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

File #: 2026-0407, **File Type:** Agreement **Agenda Number:** 5.

PLANNING AND PROGRAMMING COMMITTEE
SEPTEMBER 16, 2026

SUBJECT: AMENDMENT TO THE CHAVEZ/FICKETT PROJECT JOINT DEVELOPMENT AGREEMENT

ACTION: APPROVE RECOMMENDATION

RECOMMENDATION

AUTHORIZING the Chief Executive Officer (CEO) or their designee to execute an amendment to the Joint Development Agreement (JDA) with Chavez Fickett, L.P. (Developer), an affiliate of Abode Communities, to extend the term for one year, from October 19, 2026 to October 19, 2027, with an option to extend for one additional year for the joint development of a mixed-use, affordable housing project on 1.56 acres of Metro-owned property located at the corner of Cesar E. Chavez Avenue and Fickett Street in Boyle Heights (Project).

ISSUE

Since 2024, staff and the Developer have collaborated under a Board-authorized JDA to advance the Project design through construction drawings for approval by Metro and the City of Los Angeles, assemble a financing package, and execute the Ground Lease. The JDA is set to expire on October 19, 2026. An extension of the JDA term through October 19, 2027, with an option to extend one additional year to October 2028, is required to safeguard the Project's complex funding sources and complete the Project's conditions precedent to close of the Ground Lease escrow. Staff recommends authorizing the extension of the JDA term to advance the Metro Board of Director's goal of producing 10,000 homes on Metro land (10K Commitment) by delivering 109 crucial, transit-adjacent affordable homes for income-eligible Angelenos.

BACKGROUND

In January 2018, following a competitive solicitation, the Board authorized the execution of an Exclusive Negotiation Agreement (ENA) with Abode Communities for the Project <https://boardagendas.metro.net/board-report/2017-0741/> . During the ENA period, staff and the Developer advanced the Project's design through schematic design approval, conducted Project-specific community outreach with local residents and business owners, secured land-use entitlements and environmental clearance, and negotiated the key terms and conditions of the JDA and Ground Lease. Upon completion of the ENA milestones, the Board approved the Summary of Key Terms of the JDA and Ground Lease <https://boardagendas.metro.net/board-report/2024-0035/>

in March 2024. The JDA included a one-time ground rent payment, due at the close of the Ground Lease escrow, of $3.45 million, a 67% discount from the appraised fair market value of $10.35 million.

The Site and the Project
The site is comprised of approximately 68,100 square feet of Metro-owned property bounded by Cesar E. Chavez Avenue to the north, Matthews Street to the west, Fickett Street to the east, and a residential neighborhood to the south (Site). The Metro E Line Soto Station is located approximately one-quarter mile south of the Site. See Attachment A - Site Plan and Renderings.

The Project includes 109 affordable rental apartments, one unrestricted property manager's apartment, approximately 3,000 square feet of commercial space, 44 residential parking spaces, and six commercial parking spaces. The affordable rental apartments are studio, one-, two-, and three-bedroom units, with affordability levels ranging from 30% to 50% of the County Area Median Income (AMI).

Joint Development 10K Commitment
In June 2021, in response to Los Angeles County's housing affordability crisis, the Board approved an updated JD Policy <https://boardagendas.metro.net/board-report/2021-0496/> focused on affordable housing, establishing the Metro Board's goal to deliver 10,000 homes (5,000 income-restricted) on agency land by 2031. This action will advance Metro's progress toward meeting the Board's 10k Commitment by catalyzing the completion of 109 affordable homes dedicated to Metro's core ridership base.

Community Engagement
Metro conducted an extensive community engagement process during the Project's predevelopment phase to ensure the development reflected community priorities. This process included public workshops, community meetings, and opportunities for written public comment that informed the Request for Proposals (RFP). Metro also established the Design Review Advisory Committee (DRAC), consisting of Boyle Heights residents and business owners, to provide recommendations on the Project design, Development Guidelines, and RFP.

Following the execution of the ENA, the Developer continued community outreach through six public meetings between 2018 and 2022, presentations to the Boyle Heights Neighborhood Council, and collaboration with the DRAC, which approved the Project design. In 2023, the Developer held workshops with local business owners on the proposed ground-floor commercial space and community meetings on residential programming and site amenities. Since the execution of the JDA in 2024, the Developer has continued coordinating with community stakeholders and funding partners, including the Los Angeles Housing Department, Los Angeles County Affordable Housing Solutions Agency, the California Department of Housing and Community Development, and Council District 14, to advance the Project.

DISCUSSION

The Project is the culmination of a long-standing partnership with Abode Communities, which has consistently advanced the Project since 2018, and the community stakeholders who have helped shape the Project since the initial 2017 Board-approved Development Guidelines. In response to stakeholder feedback, the Project's income limits are set at deep affordability levels, with 100% of the units protected by an income restriction for the full term of the Ground Lease.

Presently, the Developer is seeking to complete the Project's capital budget through tax-exempt bonds issued by the California Debt Limit Allocation Committee (CDLAC) and tax credits allocated by the California Tax Credit Allocation Committee (TCAC). The outcome of the application process will be known by the end of September 2026. TCAC's tax credit award stipulates that the Developer must start construction within 180 days of the award. To meet this goal, staff are working closely with the Developer to complete the conditions precedent to closing the Ground Lease escrow and need to extend the term of the JDA to complete pre-closing due diligence.

Following Board approval and receipt of the anticipated financing awards, the Project will enter its final pre-construction phase, with continued community engagement serving as a key component of Project delivery.

DETERMINATION OF SAFETY IMPACT

Approval of this item will have no impact on safety. Staff will continue to oversee the development and construction of the Project on the Site to ensure that it does not adversely impact Metro property or the continued safety of staff, contractors, and the public. All safety measures and associated requirements to be met by the Developer and its construction contractor will be identified in the JDA and subsequent Ground Lease.

FINANCIAL IMPACT

Adoption of the subject action would result in an upfront capitalized Ground Lease payment of $3,450,000, payable upon close of Ground Lease escrow, which is anticipated in FY27. To date, Metro has received approximately $60,000 in holding rent under the JDA, which will be credited towards the $3,450,000 ground rent due to Metro. The JD Policy calls for JD revenues to be reinvested in Transit Oriented Communities activities, such as land acquisition to support joint development opportunities.

Impact to Budget

Funding for Joint Development activities and staff costs related to this Project is included in the Metro FY27 Budget under Project 401300 (Joint Development 10K Homes), Cost Center 2210. The funding source for this expense is general fund, which is eligible for bus and rail operating and capital projects. A non-refundable JDA Extension Fee of $30,000 will be paid to Metro to cover certain transaction costs, including third-party consultants for financial analysis, negotiations, design review, and other reasonable services related to due diligence for the Project.

EQUITY PLATFORM

The Project is representative of Metro's Joint Development Policy goals to provide as much housing as possible as quickly as possible for those who need it most. The proposed action will allow Metro to work with the Developer to secure financing, conduct additional outreach, and obtain building permits for 109 affordable housing units.

Once completed, the Project will benefit qualified low-income residents in need of housing, as well as qualified households with disabilities who will be awarded one of the ADA-accessible units. The Project is located within an Equity Focus Community and offers housing for individuals earning 30%-50% of LA County AMI, which are appropriate affordability levels in the local Boyle Heights community.

To encourage a community-focused commercial tenant, Metro will forgo its commercial lease collection to the extent that the Developer leases the space to a tenant providing community benefits to Project residents and those in the surrounding neighborhood. In this way, the commercial space will be programmed to meet the needs of both the local community and Chavez Gardens tenants by providing a financial incentive to the Developer to actively lease space, resulting in a broader public benefit. The Developer is proactively engaging with local businesses, residents, and community-based organizations to identify opportunities to provide or preserve small businesses that would meet service or retail needs in the neighborhood.

Since 2018, the Developer and Metro staff have conducted extensive outreach events to incorporate community input from the Boyle Heights Design Review Advisory Committee, Boyle Heights Neighborhood Council, the business community, and local stakeholders. The Developer will continue building on the years of prior community outreach established for the Project in the forthcoming JDA extension period.

The Developer has committed to conducting additional public outreach with local residents and business owners in late 2026 through early 2027 once a tax credit award is received. Engagement efforts will focus on announcing the public art selection process, the construction schedule, and Project updates. This will include collecting community feedback to potentially reimagine the Project's name, away from its current designation as Chavez Gardens. Lastly, the Developer will provide a separate meeting at least 3 months before construction completion to inform local neighbors on how to apply for the income-restricted apartments. As in previous JD outreach efforts, engagement will be conducted in English, Spanish, and other languages deemed appropriate to reach a broad audience of stakeholders.

As the Project progresses to construction, staff will work with the Developer and its general contractor to minimize any traffic impacts, dust, and noise associated with the Project’s construction. These mitigation measures will be identified in the construction work plans and health and safety plans and reviewed by Metro staff before the execution of the Ground Lease documents.

Once completed, the 109 units of affordable housing will be protected by a long-term affordability restriction that is consistent with the term of the 75-year Ground Lease.

VEHICLE MILES TRAVELED OUTCOME

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

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

As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. This item supports Metro's systemwide strategy to reduce VMT through investment and partnership activities that will benefit and further encourage transit ridership, ridesharing, and active transportation by utilizing Metro-owned land adjacent to a major transit hub to advance transit-oriented communities. The Project also proposes Transportation Demand Management strategies, including limited parking supply, permitting residential-area parking, promoting and marketing various modes of travel, providing bicycle parking per the Los Angeles Municipal Code, and improving the pedestrian network. These Project attributes reflect best practices in transit-oriented development, design, and management and, collectively, will encourage transit utilization. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These recommendations support the Metro Vision 2028 Strategic Plan Goal to "enhance communities and lives through mobility and access to opportunity," specifically Initiative 3.2, which states "Metro will leverage its transit investments to catalyze transit-oriented communities and help stabilize neighborhoods where these investments are made." The Project will deliver several community benefits, including transit-accessible affordable housing and new commercial/community space.

ALTERNATIVES CONSIDERED

The Board could choose not to authorize the execution of the recommended actions. Staff does not recommend this option because the proposed Project is the product of competitive solicitation and extensive community engagement and is consistent with the goals of Metro's Joint Development Policy. Electing not to proceed would unnecessarily delay the development of the Site and jeopardize the build-out of 110 in-demand housing units, 109 of which are covenanted to extremely low- and very low-income households.

NEXT STEPS

The Developer will submit final construction drawings for Metro and City of Los Angeles approval, complete the conditions precedent to the close of Ground Lease escrow, execute the Ground Lease, and commence construction in 2027. The construction period is expected to last approximately 24 months.

Developer-led outreach efforts will continue throughout the term of the JDA to keep the community informed of the Project's progress, leading to the execution of the Ground Lease and the eventual start of construction. Targeted outreach to Boyle Heights residents who may qualify to live in the new housing was initiated with the construction of the adjacent La Veranda joint development and will continue through the construction of the Chavez Gardens Project.

ATTACHMENT

Attachment A - Site Plan and Renderings

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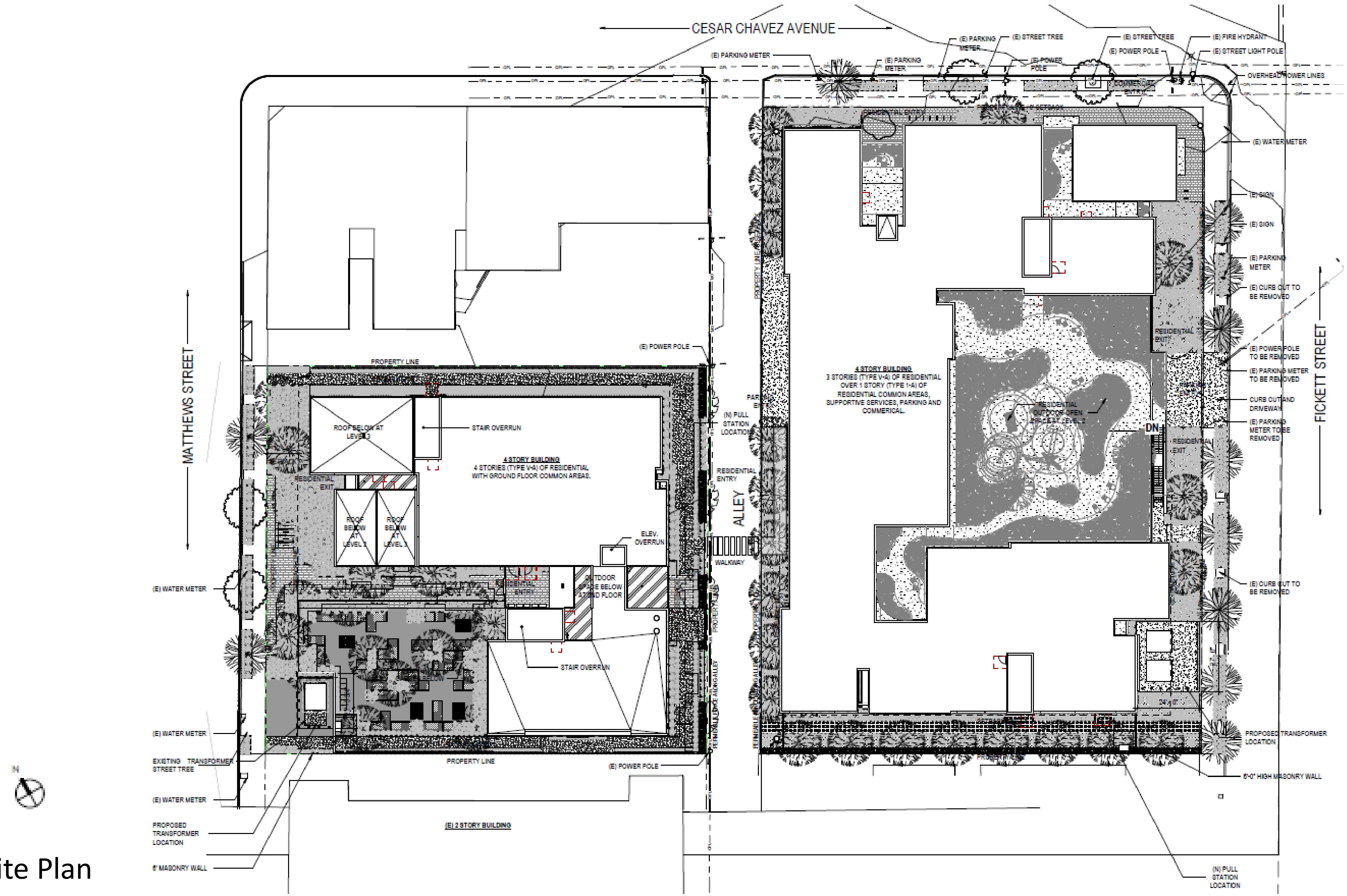
Stephanie Wiggins
Chief Executive Officer

Attachment A
Site Plan and Renderings

Site location

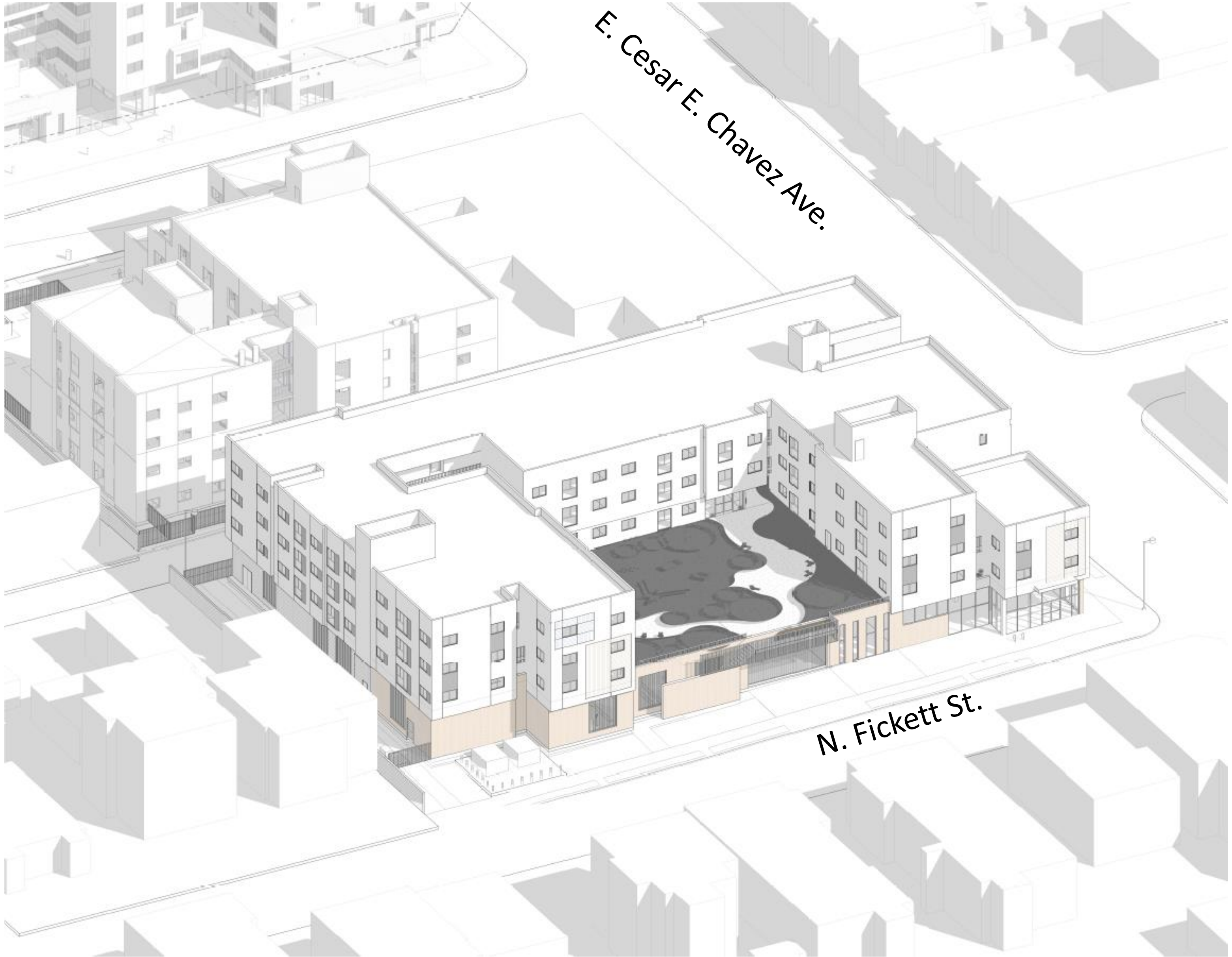
Project rendering from Mathews Street facing east


CESAR CHAVEZ AVENUE
MATTHEWS STREET
FICKETT STREET
ALLEY
PROPERTY LINE
4 STORY BUILDING
4 STORIES (TYPE V-A) OF RESIDENTIAL WITH GROUND FLOOR COMMON AREAS.
4 STORY BUILDING
3 STORIES (TYPE V-A) OF RESIDENTIAL OVER 1 STORY (TYPE 1-A) OF RESIDENTIAL COMMON AREAS, SUPPORTIVE SERVICES, PARKING AND COMMERICAL.
ROOF BELOW AT LEVEL 3
STAIR OVERRUN
RESIDENTIAL EXIT
ELEV. OVERRUN
RESIDENTIAL ENTRY
WALKWAY
(E) POWER POLE
(N) PULL STATION LOCATION
(E) WATER METER
EXISTING TRANSFORMER STREET TREE
PROPOSED TRANSFORMER LOCATION
6' MASONRY WALL
(E) 2 STORY BUILDING
(E) PARKING METER
(E) STREET TREE
(E) FIRE HYDRANT
(E) STREET LIGHT POLE
OVERHEAD POWER LINES
(E) SIGN
(E) CURB CUT TO BE REMOVED
(E) POWER POLE TO BE REMOVED
(E) PARKING METER TO BE REMOVED
CURB CUT AND DRIVEWAY
RESIDENTIAL OUTDOOR OPEN SPACE AT LEVEL 2
DN
6'-0" HIGH MASONRY WALL
PROPOSED TRANSFORMER LOCATION

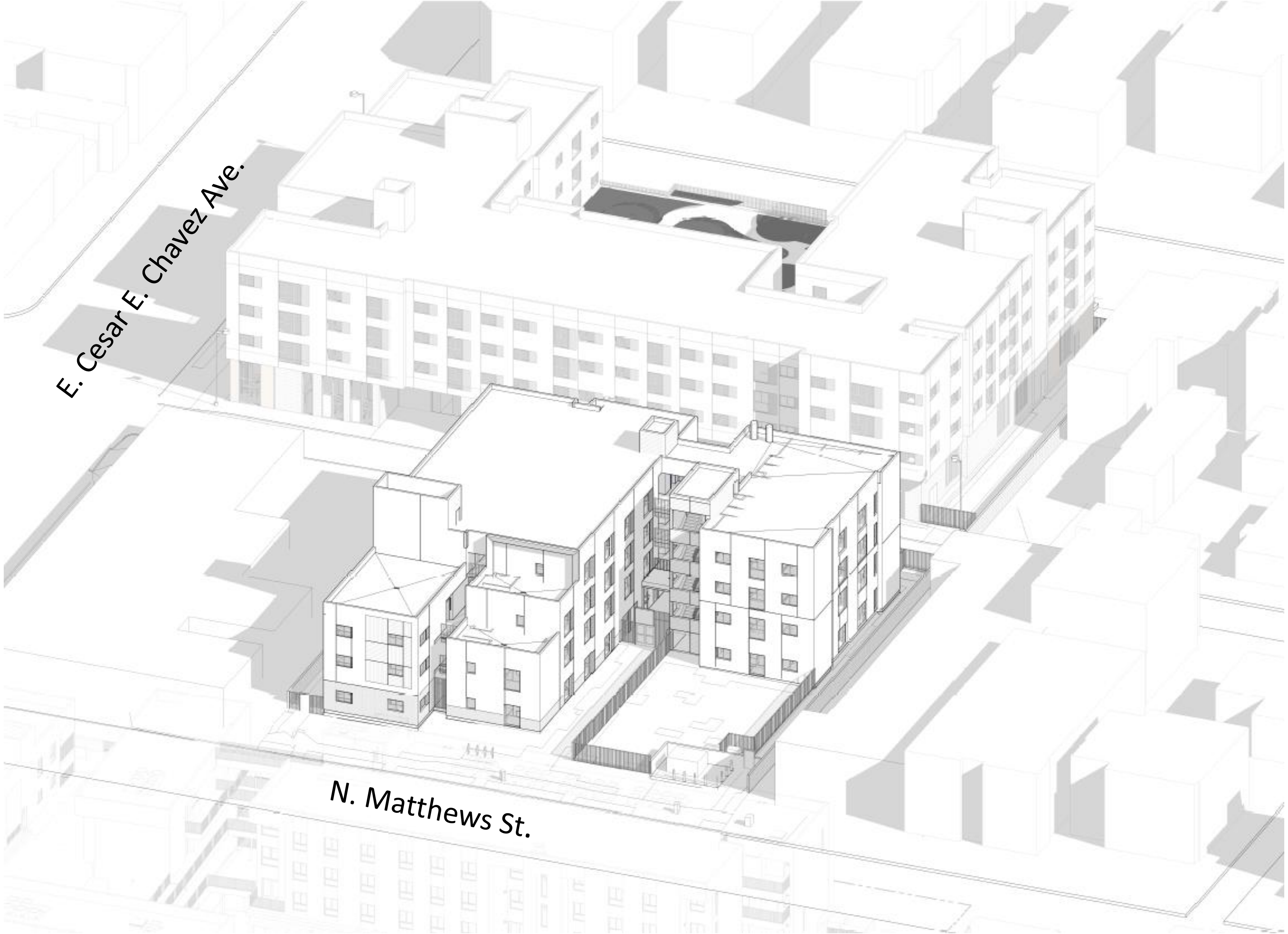
Site Plan

View from corner of Cesar Chavez Avenue and Fickett Street facing southwest

View from Fickett Street facing west



Axonometric view facing west



Axonometric view facing east

Axonometric view facing south

Next stop: building communities.

Amendment to the Chavez/Fickett Project Joint Development Agreement

Planning & Programming Committee

September 16, 2026

Legistar File # 2026-0407

Metro

Recommendation

AUTHORIZING the Chief Executive Officer (CEO) or their designee to execute an amendment to the Joint Development Agreement (JDA) with Chavez Fickett, L.P. (Developer), an affiliate of Abode Communities, to extend the term for one year, from October 19, 2026 to October 19, 2027, with the option to extend for one additional year for the joint development of a mixed-use, affordable housing project on 1.56 acres of Metro-owned property located at the corner of Cesar E. Chavez Avenue and Fickett Street in Boyle Heights (Project);

Chavez/ Fickett Project Overview

Developer: Abode Communities

Project Size: 1.56 acres

Units:

> 110 total units
> 109 affordable, 30-50% AMI
> 1 manager's unit

Commercial: 3,000 sq ft

Parking:

> 44 residential
> 6 commercial

Amenities:

> Community Garden
> Ground Floor Commercial

View from corner of Cesar Chavez Avenue and Fickett Street facing southwest

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Outreach

2016
- Community forums to inform Development Guidelines
- Online emails and regular mail updates
- Design Review Advisory Committee (DRAC) formed to review schematic design
- Development Guidelines adopted by the Board (Jan. 2017)

2018
- Four developer-led workshops
- Two DRAC meetings

2022
- Schematic Design approved by the DRAC
- BHNC coordination culminating with a presentation and project update

2023
- Virtual meeting targeting nearby business owners and related stakeholders
- In-person community engagement meeting to discuss design, residential programming, on-site services, and potential ground-floor commercial options

2026 (Forthcoming) In-person community engagement covering upcoming public art process, ground floor commercial options, construction schedule, and project updates

2028 (Prior to construction completion) Educational community engagement sessions to inform local neighbors how to apply for the income-restricted apartments

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Next Steps

Upon Board approval:

> Continue neighborhood outreach and seek community input on the commercial uses
> Secure financing and permitting approvals
> Refine project design and satisfy conditions under the JDA
> Execute the Ground Lease
> Start construction