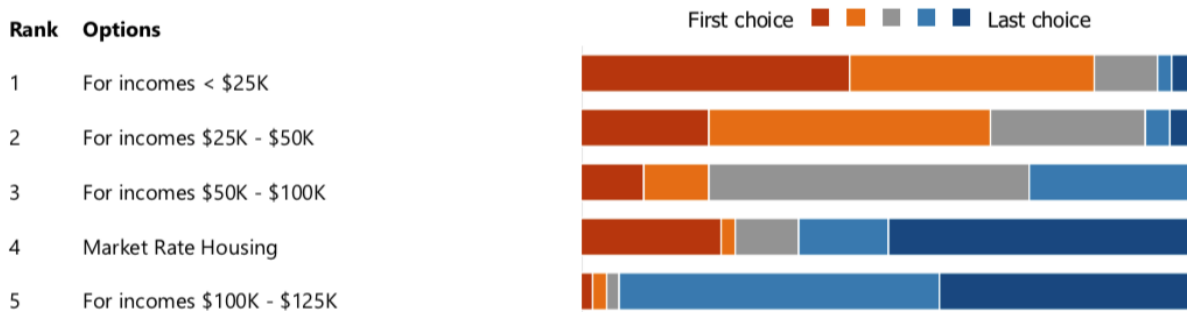
### 2. Where do you live?



3. In your opinion, which of the following are the most important elements of a Metro Joint Development Project? Please rank according to importance.



4. What kind of housing does your neighborhood need the most?



5. Are there other elements not listed here that are important to you?

Respondents were interested in additional amenities such as childcare, job training, first-last mile infrastructure, electric car share, and artist spaces. In addition, permanent supportive housing for formerly homeless individuals and home-ownership solutions were suggested. A sample of responses is included below:

- *Childcare that's conveniently accessible near my local transit stop.*
- *Job training so the community can get jobs to build the project.*
- *Anti-displacement policies to protect existing low-income residents.*

- *Pedestrian-friendly and bike-friendly plans to get to/from the development areas and transit safely and efficiently.*
- *Home ownership remains a valuable way to build family wealth and to stop the growth of the renting class and to help transform renters into owners.*
- *Provide a space for local artist to display their work. Provide jobs to our youth by offering cleaning services/Beautification by zones.*
- *Making open spaces available to the residents and the community; provisions to insure first and last mile transportation for seniors and the handicapped.*
- *Supportive housing. Metro must use their public lands to aggressively solve our housing and homelessness crisis. AND integrated affordable housing. We don't want 'poor doors'*
- *As much quantity of housing as possible, no matter what type.*
- *Connectivity of public transportation and connectivity of bike and pedestrian routes*
- *Building units at a faster pace.*
- *retail, office, and hotel uses are also important it's not just about housing. community space can also be community meeting rooms etc. not just open space.*

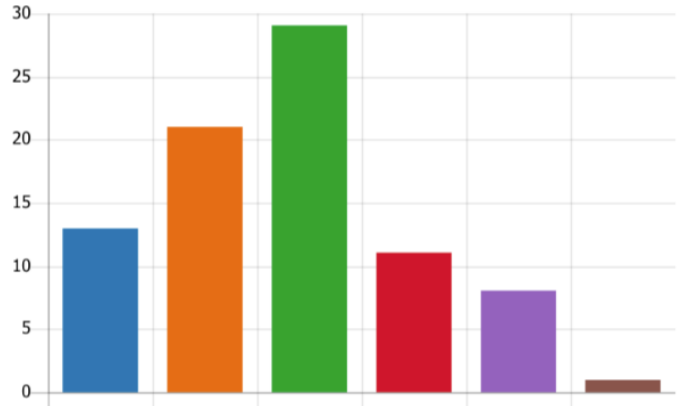
6. Metro is exploring the creation of a “Housing Lab,” which would be a proving ground for innovative housing solutions. Do you have any ideas that you would like us to explore?

Respondents suggested piloting building technologies such as mass timber construction and prefabricated units, innovative housing typologies such as co-housing, micro-units and land-trusts, and innovative financing structures such as private financing or value capture models. Others emphasized simplification and faster delivery of units to ensure that all Angelenos can be housed. A sampling of responses is listed below.

- *Nonfamily co-housing units ... dorm style living for adults.*
- *Value capture and EIFDs.*
- *Converting commercial space to residential, public investment in social housing that guarantees all families have a roof over their head.*
- *Tools Library and other shared resources at those housing sites to reduce need for private ownership.*
- *Just please strip the red tape and make the process discretionary.*
- *We don't need high tech solutions. We need simple affordable housing.*
- *We should legalize building more housing by getting rid of single-family zoning before exploring innovative solutions. Multi-family dwellings already exist and elevators work great for tall buildings. Let's do more of that.*
- *Child care onsite and healthcare clinics for basic healthcare needs such as pediatrics and women's health.*
- *Low cost housing for homeless people.*

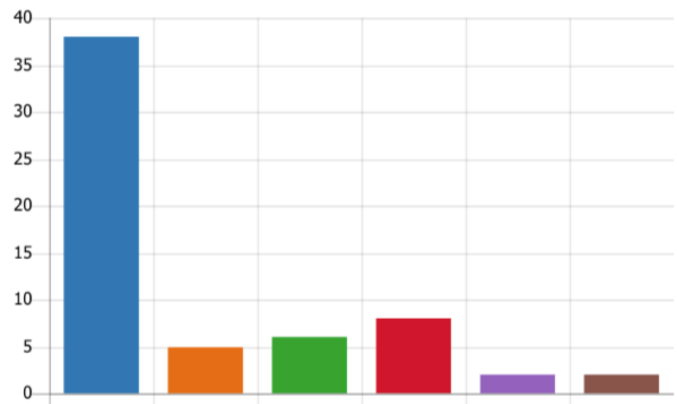
7. When are you usually available for public meetings?

Weekday mornings	13
Weekday afternoons	21
Weekday evenings	29
Saturdays	11
Sundays	8
Other	1



8. What is the best way to keep in touch with you?

Email	38
Text	5
In-person community events	6
Virtual community events	8
Social media	2
Other	2



9. Please provide any additional comments you'd like us to consider in writing the Policy. Respondents shared their support for parking maximums, affordable housing for lower income folks and people experiencing homelessness. Others encouraged more parking and raised concerns about gentrification. A sampling of responses is listed below.

- *Please prioritize not the percent of affordable units but the number of affordable units. Although a 40-unit 100% affordable project is great, a 400-unit 10% affordable project both provides that same number of affordable units while also helping alleviate our market-rate housing shortage.*
- *Continue to refine & expand upfront engagement with communities to define issues and maximum development scenario...simplify processes to streamline and cut costs. Continue to promote design quality and sustainability, it's ultimately what's left behind when all is said and done.*
- *Make development as easy as possible with this policy. There is no reason to have a policy that requires net-zero, 100 percent affordable, and has a prevailing wage if it takes 15 to 20 years to build. The problem is today, and we need to build as fast as we can now.*
- *I support your efforts to create more truly affordable housing. I would love for Metro to set the standard for transit oriented communities and encourage transit use through parking maximums, and offering a parking spot as a separate expense, so people see the true cost. Thank you for your efforts!*
- *Please provide more parking in both the residential projects and at the stations. People need parking even if they use rapid transit most of the time. There has to be at least one parking space for each bedroom and there needs to be parking for guests. There has to be sufficient free parking at the Metro stations or people can't use the trains.*
- *Low income housing and moderate income housing are of equal importance. Metro should provide as much as possible of each of these types of housing.*
- *I am concerned about the escalating cost of land near transit brought about as a result of upzoning around transit stations -- in many instances the direct result of the transit neighborhood community plans....What impact will these Joint Development Programs have on their surroundings?*
- *Provide 50% of the jobs to local residents under an apprenticeship program. Invest in your local community and consider the bulk of the work to be constructed by those living in the same zipcode. Keep large corporations at bay and reinvest in job/skill development.*





# Metro Joint Development Policy Update

Planning & Programming Committee

June 16, 2021

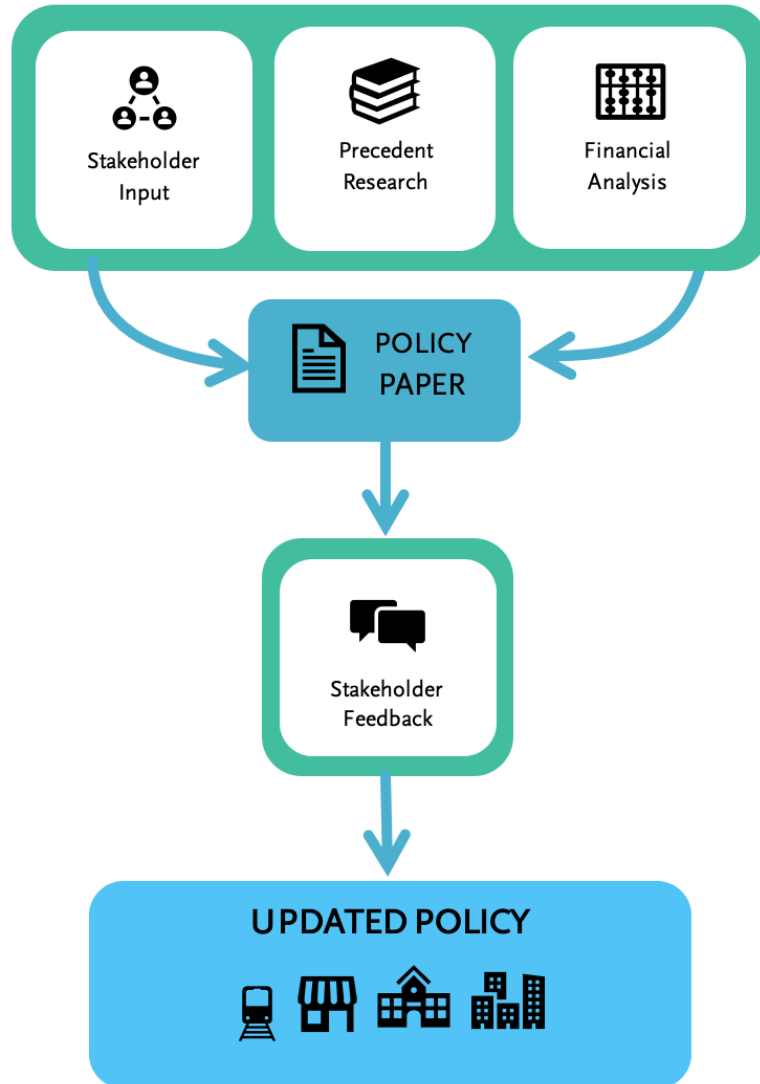
Legistar File #2021-0192

# Recommended Action



ADOPT UPDATED JOINT DEVELOPMENT POLICY

# Policy Update Process



## OUTREACH

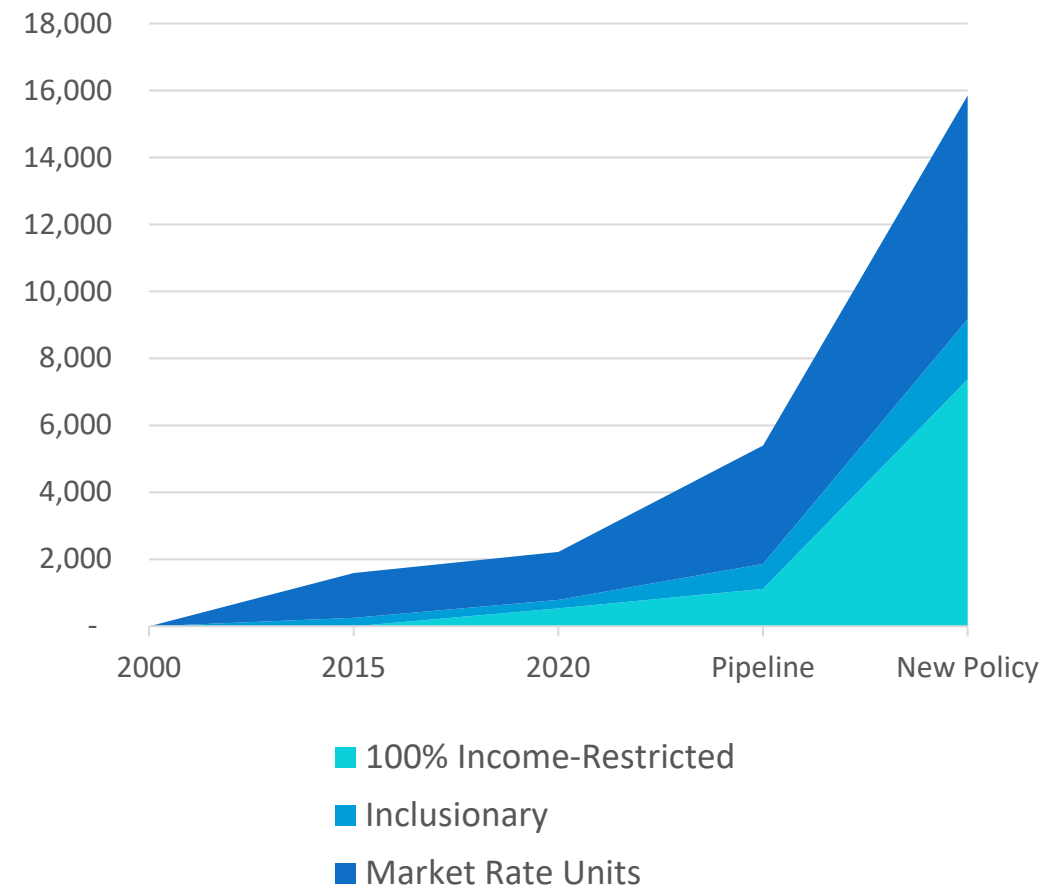
- **Internal Working Group:**  
Metro representatives from Equity, Transit-Oriented Communities (TOC), Innovation, Real Estate, Communications, and Sustainability.
- **External Roundtable:**  
Industry stakeholders including community-based organizations (CBOs), affordable housing developers, non-profit lenders, and municipal staff.
- **Surveys:**  
Online polls collecting technical information from affordable and market-rate developers as well as community stakeholders.
- **Public Event:**  
Metro Conversations (virtual) event featuring CBOs and Metro Board leadership.
- **Draft Policy Public Review:**  
Updated Policy posted online to solicit feedback via comment form.

# Affordable First



- **Policy:** All Joint Development sites will first be pursued as 100% Income-Restricted units
- **Mission:** Build as much quality housing near transit as possible for those who need it most, as soon as possible.
- **Projection:** Approximately 16,000 units in total portfolio, of which as many as 9,000 would be affordable
- Maximizing **number** affordable units provides greater benefit than maximizing **percentage** of affordable units
- **Metrics:** Income-Restricted units would continue to be tracked as a percentage of portfolio along with absolute units and other characteristics

**JD Portfolio**  
Completed and Projected Units

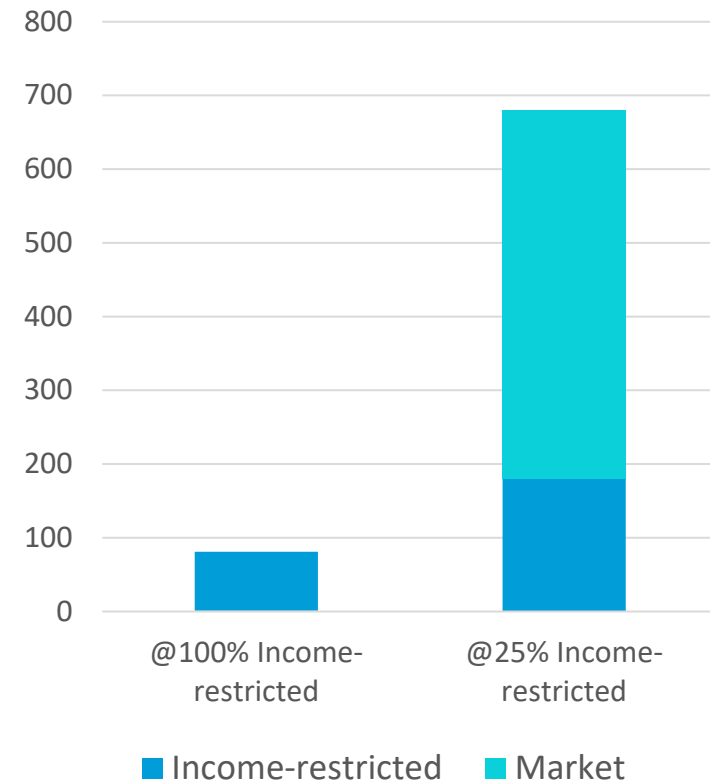


# Additional Policy Changes



- If a 100% Income-Restricted project is not feasible or would result in fewer units, require at least 25% of units be affordable to Lower Incomes, or equivalent.
- “Income-Restricted” units are for people earning between 0 and 120% of Area Median Income (AMI), and “Lower Income” units are for people earning between 0 and 80% AMI.
- Prioritize projects where need is highest, and the greatest benefit may be realized fastest.
- Eliminate existing (max. 30%) proportional land discount; express subsidy as a dollar amount and apply only when required.
- Limit parking to 0.5 parking spaces per bedroom.
- Establish a Metro “Housing Lab” to drive innovation around transit-oriented housing.
- Reinvest Joint Development proceeds into TOC activities

**Maximizing Number of Income-Restricted Units**  
(Hypothetical Project Site)



# Next Steps

- Adopt Joint Development Policy for all future development solicitations.
- Update internal procedures and trainings in accordance with the updated Policy.
- Develop “Neighborhood AMI” methodology.
- Seek stakeholder feedback for continuous improvement.
- Explore potential partnerships and initiate program design of Housing Lab.
- Monitor Policy implementation and report annually on percentage and number of affordable units.

**Board Report**

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**File #:** 2021-0367, **File Type:** Informational Report**Agenda Number:** 16.

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**PLANNING & PROGRAMMING COMMITTEE  
JUNE 16, 2021****SUBJECT: COMMUNITY BASED ORGANIZATION PARTNERING STRATEGY****ACTION: RECEIVE AND FILE****RECOMMENDATION**

RECEIVE AND FILE status report on Community Based Organization Partnering Strategy: Elements for Successful Partnering in Professional Services (Attachment A).

**ISSUE**

Staff developed Metro's "Community Based Organization Partnering Strategy: Elements for Successful Partnering in Professional Services," a set of recommendations that establishes consistent and equitable processes for Metro to utilize across the agency when directly or indirectly engaging Community Based Organizations (CBOs) for professional services.

**BACKGROUND**

Research has shown that vast disparities exist in Los Angeles County among neighborhoods and individuals that make it difficult to seize opportunities in jobs, housing, education, health, and safety to improve their circumstances. Metro recognizes that transportation plays an important role in addressing these issues and that opportunities should be a core concept to public decision-making, public investment, and public service. That is why in 2017, the Metro Board of Directors passed the Metro Equity Platform Framework to illustrate Metro's commitment to advancing equity and for Metro to actively lead and partner in addressing and overcoming these disparities. To align with Metro's Equity Platform Framework, Metro's Transit Oriented Communities: First/Last Mile unit in 2017 procured a consultant team, that included CBOs, to assist with walk audits and community engagement needed for the First/Last Mile Blue Line Project.

The integration of CBOs as Metro's partners in engagement rather than targets of outreach represented a departure from the standard approach, both for Metro and the CBOs. This partnership allowed for a more robust and inclusive engagement and trust in the community, ultimately making it a model approach for future projects. Metro has historically partnered with CBOs in a variety of ways and on various subjects ranging from arts and culture to workforce development. Metro knows that CBOs bring forth unique skillsets in community engagement and education and provide specialized services to constituents that Metro may not always be able to reach. CBOs often have longstanding relationships with constituents they serve and an established level of trust essential to bring

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historically vulnerable and marginalized community members to the table. These unique relationships with their constituents strengthen community engagement strategies by filling in the gaps where Metro may not be able to connect. Additionally, CBOs often bring forth a unique skillset at engaging these populations through decades of relationship building that differ from that of small businesses and other consultants who work for Metro. CBOs are different from smaller businesses in that they are often rooted in community-centered values and missions that extend beyond the provision of professional services to the agency.

Despite acknowledgement of the value of working with CBOs, Metro has approached CBO partnering in different ways, creating inconsistencies, and in some cases inequities in CBOs' access to information and contracting opportunities. Existing processes can also be taxing for some CBOs to navigate, especially depending on their legal structure, revenue streams, or if they have relationships or engagements with multiple Metro departments. To support and improve Metro's CBO partnering efforts and allow replication of the successful FLM Blue Line model, Community Relations and the Countywide Planning & Development Department set out to develop a strategy to enhance Metro's ability to meaningfully and effectively partner and ease the process of partnering for CBOs.

In 2019, CAUSEIMPACTS, a consultant firm, was selected to assist in the agency's development of a strategy with the goals to:

- Create clear and equitable structures, strategies, and policies for CBO partnership that the entire Metro agency can utilize and implement consistently across departments and situations.
- Develop multi-tiered CBO Partnership Strategy that outlines various categories of CBO partnership and engagement and how and when to compensate CBOs for their efforts and expertise.
- Create a network of CBOs that are prepared to do business with Metro.
- Create tools and prepare Metro staff to implement the final CBO Partnership Strategy.
- Build CBOs capacity to do business with Metro.

## **DISCUSSION**

The CBO Partnering Strategy: Elements for Successful Partnering in Professional Services (CBO Partnering Strategy) was an interdepartmental effort that was co-led by Community Relations, Countywide Planning & Development, and the Office of Equity and Race. The CBO Partnering Strategy was informed by a four-phased process that included best practices research, strategy development, vetting the recommendations with stakeholders, and finalizing the strategy and developing implementation tools.

The CBO Partnering Strategy was informed by a series of 35 interviews with Metro employees, focus group meetings/interviews with 18 individuals representing 16 CBOs, and two surveys with Metro staff and CBOs that collected over 105 responses combined, six meetings with an Internal Metro Working Group comprised of the key departments that would have a critical role in implementation, and two CBO engagement meetings where CBOs had an opportunity to provide feedback on the draft strategy.

The CBO Partnering Strategy (Attachment A) is a living document that responds to an existing need



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for Metro to define and deploy a clear, consistent, and equitable approach to partnering with CBOs on professional services.

### CBO Definition

For the purposes of the CBO Partnering Strategy, CBOs are defined as *an organization with a mission to improve the environmental, economic, social, cultural and/or quality of life conditions of a common community of interest*. In the CBO Partnering Strategy, the term “organization” is broadly interpreted and can encompass groups with formal legal status and unregistered groups, such as block clubs, or other groups that may not have a legal designation yet are still organized to work on collective efforts to benefit their community. Metro can only compensate CBOs with legal status (for example, 501c3 status).

### Recommendations

The CBO Partnering Strategy includes seven recommendations that are organized by two categories; internal facing actions that Metro can take to facilitate CBO partnering and activities that will build CBO capacity to partner with Metro. The seven recommendations include:

- 1. Central Lead** - Identifying one department that will be responsible for implementation, convening other Metro departments, interfacing with CBOs and monitoring success was found to be a critical element of a successful strategy. The Office of Equity and Race is the Central Lead for the CBO Partnering Strategy implementation.
- 2. CBO Database/Portal** - Creating and maintaining a searchable centralized database/portal of CBO partners to consolidate CBO contact information, ensure uniform and consistent communication, provide a platform to track CBO relationships, and a method to promote equitable inclusion.
- 3. Assessment Checklist for Compensation** - Developing a tool for Metro staff to better understand the value CBOs provide and identify when a level of work that Metro is requesting of a CBO should be considered for compensation.
- 4. Internal Library of Resources** - Creating and maintaining a library of materials for Metro staff that could include scopes of work, agreements, evaluation criteria, and other similar materials to ensure that Metro staff are able to build from work that has been done to date as new CBO partnerships are realized.
- 5. Chartering Process** - Developing and implementing an intentional onboarding exercise between Metro staff, consultants, and CBOs to ensure that areas of shared values, mission alignment, norms for working through areas of disagreement and conflict resolution are addressed at the beginning of the process.
- 6. Training Metro Staff to Partner Effectively** - Developing and implementing a series of training modules for Metro staff to build staff awareness and capacity on the value of working with CBOs and how to partner with CBOs most effectively.
- 7. Building CBO Capacity** - Leveraging existing Metro programs and training and building CBO capacity to partner with Metro, fostering collaboration between consultants and CBOs, exploring strategic partnerships with umbrella organizations that can support smaller CBOs in traversing the complexity of public sector administration and contracts, and continuing to collaborate and engage with other public agencies on CBO partnering efforts to continue to

learn and improve Metro's efforts.

### Implementation

The CBO Partnering Strategy will be implemented by the Office of Equity and Race. Next steps for implementation include working with Transit Center and Center for Neighborhood Technology to develop a pilot CBO Database, piloting elements of the CBO Partnering Strategy with CBOs on Metro projects, launching a training series for CBOs on how to partner with Metro, developing an Implementation Working Group, and building a library of resources for partnering with CBOs.

### **FINANCIAL IMPACT**

Implementation of the CBO Partnering Strategy will in some cases involve shaping and adjusting the direction of current projects within existing budgets. In other cases, it will require new activities and program development. Where an implementation action requires new revenues, a separate budget action would be taken. Each project team will need to ensure the staff infrastructure and sufficient resources to support CBO Partnering Strategy implementation activities.

### Impact to Budget

There is no impact to the existing extended FY21 budget as a result of this Receive and File.

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

This recommendation supports strategic plan goals #3.3 and 4.1 by helping Metro collaborate with the public and foster trust with everyday stakeholders in its planning processes while creating opportunity for robust community engagement opportunities that reflect the communities Metro serves.

### **NEXT STEPS**

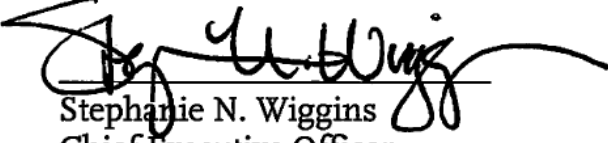
The Office of Equity and Race will continue implementing the CBO Partnering Strategy by advancing CBO database pilot with Transit Center and Center for Neighborhood Technology, executing the training series for CBOs on how to partner with Metro, developing the Implementation Working Group, and building the library of resources for Metro staff on how to partner with CBOs.

### **ATTACHMENTS**

Attachment A - CBO Partnering Strategy: Elements for Successful Partnering in Professional Services

Prepared by: Elizabeth Carvajal, Senior Director, (213) 922-3084  
Michael Cortez, Manager, (213) 418-3423  
Ayda Safaei, Director, (213) 418-3128  
Carolyn Vera, Principal Transportation Planner (213) 424-5994  
KeAndra Cylear Dodds, Executive Officer, (213) 922-4850

Reviewed by: Elba Higueros, Chief Policy Officer, (213) 922-6820  
Jim de la Loza, Chief Planning Officer, (213) 922-3084  
Yvette Rapose, Chief Communications Officer, (213) 418-3154



Stephanie N. Wiggins  
Chief Executive Officer

# We're fostering collaboration with local communities.

## COMMUNITY-BASED ORGANIZATION PARTNERING STRATEGY Elements for Successful Partnering in Professional Services



**Metro**

SPRING 2021

# Acknowledgments

## Project Steering Committee

Jim De La Loza, Chief Planning Officer  
Yvette ZR Rapose, Chief Communications Officer  
Holly Rockwell, Sr. Executive Officer, Transit Oriented Communities  
& Transportation Demand Management  
KeAndra Cylear Dodds, Executive Officer, Equity and Race  
Anthony Crump, Deputy Executive Officer, Community Relations  
Nicholas Saponara, Executive Officer, Transit Oriented Communities

## Project Team

Elizabeth Carvajal, Sr. Director, Transit Oriented Communities  
Ayda Safaei, Director, Construction Relations & Mitigation Programs,  
Community Relations  
Michael Cortez, Manager, Local Government & Community  
Partnerships, Community Relations

## Consultant Team – CauseIMPACTS

Jessica Daugherty, Principal  
Christina Sanchez, Senior Consultant  
Jeff Marcella, Consultant

## Internal Working Group

Carolina Coppolo, Executive Officer, Vendor Contract Management  
Cris Liban, Executive Officer, Environmental Compliance  
Lena Babayan, Deputy Executive Officer, Facilities Maintenance  
Tham Nguyen, Sr. Director, Special Projects, Office of  
Extraordinary Innovation  
Avital Shavit, Sr. Manager, Transportation Planning, Office of  
Extraordinary Innovation  
Pamela Christian, Director, Civil Rights Programs, Office of Civil  
Rights  
Karen Parks, Manager Physical Security Programs, System Security  
& Law Enforcement  
Katie Lemmon, Sr. Manager, Transportation Planning, First/Last Mile  
Maressa Sah, Principal Transportation Planner, Mobility Corridors  
Cristina Coria, Principal Community Relations Officer,  
Community Education  
Karen Swift, Sr. Community Relations Manager,  
Government Relations

## Contributors

Miguel Cabral, Executive Officer, Diversity & Economic Opportunity  
Miriam Long, Director, Diversity & Economic Opportunity  
Olga Mireya López Senior Representative, Strategic Business  
& Construction Careers, Diversity & Economic Opportunity  
Department, DEOD  
Maria Meleandez, Deputy Executive Officer, Human Resources  
Metro Design Studio  
Metro Marketing

## Commenters

IDEAL CDC  
Willowbrook Inclusion Network (WIN)  
Stephen Wise Temple & Schools  
Prevention Institute  
Legacy LA Youth Development Corporation  
Casa 0101  
West Angeles Church - Youth Center  
Long Beach Area Chamber of Commerce  
Westwood Village Improvement Association  
Chinese Historical Society of Southern California  
Los Angeles Baha'i Center  
Los Angeles River State Park Partners  
Educating our youth and doing field trips for camps.  
Sherman Oaks Homeowners Association (SOHA)  
Investing in Place  
Climate Resolve  
Lutheran Social Services  
The Library Store/Library Foundation of Los Angeles  
El Centro de Ayuda  
East Side Riders Bike Club  
New Antioch Church  
Little Tokyo Service Center  
Liberty Hill Foundation  
Inner-City Arts - Holli Hornlien  
Lutheran Social Services of Southern California  
Los Angeles County Bicycle Coalition  
Mamia Educational Center  
Long Beach Gray Panthers  
Asian American Drug Abuse Program, Inc.  
Playa Vista Job Opportunities and Business Services  
First Christian Church  
Move LA  
Community Health Councils, Inc.  
Girls Today Women Tomorrow  
Los Angeles LDC  
Anahuak youth sports association  
Champions for Progress (Faithful Central CDC)  
Watts/Century Latino Organization  
Brentwood Community Council  
Housing Rights Center  
St. John the Baptist Social Services  
Chrysalis  
ACT-LA

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# We've created a plan for partnerships.

## Introduction

Metro's Community-Based Organization (CBO) Strategy Recommendations establishes consistent and equitable processes for Metro to utilize across the agency when directly or indirectly engaging CBOs for professional services.

This plan will be a living document and is a direct response to an existing need for improving internal efficiencies and effectively partnering with CBOs when professional services and compensation are involved.

The plan will establish consistent and clear parameters for partnering with CBOs to leverage internal and external expertise and lessons-learned resulting in efficiencies, cost savings and strengthening our relationships with CBOs based on a shared understanding of partnership, trust and respect. This document presents recommendations to move Metro in this direction.

At the conclusion of the strategy development process, approved recommendations become "Action Steps" of the final CBO Partnering Strategy Plan.

## Background

Community-based organizations (CBOs) are a vital part of the economy, social service networks and communities that are served by Metro. Furthermore, they are key players in civic life, public policy and public program provision. Metro partners with Community-based Organizations (CBOs) in a variety of ways and for diverse purposes. A sampling of these partnerships have included conducting community outreach through a door-to-door walking campaign on the Purple Line Extension Project, community bike classes through the Metro Bike Share program and serving as project contractors or subcontractors on Metro's A Line (Blue) First/Last Mile: A Community-based Process and Plan and a wide range of projects and programs, which include Metro Art. Recognizing the importance of these partnerships, Metro intends to further its collaborations with CBOs and align its guiding goals and principles on community engagement as outlined in the Vision 2028 Strategic Plan, Metro's 10-year strategy for increasing transit ridership and Metro's Equity Platform Framework.

Metro's adoption of the Equity Platform Framework was a recognition of its influential role in the region and commitment to participate in reversing the "vast disparity among neighborhoods and individuals in LA County in their ability to see and seize opportunity – be it jobs, housing, education, health, safety or other essential facets of thriving in vibrant, diverse communities." The Equity Platform Framework also elevated CBO collaboration as a key method for advancing equity in the region.

Metro's CBO partnerships to date and future partnership opportunities extend beyond the scope of this plan. For example, the plan does not address matters of procedural equity and advisory councils. This plan is a starting point and builds on lessons learned and best practices intended to advance equity by leveraging the expertise and value that CBOs bring to Metro projects and, most critically, to local communities by outlining how Metro can equitably and consistently, engage CBOs for professional services. Therefore, partnership in this plan, is specific to when a CBO is engaged and compensated by Metro to provide professional services.

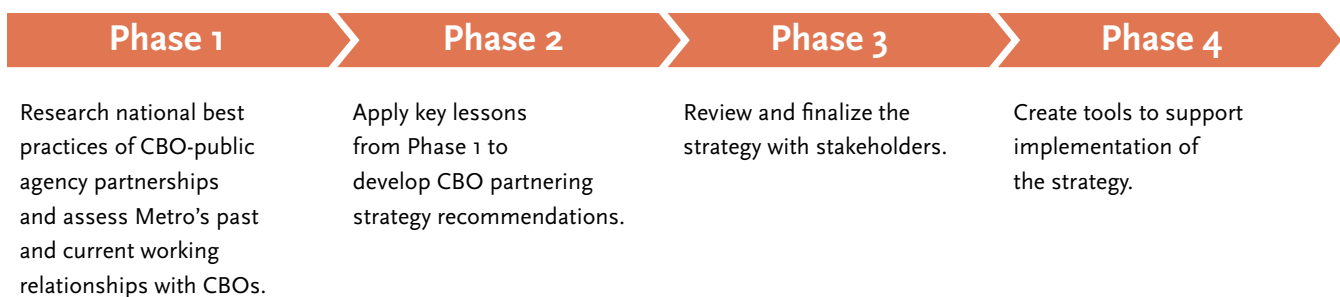
Historically, Metro departments approached CBO partnering in different ways, creating inconsistencies and in some cases inequities in CBOs' access to information and contracting opportunities. Metro's disparate approaches to CBO partnership creates confusion and can be taxing for CBOs to navigate, especially if they have relationships or engagements with multiple Metro departments. Furthermore, while many CBOs have relevant skills and unique knowledge that would make them competitive for Metro contracts, the comprehensive RFP submission process can be daunting and quite distinct from the grant application process for which most CBOs are more accustomed.

Our goal is to consistently use clear and equitable structures and strategies to partner with CBOs across the entire agency.

The strategy and tactics explained herein seek to align and improve the coordination between Metro's existing CBO partnerships and to standardize processes across the agency to create guidelines and tools for potential professional services partnerships. In turn, the strategy provides CBOs with clarity regarding how to do business with Metro along with expectations. These partnerships can help CBOs scale their impact, advance their organizational missions, expand their networks and in some cases increase their resources and funding. Metro is hopeful that well-executed CBO partnerships have the capacity to bolster the public's trust in the agency, enhance cultural competency, expand outreach and engagement capacity and ultimately enhance system quality by leveraging the insights and capabilities of community-based entities.

## Project Phases

The CBO Partnering Strategy was developed in four phases:





## Best Practices Research

The best practices research included a nationwide literature review of CBO partnership strategies, a scan of public agency reports and interviews with Public Agencies to identify existing CBO and public agency partnerships, as well as an internal scan of existing Metro-CBO partnerships, programs and initiatives. While addressing when, if and how to pay CBOs for their efforts is a key component of the best practices research and ultimately, the strategy; the research team did not limit inquiry to compensated CBO partnerships but rather studied and learned from the full universe of CBO collaborations in the hopes of enhancing all forms of CBO partnerships at Metro (paid and unpaid).

## Key Findings of Best Practices Research

People define “community-based organization” in a variety of ways. Thus, the best practices interviews, focus groups and literature review led to the following definition:

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A community-based organization (CBO) is an organization\* with a mission to improve the environmental, economic, social, cultural and/or quality of life conditions of a common community of interest.

*\*The term “organization” should be broadly interpreted and can encompass groups with formal legal status and unregistered groups, such as block clubs, or other groups that may not have a legal designation yet are still organized to work on collective efforts to benefit their community.*

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There are many examples of how public agencies partner with CBOs to conduct an array of activities from information dissemination to community engagement and consultation on transit planning to workforce development activities. Similarly, there is a broad range of potential CBO partnership structures and compensation models that are used across the nation that range from informal agreements to formal contractor roles. Each CBO engagement category has a sliding payment scale that is rarely well defined and often implemented multiple ways within the same agency.

The research revealed an overarching consensus that collaborating with CBOs in the planning and operations of public agencies increases equitable outcomes, public participation, and can foster trust between the community and public agencies. Even so, there are a number of challenges for both public agencies and CBOs that must be addressed in order to foster mutually beneficial collaborations. Some of the challenges that the public agency and CBO must overcome to engage in a successful partnership include ensuring that the CBO and the public agency have compatible work cultures; streamlining processes to minimize logistical hurdles for CBOs (e.g. procurement process, reporting protocols and submitting invoices); and overcoming mistrust and prior antagonistic relationships.

All of the interviews, agencies profiled and CBO feedback demonstrate that many public agencies have well-developed CBO partnerships for specific purposes, (e.g., standardized ad-hoc stipend relationships for community engagement activities) but none have developed a standard for contracting with CBOs across departments and functions or developed agency-wide structures or protocols. Furthermore, every source consulted emphasized an interest in a replicable model for an agency-wide partnering approach. Thus, Metro is leading a groundbreaking effort that has the potential to leave an enduring mark on how public agencies approach CBO partnership.

Collaborating with CBOs in the planning and operations of public agencies increases equitable outcomes, public participation and can foster trust between the community and public agencies.

# There are many ways we partner.

Metro partners with CBOs in a variety of ways and on various subjects ranging from arts and culture to workforce development. These activities fall into 10 overarching engagement categories and mirror the common ways that public agencies across the nation engage CBOs. Each of these categories could include a range of levels of effort and partnering methods from informal collaboration to formal contracting relationships.

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## Disseminate Information

Refers to instances when a public agency shares information with CBOs and requests that the CBOs disseminate the information to their members. CBOs typically add an announcement to their existing newsletters or websites, send emails to their listservs, place flyers in high-traffic areas in their buildings, such as lobbies, and/or provide the public agency with a booth at an event to share information with attendees.

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## Advise and Consult

This category refers to instances when CBOs provide input on agency-sponsored programs, projects or initiatives. Advising roles for CBOs range from attending a focus group or community forum, to more time-intensive engagements, such as participating in standing committees or working groups that meet throughout the lifespan of a project.

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## Promote Agency Services

Under this category, CBOs do targeted recruitment and outreach to increase the likelihood that their members will use agency services or enroll in agency programs. Helping their members enroll in fare access programs for people who are lower income, have disabilities, or are otherwise under-represented, such as Metro's LIFE program, are common ways that CBOs promote agency services. Other examples include conducting trainings for transit users, such as travel training for seniors or providing safety information for students in area schools.

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## Community Engagement

Community engagement is a form of outreach that aims to meaningfully integrate the insights of the community members who will be directly impacted by an agency-sponsored project into the design and implementation of the project. CBOs may be asked to advise the public agency on its community engagement approach, to administer surveys, host community events, and in some instances, may be contracted to conduct door-to-door canvassing.

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### Use of Transit Stations

Under this category, transit agencies collaborate with CBOs to reimagine and diversify the uses of transit station properties for programs, such as farmers' markets, art installations, musical presentations and other community gatherings or events.

### Arts and Culture

CBOs can help transit agencies develop regional arts and cultural frameworks that include meaningful engagement and visual and cultural opportunities. For example, CBOs can help to ensure that the public art in the transit system reflects the essence of the site-specific community and commission community artists to develop art installations.

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### Economic Development

Within transit, CBOs support Economic Development efforts by advising the agency on how to conduct infrastructure improvements in a way that will also develop the local economy and might work with the transit agency to mitigate community concerns during construction. Under this category, the public agency often works with CBOs, chambers of commerce and business improvement districts, community development corporations, as well as many other community- and faith-based organizations.

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### Provide Educational Services

Public agencies often partner with local schools, community colleges and youth development CBOs to provide educational programming and services related to its core functions. For example, a transit agency may provide educational tours of rail maintenance facilities in partnership with a local school district.

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### Workforce Development

In a workforce development engagement, the public agency will often partner with a public workforce system (e.g., American Job Centers funded through the U.S. Department of Labor) and CBOs to connect job seekers with employment opportunities at the public agency. Depending on the focus of the initiative, the public workforce system may contract CBOs to identify job seekers from hard-to-reach populations, such as women, lower-income residents or formerly incarcerated individuals. CBOs may at times also provide customized job readiness trainings for new hires.

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### Coordinate Referrals to Supportive Services

Under this category, the agency coordinates with CBOs to establish "on-call" systems that connect transit users in distressed circumstances with supportive services. For instance, more transit agencies are forging partnerships with CBOs to connect transit riders who are experiencing homelessness with local services, such as food assistance and housing support. In these partnerships, a CBO may often support with identifying the needs and facilitate the coordination of the various partners who can meet the needs, such as other county, city, or state entities.

# Best practices make for better partners.

## Essential Elements

The following elements of successful CBO partnering were identified and vetted through the best practices research conducted during phase 1 of this project. Every element herein was mentioned by multiple sources during the national best practices scan, internal working group meetings, CBO focus groups and expert interviews. These elements are essential to the creation and implementation of an effective CBO partnership and are reflected in the recommendation included in the next section.

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### Mission Alignment

Intentionally naming and reinforcing the common values and goals that both the agency and the CBO(s) collaborating on a project share.

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### Clear Expectations and Accountability

Establishing a clear scope of work, roles, expectations, desired outcomes, timeline and delegation of decision-making authority and continuingly revisiting them throughout the course of the project.

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### Opportunities to Build Capacity

Building CBOs' capacity to successfully bid, secure and manage public contracts and training public agency staff about community programs and how to effectively partner with the CBO community.

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### Address Cultural Barriers

Acknowledging preexisting tensions that may impact the CBO(s) and public agency's collaboration, addressing them and committing to adopting mindsets, behaviors and tools that will facilitate collaboration moving forward.

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**Central Partnerships Manager** Identifying a primary point of contact within the public agency that manages, tracks and facilitates CBO relationships.

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**Comprehensive CBO Database** Creating and maintaining a searchable central database of all CBO partners.

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**Standardized Menu of CBO Partnership Templates** Developing a library of templates for documents that formalize the most common partnership models (e.g., Memoranda of Understanding (MOUs), Memoranda of Agreement (MOAs), grants and contracts).

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**Flexibility** Even while introducing more structure to CBO engagements, upholding a commitment to flexibility to accommodate the unique needs of the CBOs and the public agency.

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**Transparent Communication** Adopting communication protocols that can address challenges as they arise, prevent miscommunication, yet are also efficient and facilitate team members' work.

## Levels of Effort

The level of effort and resources that CBOs and public agencies dedicate to executing the activities within an engagement category can also range from small scale efforts to deeper engagements. This CBO Engagement Continuum in the appendix (Appendix A) describes the escalating levels of effort that a CBO may contribute to a Metro project or initiative.

## Best Practices Summary

This document presents the culminating recommendations of an extensive research, listening and development process that included:

- > Nationwide literature review of documents and online materials regarding public agency partnerships with CBOs;
- > External interviews with public and transit agency staff;
- > Internal review of Metro programs and initiatives;
- > Internal Metro employee interviews;
- > Consultation with an internal metro working group comprised of Metro staff members representing various departments that frequently partner with CBOs;
- > Internal Metro employee survey
- > CBO focus groups and interviews; and
- > CBO survey to collect feedback

# We have seven strategies for success.

## Recommendations

Seven CBO partnering recommendations were developed and designed with internal and external input to ensure that Metro can consistently use clear and equitable structures and strategies to partner with CBOs across the entire agency. These seven recommendations fall into two categories:

### 1. Internal Metro Systems Changes

Adjustments to enhance how Metro operates internally and with CBOs in order to improve CBO partnering. These elements are essential to developing, implementing and sustaining agency-wide CBO partnering structures at Metro.

### 2. Build CBO Capacity to Navigate and Partner with Metro

Many existing processes and systems at Metro can be leveraged to support CBO partnering and engagement. These recommendations explain how to build the capacity of CBOs by helping them navigate these existing systems.

## These recommendations are:



Establish a Central Point of Contact



Develop and Maintain CBO Data



Establish Compensation Criteria



Create a Resource Library



Craft a Partnership Charter



Train Our Collaborators



Provide Guidance for Growth





## Recommendation 1: Establish a Central Home for the CBO Partnering Strategy

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### Overview

Identify a primary point of contact within Metro who tracks, consolidates and enhances CBO relationships and supports all Metro departments in coordinating their CBO partnerships. The lead could increase efficiencies for Metro through cost-savings, streamlined communications and uniform operations.

This centralized lead will ensure consistency in partnering structures across Metro departments, build awareness on the diversity of CBO expertise, serve as a subject matter expert on CBO partnering activities for Metro departments and lead and/or monitor the implementation and evaluation of the CBO partnering strategy. Finally, when challenges or roadblocks arise, the lead would be accountable for addressing them in a timely fashion.

Ideally, one Metro department serves as the lead for the implementation of the CBO partnering strategy, rather than a committee because leadership by committee often results in confusion and lack of follow through. The lead will, however, coordinate and convene an internal implementation committee to ensure that the recommendations are rolled out uniformly across departments and are also responsive to the needs of every department. At a minimum, this committee should include Planning, the Office of Equity and Race, Vendor/Contract Management, the Office of Extraordinary Innovation, Procurement, Communications and Diversity & Economic Opportunity Department (DEOD).

### Key responsibilities of the lead include:

- > Convene an internal implementation committee
- > Lead the process for establishing goals and measures and tracking implementation progress
- > Establish landing page/online hub for information on CBOs partnerships, contracting, training, etc.
- > Manage and/or monitor the comprehensive CBO partner database
- > Provide key support to Metro staff to facilitate the adoption of new tools, programs and processes
- > Outreach to and educate the CBO community about opportunities (or manage others to do this)

- > Track and ensure that equitable CBO partnering structures are implemented across the agency
- > Interface with Procurement and other Metro departments as a subject matter expert

### Intended Outcomes

- > Centralize, coordinate and streamline CBO partnership efforts
- > Limit duplication of efforts
- > Ensure implementation occurs
- > Provide a lead to whom CBOs and Metro staff can direct CBO partnering questions and inquiries

### Implementation – How to Pilot

#### STEP 1

Assign interim CBO Partnering Strategy Lead.

#### STEP 2

Confirm the Metro staff who will serve on the internal implementation committee and hold first meeting.

#### STEP 3

Establish landing page/online hub for information on CBOs partnerships, contracting, training, etc.

#### STEP 4

Review lead's workload and determine viable staffing allocations based on budget.

### Appendices: Tools Related to This Recommendation

#### APPENDIX B

Sample job description and responsibilities of the lead.

#### APPENDIX C

Description of Internal Implementation Committee.



## Recommendation 2: Develop and Maintain CBO Partner Database/Portal

### Overview

Create and maintain a searchable centralized database/portal of CBO partners in order to consolidate CBO contact information within multiple departments, ensure uniform and consistent communication, provide a platform to track CBO relationships and a method through which to promote equitable inclusion. A centralized database/portal of all CBO partners is essential to the creation and maintenance of an agency-wide CBO partnering strategy. The database/portal can be a powerful tool that increases equity by communicating opportunities for partnership based on predetermined categories rather than on pre-existing relationships.

The database/portal will be supplemented by purchasing and including a database pull of nonprofit agencies in Los Angeles from GuideStar. GuideStar is a trusted public database that includes all nonprofit 501c3 organizations across the nation. GuideStar has thoroughly attributed relevant NAICS codes to all of the organizations in its database so they can be used to identify potential collaborators and contractors for relevant scopes of work at Metro. A GuideStar Pro Plus custom data pull and subscription costs \$10,000 annually and will help to ensure that Metro's CBO outreach is equitable and includes all nonprofit 501c3 organizations in LA County. This custom data pull would have to transpire annually or every other year because nonprofit data frequently changes.

On top of the base GuideStar data, Metro would invite CBOs, regardless of legal 501c3 status, to enroll in the CBO partner database/portal and provide their relevant information, including capabilities, expertise, service area, NAICS codes, etc. This database/portal can then be used to send all opportunities (compensated and uncompensated) directly to all CBOs. The database/portal could also be shared with prime contractors that intend to partner with CBOs.

Given the ever-changing landscape of CBOs, the CBO partner database/portal should be updated annually. This can be accomplished by annually emailing all nonprofits on the database/portal and asking them to submit any updates via an online survey. Furthermore, the GuideStar database should be repurchased/updated every two years. Finally, Metro should train staff on how to use the database/portal.

### Intended Outcomes

- > Centralize CBO contacts in one place that the entire agency can use
- > Reduce duplication of efforts
- > Improve communication and efficiency
- > Ensure that the CBOs Metro engages more accurately reflect LA County's diverse communities
- > Create a tool that prime contractors can use to identify potential CBO partners

### Implementation

#### STEP 1

Purchase GuideStar subscription and do a one-time data-pull for LA County non-profits.

#### STEP 2

Align the database/portal to Metro's existing platforms using internal IT support (e.g. Perhaps integrate GuideStar database resources into Metro's existing FIS Vendor Services website).

#### STEP 3

Inform CBOs about the voluntary database/portal, benefits of enrolling and self-enrollment process.

#### STEP 4

Train a pilot group of relevant Metro staff on how to use the CBO database/portal.

#### STEP 5

Evaluate the effectiveness and use of the database/portal with the pilot group and improve accordingly.

#### STEP 6

Train all Metro staff on how to use the database/portal.

### Appendices: Tools Related to This Recommendation

#### APPENDIX D

Overview of the database/portal fields and the underlying dropdown menu that CBOs would populate.



## Recommendation 3: Use an Assessment Checklist to Determine Compensation

### Overview

As stated in the introduction of this document, Metro partners with CBOs in a variety of ways and for diverse purposes. In addition, Metro has also procured CBOs to perform professional services that have included conducting community outreach through a door-to-door walking campaign on the Purple Line Extension Project, community bike classes through the Metro Bike Share program and serving as project contractors or subcontractors on Metro's Blue Line First/Last Mile: A Community-Based Process and Plan and Metro Art construction banner projects..

Recognizing the importance, expertise and value that CBOs can lend to Metro projects, this recommendation provides a standardized compensation assessment tool that can be used to help Metro staff determine when the activities that Metro staff requests of CBOs should be compensated for the CBOs contributions (deliverables) on a project, program or initiative. This is separate and apart from a CBOs engagement on Metro projects as a stakeholder. Metro will not compensate individuals or groups to engage through opportunities open to the public in Metro plans, programs and processes and provide feedback on these efforts as a general stakeholder.

The Compensation Assessment Tool (Tool) does not have a score and is not meant to replace a procurement process. Rather it is an informal tool to support Metro staff to better understand the value CBOs provide and identify if and when a level of work that Metro is requesting of a CBO should be considered for compensation. This will ensure that when appropriate, CBOs are engaged consistently and equitably.

The assessment should be considered when:

- > A project is initiated (e.g. when a statement of work is drafted) and Metro expects CBOs to perform services with deliverables;
- > A project is underway and Metro expects CBOs to perform services with deliverables;
- > A project is underway and CBO participation could provide added value and Metro expects CBOs to perform services with deliverables.

### How to determine when to compensate CBOs

These methods and processes will be standardized by utilizing the following compensation assessment tool to determine if and when the activities that Metro is requesting of CBOs should be considered for compensation and training staff on how to use the tool.

Note that in order for a CBO to be paid directly by Metro they must be a registered vendor with Metro, have a formal legal entity such as a Non-Profit 501(c)3. Pending registrations or applications to obtain IRS nonprofit status will not be accepted. Those without legal status can participate through partnership with other entities as a subcontractor.

### Intended Outcomes

- > Ensure that CBOs are equitably compensated for work they perform
- > Demonstrate value of CBOs expertise in the same way Metro values contractors conducting similar scope of work
- > Provide Metro staff with a tool to understand if and when the activity requested of a CBO should be compensated
- > Provide transparency and increase trust between Metro and the CBO community

### Implementation – How to Pilot

Even with this additional guidance, interpreting and applying the criteria will be subjective so the criteria needs to be supplemented with training and case studies to strengthen alignment among Metro staff.

#### STEP 1

Identify a pilot group of Metro staff and train them on how to use the criteria.

#### STEP 2

Support and monitor implementation in the department that was trained.

#### STEP 3

Evaluate implementation of the pilot.

#### STEP 4

Adjust criteria accordingly.

#### STEP 5

Formally Launch criteria agency-wide.

## Compensation Threshold Assessment Tool Checklist

<input type="checkbox"/> <b>Metro Goals</b>	The work to be completed is aligned with Metro's goals and priorities.
<input type="checkbox"/> <b>Services</b>	Contractors, including CBOs, provide similar services to Metro (e.g. translation or other form of unique services) and contractors would expect payment for the activities that Metro is requesting of CBOs.
<input type="checkbox"/> <b>Costly</b>	The work is a distinctive "ask" from Metro and one in which Metro expects the CBO to submit specific, measurable deliverables for projects, programs and initiatives (e.g. Facilitate a community meeting outside of already-held community meetings scheduled, write a report).
<input type="checkbox"/> <b>Unique</b>	<p>The organization has unique capacity that Metro needs and/or can enhance Metro's work. Elements or characteristics that could be considered include:</p> <ul style="list-style-type: none"> <li>&gt; Neighborhood/Community: Does the CBO serve and have expertise and/or access to a given community or set of communities that Metro is targeting? Will the organization provide value-added based on its connections and knowledge of the community and ability to perform quality work there?</li> <li>&gt; Race/Culture: Does the CBO represent, serve or have particular expertise in working with a particular racial or cultural group or groups? Does this context make the CBO uniquely able to conduct work that Metro needs in relation to one or more such groups?</li> <li>&gt; Language: Does the CBO represent a language community or have expertise in a language for which Metro needs expertise. For instance, does Metro need materials translated or outreach to members of a language group or groups that the given organization can best support?</li> <li>&gt; Barrier(s) and Life Challenges: Does the CBO represent a given population or have a unique set of services that help address needs of certain populations that Metro serves, such as homeless individuals, low-income residents, unemployed Angelenos, people with disabilities or another group?</li> <li>&gt; Service Model or Menu of Services: Does the CBO deliver other services which are unique and needed to support the given Metro project. Does the organization have a broad reach and ability to disseminate information particularly well? Are they "embedded" in multiple communities or deeply in a given community that allows them to reach a broad audience?</li> <li>&gt; Site: Do they have particularly attractive sites/locations to hold Metro events successfully?</li> </ul> <p>* Note that this is not making a case to sole source</p>



## Recommendation 4: Establish an Internal Library of Resources and Sample Templates for CBO Partnering

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### Overview

Metro has compensated CBOs through traditional procurements (as prime and subcontractors), through stipends (check requests) and through grant programs. This recommendation calls for assembling an internal library of resources and sample templates for CBO partnering, procurement, contracting and grant programs and train Metro staff to utilize these consistently across the agency. These resources can then support staff to assess the best program and payment mechanism, including those who are writing Statements of Work and want to include language about the value of the CBO sector. The tools will also be used to clarify existing partnership structures and ensure that they are used uniformly across the agency. This recommendation is essential to the success of the CBO partnering strategy but will only be effective if Metro staff are trained in the new templates and processes. The training for Metro staff is covered in Recommendation 6.

#### 1. Sample Letter of Agreement

Develop sample Letter of Agreement (LOA) for work that is outside of the standard model for professional services contracts. These are suitable for situations where Metro and a CBO set a mutually beneficial arrangement and do not exchange funds. Examples include jointly planned events or partnerships developed through Metro's Community Education Field Trip program.

#### 2. Check Request Protocol

Educate Metro staff about the check request protocol that can be used to provide small stipends for light-touch activities and one-time limited engagements in compliance with Metro Accounting Procedures & Guidelines (ACC-01). Metro employees can request a check for under \$3,000 if it is not for professional services, if another contractor is not currently under contract to do that work and if a justification memo is signed by the chief of the department.

#### 3. Internal Resources

Assemble an internal library of resources and sample templates for CBO partnering, procurement, contracting, grant programs and lessons learned summaries for each project, once complete. These tools provide a lessons learned compilation that catalogs CBO partnership tools and best practices, as well as key challenges that previous Metro-CBO partnerships encountered and the approaches and tools that supported them. Having access to a resource like this promotes ongoing learning and ideally prevents Metro staff and CBO partners from continually re-creating the wheel.

### Intended Outcomes

- > Standardize partnership and payment processes and protocols
- > Provide Metro staff with sample language and resources

### Implementation – How to Pilot

#### STEP 1

Develop internal resource library and work samples.

#### STEP 2

Identify a Metro project team that is working closely with CBOs on a project and have them use the library of resources.

#### STEP 4

Identify additional tools desired and revise existing tools based on pilot.

#### STEP 5

Formally launch internal library and train staff.

### Appendices: Tools Related to This Recommendation

#### APPENDIX E

Includes the beginning of a library of internal resources, including: RFO sample with CBO partnering language; draft language about how Metro values and encourages CBO participation.



## Recommendation 5: Use a Standard CBO Partner Chartering Process

### Overview

Institute a standardized CBO partner chartering process when launching CBO partnerships. This is an intentional onboarding process that outlines expectations, shared values, where missions align, where missions do not align, agreed upon principles, such as “agree to disagree” and how to work through challenge.

The process is modeled after the “Program Charter” protocol Metro’s Planning Department piloted in its First/Last Mile efforts to ensure that there is mission alignment at the onset of a CBO partnership. The documents and processes support successful partnerships and help partnerships respectfully end when necessary.

The chartering process establishes the following:

#### **Mission alignment of the agency and partnering CBO to establish a mutually beneficial relationship.**

Mission alignment is essential because it creates a foundation of shared goals that are common to both the agency and the CBO(s). Mission alignment does not mean that all facets of missions will align, but rather that there is sufficient overlap to work on targeted projects together.

#### **Shared values.**

Similar to mission alignment, partners do not have to fully adopt each other’s value, but rather determine that there is sufficient overlap in values to work on targeted projects together.

#### **How to work through challenges.**

Partners anticipate the obstacles and conflicts they may encounter, identify ways to respond constructively and commit to adopting mindsets and behaviors that would facilitate collaboration in order to make the partnership most impactful.

#### **Working agreements.**

Key principles for how they will work together, such as “agree to disagree.”

#### **Mutually effective communication channels.**

Channels that are efficient, yet also allow for the relevant input of all entities.

#### **Outline a clear scope of work, partner roles, project timeline and desired outcomes.**

To establish clear expectations for all parties. When there is a lack of clarity around roles and scope, partners can be over- or under-utilized, which may create a sense of being taken advantage of or being undervalued. Clear outcomes and expectations provide the accountability needed to build effective partnerships, conduct projects together, and then measure the success of the partnership based on the outcomes outlined in the scope.

#### **Agreement to evaluate the quality of partnerships mid-way and at the end of the project.**

#### **Understand what it means to act as an agent for Metro and what constitutes a conflict of interest.**

This includes outlining what are appropriate actions that a CBO can participate in and the trade-offs while engaged in a Metro contract.

## Intended Outcomes

- > Ensure consistency – when Metro staff engages and partners with CBOs, they do so equitably and consistently
- > Improve collaboration between Metro staff and CBO partners
- > Develop a process through which constant improvement is possible

## Implementation – How to Pilot

### STEP 1

Identify a Metro project team to pilot the chartering process.

### STEP 2

Train relevant Metro staff on how to use the CBO partner chartering process.

### STEP 3

Implement and evaluate effectiveness.

## Appendices: Tools Related to This Recommendation

### APPENDIX F

Template for a project charter worksheet, facilitators guide for leading the chartering process, and a sample project charter.



## Recommendation 6: Train Metro Staff How to Effectively Partner with CBOs

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### Overview

Educate Metro staff about the value of working with CBOs and train them on how to effectively partner with CBOs, as well as the various payment mechanisms that are available to assess which format best aligns with a project needs and allows for equitable CBO participation. Supplement existing Metro trainings with customized modules on CBO partnering. The modules provide an orientation on the CBO landscape and the assets and expertise therein, as well as introduce newly developed tools to assist with CBO partnering, such as templates for partnership agreements and a partnership chartering process. Human Capital and Development (HC&D) has the background and expertise in training Metro staff, however, deep subject matter expertise related to CBO partnering lies outside of Metro. Therefore, Metro may need to eventually procure an external trainer, such as a CBO or CBO-focused intermediary with subject matter expertise, that is not on HC&D's bench of trainers for some of these trainings.

Training topics will include:

- > An introduction to the CBO landscape
- > Definition of a CBO
- > Unique expertise in the CBO sector and vital nature of their work in communities
- > Benefits of CBO partnership for Metro
- > How to use the CBO database
- > Asset mapping a community
- > Building organizational cultural competence to effectively partner with CBOs
- > How to use the project chartering process to set a strong foundation
- > How to identify, acknowledge and address power imbalances in a partnership
- > CBO procurement and contracting best practices
- > Understanding CBO budget structures and managing payment, invoices, etc.
- > Resources to refer CBOs to for additional guidance, training and technical assistance

### Intended Outcomes

- > Increase awareness among staff of the unique knowledge, value, skills, capabilities and assets in the CBO sector, as well as an understanding of the constraints faced by CBOs when partnering with large public agencies, such as working on a reimbursement basis and complying with liability insurance requirements
- > Ensure equity and consistency when Metro staff engage and partner with CBOs
- > Teach Metro staff to use the tools and resources developed for this project

### Implementation – How to Pilot

#### STEP 1

Develop internal staff trainings.

#### STEP 2

Identify Metro department/lead that will project manage and coordinate trainings.

#### STEP 3

Pilot and improve trainings.

#### STEP 4

Digitize trainings to scale training access and participation.



## Recommendation 7: Build CBO's Capacity to Partner with Metro

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### Overview

Leverage the existing Metro Connect program and curricula that provides training and support to diverse and small businesses interested in contracting with Metro and facilitate CBO inclusion. Modify some existing Metro Connect modules so that they are tailored for a CBO audience that may not be as familiar with traditional procurement processes and terminology. Similar to small and disadvantaged businesses, nonprofits range in size and sophistication and they have many of the same needs that are addressed by the Metro Connect program, the Small Business Administration (SBA) and similar disadvantaged business programs and certifications. Nonprofits need the same guidance and technical assistance to navigate contracting opportunities, understand how to apply for the opportunities and be able to craft winning proposals. Ideally, workshops are provided quarterly in the community at CBO locations by staff who are trained to deliver the content.

### Training topics will include:

- > Doing business with Metro
- > Introduction to Metro and types of work procured
- > How to register as a vendor with Metro
- > How to register on the Metro CBO partner database
- > How to search for and find relevant RFPs and how to use NAICS Codes
- > Partnership opportunities – how to partner with other firms to win
- > How to submit a proposal
- > What it means to be act as an agent for Metro and what constitutes a conflict of interest (see Appendix G)
- > Proposal Writing 101
- > How to convey your CBO's expertise
- > How to develop a work plan, project schedule and evidence of capacity including staff qualifications
- > How to develop a budget and calculate true fixed-cost rates
- > What contract terms are negotiable



## Recommendation 7 continued

In addition to these capacity-building trainings, Metro would:

### Promote Consultant Benches

Promote open Metro consultant benches to CBOs on the CBO database.

### Foster Collaboration

Include and invite CBOs to meet-and-greet events between primes and current bench consultants to foster collaboration (possibly host meet-and-greet events for scopes that would benefit from additional CBO inclusion).

### Secure and Manage Contracts

Connect CBOs to external capacity-building resources that enhance their capacity to successfully secure and manage public contracts. LA County has many entities that train and provide technical assistance to CBOs. Examples of CBO capacity-building entities, include Community Partners, Center for Nonprofit Management, California Community Foundation, Liberty Hill Foundation and LA County Procurement Technical Assistance Center (PTAC).

### Develop Strategic Partnerships

Develop strategic partnerships with regional umbrella organizations that can serve as a prime contractor on projects that would benefit from multiple CBOs. The umbrella organization should be a local institution that builds CBO capacity and has a history of disseminating funds to CBOs to conduct a scope of work activities. The entities can then disseminate funds to CBOs in the form of grants or subcontracts, depending on the CBOs' capacities and perhaps provide additional funding to cover indirect costs associated with building their capacity, such as obtaining insurance. This would address CBOs constraints in complying with Metro's insurance requirements and working on a reimbursement basis.

### Apply Best Practices

Align countywide CBO partnering efforts by working with the Los Angeles County Office of the CEO Office of Strategic Partnerships to collaborate on concurrent CBO strategies and apply best practices and lessons learned.

## Intended Outcomes

- > Train CBOs on how to engage in Metro procurement and contracting
- > Facilitate CBO participation in Metro procurement
- > Increase awareness among CBOs of the opportunities available through Metro contracts

## Implementation – How to Pilot

### STEP 1

Develop workshop content and train Metro Connect trainers how to deliver the content.

### STEP 2

Host a three-series CBO training through Metro Connect and evaluate reception.

### STEP 3

Host three meet and greets and invite CBOs. Then follow up with primes to assess outcomes.

## Appendices: Tools Related to This Recommendation

### APPENDIX G

Conflicts of Interest are evaluated by the Los Angeles County Metropolitan Transportation Authority ("Metro") on a case-by-case basis.

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# We have a clear path forward.

The CBO strategy will have a phased implementation informed by available resources (funding for professional services and staffing) and a keen eye to the most impactful activities that can establish a firm foundation for ongoing, future implementation. Given the uncertainty that the COVID-19 pandemic has introduced and the resultant impact on Metro's resources, staff time and funding projections, a phased implementation and/or piloted activities on a small scale are most viable in the near-term. Phased implementation will provide Metro with the opportunity to pilot, learn and improve upon each recommendation.

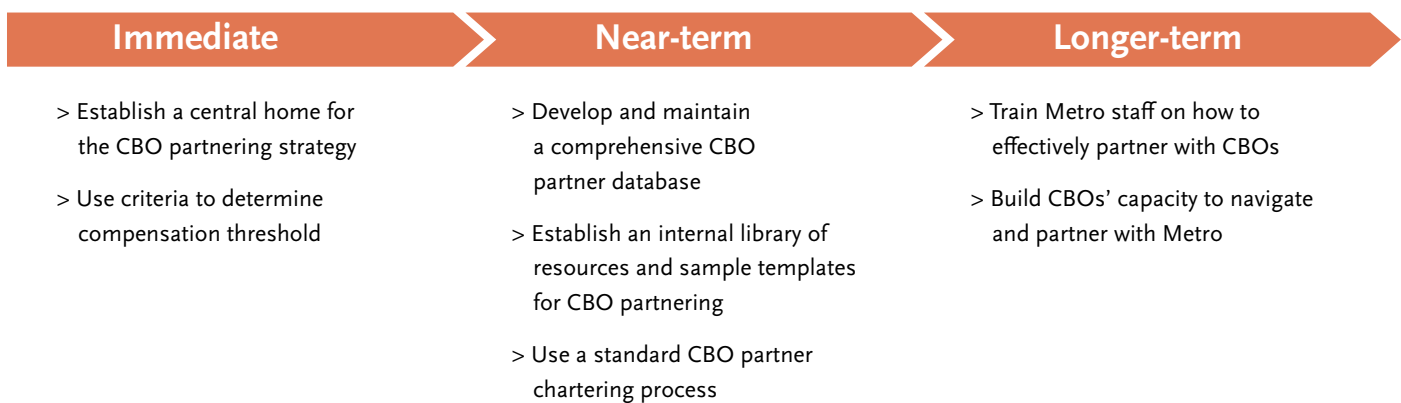
## Selecting Measures of Success

Every effective strategy includes measures of success that are then used to track progress towards meeting the strategy's overarching goal. Adopting measures of success for the CBO Partnering Strategy Plan will support Metro's efforts to:

- > Infuse accountability and transparency into the CBO partnering project, thereby fostering and strengthening trust between Metro, the CBO community and the communities the CBOs represent and/or to which they are connected.
- > Evaluate the effectiveness of implementation and improve processes through regular analysis of trends and using data to adjust the strategy as needed to achieve the intended outcome.

The first year of the Strategy's implementation will function as a pilot period. In order to assess the viability of the various recommendations key measures of success need to be established and tracked throughout the pilot implementation year. Regular progress reports will assist in monitoring the degree to which desired outcomes are achieved and provide transparency and accountability. These pilot measures of success will be grounded in the Equity Platform Framework pillars.

## Proposed Sequence for Implementation



## Conclusion

Metro has increased CBO partnerships across the entire agency. These partnerships, such as the Metro A Line (Blue), have resulted in improved program delivery that has garnered Metro national recognition. At the core, Metro/CBO partnerships have been driven by a shared objective of serving the public and ensuring that the voices of Metro transit riders and underrepresented and high-need communities were brought to the forefront to inform improved, equitable outcomes. The value of this interface and the expertise that has been of direct benefit to Metro and the public cannot be understated. The CBO strategy establishes a formalized system for partnering with CBOs that is consistent across the agency and aligned with Metro's Equity Platform.

The CBO strategy establishes clear and consistent parameters for Metro to continue partnering with CBOs, as appropriate, by formalizing partnership structures and developing mutually beneficial, equity-focused relationships that bring real and tangible benefits to the agency, CBOs and Los Angeles region.

# Appendices

## Appendix A: Community-Based Organization (CBO) Engagement Continuum

The CBO engagement continuum describes the escalating levels of effort that a CBO may contribute to a Metro project or initiative (with additional effort, come justifications for compensation.)

Levels	Description of CBO's Role	Activities CBO Performs	Metro Example
<b>1. Receive Information</b>	<b>Receives information from agency</b> CBO receives information, such as an email announcement, a brochure or the contents of a presentation; CBO is not asked to react or provide any feedback.	<ul style="list-style-type: none"> <li>&gt; Reads brochure/informational literature</li> <li>&gt; Receives email updates</li> <li>&gt; Listens to presentation(s)</li> </ul>	Component of all Communications & Community Education efforts
<b>2. Disseminate Information</b>	<b>Provides information to constituents</b> CBO receives information AND circulates it to its constituents or facilitates Metro's direct interaction with its constituents.	<ul style="list-style-type: none"> <li>&gt; Adds an announcement/info to its newsletters and/or website</li> <li>&gt; Sends email to list-serve</li> <li>&gt; Allows flyers to be placed in lobby or other space on premise</li> <li>&gt; Provides agency with a booth at event</li> </ul>	Component of all Communications & Community Education
<b>3. Participate</b>	<b>Facilitates activities on behalf of the agency</b> CBO goes beyond simply giving information and does targeted outreach to increase the likelihood that their constituents will use Metro services or enroll in Metro programs.	<p>Assists their constituents to:</p> <ul style="list-style-type: none"> <li>&gt; Completes agency's surveys or to submit comments</li> <li>&gt; Attend agency-sponsored events or field trips</li> <li>&gt; Enrolls in Metro-sponsored programs (e.g. internships, workforce development programs, etc.)</li> <li>&gt; Accesses fare reduction initiatives and teaches others to enroll</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Recruitment for E3 Teacher Externship</li> <li>&gt; Recruitment for WIN-LA (or other WD effort)</li> <li>&gt; Field Trip (e.g. San Fernando Valley residents ride L Line (Gold))</li> <li>&gt; Reduced TAP card programs</li> </ul>
<b>4. Advise/Consult</b>	<b>Provides feedback and insights</b> Engagements can range from "light-touch" one-time events, such as attending a focus group, to longer-term commitments, like participating in committees that meet continuously throughout the lifespan of a project.	<ul style="list-style-type: none"> <li>&gt; Attends focus groups</li> <li>&gt; Attends community forums</li> <li>&gt; Provides feedback on approach, methods and/or content agency is developing for the population the CBO serves</li> <li>&gt; Serves on a committee</li> </ul>	<ul style="list-style-type: none"> <li>&gt; All committees advising planning and constructions projects</li> <li>&gt; Transit to Parks Strategic Plan Committee</li> <li>&gt; Policy Advisory Committee</li> <li>&gt; Metro Arts Advisory Groups</li> </ul>
<b>5. Execute/Do Work</b>	<b>Contributes a portion of the labor for an effort</b> CBO contributes a portion of the labor for an effort that is uniquely positioned to provide.	<ul style="list-style-type: none"> <li>&gt; Provides venue for event (may include security, staffing, tech support)</li> <li>&gt; Provides translation</li> <li>&gt; Facilitates a community meeting</li> <li>&gt; Completes door-knocking</li> <li>&gt; Complete community engagement activities (e.g. organizes forum, facilitates focus group)</li> <li>&gt; Delivers training (including workforce dev.)</li> <li>&gt; Writes report that informs agency work</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Purple Line Door-Knocking campaign</li> <li>&gt; BEST (biking classes)</li> <li>&gt; Blue Line First/Last Mile: A Community-Based Process and Plan</li> </ul>
<b>6. Co-Create/Co-Manage/Co-Decide</b>	<b>Partners with agency from start to finish of an effort</b> CBO and Metro share an equal stake in the project and agree to share decision-making.	<ul style="list-style-type: none"> <li>&gt; Jointly designs, plans and executes work</li> <li>&gt; Co-decides key pieces of the work</li> </ul>	<ul style="list-style-type: none"> <li>&gt; WIN-LA</li> <li>&gt; SEED-LA Transportation School</li> <li>&gt; San Fernando Valley Fun-Run on G Line (Gold)</li> </ul>

## Appendix B: Job Description

### Lead for CBO Partnering Strategy

#### Job Summary

Tracks progress towards CBO partnering strategic goals; develops, implements and project manages programs associated with the CBO partnering strategy; builds awareness of and encourages the use of CBO programs; and serves as a subject matter expert on CBO partnering activities for Metro departments.

#### Duties and Responsibilities

- > Convene a successor to the Internal Working Group (IWG) to inform implementation of the CBO partnering strategy
- > Lead the process for establishing goals and baseline metrics for CBO partnering
- > Track progress of the CBO partnering strategy implementation
- > Manage the comprehensive CBO partner database, validate the database, publicize it and support Metro staff in utilizing the resource
- > Conduct targeted outreach to address gaps in the CBO partner database (e.g. if the database lacks representation from the San Gabriel Valley, recruit CBOs in that area to enroll)
- > Conduct targeted outreach to educate the CBO community about opportunities
- > Support staff training and technical assistance to support expanding knowledge, understanding and expertise across Metro on partnering with CBOs
- > Publicize existing Community Relations liaisons as point people per region to support open communication
- > Interface with Procurement as a subject matter expert on CBO contracting and partnering

#### Essential Knowledge and Abilities

- > Knowledge required for and applied in the performance of job tasks
- > Theories, principles and best practices for collaboration with community-based organizations (CBOs), multi-stakeholder partnerships and public relations
- > Protocols, structure and functioning of local government and public agencies
- > Metro's transit system
- > Metro's procurement and contracting system
- > Group dynamics and community organizing techniques
- > Research and analytical techniques, methods and procedures
- > Report presentation methods
- > Social media applications
- > Applicable business software applications

#### Skill in (defined as the proficient manual, verbal, or mental utilization of data, people or things):

- > Communicating effectively orally and in writing
- > Representing Metro before the public and delivering presentations to community stakeholders
- > Coordinating and facilitating community meetings and events
- > Holding peers accountable for commitments to projects
- > Analyzing situations, troubleshooting, recommending solutions and evaluating outcomes
- > Exercising sound judgment and creativity in making recommendations
- > Interacting professionally with various levels and departments of Metro employees and outside representatives

**Ability to (defined as a present competence to perform an observable behavior or produce an observable result):**

- > Design, implement and manage internal and external programs
- > Relate to diverse community members
- > Represent Metro before the public
- > Write clear comprehensive reports
- > Analyze situations, troubleshoot, recommend solutions and evaluate outcomes
- > Coordinate multiple projects and meet critical deadlines
- > Understand, interpret and apply relevant policies, laws, regulations and contracts
- > Read, write, speak and understand English

**Minimum Qualifications**

A combination of education and/or experience that provides the required knowledge, skills and abilities to perform the essential functions of the position. Additional experience, as outlined below, may be substituted for required education on a year-for-year basis. A typical combination includes:

**Education**

Bachelor's degree in Communications, Journalism, Marketing, or a related field

**Experience**

Five years of relevant experience performing community relations and project management work

**Certifications/Licenses/Special Requirements**

- > A valid California Class C Driver License or the ability to utilize an alternative method of transportation when needed to carry out job-related essential functions
- > Ability to understand and speak a language other than English a strong plus
- > Must be willing to be on call and work some evenings and weekends



## Appendix C: Committee Description

### Internal Implementation Committee for CBO Partnering Strategy

The purpose of the CBO partnering strategy is to develop clear and equitable structures, strategies and guidance for CBO partnership that the entire Metro agency can utilize and implement consistently across departments and circumstances. As Metro implements the newly developed strategy, an Internal Implementation Committee, comprised of representatives from key Metro departments, will monitor the implementation of the strategy, address emerging needs and trends, update or enhance elements of the plan, lead/promote implementation activities within their respective departments and track progress towards strategic goals.

#### **Ideally, representatives from the following Metro departments participate in the Internal Implementation Committee:**

- a. Office of Equity and Race
- b. DEOD
- c. Vendor/Contract Management
- d. Communications
- e. Planning
- f. Office of Extraordinary Innovation (OEI)

#### **Members of the Metro CBO Partnering Strategy Internal Implementation Committee commit to:**

- > Attend monthly meetings for a one-year term
- > Work with their departments to gather input and share key insights with the committee
- > Report back updates and relevant information to their departments after committee meetings
- > Review drafts of work products and provide feedback
- > Actively participate in meetings and serve as a thought partner

#### **Time Commitment**

- > In-person meetings: two hours per month maximum
- > Follow-up in between meetings: two to three hours per month reviewing drafts of work products, responding to requests and inquiries and informing their departments

#### **Internal Implementation Committee members will have:**

- > Experience partnering with CBOs to implement Metro initiatives
- > An interest in the CBO sector in LA County and a commitment to strengthening its capacity to collaborate with Metro
- > Familiarity with partnership models (locally or nationally) between public agencies, non-profits, philanthropies and/or the private sector

#### **Governance**

The committee will advise. No decision-making power.

## Appendix D: Overview of CBO Partner Database Fields

### Data to Include in the CBO Partner Database

#### DATA FIELDS

- > This provides an overview of the data fields that should be included in the CBO partner database; these will be inserted into an online form that CBOs can self-fill in order to populate and update the database
- > This data can be exported from an online survey in a CSV format for easy integration
- > Data should be updated annually by sending CBOs an email asking them to update their information and/or send revisions using the survey link

#### Organization Name

##### Subregional Focus

Use Metro Long Range Transportation Plan (LRTP) Technical Document, pg 140-197, [media.metro.net/2020/LRTP-TechDoc-Final.pdf](http://media.metro.net/2020/LRTP-TechDoc-Final.pdf) (Select all relevant)

- > Arroyo Verdugo Cities
- > Central Los Angeles
- > Gateway Cities
- > Las Virgenes/Malibu
- > North Los Angeles County
- > San Fernando Valley
- > San Gabriel Valley
- > South Bay Cities
- > Westside Cities

##### Services

NAICS Codes – provide up to three (3)

- > Primary NAICS Code
- > Other NAICS Codes
- > Other NAICS Codes

#### Cause Areas

Use A-Z NTEE Codes (e.g. Transportation, Environment, Workforce Development, Health, Criminal Justice, Domestic Violence, Women, Social Welfare LGBTQ, Arts and Culture, Civic Participation, Education, Housing/Homelessness, Community Development, Technology, Youth Development, Faith Based, Non-profit Leadership, etc.)

- > Primary NTEE Code
- > Secondary NTEE Code
- > Tertiary NTEE Code

#### Type of Organization

Legal Structure

- > Non-profit 501(c)(3)
- > 501(c)(4)
- > No formal legal structure
- > Chamber of Commerce
- > Block or Neighborhood Groups
- > Trade Group
- > Faith-based Organization
- > Schools and Child Care Programs
- > Health Care Agencies
- > Foundation

#### Annual Budget

Annual Revenue (Align with Guidestar's \$\$ divisions)

- > \$0-\$49,999
- > \$50,000-\$249,999
- > \$250,000-\$999,999
- > \$1,000,000-\$9,999,999
- > \$10,000,000+

*Appendix D continued*

**Has the organization partnered with Metro in the past/present?**

> Y/N

> If Yes, then how:

- Metro has sponsored our organization
- Sat/sit on a Metro advisory council
- Special event
- Subcontractor for a Metro project
- Prime contractor on a metro project
- Other\_\_\_\_\_

**Metro project you have worked on: \_\_\_\_\_**

**Website URL: \_\_\_\_\_**

**Contact Information**

(Link with “care of” field on Guidestar database)

> First Name

> Last Name

> Title

> Email

> Phone

**Mailing Address**

> Mailing Street

> Mailing City

> Mailing State

> Mailing Zip code

## NAICS Code Supplemental Support Guide

All NAICS Codes can be found at [naics.com/search](https://naics.com/search)

Activity	Description	NAICS Code	NAICS Title	Description
<b>Disseminate Information</b>	Receive information from Metro and circulate it to members (e.g. add announcement to website, send email to list serve, place flyers in lobby, etc.)	541870	Advertising Material Distribution Services	Flyer direct distribution (except direct mail) services
<b>Promote Agency Services</b>	Conduct outreach to members to promote and increase their use of Metro services or enrollment in Metro programs (e.g. helping members enroll in Metro LIFE program)	923110	Administration of Education Programs	
<b>Advise &amp; Consult</b>	Provide input on Metro-sponsored programs, projects or initiatives (e.g. participate in community forums or advisory groups)	611710	Educational Support Services	Career and vocational counseling services
<b>Community Engagement</b>	Participate in efforts to meaningfully integrate the insights of community members who will be directly impacted by a Metro project into the design and implementation of the project (e.g. administer surveys, host focus groups, conduct door-to-door canvassing, etc.)	925120	Administration of Urban Planning and Community and Rural Development	
<b>Workforce Development</b>	Partner with Metro to connect members with employment opportunities at Metro and/or provide “up-skilling” services to Metro employees (e.g. help to recruit and/or prepare job seekers or supplement Metro’s workforce trainings, etc.)	611710	Educational Support Services	Career and vocational counseling services
<b>Coordinate Referrals to Supportive Services</b>	Coordinate with Metro to connect transit users in distressed circumstances with supportive services (e.g. housing services, food support, etc.)	624229 624210	Other Community Housing Services Community Food Services	Housing assistance agencies Community meals, social services
<b>Use of Stations</b>	Collaborate with Metro to repurpose transit station properties for additional community uses (e.g. farmers markets, art installations, musical performances or other community gatherings)	925120	Administration of Urban Planning and Community and Rural Development	Participate in Metro Art Programs
<b>Arts &amp; Culture</b>	Participate in activities related to the art and culture that is represented in Metro facilities	926110	Administration of General Economic Programs	Cultural and arts development support program administration
<b>Provide Educational Services</b>	Work with Metro to provide educational programming to students in the K-12 school system, community college, or university (e.g. field trips, class projects, teacher externships, etc.)	611710	Educational Support Services	
<b>Economic Development</b>	Engage in efforts that inform how infrastructure and transit improvements can develop the local economy of a community	925120	Administration of Urban Planning and Community and Rural Development	
<b>Professional Services Consulting</b>	Strategic planning, etc.	541611	Administrative Management and General Management Consulting Services	

## Appendix E: Library of Internal Resources

### Request for Proposals (RFPs) Sample CBO Partnering Language

Every procurement is different so there is no single template that will work for all procurements. However, several of the following paragraphs may be useful as a starting point to ensure that:

- > CBOs and all entities are aware of the CBO partnering strategy and Metro's goals in increasing its focus on work with CBOs.
- > CBOs are aware they may compete for any procurement for which they are capable of performing the work; there is no barrier precluding a CBO from contracting with Metro.
- > All entities are aware of the benefits of partnering with CBOs, for instance as sub-contractors.

#### **Draft language about how Metro values and encourages CBO participation:**

The Los Angeles County Metropolitan Transportation Authority (Metro) is developing a community-based organization (CBO) partnering strategy to establish a consistent and equitable approach to partnering with community-based organizations that serve and are focused on Los Angeles' communities. This effort stems from the Metro Equity Platform Framework that seeks to increase equity in the region. Metro already partners with community-based organizations in a variety of ways for various capacities. For example, CBOs perform work that may include, but is not limited to:

- > Disseminating information
- > Delivering programs or services for Metro
- > Conducting trainings on behalf of Metro
- > Advising and consulting with Metro including providing, facilitating or gathering stakeholder input for Metro projects or advising the agency how to improve projects
- > Conducting community engagement and outreach
- > Placing their clients into upward mobility jobs in the transportation industry

Some CBOs may perform one specialized task in support of Metro goals, while others may perform multiple tasks in the course of their work on behalf of their targeted audiences, populations or communities.

Metro recognizes that it plays an influential role in the region and has a responsibility to reverse the vast disparity among neighborhoods and residents of LA County in their ability to see and seize opportunity – be it jobs, housing, education, health, safety or other essential facets of thriving in vibrant, diverse communities. Furthermore, Metro is cognizant that equity takes collaboration; it cannot be achieved in a silo, by one organization, or by one public agency.

Creating a formalized system for partnering with CBOs is part of a larger effort to ensure Metro is advancing equity throughout LA County. By formalizing its partnership structures with CBOs, Metro can develop mutually beneficial, equity-focused relationships that build the capacity of Metro, Metro's many contractors and other partner entities and CBOs, thus increasing the resources and capacity of people served by both Metro and CBOs.

This direct community-level expertise is proven to support program success, ensure that programs are carried out in a culturally competent manner and that local needs are taken into consideration. Some of these smaller, local community-based organizations may not be able to meet the administrative requirements of county contracts but are trusted by community members and therefore best qualified for performing some community services.

For these reasons, Metro advises the following with regard to its procurements and all aspects of its contractor relationships:

- > Metro encourages CBOs to apply to be contractors directly and to work to partner with other contractors as subcontractors. As outlined in [location of various updated policies/procedures, the CBO partnering strategy site/ locations, Office of Diversity, etc.] CBOs are welcome as Metro contractors, all Metro procurements are open to CBOs equally to other private sector entities and unless otherwise specified, there is nothing precluding CBOs from serving as Metro contractors simply by the fact of their being a not-for-profit organization or CBO.
- > Metro encourages all contractors to strongly consider working with community-based organizations, both formally as sub-contractors and informally as partners on a variety of initiatives. This is in recognition that CBOs possess direct experience, relationships and expertise in the communities affected by the project. This direct community-level expertise supports the success of all Metro work, by increasing the likelihood that services and programs are carried out in a culturally competent manner, that local needs are taken into consideration, and thus, that projects are completed on time.

Metro seeks to contract with entities that can carry out the scope of work required for a given initiative, while also providing economic opportunities for people with barriers to employment and stability, including those with homelessness experience, formerly incarcerated individuals (“returning citizens”), formerly foster youth, low-income residents, recent immigrants and others. Companies or organizations responding to Metro procurements are encouraged to communicate in their project plan and partnership descriptions how they plan to provide economic opportunities and jobs to members of these and other groups. Strategies may include leveraging local community-based organizations to conduct work such as recruiting, training and supporting people with barriers to employment as potential employees on Metro-related work and beyond, conducting hiring fairs in communities, at transitional settings in conjunction with Department of Corrections and Rehabilitation or Sherriff’s office, at temporary housing facilities, etc., and otherwise serving as a source of candidates.

## Appendix F: Project Charter Process Worksheet

On [insert date], representatives of individual entities from [insert names of organization(s)] and Metro, met to kickoff contractual relationships. The meeting was intended to facilitate introductions between the entity/entities and to brainstorm ideas for the [insert name of project].

This project charter documents the vision and values of Metro and the organization(s) and will be used to set expectations and guide communication.

### Who are we?

- > [Name of organization] is a... [insert description of organization and its mission].
- > Metro is the transportation agency overseeing [insert name of project]. Metro staff are committed to Metro's Equity Platform and to honestly engage equity through four pillars: define and measure; listen and learn; focus and deliver; train and grow.

### What do we value?

Collectively as a project team, we are committed to [insert purpose and intended outcomes of project].

As a team, we share the following values and goals.

Example of values to be updated by the project team.

### Community Integrity

We are committed to acknowledging that infrastructure and design elements shape the community's identity. We also acknowledge that infrastructure investment can impact the housing market and unintentionally cause displacement. Therefore, we strive to incorporate community input and perspective to ensure community support in order to preserve community integrity.

### Environmental Sustainability

We are committed to improving quality of life by considering foreseeable impacts to the natural environment. As we make decisions about the project, we will be mindful of the needs of the present without compromising natural resources for the future.

### Safety

We are committed to improving safety outcomes of different travel modes through infrastructure and education. We will continue to educate children, parents, residents, elected officials and others on safety as a part of our project outreach and consider best practices in pedestrian and bicycle design for safe access to future stations.

## **Transparency and Trust**

We are committed to prioritizing open and inclusive dialogue even if “the going gets tough.” We will provide accurate and timely disclosure of information and ask for input on large and small decisions to build trust and team relationship.

We are committed to collaborative solutions; however, we recognize that each individual will have different perspectives and backgrounds and we may not always be in agreement. We will respect differences of opinions and not seek to undermine other entities as they pursue their organizational missions.

## **Accountability**

We are committed to fulfilling our responsibilities to each other and to the community in a timely manner. We will follow through on our commitments and when challenges arise, we will work as a team to overcome them.

## **What are our working agreements?**

We will aim to uphold the following mindsets and behaviors to facilitate our success in meeting the project's intended outcomes.

- > Start and end on time
- > Avoid assuming and ask for clarification when a question arises
- > Respond to emails within 24 hours



# Project Chartering – Facilitator’s Guide

## Desired Outcomes of Session

- > Build connection and trust among project team members
- > Identify shared values, goals and approaches to the work, as well as points of difference
- > Develop shared vocabulary
- > Align on project expectations and deliverables

## Duration

The session is designed to take two to three hours, depending on how many people participate.

## Agenda

Time	Key Activities	Notes & Materials
5 min	<b>Welcome &amp; Meeting Roles</b> <ol style="list-style-type: none"> <li>1. Identify a timekeeper and note taker for the session</li> <li>2. Review session objectives and agenda</li> </ol>	<ul style="list-style-type: none"> <li>&gt; Flip chart paper</li> <li>&gt; Markers</li> </ul>
10 – 15 min, depending on how many people participate	<b>Introductions and Check-in</b> – Invite participants to share: <ol style="list-style-type: none"> <li>1. Name, title and organizational affiliation</li> <li>2. A personal value that this project provides an opportunity to honor/live out (e.g. I value community participation and this project is focused on gathering the input of community residents)</li> <li>3. A hope they have for today’s session (e.g. I hope we create alignment and cohesion amongst the team)</li> </ol>	
8 min	<b>Community Agreements</b> – Create list of agreements that will guide our mindset and behavior for the session. What will facilitate our success in meeting the objectives of the session? Either (1) propose a list (such as the ones below), or (2) create a list together. Proposed community agreements (inspired by Restorative Justice practices): <ol style="list-style-type: none"> <li>1. Speak and listen from the heart</li> <li>2. Speak and listen with respect</li> <li>3. Say just enough</li> <li>4. Honor privacy</li> <li>5. Bring our best selves</li> </ol> Ask for Agreement to Agreements (e.g. stand up or give a thumbs up if you agree)	<ul style="list-style-type: none"> <li>&gt; Flip chart paper</li> <li>&gt; Markers</li> </ul>
3 minutes	<b>Project Charter Worksheet: Introduction</b> <ol style="list-style-type: none"> <li>1. Write the date in the project charter worksheet</li> <li>2. Read the introductory purpose statement at the top of the worksheet</li> <li>3. Pause &amp; check-in: Ask the group, “Are there any clarifying questions about the purpose?”</li> </ol>	<ul style="list-style-type: none"> <li>&gt; Copies of project charter worksheet</li> <li>&gt; A version of the project charter worksheet projected or on poster paper, so that while it is being completed and edited, the team can see it</li> </ul>
15-20 min, depending on how many people participate	<b>Project Charter Worksheet: Who are we?</b> A representative from each participating organization, briefly describes their organizational mission and the population(s) they serve	<ul style="list-style-type: none"> <li>&gt; Flip chart paper and marker or Project Charter</li> </ul>
20 min	<b>Project Charter Worksheet: What do we value?</b> <ol style="list-style-type: none"> <li>1. 3 min – Restate and note in the worksheet the project’s purpose and intended outcomes</li> <li>2. 7 min – Open brainstorm: Generate list of values (depending on size of group, each person can share the values they would like the group to uphold)</li> <li>3. 5 min – Combine and/or rephrase: Look at the full list of values and note themes, which can be combined or restated, rephrased or fine-tuned</li> <li>4. 5 min – Generate “final list”: Propose the top four to six values that will guide your work, gask for a vote and assure the group that this is a “living document” that can be updated as the project proceeds</li> </ol>	

Time	Key Activities	Notes & Materials
25 min	<p><b>Divided up into small groups to further define each value</b></p> <ol style="list-style-type: none"> <li>1. 8 min – Small group work: Define what each value means in action. Begin the statement with, “We are committed to...” (see example)</li> <li>2. 12 min – Larger group share out: Each small group shares the statement they crafted and invites feedback from the larger group</li> <li>3. 5 min – Synthesize</li> </ol>	
30 min	<p><b>Overview of Project Roles and Expectations</b></p> <p>Review the project's:</p> <ol style="list-style-type: none"> <li>1. Timeline</li> <li>2. Each organization's role and Scope of Work (SOW)</li> <li>3. Deliverables</li> <li>4. Project management tools</li> <li>5. Invoicing and monthly report procedures, resources and templates</li> <li>6. List of outside capacity building resources for CBOs</li> <li>7. How to exit the partnership/agreement</li> </ol>	<ul style="list-style-type: none"> <li>&gt; Relevant project documents, such as copies of contract and Scopes of Work (SOW)</li> </ul>
10 min	<p><b>Working Agreements</b> – Created list of agreements that will guide the team's mindset and behaviors for the project. What will facilitate our success in meeting the project's intended outcomes?</p> <p>Either (1) propose a list (such as the ones below), or (2) create a list together</p> <p>Proposed working agreements;</p> <ol style="list-style-type: none"> <li>1. Start and end on time</li> <li>2. Avoid assuming and ask for clarification when a question arises</li> <li>3. Respond to emails within 24 hours</li> </ol> <p>Ask for Agreement to Agreements (e.g. stand up or give a thumbs up if you agree)</p>	<ul style="list-style-type: none"> <li>&gt; Flip chart paper</li> <li>&gt; Markers</li> </ul>
10 min	<p><b>Wrap-up</b> – Discuss answers to the debrief questions:</p> <ul style="list-style-type: none"> <li>&gt; Pluses: What worked during this meeting?</li> <li>&gt; Deltas: What could be improved?</li> <li>&gt; What new insight or aha moment did you experience?</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Flip chart paper</li> <li>&gt; Markers</li> </ul>

## Appendix G: Conflicts of Interest

Conflicts of Interest are evaluated by the Los Angeles County Metropolitan Transportation Authority (“Metro”) on a case-by-case basis. Metro solicitations will typically outline conflict of interest code sections that should be reviewed carefully by all potential proposers and bidders, including CBOs. In this context, a “contractor” is a construction company, engineering firm, consultant, legal firm, or any company, supplier, or business entity who is presently engaging in any business with Metro. “Contractor” also includes any consultant and any subcontractor to a contractor.

**The Ethics Declaration** is outlined in the Request for Proposals (RFP) and includes a series of 10 questions, noted below. Conflicts of interests may arise based on responses to these questions.

1. In the past 12 months, has any Employee been a Metro Board member or Metro employee?
2. Is any Employee related to a Metro Board member or Metro employee?
3. Is any Employee presently a Metro Board member or Metro employee?
4. Do any Metro Board members or Metro employees own any stock in Declarant Company?
5. In the past 12 months, has any Employee given any gifts to a Metro Board member or Metro employee?
6. In the past 4 years, has any Employee or family member of any Employee, made any campaign contributions to any present Metro Board member or Metro employee?
7. Does Respondent now employ as a lobbyist, or intend to employ as a lobbyist, any former Metro Board Member or any person employed by Metro in the past 12 months?
8. Did any Employee receive, or have access to, any confidential information concerning this Contract?
9. Did any Employee perform work within the last 3 years relating to the Project or the Services contemplated to be performed under this Contract, including (a) the development of the Statement of Work/Statement of Services or any specifications, or (b) any involvement with earlier phases of the Project or Services to be provided under this Contract?
10. If you answered “yes” to any question 1 through 9 above, provide, on a separate sheet, a detailed explanation of the facts and circumstances that give rise to the “yes” answer. This explanation shall contain all relevant facts and information. This explanation shall, include names, dates, facts, amounts, and other and anything else necessary for a thorough response. Each explanation shall identify which of the 9 questions it is responding to and a separate explanation for each “yes” response is required.

## Organizational Conflicts of Interest

Metro Contracts are subject to the restrictions against organizational conflicts of interest promulgated by the Federal Transit Administration in FTA Circular 4220.1F dated November 1, 2008 or successor circulars. Contractor and its Subcontractors shall at all times comply with such restriction in connection with the Services it provides to and on behalf of Metro. Without limiting the generality of the foregoing, Contractor shall not provide Services to Metro, under this Contract, which would constitute or create an organizational conflict of interest, including but not limited to any of the following that could result in a lack of impartiality or impaired objectivity, unequal access to information, and biased ground rules, for this Contract or any other contract for Metro:

### A. Influenced Specifications or Statement of Work:

The Contractor's prior work product, whether it is performed on behalf of Metro or another public or private entity, has been relied upon in establishing, or significantly influenced, the specifications or Statement of Services under this Contract.

### B. Opportunity to Create Contracting Opportunities:

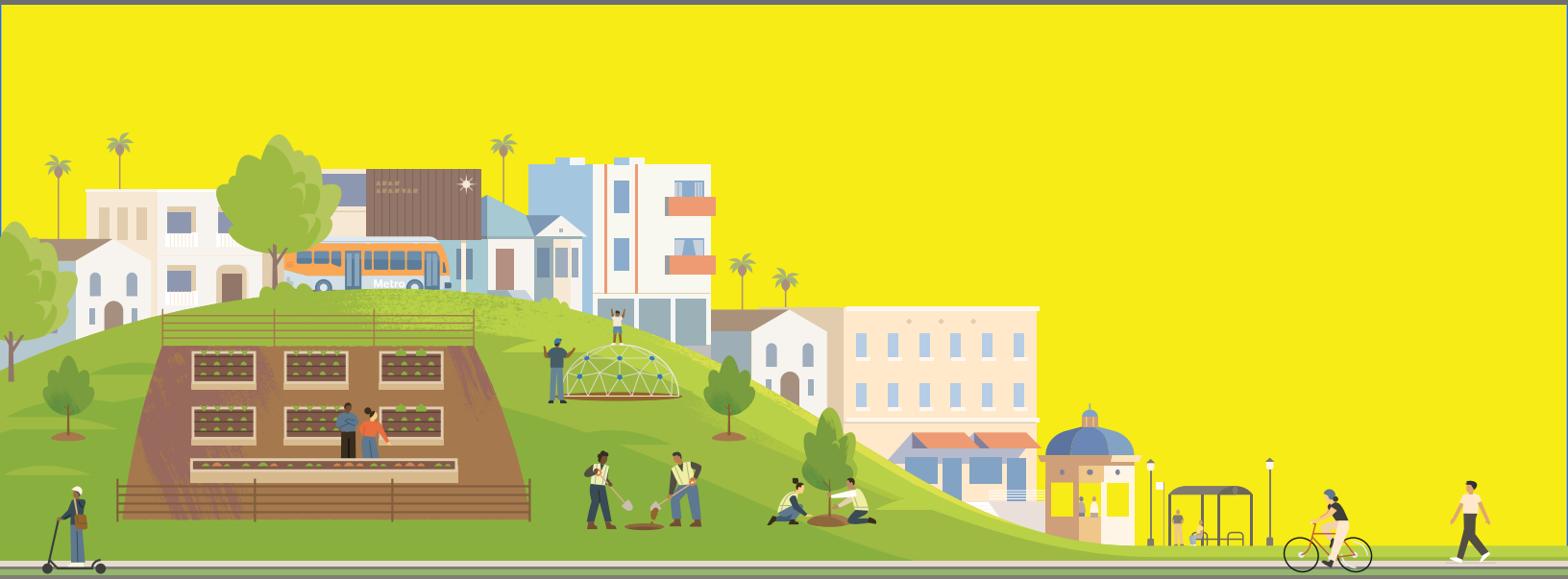
The Contractor's prior work product, whether it is performed on behalf of Metro or another public or private entity, afforded an opportunity for the Contractor to make or influence findings with respect to this Contract.


C. **Evaluation of Prior Work Product:** The Contractor would be in position to evaluate its own prior work product as part of this Contract, whether the prior work product is performed on behalf of Metro or another public or private entity; or as part of this Contract the Contractor would be in a position to assess its prior work product whether or not it was performed on behalf of Metro or another public or private entity.

D. **Access to Information:** The Contractor received confidential or other information as part of the services performed for Metro or another public or private entity which provides the Contractor with an unfair competitive advantage to obtain this Contract or another contract with Metro.


For CBOs, the one of the most critical questions is whether CBOs will have the ability to advocate for or against Metro projects if they are a paid Metro Contractor. CBOs can continue to advocate on Metro projects as a paid Metro Contractor, so long as that advocacy does not create conflicts under the two items noted above (Ethics Declaration and Organizational Conflicts of Interest) or conflict with any other terms outlined in their agreement with Metro.


More specifically, a CBO cannot use any information that they secured as a Metro Contractor to then advocate for or against a Metro project. Once again, conflicts of interest are assessed on a case-by-case basis. The above is intended to provide an overall framework and outline the key sections that are evaluated by Metro. CBOs should always seek guidance from Metro on whether any activities may create a conflict of interest.



 Metro  
 One Gateway Plaza  
 Los Angeles, CA 90012-2952

 323.GO.METRO  
 @metrolosangeles  
 losangelesmetro  
 @metrolosangeles  
 losangelesmetro

Metro Office of Equity and Race  
 [equityandrace@metro.net](mailto:equityandrace@metro.net)

Metro Community Relations  
 [communityrelations@metro.net](mailto:communityrelations@metro.net)

Metro Planning  
 [toc-com@metro.net](mailto:toc-com@metro.net)



Los Angeles County  
 Metropolitan Transportation Authority



Board Report

File #: 2021-0291, File Type: Policy

Agenda Number: 17.

**REVISIED**  
**PLANNING AND PROGRAMMING COMMITTEE**  
**JUNE 16, 2021**

**SUBJECT: MODERNIZING THE METRO HIGHWAY PROGRAM**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

ADOPT:

- 1) REVISIED Measure R Highway Program Criteria - Project Eligibility for Highway Operational Improvements and Ramp/Interchange Improvements (Attachment A), and
- 2) REVISIED Measure M Guidelines, Section X - Multi-Year Programs (Highway Subfunds) (Attachment B)

**ISSUE**

In March 2021, the Metro Board approved the recommendations of the highway reform subcommittee and directed staff to initiate a formal 60-day public review and comment period of the proposed amendments to the Measure R and Measure M guidelines circulate the Board's recommendations to modernize the Highway Program for a 60-day public review and comment period, and to report back to the Board at the end of the circulation period on the feedback received to determine the path forward.

The Board's recommendations included expansion of funding eligibility for active transportation and Complete Streets projects in all Measure R and Measure M highway projects and programs, and extension of the footprint of investments in transportation mobility improvements beyond the 1-mile bandwidth along the freeways originally stated in Measures R and M project eligibility and funding guidelines.

**BACKGROUND**

The Measure R Highway Operational Improvement and Ramp/Interchange Improvements project eligibility requirements for funding was adopted by the Metro Board at the October 2009 meeting followed by a clarification amendment in May 2014.

The Measure M Multi-Year Program (Highway Subfunds) Guidelines were adopted by the Metro Board at its June 2017 meeting.

In January 2020, the Board initiated discussions on improvements to the guidelines to allow for more investment in active transportation and Complete Streets projects to expand mobility options across LA County., ~~as one of 19 recommendations to modernize the Metro Highway Program.~~ Revisions to the current guidelines were amended by a subcommittee assigned to this task by the Board. Recommended revisions by the committee were presented to and approved by the Board in June 2020 and were posted for review and comment by the public and stakeholders. ~~In March 2021, the Board approved the subcommittee recommendations and initiated the formal guideline revision process.~~

## **DISCUSSION**

In fall 2020, Metro staff reached out to the Council of Governments (COGs) to solicit early input/feedback to the Board-proposed revisions to the criteria and guidelines. Of the comments received, the COGs with highway subfund programs through Measures R and M noted concerns with the proposed guideline revisions. The concerns highlighted the diversity of the infrastructure needs by subregion and geography within the subregion. Urban, suburban, and rural areas use the transportation system differently and some rely on highway and major arterials more than others.

The letters received from those subregions supported added flexibility in the use of Highway funds for active transportation projects and complete street improvements. However, they requested affirmation that their transportation priorities to invest in highway mobility/operational improvement projects would not be hindered by the proposed changes.

Staff also presented the Board-proposed revisions to the Metro Technical Advisory Committee and the Policy Advisory Committee (PAC) at their November and December 2020 meetings. A coalition support comment letter was received from community-based advocate organizations and the PAC supporting the flexibility in the guidelines to develop active transportation, complete streets and multimodal projects. The PAC letter noted that congestion and choke points are present and must still be resolved to improve freeway traffic flow/safety.

At the conclusion of this early and targeted outreach, a total of 14 comment letters were received. Staff summarized those written comments in the attached summary table (Attachment C).

The Board approved the circulation of the proposed guideline revisions in March 2021 for a 60-day public review and comment period. At the conclusion of the comment period, a total of 5 public comments were received, half of which supported the guideline revisions and the other half supported continued investment in highway improvements. Comments received from Caltrans emphasized the need to have relevant, reputable and recent studies to justify the proposed improvements. Caltrans supports expanding multimodal connectivity and reductions in vehicle miles travelled and greenhouse gas emission reduction projects.

Upon the Board's adoption of the staff recommendations in this report, the guidelines as shown in Attachments A and B become final. The proposed changes and revisions that resulted from the June 2020 Board direction, reaffirmed the current eligible uses to develop highway projects and allow subregions to determine their priorities.

Additionally, the update expands the use of funds to consider and incorporate more pedestrian and bicycle use of the roadways and consideration of multimodal access in the project development process. Existing planning practices take these multimodal options into consideration. The updated guidelines encourage but do not mandate such improvements. Project sponsors will have the flexibility to scope, develop, and implement eligible and beneficial active transportation and complete streets elements that would diminish roadway congestion and improve roadway mobility and safety either as elements of a related highway improvement project or as a stand-alone project.

All investments in highway/roadway category of projects, regardless of mode, should be based on validation of adequate demand and reasonable proof of use leading to congestion relief and mobility improvements. The use of highway funds must lead to the capital construction of a transportation project.

### **DETERMINATION OF SAFETY IMPACT**

The proposed approval will not have any adverse safety impacts on employees and patrons.

### **FINANCIAL IMPACT**

#### Impact to Budget

Approving the recommendations will have no impact on the FY 2021-22 budget.

### **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 adopt the Revised Measure R Highway Program Criteria and Revised Measure M Highway Subfunds Guidelines. This is not recommended as the proposed revisions were the result of Board direction.

### **NEXT STEPS**

Staff will continue to work with cities and the subregions to identify and deliver projects.

### **ATTACHMENTS**



Attachment A - Revised Measure R Highway Program Criteria

Attachment B - Revised Measure M Guidelines, Section X - Multi-Year Programs (Highway Subfunds)

Attachment C - Summary Table of Comment Letters

Prepared by: Isidro Panuco, Sr. Manager, Transportation Planning, (213) 922-4781

Fanny Pan, DEO, Countywide Planning & Development, (213) 418-3433

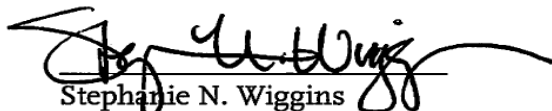
Abdollah Ansari, SEO, Program Management, (213) 922-4781

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

Bryan Pennington, Interim Chief Program Management Officer, (213) 922-7449



Stephanie N. Wiggins  
Chief Executive Officer

## ATTACHMENT A

### REVISED MEASURE R HIGHWAY PROGRAM ELIGIBILITY CRITERIA

*The following shall replace Measure R Highway Program eligibility criteria in their entirety:*

#### **Project Eligibility for Highway Operational Improvements and Ramp/Interchange Improvements**

The intent of a Measure R Highway Operational Improvement is to improve multimodal efficiency, safety, equity, and sustainability along an existing State Highway corridor by reducing congestion and operational deficiencies that do not significantly expand the motor vehicle capacity of the system, or by incorporating complete streets infrastructure into the corridor, in accordance with the Board-adopted policies set forth in Metro's Complete Streets Policy, Active Transportation Strategic Plan, and First/Last Mile Strategic Plan. In addition to those eligible projects on the State Highway System, for Measure R, projects located on primary roadways, including principal arterials, minor arterials, and key collector roadways, will be considered eligible for Operational Improvements and for ramp and interchange improvements.

Examples of eligible improvement projects include:

- interchange modifications;
- ramp modifications;
- auxiliary lanes for merging or weaving between adjacent interchanges;
- curve corrections/improve alignment;
- signals and/or intersection improvements;
- two-way left-turn lanes;
- intersection and street widening
- traffic signal upgrade/timing/synchronization, including all supporting infrastructure;
- traffic surveillance;
- channelization;
- Park and Ride facilities;
- turnouts;
- shoulder widening/improvement;
- safety improvements;
- on-street bus priority infrastructure, including but not limited to bus lanes, signal prioritization, queue jumps, bus boarding islands/curb extensions, and bus stop improvements;
- Class I, II, III, or IV bikeways;
- sidewalk improvements, including but not limited to widening, shade trees, and curb ramps;
- pedestrian safety improvements, including but not limited to bulb-outs, refuge islands, midblock crossings, pedestrian signals/beacons, raised intersections/pedestrian crossings, and scramble crosswalks;

- transportation infrastructure in a public right-of-way that supports the implementation of TDM strategies.

Up to 20% of a subregion's Operational Improvement dollars may be used for soundwalls. Landscaping installed as a component of an operational improvement must be limited to no more than 20% of a project's budget. State of good repair, maintenance and/or stand-alone beautification projects are not eligible. Other projects could be considered on a case-by-case basis as long as a nexus to State Highway Operational Improvements can be shown, such as a measurable reduction in Vehicle Miles Traveled.

## ATTACHMENT B

### REVISED MEASURE M GUIDELINES, SECTION X MULTI-YEAR PROGRAMS (HIGHWAY SUBFUNDS)

*The following shall replace subsection 'A' "Highway Efficiency and Operational Improvements" definition: 'in its entirety.*

Highway Efficiency and Operational Improvements includes those projects, which upon implementation, would improve regional mobility and system performance; enhance multimodal efficiency, safety, equity, and sustainability; improve traffic flow, trip reliability, travel times; and reduce recurring congestion, high-frequency traffic incident locations, and operational deficiencies on State Highways. Similarly, improvements which achieve these same objectives are eligible on major/minor arterials or key collector roadways. Highway subfunds are eligible for pre-construction and construction related project phases as referenced in Sections IX and X and are subject to eligibility criteria and phasing thresholds that will be developed within 6 months as part of the applicable administrative procedures. In accordance with the Board-adopted policies set forth in Metro's Complete Streets Policy, Active Transportation Strategic Plan, and First/Last Mile Strategic Plan, complete streets projects and project elements are eligible for highway subfunds. State of good repair, maintenance and/or stand-alone beautification projects are not eligible for Highway subfunds. Other projects could be considered on a case-by-case basis as long as a nexus to Highway Efficiency and Operational Improvements can be shown, such as a measurable reduction in Vehicle Miles Traveled.

#### Examples of Eligible Projects:

- System and local interchange modifications
- Ramp modifications/improvements
- Auxiliary lanes for merging or weaving between adjacent interchanges
- Alignment/geometric design improvements
- Left-turn or right-turn lanes on state highways or arterials
- Intersection and street widening/improvements
- New traffic signals and upgrades to existing signals, including left turn phasing, signal synchronization, and all supporting infrastructure
- Turnouts for safety purposes
- Shoulder widening/improvements for enhanced operation of the roadway
- Safety improvements
- Freeway bypass/freeway to freeway connections providing traffic detours in case of incidents, shutdowns or emergency evacuations
- Express Lanes
- On-street bus priority infrastructure, including but not limited to bus lanes, signal prioritization, queue jumps, bus boarding islands/curb extensions, and bus stop improvements
- Class I, II, III, or IV bikeways
- Sidewalk improvements, including but not limited to widening, shade trees, and curb ramps

- Pedestrian safety improvements, including but not limited to bulb-outs, refuge islands, midblock crossings, pedestrian signals/beacons, raised intersections/pedestrian crossings, and scramble crosswalks
- Transportation infrastructure in a public right-of-way that supports the implementation of TDM strategies

*The following shall replace subsection 'C. "Multi-Modal Connectivity" definition:' in its entirety.*

**"Multi-modal Connectivity" definition:**

Multi-modal connectivity projects include those projects, which upon implementation, would improve regional mobility and network performance; provide network connections; reduce congestion, queuing or user conflicts; enhance multimodal efficiency, safety, equity, and sustainability; encourage ridesharing; and reduce vehicle miles traveled. Project should encourage and provide multi-modal access based on existing demand and/or planned need and observed safety incidents or conflicts. Subfunds are eligible for pre-construction and construction related work phases of projects with the restrictions outlined under "Pre-Construction Activities" title under Readiness in Section IX. State of good repair, maintenance and/or stand-alone beautification projects are not eligible for Highway subfunds.

**Examples of Eligible Projects:**

- Transportation Center expansions
- Park and Ride expansions
- Multi-modal access improvements
- New mode and access accommodations
- First/last mile infrastructure

*The following shall replace subsection 'D. "Freeway Interchange Improvement" definition:' in its entirety.*

**"Freeway Interchange Improvements" definition:**

Freeway Interchange Improvements includes those projects, which upon implementation, would improve regional mobility and system performance; enhance safety by reducing conflicts; improve traffic flow, trip reliability, and travel times; and reduce recurring congestion and operational deficiencies on State Highways. Similarly, improvements on major/minor arterials or key collector roadways which achieve these same objectives are also eligible under this category. Highway subfunds are eligible for pre-construction and construction related work phases of projects with the restrictions outlined under "Pre-Construction Activities" title under Readiness in Section IX. In accordance with the Board-adopted policies set forth in Metro's Complete Streets Policy, Active Transportation Strategic

Plan, and First/Last Mile Strategic Plan, complete streets projects and project elements are eligible for highway subfunds. State of good repair, maintenance improvements and/or stand-alone beautification projects are not eligible for Highway subfunds.

*The following shall replace subsection 'E. "Arterial Street Improvements" definition:' in its entirety.*

**"Arterial Street Improvements" definition:**

Arterial Street improvements include those projects, which upon implementation would improve regional mobility and system performance; enhance multimodal efficiency, safety, equity, and sustainability; improve traffic flow, trip reliability, and travel times; and reduce recurring congestion and operational deficiencies. Projects must have a nexus to a principal arterial, minor arterial or key collector roadway. The context and function of the roadway should be considered (i.e., serves major activity center(s), accommodates trips entering/exiting the jurisdiction or subregion, serves intra-area travel) and adopted in the City's general plan. In accordance with the Board-adopted policies set forth in Metro's Complete Streets Policy, Active Transportation Strategic Plan, and First/Last Mile Strategic Plan, complete streets projects and project elements are eligible for highway subfunds. Highway subfunds are eligible for pre-construction and construction related work phases of projects with the restrictions outlined under

"Pre-Construction Activities" title under Readiness in Section IX. State of good repair, maintenance improvements and/or stand-alone beautification projects are not eligible for Highway subfunds.

**Examples of Eligible Projects:**

- Intersection or street widening
- Two-way left-turn or right turn lanes
- New traffic signals and upgrades to existing signals, including left turn phasing
- Sight distance corrections/improve alignment
- Turnouts
- Safety improvements
- On-street bus priority infrastructure, including but not limited to bus lanes, signal prioritization, queue jumps, bus boarding islands/curb extensions, and bus stop improvements
- Class I, II, III, or IV bikeways
- Sidewalk improvements, including but not limited to widening, shade trees, and curb ramps
- Pedestrian safety improvements, including but not limited to bulb-outs, refuge islands, midblock crossings, pedestrian signals/beacons, raised intersections/pedestrian crossings, and scramble crosswalks
- Transportation infrastructure in a street right-of-way that supports the implementation of TDM strategies

# ATTACHMENT C - Summary Table of Comment Letters

Yes/No to Changes	Comment (Main Points)	Commenting Entity	Board Response
High Level Summary			
N	Do not apply proposed guideline changes to Metro approved Measure R and M projects	Palmdale, NCTC, San Gabriel Valley, Lancaster, PAC, Gateway Cities COG	Measure R and M projects are in various states of project development and environmental review. These projects are already subject to Metro and/or Caltrans' complete streets policies. The recommendations do not establish new requirements for these projects, but do expand eligibility for some project scope elements. Metro expects that projects that have already completed environmental review or are nearing completion will see little or no change as a result of these guidelines.
Y	Support incorporating multi-modal improvements within a project's scope	Joint ATP Coalition Letter, PAC, Gateway COG,	Metro provides for the incorporation of multimodal improvements into project scopes via the previously adopted Metro Complete Streets Policy.
N	Do not limit ability to develop capacity enhancement projects	Palmdale, Santa Clarita, NCTC, County of Los Angeles, Lancaster, Gateway COG, PAC, South Bay	The revised guidelines expand eligibility for multimodal improvements without limiting eligibility for more traditional capacity increasing projects.
N	Do not remove the 1 mile buffer from state highway system	Gateway Cities COG, Palmdale, NCTC, Lancaster	The revised guidelines expand eligibility for projects outside the 1-mile buffer, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.
Y/N	Allow for projects outside the 1 mile buffer to be eligible on a case by case basis	Gateway Cities COG, Palmdale, NCTC, Lancaster	The revised guidelines expand eligibility for projects outside the 1-mile buffer, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.
Y/N	Projects that reduce VMT should be considered on a case by case basis	NCTC, Arroyo Verdugo, Gateway, South Bay	The revised guidelines expand eligibility for multimodal projects and projects that ease congestion by reducing VMT, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.
Y	Support using VMT as a performance metric	City of Los Angeles, Westside Cities, Joint ATP Coalition letter	Metro agrees with using VMT as a planning metric and will be using it in countywide planning processes as well as when required for project-level analysis.
N	Preserve the intent of the voter approved measures and their objectives of reducing congestion and traffic	Palmdale, Santa Clarita, NCTC, County of Los Angeles, Lancaster, Gateway COG, PAC,	The revised guidelines expand eligibility for multimodal projects and projects that ease congestion by reducing VMT. The recommendations do not modify the expenditure plans of voter-approved measures.
Y	Support proposed guideline changes	South Pasadena, Westside Cities, Joint ATP Coalition letter	Metro acknowledges the comment.
N	Highway and Congestion relief projects and initiatives are important. Do not limit ability to develop these type of improvements	County of Los Angeles, Gateway COG, NCTC, Palmdale, Lancaster, South Bay	The revised guidelines expand eligibility for multimodal improvements without limiting eligibility for more traditional capacity increasing projects.

N	Urban and Rural needs vary and complete street improvements might not be feasible in all locations of county	County of Los Angeles, NCTC, Palmdale, Lancaster, Gateway Cities	The previously adopted Metro Complete Streets Policy allows for context-sensitive solutions reflecting L.A. County's diverse geography and urban, suburban, and rural contexts. It also includes an exceptions process under specified circumstances.
N	Limit the eligibility of additional multi-modal improvements to the boundaries of highway corridor projects. Implementation of multi-modal improvements at any geographic location should not be permitted.	Gateway Cities COG, Palmdale, NCTC, Lancaster	The revised guidelines expand eligibility for projects outside of highway corridor boundaries, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.
Agency Specific Comments			
Do not limit ability to pursue or develop highway capacity enhancement projects		County of Los Angeles	The revised guidelines expand eligibility for multimodal improvements without limiting eligibility for more traditional capacity increasing projects.
Urban and rural geographic areas should be considered when evaluating complete street infrastructure, rural corridors may not be feasible for these type of improvements		County of Los Angeles	The previously adopted Metro Complete Streets Policy allows for context-sensitive solutions reflecting L.A. County's diverse geography and urban, suburban, and rural contexts. It also includes an exceptions process under specified circumstances.
Projects currently funded by the Measures should not be impacted by new requirements. This may lead to additional need for studies or redesign		County of Los Angeles	Measure R and M projects are in various states of project development and environmental review. These projects are already subject to Metro and/or Caltrans' complete streets policies. The recommendations do not establish new requirements for these projects, but do expand eligibility for some project scope elements. Metro expects that projects that have already completed environmental review or are nearing completion will see little or no change as a result of these guidelines.
Add bullet that clarifies Transportation System Management projects that improve roadway operations		County of Los Angeles	Improving roadway operations continues to be eligible under the revised guidelines.
Add freeway and arterial transportation system projects that improve roadway operations.		County of Los Angeles	Improving roadway operations continues to be eligible under the revised guidelines.
Retain the wording within one-mile of a state highway; or farther than one mile on a case by case basis to preserve the benefit to highway safety and mobility		Gateway Cities	The revised guidelines expand eligibility for projects outside the 1-mile buffer, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.



Define what new mode and access accommodations means	Gateway Cities	"New mode and access accommodations" is existing language under the "Multi-Modal Connectivity" program. It is only applicable to the Arroyo Verdugo subregion.
Retain the wording enhance safety by reducing conflicts. For subregions with high truck volumes this is a critical goal.	Gateway Cities	Under the revised guidelines, "safety improvements" would be eligible in all applicable categories. This language is broadened from the existing language, which only allowed "safety improvements that reduce incident delay."
Add to guidelines, other projects could be considered on a case-by-case basis as long as a nexus to highway efficiency and operational imp can be shown such as a measurable reduction in VMT or safety improvements.	Gateway Cities	The revised guidelines expand eligibility for multimodal projects and projects that ease congestion by reducing VMT, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process. Under the revised guidelines, "safety improvements" would be eligible in all applicable categories.
Eligibility of multimodal improvements should be limited to the geographic parameters or boundaries of highway corridor projects. A bus priority or active transportation corridor that is an integral part of a highway project should be eligible.	Gateway Cities	The revised guidelines expand eligibility for projects outside of highway corridor boundaries, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization
Eligible new projects elements should be limited to major corridors to provide positive mobility relief and not be implemented anywhere.	Gateway Cities	The revised guidelines expand eligibility for projects outside of highway corridor boundaries, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.
Do not remove the words, "improve traffic flow" from highway improvement program. This language is part of the voter-approved ordinance and ballot language is critical term.	Gateway Cities	The revised guidelines expand eligibility for multimodal projects and projects that ease congestion by reducing VMT. The recommendations do not modify the language or expenditure plans of voter-approved measures.
Both sales tax measures were "sold" by promising to improve traffic congestions. Do not dilute integrity of freeway corridor based plans with broad definitions.	Gateway Cities	The revised guidelines expand eligibility for multimodal projects and projects that ease congestion by reducing VMT. The recommendations do not modify the language or expenditure plans of voter-approved measures.
Measure R and M highway program funding is extremely important to address severely impacted roadways (freeway and highway). Most residents still need a car for basic mobility <u>need and access. Do not diminish effectiveness of highway projects</u>	Gateway Cities	The revised guidelines expand eligibility for multimodal projects and projects that ease congestion by reducing VMT.
Highways and Arterials are imperative to mobility and limited alternatives are available to the freeway network. Do not limit ability to develop SR-138 safety roadway enhancements or SR-14 bottleneck improvements.	Lancaster	Measure R and M projects are in various states of project development and environmental review. These projects are already subject to Metro and/or Caltrans' complete streets policies. The recommendations do not establish new requirements for these projects, but do expand eligibility for some project scope elements. Metro expects that projects that have already completed environmental review or are nearing completion will see little or no change as a result of these guidelines.

Do not force the study of complete street concepts in areas not viable.	Lancaster	The previously adopted Metro Complete Streets Policy allows for context-sensitive solutions reflecting L.A. County's diverse geography and urban, suburban, and rural contexts. It also includes an exceptions process under specified circumstances.
While expanding use of highway program funds makes sense in some subregions, do not make the guideline changes at the expense of North Los Angeles County which relies on the scarce highway program funds.	Lancaster	The revised guidelines expand eligibility for multimodal projects, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.
Do not adversely impact current approved projects in the pipeline	Lancaster	Measure R and M projects are in various states of project development and environmental review. These projects are already subject to Metro and/or Caltrans' complete streets policies. The recommendations do not establish new requirements for these projects, but do expand eligibility for some project scope elements. Metro expects that projects that have already completed environmental review or are nearing completion will see little or no change as a result of these guidelines.
Do not reduce the strength of these programs to provide congestion relief benefits to our residents.	Lancaster	The revised guidelines expand eligibility for multimodal projects and projects that ease congestion by reducing VMT.
Voter measures with tax increases were justified by allocating funds to improve traffic. do not exclude or restrict ability to improve vehicular traffic.	Palmdale	The revised guidelines expand eligibility for multimodal projects and projects that ease congestion by reducing VMT. The recommendations do not modify the language or expenditure plans of voter-approved measures.
Equitably consider the needs of all jurisdictions impacted by Metro's highway modernization efforts. Do not remove any eligible project opportunities	Palmdale	The revised guidelines expand eligibility for multimodal improvements without limiting eligibility for more traditional capacity increasing projects.
Do not remove the ability to have projects within a specific distance from a state highway and do not exclude improving vehicular traffic.	Palmdale	The revised guidelines expand eligibility for projects outside the 1-mile buffer, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.
Provide flexibility in guideline changes, but preserve the original intent of the voter approved ballot measures.	Santa Clarita	The revised guidelines expand eligibility for multimodal projects and projects that ease congestion by reducing VMT. The recommendations do not modify the language or expenditure plans of voter-approved measures.
Do not force study of complete street concepts or limit ability to spend funds on highway capacity enhancements that Measure R and M intended.	NCTC	The revised guidelines expand eligibility for multimodal improvements without limiting eligibility for more traditional capacity increasing projects.
Changing Measure R definition to "improve multimodal efficiency, safety, equity sustainability" prohibits intent of Measure R and improving vehicle flow projects don't meet intent anymore.	NCTC	The revised guidelines expand eligibility for multimodal projects and projects that ease congestion by reducing VMT. The recommendations do not modify the language or expenditure plans of voter-

Removal of "within 1-mile of state highway" negatively impacts existing projects.	NCTC	The revised guidelines expand eligibility for projects outside the 1-mile buffer, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.
Add bike facilities, sidewalk/curb ramps, ped improvements on case-by-case basis.	NCTC	Metro provides for the incorporation of multimodal improvements into project scopes via the previously adopted Metro Complete Streets Policy.
Allow project sponsors to use metrics and eligibility criteria appropriate to the projects needs and benefits	South Bay	The revised guidelines expand eligibility, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.
Allow highway projects to be funded that reduce delay on congested streets or that reduce VMT	South Bay	The revised guidelines expand eligibility for multimodal projects and projects that ease congestion by reducing VMT.
Do not use VMT only performance criteria. Improvement in LOS maybe occur without improving VMT.	South Bay	Metro agrees with using VMT as one of multiple planning metrics and will be using it in countywide planning processes as well as when required for project-level analysis. The revised guidelines expand eligibility, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.
Support inclusion of complete street elements in a project	South Bay	Metro provides for the incorporation of multimodal improvements into project scopes via the previously adopted Metro Complete Streets Policy.
Do not impact the scope, schedule or budgets of approved projects	San Gabriel Valley	Measure R and M projects are in various states of project development and environmental review. These projects are already subject to Metro and/or Caltrans' complete streets policies. The recommendations do not establish new requirements for these projects, but do expand eligibility for some project scope elements. Metro expects that projects that have already completed environmental review or are nearing completion will see little or no change as a result of these guidelines.
Oppose policy changes that affect already approved projects for this subregion or other subregions.	Arroyo Verdugo	Measure R and M projects are in various states of project development and environmental review. These projects are already subject to Metro and/or Caltrans' complete streets policies. The recommendations do not establish new requirements for these projects, but do expand eligibility for some project scope elements. Metro expects that projects that have already completed environmental review or are nearing completion will see little or no change as a result of these guidelines.
Local agencies and subregions should retain flexibility to address their local needs.	Arroyo Verdugo	The revised guidelines expand eligibility, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.

Allow for local agencies and subregions to retain flexibility to use other performance metrics	Arroyo Verdugo	Metro agrees with using VMT as one of multiple planning metrics and will be using it in countywide planning processes as well as when required for project-level analysis. The revised guidelines expand eligibility, but continue to delegate project selection to subregions. Subregions may choose to fund or not fund any individual project based on their own prioritization process.
Public Comments		
Require projects to improve access and/or safety features for bicycle, pedestrian and wheelchair users. Make projects ineligible if they require ROW of residential property and/or create unnecessary dangerous conditions for pedestrians		Public
Highway widening/expansion funds should be used for HOT lanes. Also consider updating general use lanes to HOT Lanes to increase travel times		Public
Highway funds should be used to connect carpool lanes. SR-134/I-5 carpool lanes end and start up again		Public
Improve sidewalks, shoulders and bikelane connections for cyclist and pedestrians		Public
Invest more in active modes of transit for bikers and walkers		Public
relevant, reputable and recent studies to justify why the proposed improvement are needed should be required. Projects that reduce Vehicle Miles Traveled, Green House Gases and improve multimodal connectivity are supported by Caltrans.		Caltrans

**Board Report**

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**File #:** 2020-0224, **File Type:** Program**Agenda Number:** 18.

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**PLANNING AND PROGRAMMING COMMITTEE  
JUNE 16, 2021****SUBJECT: OPEN AND SLOW STREETS GRANT PROGRAM CYCLE FOUR****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE:

- A. The revised Metro Open and Slow Streets Grant Program Cycle Four Application Package and Guidelines; and
- B. Staff to administratively release Application and Guidelines Packages in the future cycles of the Open Streets Grant Program to Los Angeles County jurisdictions in anticipation of returning to the Board for funding recommendation approval.

**ISSUE**

In June 2013 the Board introduced Motion 72 (Attachment A), directing staff to award up to \$2 million annually to support Open Streets events. The proposed Cycle Four Application and Guidelines (Attachment B) build on the Cycles One, Two, Three and 2020 Mini-Cycle framework and support a competitive, regional, and equitable process. The proposed Cycle Four also expands funding eligibility under the existing Open Streets Grant Program framework to include Slow Streets as defined in the May 2020 Board Motion 2020-0375. Board authorization of the Metro Open and Slow Streets Cycle Four competitive grant program framework and release of competitive application package and guidelines are needed in order to proceed. Beyond Cycle Four, staff requests authorization to administratively release future Application and Guidelines Packages and return to the Board for approval of future Open Streets Grant Program funding recommendations.

**BACKGROUND**

Open and Slow Streets events are events that temporarily close streets to automotive traffic and open them to people walking, bicycling, or rolling. Cycles One, Two, Three, and the 2020 Mini-Cycle of the Metro Open Streets Grant Program were successful in encouraging participants to ride transit, walk and ride a bicycle on urban streets, possibly for the first time. The program contributes to meeting Metro objectives by encouraging future transportation mode shift and encouraging civic engagement to foster the development of multi-modal policies and infrastructure at the local level.

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The Metro Open and Slow Streets Grant Program provides opportunities for economic development and the improvement of public health by getting people out of their cars and onto the streets, patronizing local businesses, while exercising and interacting with their community in a safe and socially distant matter.

## **DISCUSSION**

### Cycle One Implementation

In response to Motion 72, staff developed a comprehensive framework and competitive grant process to solicit and evaluate applications for Open Streets events throughout Los Angeles County. At the September 18, 2013 meeting, the Metro Board awarded \$3.7 million to fund 12 separate event applications. One event was subsequently cancelled, and the funding was reprogrammed to Cycle Two. Of the 11 events completed, nearly 84 miles of streets were closed to cars and opened to pedestrians, bicyclists and other non-motorized forms of transportation across 18 separate jurisdictions. The events allowed participants to experience the region in a car-free and/or car-light manner and ride transit possibly for the first time.

To support cities in executing Open Streets events, staff held a half-day workshop prior to accepting applications that highlighted the objectives of the program; provided application assistance; described the process for planning, implementation and reimbursement; and showcased examples of previous successful regional events.

### Cycle Two Implementation

On March 16, 2016, the Metro Board authorized staff to release the Cycle Two Application and Guidelines. An Amendment by Board Member Hilda Solis was included that asked staff to seek opportunities to work with Councils of Governments and provided additional points to multi-jurisdictional events and events that include disadvantaged communities as determined by CalEnviroScreen and Metro Equity Focused Communities. Staff provided outreach to cities across LA County and hosted application workshops at Metro Headquarters and Councils of Government offices in LA County. In total, 19 competitive applications were received. In September 2016, the Board awarded \$4.04 million to 17 Cycle Two events scheduled through December 2018, programmed \$200,000 in supplemental funds to a Cycle One event that was postponed due to natural disaster, and reprogrammed \$100,000 from a cancelled Cycle One event to Cycle Two. Thirteen (13) of the 17 awarded Cycle Two events included disadvantaged communities and seven (7) were multi-jurisdictional. In total 14 Cycle Two events were delivered totaling 76 miles of car-free streets.

### Open Streets Evaluation Study

Staff released a Request for Proposals Package (RFP) in the spring of 2016 seeking the professional services of a contractor to conduct an in-depth evaluation of the Cycles One and Two events utilizing grantee's Cycle One post-implementation reports, transit TAP data and other sources. Due to inconsistency in the data collected independently by cities during Cycle One, the contractor collected standardized data at the Cycle Two events. Some key findings of the evaluation study indicate that:

- Systemwide rail boarding increased an average of 7% on the day of the events compared with other typical weekend days;
- Lines directly adjacent to events saw the largest increase, with Metro Gold Line boarding increasing by 32% during the May 31, 2015 CicLAvia event in Pasadena;
- Overall sales of TAP Cards increased an average of 11% systemwide on the day of the events indicating introduction of new riders to the system; and
- People ride bikes more often after attending Open Streets events for the first time.

### Cycle Three and 2020 Mini-Cycle Implementation

On September 27, 2018, the Metro Board awarded \$4 million in funding to 15 new Open Streets events scheduled through December 2020. The Board also reprogrammed \$447,000 from two cancelled Cycle Two events toward Cycle Three, which received the largest number of funding applications of any Cycle to-date due to extensive community outreach to notify Los Angeles County jurisdictions of the program. In total 26 applications were received, of which 15 received funding. A motion put forth by Directors Hahn, Garcia, and Dupont-Walker directed staff to report back on the regional diversity of previous cycles and potential strategies to ensure regional diversity of funding in future cycles; and to create a \$1 million Mini-Cycle in 2020.

After initial authorization and subsequent workshops, staff returned to the Board for approval authorizing the 2020 Mini-Cycle. In May 2019, the Board awarded \$1,053,341 to five (5) new Open Streets events scheduled through December 2020, reprogrammed \$242,000 from one cancelled Cycle Three event towards the next-highest-scored Cycle Three event, Beach Streets Downtown, in accordance with funding policy; and reserved the remaining \$44,347 in Board-awarded Cycle Three and 2020 Mini-Cycle funds to be reprogrammed in any future Board-authorized funding Cycles of the program. To date, 8 Cycle Three and Mini-Cycle events have been implemented totaling nearly 40 miles of streets temporarily closed to automotive traffic.

### COVID-19 Impact and Slow Streets Concept

In response to the COVID-19 Pandemic, Los Angeles County entered in to the “Safer at Home Order” on March 20, 2020. The order requires Angelenos to stay at home for all except essential activities and restricts large gatherings throughout the County, including Open Streets. As a result, all Cycle Three and Mini-Cycle events were postponed to later dates indefinitely.

During the Regular Board meeting held May 28, 2020, the Metro Board of Directors approved Motion 2020-0375 authorizing the CEO to negotiate administrative scope changes to awarded Cycle Three and Mini-Cycle events, at the written request of the grantee, such that funds may be used for COVID-19 response Slow Streets or similar programs including:

- Expanding one-day events to longer-term temporary traffic interventions,
- Replacing a large, single-corridor event intended for regional audiences with many smaller, neighborhood-scale interventions catering to local audiences,
- Creating spaces within the public right-of-way to support economic activity such as dining and vending, and
- Providing education, encouragement, and monitoring for safe physical distancing in

accordance with the Safer at Home Order in partnership with and supporting community-based leadership.

In November 2020 staff submitted a Board Box report recommending extending Cycle Three and the Mini-Cycle through December 31, 2021 allowing awarded grantees to produce their events after the pandemic related restrictions on large gatherings had been lessened or consider reprogramming the awarded funding for the new Slow Street concept. As of June 2021, the remaining Cycle Three and 2020 Mini-cycle grantees have executed an amendment to their previously executed MOU or indicated interest in reprogramming funding for nine events toward Slow Streets and postponing four Open Street events to a later date through December 2021.

Event Name	Orig Date	Grant Amount	Status	Subregion
Beach Streets University	3/21/20	\$216,000	Slow Streets	Long Beach
CicLAvia to the Sea	4/5/20	\$300,000	Slow Streets	Central LA, Westside
Heart of the Foothills	4/19/20	\$350,000	Slow Streets	San Gabriel Valley
Downey Ride and Stride	5/17/20	\$172,405	Postponed	Gateway Cities
CicLAvia Glendale Meets Atwater Village	6/14/20	\$241,136	Slow Streets	San Fernando Valley
South Gate Ride and Walk	7/26/20	\$173,800	Postponed	Gateway Cities
CicLAvia Northeast LA	8/9/20	\$300,000	Slow Streets	NE Los Angeles
Beach Streets Downtown	8/29/20	\$216,000	Slow Streets	Long Beach
Santa Monica Coast	9/20/20	\$250,000	Slow Streets	Westside
CicLAvia Heart of LA	10/4/20	\$300,000	Postponed	Central LA
San Fernando Street Fest Nocturnal Ride	10/31/20	\$144,000	Slow Streets	San Fernando Valley
626 Golden Streets   Arroyo Fest	11/15/20	\$420,000	Slow Streets	San gabriel Valley
CicLAvia South LA	12/6/20	\$335,000	Postponed	South Los Angeles

Based on the Board Motion staff is recommending to continue to allow applicants to propose Slow Streets events, traditional Open Street events or a combination of multi-day and extended route events in Cycle Four.

### Cycle Four Initiation

The success of the Open Streets Grant Program-funded events to date has been the result of the strong partnership between Metro; the grantee cities; the Council of Governments; and nonprofit community-based organizations (CBOs), such as CicLAvia, Bikeable Communities, Community Arts Resources, BikeSGV, and others. The program will continue to encourage partnerships with the Cycle Four Open Streets Grant Program solicitation process.

The proposed Application Package and Guidelines for Cycle Four includes feedback from applicants, grantees and participants of Cycles One, Two, Three, and the 2020 Mini-Cycle, as well as recommendations solicited from the Open Streets Evaluation Study. To ensure that the Cycle Four program continues to increase multi-modal access, advance active transportation at the local level, and encourage transit usage while ensuring the health of participants in response to the COVID-19 pandemic, the Cycle Four Application Package and Guidelines emphasize the following:



- The Board-directed funding ceiling of \$500,000 per single event will remain in effect
- An increased focus on regional distribution and disadvantaged communities as equitable approach
- An increased focus on innovative events that encourage new and increased participation in Open and Slow Streets
- Open and Slow Streets events that continue to encourage social distancing including extended routes, multi-day events, and outdoor business activities.

During Cycle Three of the Open Streets Grant Program funding applications received far exceeded available funding. In response to expand the grant opportunity, Staff is recommending to increase the annual allocation from \$2 million to \$2.5 million. The increase in funding is consistent with the September 2018 Board Motion 16.1 which directed staff to create a \$1 million 2020 Mini-Cycle with a focus on ensuring regional distribution of events.

### Equity Platform

By providing additional scoring points to events held in disadvantaged communities during the competitive application review process, as defined by the CalEnviroScreen and the Metro developed Equity Focused Communities Map, Cycle Four of the Open and Slow Streets Grant Program advances the Equity Platform. Open and Slow Streets events give Metro the opportunity to provide informational resources on a variety of transportation options and ongoing and planned initiatives to community members in the communities where they live.

### **DETERMINATION OF SAFETY IMPACT**

Authorizing the Application Package and Guidelines for Cycle Four of the Open Streets Grant Program will not have any adverse safety impacts on our employees and patrons, and increases safety for people walking, bicycling or rolling at the events.

### **FINANCIAL IMPACT**

There is no impact or amendment required to the FY 2021 budget authorizing the Metro Open Streets Grant Program Cycle Four Application Package and Guidelines. Cycle Four funding will be requested through the FY 2022, FY 2023 and FY 2024 budget process. Staff does not anticipate that any Cycle Four invoices will be received until late FY2022.

Funding for remaining Open Streets Cycle Three events that extended to December 2021 will be reprogrammed to FY2022 without any additional expense. There is no impact or amendment required to the FY2022 budget.

Staff will work with Regional Programming, Budget and Local Programs, and the Office of Management and Budget (OMB) to identify funding source through FY 2024. As this is a multi-year program, the cost center manager and the Chief Planning Officer will be responsible for budgeting funds in future Cycles.

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## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The Metro Open and Slow Streets Grant Program Cycle Four aligns well with Strategic Plan Goal 3. By introducing local communities and stakeholders to the value of car-free and car-light mobility and providing opportunities to experience this mobility firsthand and possibly for the first time, Metro is leveraging its investment through the Open and Slow Streets Grant Program to promote the development of communities that are not reliant on personal automobile.

## **ALTERNATIVES CONSIDERED**

The Board has the option to not authorize the Cycle Four initiation. This alternative is not recommended as it does not align with Board goals to increase awareness of opportunities throughout Los Angeles County for taking public transportation, walking, riding and rolling.

## **NEXT STEPS**

Upon Board approval, staff will release the Metro Open and Slow Streets Grant Program Cycle Four Application Package and Guidelines. An easy to fill out web-based application will be utilized, and an informational workshop will be held for applicants. It is anticipated that the application will be released in summer 2021 with staff returning for Board approval of the Cycle Four Open and Slow Streets Grant Program in winter 2021. Upon release of the Application Package and Guidelines staff will host a virtual workshop with jurisdictions to review the program and assist in application development. The first Cycle Four Open and Slow Streets event is anticipated to kick off in spring 2022.

## **ATTACHMENTS**

Attachment A - June 27, 2013 Board Motion #72

Attachment B - Metro Open and Slow Streets Grant Program Cycle Four Application Package and Guidelines

Attachment C - Metro Open Streets Grant Program Evaluation Study

Attachment D - May 28, 2020 Board Motion 2020-0375

Prepared by: Brett Atencio Thomas, Principal Transportation Planner, Countywide Planning & Development, (213) 922-7535

Paula Carvajal-Paez, Senior Director, Countywide Planning & Development, (213) 922-4258

Frank Ching, DEO, Countywide Planning & Development, (213) 922-3033

Holly Rockwell, SEO, Countywide Planning & Development, (213) 922-5585

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

**MOTION BY  
MAYOR ANTONIO R. VILLARAIGOSA,  
SUPERVISOR GLORIA MOLINA,  
DIRECTOR ARA NAJARIAN, DIRECTOR MEL WILSON**

Planning and Programming Committee  
June 19, 2013

**Los Angeles County “Open Streets” Program**

Across the nation, cities have begun hosting “open streets” events, which seek to close down streets to vehicular traffic so that residents can gather, exercise, and participate in pedestrian, bicycling, skating and other related activities.

These events are modeled after the “*Ciclovias*” started in Bogota, Colombia over thirty years ago in response to congestion and pollution in the city.

In 2010, Los Angeles held its first “open streets” event, called CicLAvia.

After six very successful events, CicLAvia has become a signature event for the Los Angeles region.

With over 100,000 in attendance at each event, CicLAvia continues to successfully bring participants of all demographics out to the streets.

This event offers LA County residents an opportunity to experience active transportation in a safe and more protected environment, and familiarizes them with MTA transit options and destinations along routes that can be accessed without an automobile.

The event also takes thousands of cars off the streets, thereby decreasing carbon emissions.

Bicycling, as a mode share, has increased dramatically within LA County in the last years, boosted largely by the awareness brought about by these “open streets” programs.

Over the past decade, LA County has seen a 90% increase in all bicycle trips.

CONTINUED

In response to this growing demand, many local jurisdictions have begun implementing robust bike infrastructure and operational programs that enhance the safety and convenience of bicycling as a mode of travel.

Seeing the success of CicLAvia in Los Angeles, these jurisdictions have expressed a desire to pursue their own “open streets” events to increase awareness for active transportation and reduced reliance on the private automobile.

MTA should partner alongside a regional “open streets” type program in order to coordinate, assist, and promote transit related options.

These events will become a significant contributor to MTA’s overall strategy to increase mobility and expand multi-modal infrastructure throughout the region.

They will also promote first-mile/last-mile solutions and fulfill the Sustainable Communities Strategy Plan, as proposed by the Southern California Association of Governments.

**WE THEREFORE MOVE THAT** the MTA Board of Directors direct the CEO to use the following framework in order to create an “open streets” program:

1. Identify an eligible source of funds to allocate annually up to \$2 million to support the planning, coordination, promotion and other related organizational costs.
2. Report back at the September 2013 Board meeting a recommended competitive process and program, working with the County Council of Governments and other interested cities, to implement and fund a series of regional “open streets” events throughout Los Angeles County.
3. Develop a technical process to collect data and evaluate the cost and benefits (e.g. transit use increases, reduction of air emissions, etc.) of these events.

###

**Metro**Los Angeles County  
Metropolitan Transportation AuthorityOne Gateway Plaza  
Los Angeles, CA 90012-2952213.922.2000 Tel  
metro.net

## **Open and Slow Streets Cycle Four Application Package & Guidelines**

*All fields are required for application submission unless noted.*

### **Program Guidelines**

#### **Program Objectives**

Open and Slow Streets are events which temporarily close the streets to automobiles and open them up to people to re-imagine their streets while walking, riding a bicycle, rollerblading or pushing a stroller in a car-free environment. The goals of the program are to encourage sustainable modes of transportation (bicycling, walking and transit), provide an opportunity to take transit for the first time, and provide an opportunity for civic engagement that can foster the development of a city's multi-modal policies.

#### **Equity Approach**

Applicants are encouraged to propose events with a strong focus on equity, and additional points are awarded to events proposed in resource challenged communities as defined by the CalEnviroScreen and Metro Equity Focused Communities Map.

#### **Eligibility**

With a focus on regional equity, Cycle Four applications are open to Los Angeles County city and county jurisdictions as well as Council of Government offices. Funding may be distributed to more than one event per city/jurisdiction until the maximum funding allocation is reached. Applicants shall rank applications for 2 or more events in order of priority with 1 being the most important, 2 being the second most important, etc.

#### **Funding**

There is up to \$5 million available for grants for the Open and Slow Streets Grant Program Cycle Four. There are no minimum funding guarantees per applicant jurisdiction or event. Any city/jurisdiction, or a combined multi-jurisdictional team, can apply for a maximum of \$500,000 per single event. Any agreement on funding distributions among jurisdictions participating in a multi-jurisdictional event must be negotiated directly between the applicant and all other jurisdictions that are participating in the event. There is no guarantee that applicant will receive full funding request. If grant applicant is unable to accept amended award amount and commit to producing the event as scoped, award will be available to next highest scored application. Funds will be available starting in January 2022, pending Metro Board approval and events must be staged by December 31, 2023. Funding sources may be federal and cities/jurisdictions will be required to comply with all federal funding procedures and requirements.

#### **Scoring**

Project will be evaluated on the following criteria on a 100-point score. An event must receive a minimum of 70 points to be eligible for funding. Innovative events that

differentiate themselves from past Los Angeles County Open Street events are highly favored in the scoring process.

## General Event Information – 10 points

### Project Feasibility – 20 points

Proposed partnerships and demonstration of potential for event success*	5
Event readiness (Funds will be required to be expended by December 31, 2022)	4
Agency's existing active transportation programs and policies	4
Community support	4
Matching funds committed	3

\* Partners may include but are not limited to COGs, community groups, event producers and non-profits. Previous grantees must demonstrate success with previous events and lessons learned. New applicants must demonstrate that they have the capacity to produce an Open Street event.

### Route Setting – 49 points

Route is innovative and helps to encourage social distancing (Examples include evening events, weekday events, holiday events, multi-day events, themed events, events that encourage increased local retail/stakeholder participation, extended routes, and events that differentiate themselves from previous LA County Open and Slow Street events)	12
Route includes disadvantaged communities*	10
Proximity and access to commercial and retail corridors	5
Connections to cultural, architectural, historical and/or important destinations in the community	5
Event cost per mile	5
Route is along or intersects with existing bicycle infrastructure**	3
Route adheres to Social Distancing guidance	3
Topography - The route minimizes hilly terrain***	3
Route length (longer routes are encouraged)	3

\*Based on average of 70th percentile CalEnviroScreen Score for census tracts directly adjacent to the proposed route (<http://oehha.maps.arcgis.com/apps/Viewer/index.html?appid=112d915348834263ab8ecd5c6da67f68>)

\*\*Will the route be on or intersect any existing bicycle infrastructure? Will the route encourage first time riders to modify their travel behavior in the future?

\*\*\* As an example, see San Francisco's "Wiggle" - [http://en.wikipedia.org/wiki/The\\_Wiggle](http://en.wikipedia.org/wiki/The_Wiggle)

### Transit and Community Connectivity - 21 points

Route includes multiple jurisdictions	5
Applicant jurisdiction has not had a previous Open Street event in their community	5
Connections between multiple central business districts or retail corridors	5
Plan to attract participants from throughout the surrounding community	4
Accessibility to Metro Rail	2

### **Funding Eligibility**

Funding may be used for pre-event planning & outreach costs in conjunction with implementing an Open Street event or Slow Street corridor. Funding may be used for any operational or capital cost associated with the day-of event excluding activation/routing held off-street unless approved in writing by the Open Streets Grant Program Manager. Funding may not be used for alcohol-related activities. Funds awarded will not exceed the event cost in the original application and may be less if the key objectives can be achieved at lower costs. Non material scope and event changes shall be handled administratively and be approved by Program Manager. Any cost overruns shall be the responsibility of the applicant. Both third party consulting costs and internal staff costs for directly providing services with respect to the project will be eligible for funding. Funding may be used for treatments, outreach, and associated planning and implementation costs to restrict or completely limit automobile use for any number of days throughout the grant cycle. Eligible street closure treatments include way finding, signage, delineators, A-frames, K-rail, and other street closure infrastructure. Street furniture or other programming will be the sole responsibility of the Grantee.

### **Data Collection and Reporting Requirements**

Grantee shall collect data that should be provided to Metro in a post-implementation spreadsheet no later than three months after the event is executed. Metro will withhold ten percent (10%) of eligible expenditures per invoice as retainage. Metro will release retainage after Metro has evaluated Grantee's post-implementation report and data collection performance according to the criteria specified by Metro. Data collection will include at a minimum but not be limited to: participation counts of pedestrians and cyclists along the route; and economic quantitative and qualitative impact on local retailers such as anecdotes and event change in sales compared to pre-event sales. Additional reporting criteria will be added to the Memorandum of Understanding to better evaluate how the event contributes toward achieving the program goals presented in Board Motion 72, including providing plans for any new permanent active transportation infrastructure in the community and plans for increasing bicycle and pedestrian mode shares post project.

### **General and Administrative Conditions Lapsing Policy**

Open Streets Cycle Four events must be staged by December 31, 2023. Funds not expended by this date will lapse. Lapsed funding will go towards the next grant cycle of the Open and Slow Streets Program. Applicants who have their funds lapse may reapply for funding in the next cycle, however new applicants and applicants from previously successful events will be prioritized.

### **Grant Agreement**

Each awarded applicant must execute a grant agreement with Metro before the event. The agreement will include the event scope and a financial plan reflecting the grant amount, event partners and the local match. Funding will be disbursed on a reimbursement basis subject to satisfactory compliance with the original application cost and schedule as demonstrated in a quarterly report supported by a detailed invoice showing the staff and hours billed to the project, any consultant hours, etc. Final

scheduled payment will be withheld until the event is staged and approved by Metro and all post-implementation requirements have been satisfied.

### **Audits and Event Scheduling**

All grant programs may be audited for conformance to their original application. Metro shall review event schedule and final date of the event to ensure regional and scheduling distribution. At Metro's Program Manager's request events may be rescheduled to avoid overlapping events and to increase participant safety.

### **Application**

#### **General Information**

1. City/Government Agency Name:
2. Project Manager Name:
3. Project Manager Title and Department:
4. Project Manager Phone Number:
5. Project Manager E-mail Address:
6. City Manager Name:
7. City Manager Phone Number:
8. City Manager E-mail Address:

#### **General Open Street Event Information**

9. Open or Slow Street Event Name  
(Example: Sunnyside Sunday Parkways Open Street Event.)  
*Maximum Allowed: 150 characters.*

10. Event Description  
(Example: Main Street, Flower Street, Spring Street, 7<sup>th</sup> Street, 1<sup>st</sup> Street and Broadway Avenue in downtown Sunnyside will be closed to cars for the months of August through November from downtown to mid-town to invite people on foot and on bikes to rediscover the streets of their community in a car-free environment while maintaining social distancing. Local retailers and restaurants will be invited to expand their operation in to the street.  
*Maximum Allowed: 500 characters.*

11. Estimated Route Length (in miles):  
*Maximum Allowed: 4 digits.*
12. Estimated Number of Signalized Intersections:  
*Maximum Allowed: 3 digits*



13. Estimated Number of Hard and Soft Closures:

*Maximum Allowed: 4 digits*

14. Attach a map of the proposed route including a clear demarcation of event bounds by street name. If the proposal is for outside retail operations, indicate where treatments will be implemented along the corridor. A digital map made in Google maps or ArcGIS is preferred

15. Describe the pavement quality along the route and any considerations that will be made for poor quality pavement.

*Maximum Allowed: 150 characters.*

16. Does the event route cross any freeway on or off ramps? (Y/N)

If "YES" for Question 16

16a. How many freeway crossings exist along the proposed route and what are their locations? (NOTE: Additional coordination with CalTrans will be required for each freeway ramp crossing at the cost of grantee).

*Maximum Allowed: 150 characters*

17. Does the event include rail grade crossings? (Y/N)

If "YES" for Question 17

17A. How many rail grade crossings exist along the proposed route and what are their locations? (NOTE: Additional staff resources will be required for each grade crossing at the cost of grantee).

*Maximum Allowed: 150 characters*

18. If vehicles will remain on your event route, list how your jurisdiction will ensure a safe interface between motorized and non-motorized modes of transportation, and or retail uses.

*Maximum Allowed: 300 characters*

### **Project Feasibility**

19. Estimated month & year of Event (Funds will be available starting in January 2022, pending Metro Board approval. Event must be staged by December 31, 2023)

*Maximum Allowed: 6 digits*

20. Describe how your City's General Plan or other planning program documents and procedures support open and slow street events and/or active transportation?

(Examples include: previous slow street implementation, adopted Complete Streets Policy or updated Circulation Element to include Complete Streets, adopted a Bike Plan, adopted a Pedestrian Plan, developing or implementing Bike Share Programs, adopted Climate Action Plans, implementation of local Transportation Demand Management ordinances and implementation of Parking Management Programs to encourage more efficient use of parking resources and curbside management)

*Maximum Allowed: 500 characters*

21. Would your jurisdiction be amenable to scope change or increased route length in order to encourage social distancing? (Y/N)

**Demonstration of Ability to Produce Successful Event**

22. Does your city/jurisdiction plan to partner with any non-profits, event production companies, city departments, and/or community partners to assist in event implementation and planning? (Y/N)

If “YES” for question 22

22a. List your proposed partners and their role in the event planning and implementation.

*Maximum Allowed: 600 Characters*

If “NO” for question 22

22b. What is your city/jurisdiction doing in lieu of partnerships with outside agencies (including non-profits and other community partners) to engage the community and make the event successful? *Maximum Allowed: 800 Characters*

23. Does your city have previous experience organizing open and slow street events or other large public events that require street closures (such as street fairs, large city-wide or region-wide events related to transportation, athletics, cultural celebrations)? List and describe.

*Maximum Allowed: 800 Characters*

If “YES” for question 23

23a. What lessons has your city learned from previous open and slow street events (or similar events that closed streets to auto traffic) that will increase the success of the proposed event? *Maximum Allowed: 800 Characters*

**Event Budget**

24. What is the total estimated cost of the event?

*Maximum Allowed: 10 characters.*

25. What is the requested grant amount? *Maximum Allowed: 10 characters*

26. What is the proposed local match amount? (min 20% in-kind required)

*Maximum Allowed: 10 characters.*

27. What are the estimated outreach costs?

*Maximum Allowed: 10 characters.*

28. What are the estimated pre-event planning costs?

*Maximum Allowed: 10 characters.*

29. What are the estimated event staging costs (including staffing, rentals, permits, etc.)?

*Maximum Allowed: 7 characters.*

30. Agencies are required to provide a 20% match: Will you provide an in-kind or a local fund match?

31. What is the event cost per mile (Answer to #24 / Answer #11)?

32. Attach completed Financial Plan and event Scope of Work templates provided at <https://www.metro.net/projects/active-transportation/metro-open-streets-grant-program/>

### **Route Setting**

33. Will the route connect multiple cities? Y/N  
List all partner cities.

If "YES" to question 33

33a. How will your city ensure connectivity throughout the route, coordination between multiple agencies and a sense of one contiguous event?

*Maximum Allowed: 1000 characters.*

34. Will the route be along or connect various commercial corridors? Y/N Explain.

*Maximum Allowed: 1000 characters.*

35. Will the route be along any residential corridors? (Y/N)

*Maximum Allowed: 1000 characters*

36. Will the route be along or connect to cultural, architectural, recreational and/or historical destinations and events? Y/N Explain.

*Maximum Allowed: 1000 characters.*

37. List and describe the bicycle and off-street pedestrian infrastructure along or adjacent to the route. *Maximum Allowed: 1000 characters.*

38. List ways that the event will differentiate itself from previous LA County Open and Slow Street events and how it will attract new participants (examples include afternoon or evening events, weekday events, events that celebrate holidays, events that encourage increased local retail/stakeholder participation, multi-day events, etc.).

*Maximum Allowed: 1000 characters.*

39. Provide an outline of how the route will be activated.

*Maximum Allowed: 1000 characters.*

40. Use CalEnviroScreen score to determine the average score of the combined census tracts that the route traverses.

<http://oehha.maps.arcgis.com/apps/Viewer/index.html?appid=112d915348834263ab8ecd5c6da67f68>

*Maximum Allowed: 4 digits*

## **Marketing and Outreach**

41. Upload a letter of support from the city/county applicant and if applicable each city/non-profit/other partner. (Please include all letters in one PDF).

42. Describe how your city will satisfy Metro's data collection requirements (i.e. agency staff, volunteers, consultant, etc.) and any additional data the agency may request.

43. If your agency plans to submit more than one application, please rank this application in order of priority with 1 being the most important and 2 the second most important, etc.

## **Route Accessibility**

44. List all rail stations within a ½ mile radius of the event route.

*Maximum Allowed: 250 characters*

45. For those rail stations within a ½ mile radius of the event that do not connect directly to the route, please provide explanation for the lack of connection, and describe how you will ensure safe transport of participants from those stations to the route (including coordination with the station operators, local transit operators and other means).

*Maximum Allowed: 1000 characters*

46. How will your city encourage people to access the event other than by personal automobile?

*Maximum Allowed: 1000 characters*

## **Covid-19 Response**

47. What measures will be taken to encourage increased social distancing along the route.

48. What other measure will you use to increase the safety of participants.

## **Post Event Significance**

51. Closing the roadway is often one of the most expensive elements of implementing on-street bicycle and pedestrian infrastructure. Do you have any plans to utilize your open or slow street event related road closures to implement any pilot or permanent infrastructure.

*Maximum Allowed: 500 characters*

52. What measures will your city take increase bicycle and pedestrian mode shares post event?

*Maximum Allowed: 500 characters*

## Attachment C

Metro Open Streets Grant Program Evaluation Study

[http://libraryarchives.metro.net/DB\\_Attachments/ATTACHMENT%20C%20-%20Open%20Streets%20Evaluation%20Study.pdf](http://libraryarchives.metro.net/DB_Attachments/ATTACHMENT%20C%20-%20Open%20Streets%20Evaluation%20Study.pdf)



# Metro

## Board Report

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

**File #:** 2020-0375, **File Type:** Motion / Motion Response

**Agenda Number:** 40.

### REGULAR BOARD MEETING MAY 28, 2020

#### Motion by:

#### **DIRECTORS GARCETTI, SOLIS, GARCIA, BONIN, AND FASANA**

#### Open Streets Program Response to COVID-19

The COVID-19 emergency has required limiting or closing traditional public spaces, depriving residents from safe ways of spending time outside. As an alternative, many cities are reconfiguring streets through temporary traffic calming to create spaces for residents to get outside and maintain their physical and mental health. As a transportation authority, Metro can help local jurisdictions in Los Angeles County implement these reconfigurations.

Through the Metro Open Streets Grant Program, the Board recently awarded over \$5 million for various open streets events in Los Angeles County. However, due to the Safer at Home order and widespread call for social distancing in public, several large-scale, single-day, open streets events such as CicLAvia, 626 Golden Streets, and Long Beach's Beach Streets have been postponed, and their feasibility in the immediate future remains unclear.

In response to the COVID-19 pandemic, the May 13, 2020 Los Angeles County Department of Public Health Safer at Home Order permits local public entities to elect to temporarily close streets to through automobile traffic to allow more space for recreational activity in compliance with Social (Physical) Distancing requirements.

As such, residents of Los Angeles County may, in addition to traveling for essential trips, use the public right-of-way to walk and cycle for recreation or exercise close to home while maintaining safe physical distance. Many residents do not have easy access to open space and maintaining safe physical distances can be challenging on existing sidewalks, especially in densely populated neighborhoods. Easily accessible alternatives to beaches, trails and parks are needed throughout the county so that all residents can safely get outside. Allowing local entities to provide this additional space in streets through full or partial closure to motor vehicles, while avoiding impacts to transit operations where practicable, will relieve pressure on recreational facilities like beaches and trails, and reduce travel to them.

Temporary use of local streets to allow increased pedestrian and bicycle use at safe physical

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distances has been deployed in several cities in the U.S. during the COVID-19 crisis and is variously known as Healthy, Safe, Family-Friendly, or “Slow Streets.”

Since some Open Streets Grant Program awardees are unable to use their grants as intended, this funding can be put to different and effective use in the COVID-19 crisis response.

**SUBJECT: OPEN STREETS PROGRAM RESPONSE TO COVID-19**

**RECOMMENDATION**

APPROVE Motion by Directors Garcetti, Solis, Garcia, Bonin, and Fasana that the Board authorize the CEO to negotiate administrative scope changes to awarded events in the Open Streets Grant Program, at the written request of the grantee, such that funds may be used for COVID-19 response Slow Streets or similar programs, including but not limited to:

- Expanding one-day events to longer-term temporary traffic interventions;
- Replacing a large, single-corridor event intended for regional audiences with many smaller, neighborhood-scale interventions catering to local audiences;
- Creating spaces within the public right-of-way to support economic activity such as dining and vending; and
- Providing education, encouragement, and monitoring for safe physical distancing in accordance with the Safer at Home Order in partnership with and supporting community-based leadership.



# Metro Open Streets Grant Program Cycle Four



# Open Streets Grant Program

## **Recommendation: Authorize the Metro Open Streets Grant Program Cycle Four Application and Guidelines.**

- In June 2013, the Board introduced Motion 72, directing staff to award up to \$2 million annually to support Open Street events.
- Cycle Four builds on past cycles and supports a competitive application process for events through December 2023.
- Based on experience from the 2020 Mini-Cycle, staff recommends increasing the available annual funding from \$2 million to \$2.5 million.
- Following the May Board Motion 2020-0375 staff updated guidelines to allow for “slow streets” that encourage social distancing and multi-day events.
- Board authorization of the Open Streets Grant Program Cycle Four Application Package and Guidelines is requested in order to proceed.



# Open Streets Evaluation Study

## Key findings from event-day data:

- Rail boardings systemwide increased on average 7%.
- Lines directly adjacent to events saw the largest increase.
- Sales of new tap cards increased 11% systemwide on event-days compared to non-event Sundays. People ride bikes more often after attending Open Streets for the first time.



# Cycle Four Application and Guidelines

- Increase annual funding from \$2 million to \$2.5 million.
- Maintain \$500,000 max funding ceiling per event.
- Maintain focus on regional distribution.
- Continue to accept applications for Slow Streets and related programs that encourage social distancing, and safe spaces for walking and biking .
- Implement incentives through application scoring:
  - Events in equity-focused communities;
  - Innovative events;
  - Multi-day, extended route events that encourage social distancing; and
  - New routes and improvements on previous routes.



Metro

# Cycle Four Next Steps

## Pending Board Approval:

- Release online application summer 2021.
- Hold an informational virtual application workshop.
- Outreach to COGs, the Metro TAC and TAC subcommittees.
- Return to Board for Cycle Four funding recommendations winter 2021.





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File #: 2021-0307, File Type: Contract

Agenda Number: 19.

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**PLANNING AND PROGRAMMING COMMITTEE  
JUNE 16, 2021**

**SUBJECT: METRO FREEWAY SERVICE PATROL**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

A. INCREASE Contract Modification Authority (CMA) to 27 existing Freeway Service Patrol (FSP) contracts as delineated below for an aggregate amount of \$5,580,000, thereby increasing the CMA amount from \$28,919,130 to \$34,499,130 and extend the periods of performance as follows:

- Beat no. 3: Hollywood Car Carrier Contract No. FSP3469400B3/43, for \$245,000 for up to 9 months
- Beat no. 5: Sonic Towing, Inc. Contract No. FSP3469500B5/17, for \$455,000 for up to 9 months
- Beat no. 6: Neighborhood Towing 4 U Contract No. FSP3469600B6, for \$320,000 for up to 9 months
- Beat no. 7: Girard & Peterson Contract No. FSP3469900B7/11, for \$195,000 for up to 9 months
- Beat no. 10: Neighborhood Towing 4 U Contract No. FSP3848100FSP1410, for up to 4 months
- Beat no. 11: Girard & Peterson Contract No. FSP3469900B7/11, for \$195,000 for up to 9 months
- Beat no. 12: Tip Top Tow Contract No. FSP2826700FSP14, for \$140,000 for up to 4 months
- Beat no. 17: Sonic Towing, Inc. Contract No. FSP3469500B5/17, for \$265,000 for up to 9 months
- Beat no. 18: Bob & Dave's Towing, Inc. Contract No. FSP2690300FSP1418, for \$365,000 for up to 9 months
- Beat no. 20: Bob's Towing Contract No. FSP2836600FSP1420, for \$340,000 for up to 9 months
- Beat no. 21: Bob's Towing Contract No. FSP2839000FSP1421, for \$25,000 for up to 4 months
- Beat no. 24: T.G. Towing, Inc. Contract No. FSP2833200FSP1424, for \$130,000 for up to 9 months

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- Beat no. 27: Hovanwil, Inc. dba Jon's Towing Contract No. FSP3470400B27/39, for \$440,000 for up to 9 months
  - Beat no. 28: Hadley Tow Contract No. FSP3847300FSP1428, for \$80,000 for up to 9 months
  - Beat no. 29: Platinum Tow & Transport, Inc. Contract No. FSP3470600B29, for \$175,000 for up to 9 months
  - Beat no. 31: Navarro's Towing Contract No. FSP3470700B31/50, for \$110,000 for up to 9 months
  - Beat no. 33: Mid Valley Towing Contract No. FSP2851900FSP1433, for \$280,000 for up to 9 months
  - Beat no. 34: South Coast Towing, Inc. Contract No. FSP2839600FSP1434, for \$170,000 for up to 4 months
  - Beat no. 36: Hadley Tow Contract No. FSP2841400FSP1436, for \$235,000 for up to 9 months
  - Beat no. 37: Reliable Delivery Service Contract No. FSP3696000FSP1437, for \$210,000 for up to 9 months
  - Beat no. 38: Steve's Towing Contract No. FSP38468001438, for \$205,000 for up to 9 months
  - Beat no. 39: Hovanwil, Inc. dba Jon's Towing Contract No. FSP5966400FSPB39, for \$335,000 for up to 9 months
  - Beat no. 42: Platinum Tow & Transport Contract No. FSP2842100FSP1442, for \$205,000 for up to 9 months
  - Beat no. 43: Hollywood Car Carrier Contract No. FSP3469400B3/43, for \$250,000 for up to 9 months
  - Beat no. 50: Navarro's Towing Contract No. FSP3470700B31/50, for \$130,000 for up to 9 months
  - Beat no. 70: Tip Top Tow Contract No. FSP3471300B70, for \$30,000 for up to 4 months
  - Beat no. 71: Bob & Dave's Towing, Inc. Contract No. FSP3471500B71, for \$50,000 for up to 4 months

## **ISSUE**

Recommendation A authorizes increasing contract modification authority (CMA) in the aggregate amount of \$5,580,000 to execute contract modifications to existing FSP light duty tow service contracts and extend periods of performance.

## **BACKGROUND**

FSP is a congestion mitigation program managed in partnership with Metro, CHP and Caltrans serving motorists on all major freeways in Los Angeles County. The Los Angeles County FSP program has the highest benefit to cost ratio of all the statewide FSP programs.

The program utilizes a fleet of roving tow and service trucks designed to reduce traffic congestion by efficiently rendering disabled vehicles operational or by quickly towing those vehicles from the freeway to a designated safe location. Quick removal of motorists and their disabled vehicles from the freeway reduces the chances of further incidents caused by onlookers and impatient drivers. FSP helps save fuel and reduces air polluting emissions by reducing stop-and-go traffic. The service

is free to motorists and operates seven days a week during peak commuting hours.

Metro contracts with independent tow service providers for light duty tow service on general purpose lanes on all major freeways in Los Angeles County, 2 light duty contracts on the ExpressLanes (I-110 and I-10), and 2 heavy duty (Big Rig) contracts (I-710 and SR-91).

The annual benefit of the program is as follows:

- For individual beats, an annual Benefit to Cost Ratio of 10:1 - For every \$1 spent, there is a \$10 benefit to motorists.
- 325,000 motorist assists
- 9,727,671 hours motorists saved from sitting in traffic
- 16,721,867 gallons of fuel savings
- Approximately 147,000,000 kg of CO2 reductions
- The average motorist wait time for FSP service is 7 minutes (the average wait time for other roadside service is over 30 minutes)
- The Los Angeles County FSP program generates one-half of the cumulative benefits of the 14 FSP programs in the state.

## **DISCUSSION**

On April 1, 2020, the FSP program reduced tow service on all beats in response to the COVID-19 pandemic and its impact on funding and freeway congestion levels. In FY20 Q4, FSP's operating budget was reduced by 40% (the reduction continued thru FY21). At that time, the decision was made to delay operations of seven FSP contracts awarded in February 2020 and delay the procurement of additional new contracts, which were anticipated to have higher operating costs since with each procurement, hourly rates have increased. These actions were taken to ensure that the program continued to operate at necessary service levels and within budget. Staff also decided to pursue contract extensions, in lieu of initiating scheduled new solicitations, which enabled continued provision of this vital service to Los Angeles County motorists at the required levels and at a reasonable cost.

Recently the decision was made to have the seven contracts (awarded Feb 2020) begin operations in FY22 Q1. In addition, due to the recent cancellation of an IFB for twenty-two FSP beats, a subsequent IFB is expected to be released this month. Staff expects to return to the Board at the appropriate time for authorization to award twenty-two contracts. The contracts are anticipated to begin service in FY22 Q3. Authorizing increased contract modification authority and extending the periods of performance will ensure seamless and efficient operation of the FSP program until the seven contracts start in Q1 and extend twenty-two beats to provide sufficient time to reissue the IFB and award new contracts. Increased CMA will also provide funds to address operating costs not recovered by contractors due to the reduction in service levels, increased insurance premiums, major maintenance expenses, fluctuating fuel prices, and will also replenish funding to contracts that provide support to Caltrans construction projects through a Cooperative Agreement which reimburses Metro for FSP support.



## **DETERMINATION OF SAFETY IMPACT**

The FSP Program enhances safety on Los Angeles County freeways by assisting motorists with disabled vehicles, towing vehicles from freeway lanes to prevent secondary accidents and removing debris/obstacles from lanes that can be a hazard to motorists.

## **FINANCIAL IMPACT**

The amount of \$5,580,000 for CMA is included in the FY22 budget in cost center 3352, Metro Freeway Service Patrol.

### **Impact to Budget**

The FSP program is funded through a combination of dedicated state funds, SB1 funding and Proposition C 25% sales tax. These funds are not eligible for Metro Bus and Rail Operating and Capital expenses. Metro is also reimbursed for the services provided to support Caltrans construction projects.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The FSP Program aligns with Strategic Goal 1: Provide high quality mobility options that enable people to spend less time traveling. The program mitigates congestion on all major freeways in Los Angeles County.

## **ALTERNATIVES CONSIDERED**

The Board may decide not to authorize the increase in contract modification authority. This alternative is not recommended as it will adversely impact the existing contracts and the level and quality of FSP service provided in Los Angeles County.

## **NEXT STEPS**

Upon Board approval, staff will execute the necessary contract modifications to assure efficient and seamless delivery of the FSP program. Staff will work on new procurements to address needs beyond FY22. Barring additional unforeseen impacts, staff will return to the Board at the appropriate time to secure approval for new contracts with services to commence in January 2022.

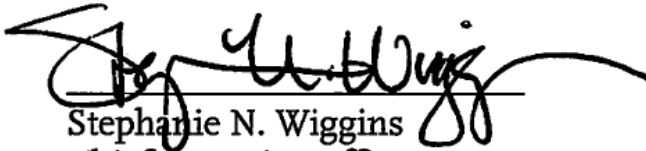
## **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - Contract Modification Authority (CMA) Summary  
Attachment C - Contract Modification/Change Order Log

Attachment D - FSP Beat Map  
Attachment E - DEOD Summary

Prepared by: John Takahashi, Senior Highway Operations Manager, (213) 418-3271

Reviewed by: Shahrzad Amiri, Executive Officer, Congestion Reduction, (213) 922-3061  
Debra Avila, Chief Vendor/Contract Management, (213) 418-3051



Stephanie N. Wiggins  
Chief Executive Officer

## PROCUREMENT SUMMARY

## METRO FREEWAY SERVICE PATROL/VARIOUS BEATS

1.	<b>Contract Number:</b> Various, See Attachment B			
2.	<b>Contractor:</b> Various, See Attachment B			
3.	<b>Mod. Work Description:</b> General Redeployment Support, Caltrans Construction, Special Event Support, Service Coverage			
4.	<b>Contract Work Description:</b> Freeway Service Patrol			
5.	<b>The following data is current as of:</b> May 10, 2021			
6.	<b>Contract Completion Status</b>		<b>Financial Status</b>	
	<b>Contract Awarded:</b>	Various	<b>Contract Award Amount:</b>	Various, See Attachment C
	<b>Notice to Proceed (NTP):</b>	N/A	<b>Total of Modifications Approved:</b>	Various, See Attachment C
	<b>Original Complete Date:</b>	N/A	<b>Pending Modifications (including this action):</b>	Various, See Attachment C
	<b>Current Est. Complete Date:</b>	Various	<b>Current Contract Value (with this action):</b>	Various, See Attachment C
7.	<b>Contract Administrator:</b> DeValory Donahue		<b>Telephone Number:</b> (213)-922-4726	
8.	<b>Project Manager:</b> John Takahashi		<b>Telephone Number:</b> (213)-418-3271	

**A. Procurement Background**

This Board Action is to approve an increase in Contract Modification Authority (CMA) for multiple, firm fixed unit rate contracts (see Attachment B – Contract Modification Authority (CMA) Summary) for towing services in support of the Metro Freeway Service Patrol (FSP) program.

These Contract Modifications will be processed in accordance with Metro's Acquisition Policy and the contract type is a firm fixed unit price.

The proposed CMA increase for 27 FSP general purpose lanes and ExpressLane contracts in the amount of \$5,580,000 will continue required towing services for the FSP program and extend the period of performance to support unanticipated events, redeployment, and support during freeway construction work, and service delivery until successor contracts are put in place.

Attachment B – Contract Modification Authority (CMA) Summary provides the list of contracts that require an increase in CMA and the CMA amounts needed for each.

Attachment C – Contract Modification/Change Order Log shows the modifications that have been issued to date for each contract, and that no contract modifications are currently in negotiations or pending.

**B. Cost/Price Analysis**

The recommended unit rates have been determined to be fair and reasonable based upon price analysis, technical evaluation, and fact finding.

ATTACHMENT B  
CONTRACT MODIFICATION AUTHORITY (CMA) SUMMARY  
METRO FREEWAY SERVICE PATROL  
TOWING SERVICES FOR GENERAL PURPOSE LANES

Beat	Contractor	Contract No.	Original Contract Value	Approved CMA	Requested CMA Increase	Revised Total CMA
3	Hollywood Car Carrier	FSP3469400B3/43	\$1,915,326.00	\$1,490,532.00	\$ 245,000.00	\$1,735,532.00
5	Sonic Towing, Inc.	FSP3469500B5/17	\$1,808,057.00	\$1,050,000.00	\$ 455,000.00	\$1,505,000.00
6	Neighborhood Towing 4 U	FSP3469600B6	\$1,760,238.00	\$1,018,000.00	\$ 320,000.00	\$1,338,000.00
7	Girard & Peterson	FSP3469900B7/11	\$2,891,301.00	\$245,000.00	\$ 195,000.00	\$440,000.00
10	Neighborhood Towing 4 U	FSP3848100FSP1410	\$1,717,924.00	\$1,541,792.00	\$ -	\$1,541,792.00
11	Girard & Peterson	FSP3469900B7/11	\$2,891,301.00	\$270,000.00	\$ 195,000.00	\$465,000.00
12	Tip Top Tow	FSP2826700FSP14	\$2,312,650.00	\$1,381,000.00	\$ 140,000.00	\$1,521,000.00
17	Sonic Towing, Inc.	FSP3469500B5/17	\$1,782,209.00	\$946,000.00	\$ 265,000.00	\$1,211,000.00
18	Bob & Dave's Towing, Inc.	FSP2690300FSP1418	\$2,486,760.00	\$1,290,000.00	\$ 365,000.00	\$1,655,000.00
20	Bob's Towing	FSP2836600FSP1420	\$2,292,530.00	\$871,000.00	\$ 340,000.00	\$1,211,000.00
21	Bob's Towing	FSP2839000FSP1421	\$2,292,530.00	\$798,000.00	\$ 25,000.00	\$823,000.00
24	T.G. Towing, Inc.	FSP2833200FSP1424	\$1,753,911.00	\$1,770,391.00	\$ 130,000.00	\$1,900,391.00
27	Hovanwil, Inc. dba Jon's Towing	FSP3470400B27/39	\$2,594,126.00	\$650,000.00	\$ 440,000.00	\$1,090,000.00
28	Hadley Tow	FSP3847300FSP1428	\$2,293,737.00	\$689,000.00	\$ 80,000.00	\$769,000.00
29	Platinum Tow & Transport, Inc.	FSP3470600B29	\$3,012,024.00	\$170,000.00	\$ 175,000.00	\$345,000.00
31	Navarro's Towing	FSP3470700B31/50	\$2,909,952.00	\$735,000.00	\$ 110,000.00	\$845,000.00
33	Mid Valley Towing	FSP2851900FSP1433	\$1,671,437.00	\$1,318,143.00	\$ 280,000.00	\$1,598,143.00
34	South Coast Towing, Inc.	FSP2839600FSP1434	\$1,724,050.00	\$1,544,405.00	\$ 170,000.00	\$1,714,405.00
36	Hadley Tow	FSP2841400FSP1436	\$1,932,125.00	\$1,446,212.00	\$ 235,000.00	\$1,681,212.00
37	Reliable Delivery Service	FSP3696000FSP1437	\$1,898,072.00	\$1,220,000.00	\$ 210,000.00	\$1,430,000.00
38	Steve's Towing	FSP38468001438	\$2,263,556.00	\$796,000.00	\$ 205,000.00	\$1,001,000.00
39	Hovanwil, Inc. dba Jon's Towing	FSP5966400FSPB39	\$2,152,353.00	\$893,000.00	\$ 335,000.00	\$1,228,000.00
42	Platinum Tow & Transport, Inc.	FSP2842100FSP1442	\$1,765,665.00	\$1,206,566.00	\$ 205,000.00	\$1,411,566.00
43	Hollywood Car Carrier	FSP3469400B3/43	\$1,915,326.00	\$1,368,000.00	\$ 250,000.00	\$1,618,000.00
50	Navarro's Towing	FSP3470700B31/50	\$3,283,230.00	\$500,000.00	\$ 130,000.00	\$630,000.00
70	Tip Top Tow	FSP3471300B70	\$3,885,770.00	\$1,828,577.00	\$ 30,000.00	\$1,858,577.00
71	Bob & Dave's Towing, Inc.	FSP3471500B71	\$5,455,123.12	\$1,882,512.00	\$ 50,000.00	\$1,932,512.00
	Totals			\$28,919,130.00	\$ 5,580,000.00	\$34,499,130.00

## CONTRACT MODIFICATION/CHANGE ORDER LOG

METRO FREEWAY SERVICE PATROL  
TOWING SERVICES FOR GENERAL PURPOSE LANES AND EXPRESS LANES

	Contract No. FSP3469400B3/43	Beat No. 3		
Mod No	Description	Status (Approved or Pending)	Date	Amount
1	Modified contract start date	Approved	5/23/2016	\$ -
2	Add funding and period of performance	Approved	5/19/2019	\$ 191,532.00
3	Add funding and period of performance	Approved	7/25/2019	\$ 849,000.00
4	Service reduction	Approved	4/3/2020	\$ -
5	Add funding and period of performance	Approved	5/21/2020	\$ 240,000.00
6	Add funding and period of performance	Pending	Pending	\$ 245,000.00
	<b>Modification Total:</b>			\$ 1,525,532.00
	<b>Original Contract:</b>			\$ 1,915,326.00
	<b>Total:</b>			\$ 3,440,858.00

	CONTRACT No. FSP3469500B5/17	Beat No. 5		
Mod No.	Description	Status (approved or pending)	Date	Amount
1	Period of Performanace	Approved	6/27/2019	\$ -
2	Add funding and period of performance	Approved	7/25/2019	\$ 320,000.00
3	Service Redcution	Approved	4/3/2020	\$ -
4	Add funding and period of performance	Approved	5/21/2020	\$ 490,000.00
5	Add funding and period of performance	Pending	Pending	\$ 455,000.00
	<b>Modification Total:</b>			\$ 1,265,000.00
	<b>Original Contract:</b>			\$ 1,808,057.00
	<b>Total:</b>			\$ 3,073,057.00

	CONTRACT No. FSP346960B6	Beat No. 6		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Period of Performance	Approved	6/27/2019	\$ -
2	Add funding and extend period of performance	Approved	7/25/2019	\$ 338,000.00
3	Service reduction	Approved	4/3/2020	\$ -
4	Add funding and extend period of performance	Approved	5/21/2020	\$ 500,000.00
5	Add funding and extend period of performance	Pending	Pending	\$ 320,000.00
	<b>Modification Total:</b>			\$ 1,158,000.00
	<b>Original Contract:</b>			\$ 1,760,238.00
	<b>Total:</b>			\$ 2,918,238.00

	CONTRACT No. FSP3469900B7/11	Beat No. 7		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add period of performance	Approved	4/3/2020	\$ -
2	Service reduction	Approved	4/14/2020	\$ -
3	Add funding and extend period of performance	Pending	Pending	\$ 195,000.00
	<b>Modification Total</b>			\$ 195,000.00
	<b>Original Contract:</b>			\$ 2,891,301.00
	<b>Total</b>			\$ 3,086,301.00

	CONTRACT No. FSP3848100FSP1410	Beat No. 10		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add period of performance	Approved	8/20/2018	\$ -
2	Add fundign and period of performance	Approved	12/27/2018	\$ 171,792.00
3	Add funding and period of performance	Approved	7/25/2019	\$ 610,000.00
4	Service reduction	Approved	4/3/2020	\$ -
5	Service reduction	Approved	7/6/2020	\$ -
6	Add funding and period of performance	Approved	7/21/2020	\$ 320,000.00
7	Extend period of performance by 4 months	Pending	Pending	\$ -
	<b>Modification Total:</b>			\$ 1,101,792.00
	<b>Original Contract:</b>			\$ 1,717,924.00
	<b>Total:</b>			\$ 2,819,716.00

## CONTRACT MODIFICATION/CHANGE ORDER LOG

METRO FREEWAY SERVICE PATROL  
TOWING SERVICES FOR GENERAL PURPOSE LANES AND EXPRESS LANES

CONTRACT No. FSP3469900B7/11		Beat No. 11		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add period of performance	Approved	4/3/2020	\$ -
2	Service reduction	Approved	4/14/2020	\$ -
3	Add funding and extend period of performance	Pending	Pending	\$ 195,000.00
<b>Modification Total:</b>				<b>\$ 195,000.00</b>
<b>Original Contract:</b>				<b>\$ 2,891,301.00</b>
<b>Total:</b>				<b>\$ 3,086,301.00</b>

CONTRACT No. FSP2826700FSP14		Beat No. 12		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and period of performance	Approved	7/25/2019	\$ 796,000.00
2	Service reduction	Approved	4/3/2020	\$ -
3	Add funding and period of performance	Approved	7/21/2020	\$ 125,000.00
4	Add funding and extend period of performance	Pending	Pending	\$ 140,000.00
<b>Modification total:</b>				<b>\$ 1,061,000.00</b>
<b>Original Contract:</b>				<b>\$ 2,312,650.00</b>
<b>Total:</b>				<b>\$ 3,373,650.00</b>

CONTRACT No. FSP3470200B17		Beat No. 17		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and period of performance	Approved	7/18/2018	\$ 241,000.00
2	Service reduction	Approved	4/3/2020	\$ -
3	Add funding and period of performance	Approved	5/21/2020	\$ 475,000.00
4	Add funding and extend period of performance	Pending	Pending	\$ 265,000.00
<b>Modification Total:</b>				<b>\$ 981,000.00</b>
<b>Original Contract:</b>				<b>\$ 1,782,209.00</b>
<b>Total:</b>				<b>\$ 2,763,209.00</b>

CONTRACT No. FSP2690300FSP14-18		Beat No. 18		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Period of performance	Approved	4/18/2015	\$ -
2	Period of performance	Approved	5/16/2019	\$ -
3	Period of performance	Approved	6/14/2019	\$ -
4	Add funding and period of performance	Approved	8/1/2019	\$ 695,000.00
5	Service reduction	Approved	4/3/2020	\$ -
6	Service reduction	Approved	7/20/2020	\$ -
7	Add funding and period of performance	Approved	7/23/2020	\$ 280,000.00
8	Add funding and extend period of performance	Pending	Pending	\$ 365,000.00
<b>Modification Total:</b>				<b>\$ 1,340,000.00</b>
<b>Original Contract:</b>				<b>\$ 2,486,760.00</b>
<b>Total:</b>				<b>\$ 3,826,760.00</b>

CONTRACT No. FSP2836600FSP14-20		Beat No. 20		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and period of performance	Approved	7/18/2019	\$ 211,000.00
2	Service reduction	Approved	4/3/2020	\$ -
3	Add period of performance	Approved	7/29/2020	\$ 200,000.00
4	Add funding and extend period of performance	Pending	Pending	\$ 340,000.00
<b>Modification Total:</b>				<b>\$ 751,000.00</b>
<b>Original Contract:</b>				<b>\$ 2,292,530.00</b>
<b>Total:</b>				<b>\$ 3,043,530.00</b>

## CONTRACT MODIFICATION/CHANGE ORDER LOG

METRO FREEWAY SERVICE PATROL  
TOWING SERVICES FOR GENERAL PURPOSE LANES AND EXPRESS LANES

CONTRACT No. FSP2839000FSP14-21		Beat No. 21		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and period of performance	Approved	7/25/2019	\$ 153,000.00
2	Service reduction	Approved	4/3/2020	\$ -
3	Add funding and period of performance	Approved	7/29/2020	\$ 110,000.00
4	Add funding and extend period of performance	Pending	Pending	\$ 25,000.00
<b>Modification Total:</b>				<b>\$ 288,000.00</b>
<b>Original Contract:</b>				<b>\$ 2,292,530.00</b>
<b>Total:</b>				<b>\$ 2,580,530.00</b>

CONTRACT No. FSP2833200FSP14-24		Beat No. 24		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Period of performance	Approved	5/11/2018	\$ -
2	Period of performance	Approved	8/3/2018	\$ -
3	Add funding and period of performance	Approved	12/21/2018	\$ 175,391.00
4	Add funding and period of performance	Approved	5/17/2019	\$ 330,000.00
5	Period of performance	Approved	8/30/2019	\$ -
6	Period of performance	Approved	9/27/2019	\$ -
7	Period of performance	Approved	10/31/2019	\$ -
8	Period of performance	Approved	11/27/2019	\$ -
9	Add funding and period of performance	Approved	12/6/2019	\$ 275,000.00
10	Service reduction	Approved	4/3/2020	\$ -
11	Add funding and period of performance	Approved	5/12/2020	\$ 580,000.00
12	Addfunding and extend period of performance	Pending	Pending	\$ 130,000.00
<b>Modification Total:</b>				<b>\$ 1,490,391.00</b>
<b>Original Contract:</b>				<b>\$ 1,753,911.00</b>
<b>Total:</b>				<b>\$ 3,244,302.00</b>

CONTRACT No. FSP3470400B27/39		Beat No. 27		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and period of performance	Approved	2/27/2020	\$ 355,000.00
2	Service reduction	Approved	4/3/2020	\$ -
3	Add funding and extend period of performance	Pending	Pending	\$ 440,000.00
<b>Modification Total:</b>				<b>\$ 795,000.00</b>
<b>Original Contract:</b>				<b>\$ 2,594,126.00</b>
<b>Total:</b>				<b>\$ 3,389,126.00</b>

CONTRACT No. FSP3847300FSP1428-28		Beat No. 28		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and period of performance	Approved	7/18/2019	\$ 99,000.00
2	Service reduction	Approved	4/3/2020	\$ -
3	Add funding and period of performance	Approved	7/31/2020	\$ 145,000.00
4	Add funding and extend period of performance	Pending	Pending	\$ 80,000.00
<b>Modification Total:</b>				<b>\$ 324,000.00</b>
<b>Original Contract:</b>				<b>\$ 2,293,737.00</b>
<b>Total:</b>				<b>\$ 2,617,737.00</b>

CONTRACT No. FSP3470600B29		Beat No. 29		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Service reduction	Approved	4/3/2020	\$ -
2	Period of performance	Approved	4/17/2020	\$ -
3	Service reduction	Approved	7/2/2020	\$ -
4	Add funding and extend period of performance	Pending	Pending	\$ 175,000.00
<b>Modification Total:</b>				<b>\$ 175,000.00</b>
<b>Original Contract:</b>				<b>\$ 3,012,024.00</b>
<b>Total:</b>				<b>\$ 3,187,024.00</b>



## CONTRACT MODIFICATION/CHANGE ORDER LOG

METRO FREEWAY SERVICE PATROL  
TOWING SERVICES FOR GENERAL PURPOSE LANES AND EXPRESS LANES

CONTRACT No. FSP3470700B31/50		Beat No. 31		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Service reduction	Approved	4/3/2020	\$ -
2	Add funding and extend period of performance	Approved	5/21/2020	\$ 375,000.00
3	Service reduction	Approved	7/6/2020	\$ -
4	Add funding and extend period of performance	Pending	Pending	\$ 110,000.00
<b>Modification Total:</b>				<b>\$ 485,000.00</b>
<b>Original Contract:</b>				<b>\$ 2,909,952.00</b>
<b>Total:</b>				<b>\$ 3,394,952.00</b>

CONTRACT No. FSP2851900FSP14-33		Beat No. 33		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Period of performance	Approved	6/12/2018	\$ -
2	Add funding and extend period of performance	Approved	1/9/2019	\$ 167,143.00
3	Add funding and extend period of performance	Approved	5/17/2019	\$ 380,000.00
4	Add funding and extend period of performance	Approved	7/25/2019	\$ 266,000.00
5	Service reduction	Approved	4/3/2020	\$ -
6	Add funding and extend period of performance	Approved	7/23/2020	\$ 180,000.00
7	Add funding and extend period of performance	Pending	Pending	\$ 280,000.00
<b>Modification Total</b>				<b>\$ 1,273,143.00</b>
<b>Original Contract:</b>				<b>\$ 1,671,437.00</b>
<b>Total:</b>				<b>\$ 2,944,580.00</b>

CONTRACT No. FSP2839600FSP1434		Beat No. 34		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Period of performance	Approved	6/12/2018	\$ -
2	Add funding and extend period of performance	Approved	12/19/2018	\$ 172,405.00
3	Add funding and extend period of performance	Approved	7/25/2019	\$ 607,000.00
4	Service reduction	Approved	4/3/2020	\$ -
5	Add funding and extend period of performance	Approved	7/24/2020	\$ 270,000.00
6	Add funding and extend period of performance	Pending	Pending	\$ 170,000.00
<b>Modification Total:</b>				<b>\$ 1,219,405.00</b>
<b>Original Contract:</b>				<b>\$ 1,724,050.00</b>
<b>Total:</b>				<b>\$ 2,943,455.00</b>

CONTRACT No. FSP2841400FSP14-36		Beat No. 36		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Period of performance	Approved	6/12/2018	\$ -
2	Add funding and extend period of performance	Approved	12/20/2018	\$ 193,212.00
3	Add funding and extend period of performance	Approved	7/18/2019	\$ 638,000.00
4	Service reduction	Approved	4/3/2020	\$ -
5	Add funding and extend period of performance	Approved	7/31/2020	\$ 105,000.00
6	Add funding and extend period of performance	Pending	Pending	\$ 235,000.00
<b>Modification Total:</b>				<b>\$ 1,171,212.00</b>
<b>Original Contract:</b>				<b>\$ 1,932,125.00</b>
<b>Total:</b>				<b>\$ 3,103,337.00</b>

CONTRACT No. FSP363600FSP1437		Beat No. 37		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and extend period of performance	Approved	7/18/2019	\$ 690,000.00
2	Service reduction	Approved	4/30/2020	\$ -
3	Add funding and extend period of performance	Approved	7/23/2020	\$ 200,000.00
4	Add funding and extend period of performance	Pending	Pending	\$ 210,000.00
<b>Modification Total:</b>				<b>\$ 1,100,000.00</b>
<b>Original Contract:</b>				<b>\$ 1,898,072.00</b>
<b>Total:</b>				<b>\$ 2,998,072.00</b>

## CONTRACT MODIFICATION/CHANGE ORDER LOG

METRO FREEWAY SERVICE PATROL  
TOWING SERVICES FOR GENERAL PURPOSE LANES AND EXPRESS LANES

	CONTRACT No. FSP38468001438	Beat No. 38		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and extend period of performance	Approved	7/18/2019	\$ 106,000.00
2	Service reduction	Approved	4/3/2020	\$ -
3	Add funding and extend period of performance	Approved	7/29/2020	\$ 215,000.00
4	Add funding and extend period of performance	Pending	Pending	\$ 205,000.00
	<b>Modification Total:</b>			<b>\$ 526,000.00</b>
	<b>Original Contract:</b>			<b>\$ 2,263,556.00</b>
	<b>Total:</b>			<b>\$ 2,789,556.00</b>

	CONTRACT No. FSP5966400FSP39	Beat No. 39		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and extend period of performance	Approved	7/18/2019	\$ 253,000.00
2	Service reduction	Approved	4/3/2020	\$ -
3	Add funding and extend period of performance	Approved	5/26/2020	\$ 470,000.00
4	Add funding and extend period of performance	Pending	Pending	\$ 335,000.00
	<b>Modification Total:</b>			<b>\$ 1,058,000.00</b>
	<b>Original Contract:</b>			<b>\$ 2,152,353.00</b>
	<b>Total:</b>			<b>\$ 3,210,353.00</b>

	CONTRACT No. FSP2842100FSP14-42	Beat No. 42		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Period of performance	Approved	7/10/2018	\$ -
2	Add funding and extend period of performance	Approved	12/18/2018	\$ 176,566.00
3	Add funding and extend period of performance	Approved	7/18/2019	\$ 585,000.00
4	Service reduction	Approved	4/3/2020	\$ -
5	Add funding and extend period of performance	Approved	7/31/2020	\$ 100,000.00
6	Add funding and extend period of performance	Pending	Pending	\$ 205,000.00
	<b>Modification Total:</b>			<b>\$ 1,066,566.00</b>
	<b>Original Contract:</b>			<b>\$ 1,765,665.00</b>
	<b>Total:</b>			<b>\$ 2,832,231.00</b>

	CONTRACT No. FSP3469400B3/43	Beat No. 43		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and extend period of performance	Approved	7/18/2019	\$ 828,000.00
2	Service reduction	Approved	4/3/2020	\$ -
3	Add funding and extend period of performance	Approved	5/21/2020	\$ 300,000.00
4	Add funding and extend period of performance	Pending	Pending	\$ 250,000.00
	<b>Modification Total:</b>			<b>\$ 1,378,000.00</b>
	<b>Original Contract:</b>			<b>\$ 1,915,326.00</b>
	<b>Total:</b>			<b>\$ 3,293,326.00</b>

	CONTRACT No. FSP3470700B31/50	Beat No. 50		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Service reduction	Approved	4/3/2020	\$ -
2	Add funding and extend period of performance	Approved	5/21/2020	\$ 220,000.00
3	Add funding and extend period of performance	Pending	Pending	\$ 130,000.00
	<b>Modification Total:</b>			<b>\$ 220,000.00</b>
	<b>Original Contract:</b>			<b>\$ 3,283,230.00</b>
	<b>Total:</b>			<b>\$ 3,503,230.00</b>

	CONTRACT No. FSP3471300B70	Beat No. 70		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and extend period of performance	Approved	12/18/2018	\$ 388,577.00
2	Add funding and extend period of performance	Approved	7/18/2019	\$ 920,000.00
3	Service reduction	Approved	4/3/2020	\$ -
4	Add funding and extend period of performance	Approved	7/27/2020	\$ 260,000.00
5	Add funding and extend period of performance	Pending	Pending	\$ 30,000.00
	<b>Modification Total:</b>			<b>\$ 1,598,577.00</b>
	<b>Original Contract:</b>			<b>\$ 3,885,770.00</b>
	<b>Total:</b>			<b>\$ 5,484,347.00</b>

## CONTRACT MODIFICATION/CHANGE ORDER LOG

METRO FREEWAY SERVICE PATROL  
TOWING SERVICES FOR GENERAL PURPOSE LANES AND EXPRESS LANES

	CONTRACT No. FSP3471500B71	Beat No. 71		
Mod No.	Description	Status (Approved or Pending)	Date	Amount
1	Add funding and extend period of performance	Approved	12/18/2018	\$ 480,512.00
2	Add funding and extend period of performance	Approved	7/18/2019	\$ 932,000.00
3	Service reduction	Approved	4/3/2020	\$ -
4	Add funding and extend period of performance	Approved	7/24/2020	\$ 250,000.00
5	Add funding and extend period of performance	Pending	Pending	\$ 50,000.00
	<b>Modification Total:</b>			\$ 1,712,512.00
	<b>Original Contract:</b>			\$ 5,455,123.12
	<b>Total:</b>			\$ 7,167,635.12

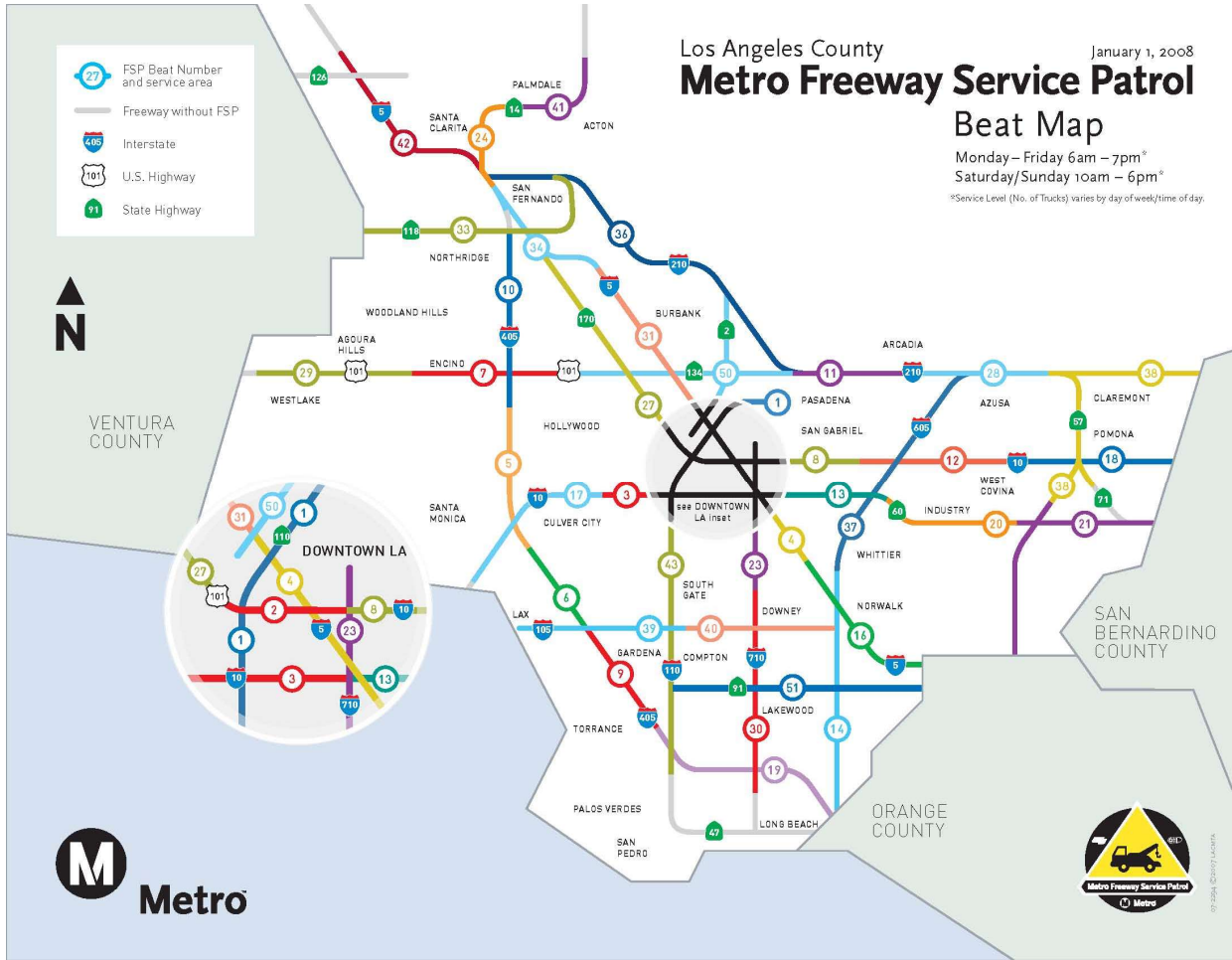
# Attachment D

## Los Angeles County Metro Freeway Service Patrol Beat Map

January 1, 2008

Monday – Friday 6am – 7pm\*  
Saturday/Sunday 10am – 6pm\*

\*Service Level (No. of Trucks) varies by day of week/time of day.



**DEOD SUMMARY****METRO FREEWAY SERVICE PATROL/VARIOUS BEATS****A. Small Business Participation – Various Beats**

Of the 27 FSP contracts included in this modification, Contractors made Small Business Enterprise (SBE) commitments for 22 Beats, 13 of which are meeting or exceeding their SBE commitment(s) and 10 of which are SBE Primes.

The FSP Contractors for Beats 27, 33, 38, 39 and 71 did not make SBE commitments and have no SBE participation. These contracts were procured prior to the 2016 legislative change to the Public Utilities Code that authorized meeting the SBE goal as a condition of award for non-federal IFB procurements.

The FSP Contractors for Beats 3, 7, 11, 12, 31, 34, 43, 50, and 70 have participation levels below their respective commitment levels and are in shortfall.

For Beats 3 and 43, Disco Auto Sales dba Hollywood Car Carrier, made a 10.20% SBE commitment on each, which are 86% and 100% complete, respectively. Current SBE participation is 0.11% and 0.10%, representing shortfalls of 10.09% and 10.10%. Disco explained that their shortfall is the result of their SBE firm being decertified prior to the execution of a sub agreement. Disco has submitted a shortfall mitigation plan demonstrating their plans to reduce the shortfall. DEOD will continue to monitor the contract to ensure compliance.

For Beats 7 and 11, Girard & Peterson, Inc., made a 4.03% SBE commitment on each, which are 82% and 80% complete, respectively. Current SBE participation is 1.84% and 1.95%, representing shortfalls of 2.19% and 2.08%, respectively. Girard explained that their shortfall is the result of their SBE firm being decertified prior to the execution of a sub agreement. Girard has submitted a shortfall mitigation plan demonstrating their efforts to reduce the shortfall by adding an additional certified firm to the contract. DEOD will continue to monitor the contract to ensure compliance.

For Beats 12 and 70, Classic Tow, Inc., dba Tip Top Tow made a 10.20% SBE commitment for each beat, which are 86% complete for both beats. Current SBE participation is 2.09% and 0.01%, representing shortfalls of 8.11% and 10.19%, respectively. Tip Top Tow explained that their listed SBEs had been decertified prior to subcontract execution for Beat 70 but they have added two (2) SBE subcontractors, as well as reaching out to additional vendors to mitigate their shortfall for both beats. DEOD will continue to monitor the contract to ensure compliance.

For Beats 31 and 50, Navarros Towing, made a 6.00% SBE commitment on each, which are 95% and 82% complete, respectively. Current SBE participation is 0.00% on each, representing a shortfall of 6.00% for each beat. Navarros explained that their shortfall is the result of their SBE firm being decertified prior to executing a sub agreement. Navarros has submitted a shortfall mitigation plan demonstrating their efforts to reduce the shortfall by adding an additional certified fuel supplier/broker. DEOD will continue to monitor the contract to ensure compliance.

For Beat 34, South Coast Towing made an 11.31% SBE commitment. The project is 77% complete. As a result of a correction to its supplier crediting, South Coast Towing has a current SBE participation of 8.29%, representing a shortfall of 3.02%. However, South Coast Towing has indicated that they will increase their spend with the certified supplier, as well as adding an additional certified subcontractor to ensure compliance in meeting their SBE commitment.

Notwithstanding, Metro Project Managers and Contract Administrators will meet bi-monthly with DEOD to review participation levels to ensure that the FSP Contractors are on schedule to meet or exceed their SBE commitments. Additionally, key stakeholders associated with the contract have been provided access to Metro’s online monitoring system to ensure that all parties are actively tracking Small Business progress.

**Beat 3 – Disco Auto Sales dba Hollywood Car Carrier**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	AAA Oils, Inc. dba California Fuels	10.20%	0.00%
2.	Hunter Tires	Added	0.11%
	<b>Total</b>	<b>10.20%</b>	<b>0.11%</b>

**Beat 5 – Sonic Towing, Inc.**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	Casanova Towing Equipment	16.70%	0.00%
2.	Sonic Towing, Inc. (SBE Prime)	-	74.00%
	<b>Total</b>	<b>16.70%</b>	<b>74.00%</b>

**Beat 6 – Neighborhood Towing 4U**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	Casanova Towing Equipment	16.70%	0.00%
2.	Neighborhood Towing 4U, Inc. (SBE Prime)	-	50.37%
	<b>Total</b>	<b>16.70%</b>	<b>50.37%</b>

**Beat 7 – Girard & Peterson, Inc.**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	AAA Oils, Inc.	1.45%	0.00%
2.	Buchanan & Associates	1.20%	1.37%
3.	Casanova Towing Equipment	1.38%	0.46%
4.	Oasis Fuels	Added	0.01%
	<b>Total</b>	<b>4.03%</b>	<b>1.84%</b>

**Beat 10 – Neighborhood Towing 4 U**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	Neighborhood Towing 4 U (SBE Prime)	10.02%	43.72%
2.	AAA Oils, Inc.	Added	4.45%
	<b>Total</b>	<b>10.02%</b>	<b>48.17%</b>

**Beat 11 – Girard & Peterson, Inc.**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	AAA Oils, Inc.	1.45%	0.00%
2.	Buchanan & Associates	1.20%	1.39%
3.	Casanova Towing Equipment	1.38%	0.55%
4.	Oasis Fuels	Added	0.01%
	<b>Total</b>	<b>4.03%</b>	<b>1.95%</b>

**Beat 12 –Tip Top Tow**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	AAA Oils, Inc.	10.20%	2.06%
2.	Hunter Tires	Added	0.00%
3.	JCM & Associates	Added	0.03%
	<b>Total</b>	<b>10.20%</b>	<b>2.09%</b>

**Beat 17 – Sonic Towing, Inc.**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	Casanova Towing Equipment	16.70%	0.00%
2.	Sonic Towing (SBE Prime)	-	72.53%
	<b>Total</b>	<b>16.70%</b>	<b>72.53%</b>

**Beat 18 – Bob & Dave’s Towing**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	Deborah Dyson Electrical	4.95%	8.31%
2.	JCM & Associates	0.07%	0.43%
	<b>Total</b>	<b>5.02%</b>	<b>8.74%</b>

**Beats 20 and 21 – Safeway Towing Services, Inc. dba Bob’s Towing**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	Bob’s Towing (SBE Prime)	100%	100%
	<b>Total</b>	<b>100%</b>	<b>100%</b>

**Beat 24 – T.G. Towing, Inc.**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	T. G. Towing, Inc. (SBE Prime)	100%	100%
	<b>Total</b>	<b>100%</b>	<b>100%</b>

**Beat 28 – Hadley Tow**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	AAA Oils, Inc.	18.83%	17.88%
2.	Manatek Insurance	2.62%	9.18%
	<b>Total</b>	<b>21.45%</b>	<b>27.06%</b>

**Beats 29 and 42 – Platinum Tow & Transport**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	Platinum Tow & Transport (SBE Prime)	100%	100%
	<b>Total</b>	<b>100%</b>	<b>100%</b>

**Beat 31 – Navarro’s Towing, LLC**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	AAA Oils, Inc. dba California Fuel	6.00%	0.00%
	<b>Total</b>	<b>6.00%</b>	<b>0.00%</b>

**Beat 34 – South Coast Towing, Inc.**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	AAA Oils, Inc. dba California Fuel	11.31%	8.29%
	<b>Total</b>	<b>11.31%</b>	<b>8.29%</b>



**Beat 36 – Hadley Tow**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	AAA Oils, Inc. dba California Fuel	16.77%	17.22%
2.	Manatek Insurance	2.33%	8.03%
	<b>Total</b>	<b>19.10%</b>	<b>25.25%</b>

**Beat 37 – Reliable Delivery Service**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	Reliable Delivery Service (SBE Prime)	100%	100%
	<b>Total</b>	<b>100%</b>	<b>100%</b>

**Beat 43 – Disco Auto Sales dba Hollywood Car Carrier**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	AAA Oils, Inc. dba California Fuel	10.20%	0.00%
2.	Hunter Tires	Added	0.10%
	<b>Total</b>	<b>10.20%</b>	<b>0.10%</b>

**Beat 50 – Navarro’s Towing, LLC**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	AAA Oils, Inc.	6.00%	0.00%
	<b>Total</b>	<b>6.00%</b>	<b>0.00%</b>

**Beat 70 – Tip Top Tow Service**

	SBE Subcontractor(s)	% Commitment	% Participation
1.	AAA Oils, Inc.	10.20%	0.00%
2.	Hunter Tires	Added	0.00%
3.	JCM & Associates	Added	0.01%
	<b>Total</b>	<b>10.20%</b>	<b>0.01%</b>

<sup>1</sup>Current Participation = Total Actual amount Paid-to-Date to DBE firms ÷ Total Actual Amount Paid-to-date to Prime.

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is applicable to this contract/modification. Metro staff will monitor and enforce the policy guidelines to ensure that applicable workers are paid at minimum, the current Living Wage rate of \$20.15 per hour (\$14.60 base + \$5.55 health benefits), including yearly increases. The increase may be up to 3% of the total wage, annually. In addition, contractors will be responsible for submitting the required reports for the

Living Wage and Service Contract Worker Retention Policy and other related documentation to staff to determine overall compliance with the policy.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**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.