



**Metro**

*One Gateway Plaza, Los Angeles, CA 90012,  
3rd Floor, Metro Board Room*

**Agenda - Final**

**Wednesday, March 19, 2025**

**11:00 AM**

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## **Planning and Programming Committee**

*Jacquelyn Dupont-Walker, Chair*

*Hilda Solis, Vice Chair*

*Lindsey Horvath*

*Holly J. Mitchell*

*Ara J. Najarian*

*Gloria Roberts, non-voting member*

*Stephanie Wiggins, Chief Executive Officer*

**METROPOLITAN TRANSPORTATION AUTHORITY BOARD AGENDA RULES**  
(ALSO APPLIES TO BOARD COMMITTEES)

**PUBLIC INPUT**

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

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

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

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

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

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

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

**INFORMATION RELATING TO AGENDAS AND ACTIONS OF THE BOARD**

Agendas for the Regular MTA Board meetings are prepared by the Board Clerk and are available prior to the meeting in the MTA Records Management Department and on the Internet. Every meeting of the MTA Board of Directors is recorded and is available at <https://www.metro.net> or on CD's and as MP3's for a nominal charge.

## DISCLOSURE OF CONTRIBUTIONS

The State Political Reform Act (Government Code Section 84308) requires that a party to a proceeding coming before an agency involving a license, permit, or other entitlement for use including all contracts (other than competitively bid contracts that are required by law, agency policy, or agency rule to be awarded pursuant to a competitive process , labor contracts, personal employment contracts, contracts valued under \$50,000, contracts where no party receives financial compensation, contracts between two or more agencies, the periodic review or renewal of development agreements unless there is a material modification or amendment proposed to the agreement, the periodic review or renewal of competitively bid contracts unless there are material modifications or amendments proposed to the agreement that are valued at more than 10 percent of the value of the contract or fifty thousand dollars (\$50,000), whichever is less, and modifications of or amendments to any of the foregoing contracts, other than competitively bid contracts), shall disclose on the record of the proceeding any contributions in an amount of more than \$500 made within the preceding 12 months by the party, or the party's agent, to any officer of the agency. When a closed corporation is party to, or participant in, such a proceeding, the majority shareholder must make the same disclosure. Failure to comply with this requirement may result in the assessment of civil or criminal penalties.

## ADA REQUIREMENTS

Upon request, sign language interpretation, materials in alternative formats and other accommodations are available to the public for MTA-sponsored meetings and events. All requests for reasonable accommodations must be made at least three working days (72 working hours) in advance of the scheduled meeting date. Please telephone (213) 364-2837 or (213) 922-4600 between 8 a.m. and 5 p.m., Monday through Friday. Our TDD line is (800) 252-9040. Requests can also be sent to [boardclerk@metro.net](mailto:boardclerk@metro.net).

## 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) 364-2837 or (213) 922-4600. Live Public Comment Instructions can also be translated if requested 72 hours in advance.



**323.466.3876**

x2 *Español (Spanish)*

x3 *中文 (Chinese)*

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x5 *Tiếng Việt (Vietnamese)*

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

### **Live Public Comment Instructions:**

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

The Meeting begins at 11:00 AM Pacific Time on March 19, 2025; you may join the call 5 minutes prior to the start of the meeting.

Dial-in: 888-978-8818 and enter  
English Access Code: 5647249#  
Spanish Access Code: 7292892#

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

### **Instrucciones para comentarios publicos en vivo:**

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

La Reunion de la Junta comienza a las 11:00 AM, hora del Pacifico, el 19 de Marzo de 2025. Puedes unirse a la llamada 5 minutos antes del comienzo de la junta.

Marque: 888-978-8818 y ingrese el codigo  
Codigo de acceso en ingles: 5647249#  
Codigo de acceso en espanol: 7292892#

***Los comentarios del público se tomaran cuando se toma cada tema. Para dar un comentario público sobre una tema ingrese # 2 (Tecla de numero y dos) cuando se le solicite. Tenga en cuenta que la transmisión de video en vivo se retrasa unos 30 segundos con respecto a la reunión real. No hay retraso en la línea de acceso telefónico para comentarios públicos.***

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

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

Please include the Item # in your comment and your position of "FOR," "AGAINST," "GENERAL COMMENT," or "ITEM NEEDS MORE CONSIDERATION."

Email: BoardClerk@metro.net

Post Office Mail:

Board Administration

One Gateway Plaza

MS: 99-3-1

Los Angeles, CA 90012

## CALL TO ORDER

## ROLL CALL

5. **SUBJECT: PROGRAM FUNDS FOR CITY OF REDONDO BEACH IMPROVEMENTS AT AVIATION AND ARTESIA BOULEVARD** [2025-0064](#)

### RECOMMENDATION

CONSIDER:

- A. APPROVING \$1,500,000 in additional programming within the capacity of Measure R Multimodal Highway Subregional Programs for improvements at the intersection of Aviation Blvd at Artesia Blvd in the City of Redondo Beach within the South Bay Subregion as shown in Attachment A; and
- B. AUTHORIZING the Chief Executive Officer or their designee to negotiate and execute all necessary agreements for the Board-approved projects.

Attachments: [Attachment A - Measure R South Bay I-405, I-110, I-105 & SR-91 Imps. Presentation](#)

6. **SUBJECT: EXPO/CRENSHAW JOINT DEVELOPMENT** [2024-1093](#)

### RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO), or designee, to execute and enter into a joint development agreement (JDA), ground lease, and other related documents with Expo Crenshaw Apartments, LP (Developer), for the construction and operation of a mixed-use affordable housing project (Project) on 1.77 acres of Metro-owned property located at the southeast corner of W. Exposition Blvd. and Crenshaw Blvd. (Metro Site), adjacent to the K Line Expo/Crenshaw Station in the City of Los Angeles (Attachment A - Site Map) in accordance with the Summary of Key Terms and Conditions (Attachment B) and upon receipt of concurrence by the Federal Transit Administration (FTA); and
- B. FINDING the Project complies with the requirements of the California Environmental Quality Act (CEQA) for using a Sustainable Communities Environmental Assessment (SCEA) as authorized pursuant to Public Resources Code Section 21155.2(b), which is consistent with the Environmental Studies and Reports set forth in Attachment C, making the CEQA findings set forth further below (CEQA Findings) and authorizing the CEO or designee to file a Notice of Determination for the Project in

accordance with said findings by the Metro Board of Directors (Metro Board).

**Attachments:**      [Attachment A - Site Map](#)  
                                  [Attachment B - Summary of Key Terms and Conditions](#)  
                                  [Attachment C - Environmental Studies and Reports](#)  
                                  [Attachment D - Site Plan and Renderings](#)  
                                  [Presentation](#)

**7. SUBJECT: COMPLETION OF SURFACE TRANSPORTATION PROGRAM-LOCAL (STP-L) ANNUAL APPORTIONMENTS TO LOCAL AGENCIES** [2024-1141](#)

**RECOMMENDATION**

AUTHORIZE:

- A. the reallocation of \$25.74 million of Proposition C discretionary funds from the Access Services (Access) budget to fulfill unprogrammed STP-L funding program balances and;
- B. the Chief Executive Officer (CEO) or their designee to execute STP-L balance fulfillment agreements with local agencies, allowing them to receive their unprogrammed STP-L balances using available non-federal Metro funds.

**Attachments:**      [Attachment A - Summary STP-L Balances for Agencies in Los Angeles County](#)  
                                  [Presentation](#)

**8. SUBJECT: ADOPTION OF THE PROJECT PRIORITIZATION FRAMEWORK FOR THE 2025 SCAG CMAQ/STBG CALL FOR PROJECTS** [2025-0040](#)

**RECOMMENDATION**

AUTHORIZE the CEO or their designee to submit to SCAG the Project Prioritization Framework Metro will use to evaluate and rank projects for Los Angeles County as part of the 2025 SCAG CMAQ/STBG Call for Projects.

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

9. **SUBJECT: VERMONT TRANSIT CORRIDOR ENVIRONMENTAL AND PLANNING STUDY**

[2025-0044](#)

**RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the Vermont Transit Corridor environmental study findings as per Senate Bill 922 Statutory Exemption requirements;
- B. APPROVING the proposed Vermont Transit Corridor Project, a new 12.4-mile at-grade, side-running bus rapid transit (BRT) line with 26 stations at 13 intersection locations (Attachment A), as the Locally Preferred Alternative (LPA);
- C. APPROVING the finding that the Project is statutorily exempt from CEQA under Section 21080.25(b); and
- D. AUTHORIZING the Chief Executive Officer to file a CEQA Notice of Exemption (NOE) for the Project with the Los Angeles County Clerk and the Governor's Office of Planning and Research.

**Attachments:**      [Attachment A - Map of Proposed Project with Station Locations](#)  
[Attachment B - Map of Vermont Transit Corridor](#)  
[Attachment C - September 2022 Board Motion](#)  
[Attachment D - Map of Vermont Corridor EFCs](#)  
[Attachment E - Community Engagement Activities](#)  
[Attachment F - December 2024 Public Meeting Details Presentation](#)

10. **SUBJECT: MAJOR CAPITAL PROJECT GRANTWRITING**

[2025-0052](#)

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate Contract No. PS125381000 to Capitol Government Contract Specialists for Major Capital Project grantwriting services to support Board priorities, in an amount Not-to-Exceed (NTE) \$6,332,734 for a two-year base period, with one, two-year option in the amount of \$6,287,602, for a total NTE amount of \$12,620,336, effective April 7, 2025, subject to resolution of any properly submitted protest(s), if any.

**Attachments:**      [Attachment A - Procurement Summary](#)  
[Attachment B - DEOD Summary](#)

**SUBJECT: GENERAL PUBLIC COMMENT**

[2025-0196](#)

RECEIVE General Public Comment

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

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

**Adjournment**





Board Report

File #: 2025-0064, File Type: Project

Agenda Number: 5.

PLANNING AND PROGRAMMING COMMITTEE  
MARCH 19, 2025

**SUBJECT: PROGRAM FUNDS FOR CITY OF REDONDO BEACH IMPROVEMENTS AT AVIATION AND ARTESIA BOULEVARD**

**ACTION: APPROVE RECOMMENDATION**

**RECOMMENDATION**

CONSIDER:

- A. APPROVING \$1,500,000 in additional programming within the capacity of Measure R Multimodal Highway Subregional Programs for improvements at the intersection of Aviation Blvd at Artesia Blvd in the City of Redondo Beach within the South Bay Subregion as shown in Attachment A; and
- B. AUTHORIZING the Chief Executive Officer or their designee to negotiate and execute all necessary agreements for the Board-approved projects.

**ISSUE**

At the January 2025 meeting, the Board approved the updated project list and proposed changes related to schedules, scope, and funding allocations for existing projects as part of the bi-annual Measure R Multimodal Highway Subregional Program.

The purpose of this Board report is to identify the project that will be added to the updated list and to program additional funds. The project was not included in the January 2025 Measure R Multimodal Highway Subregional Programs - Semi-Annual Update due to an administrative oversight and is needed at this time to avoid delays in the City’s procurement process for the construction of the project.

**BACKGROUND**

Per the Measure R Expenditure Plan, the South Bay Subregion (Line 33) allocated funds for multimodal highway operational improvement subfund programs. In coordination with local jurisdictions, Metro staff lead the implementation and development of multi-jurisdictional and regionally significant highway and arterial projects.

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Local jurisdictions prioritize and develop projects that are within the eligibility of both Measure R and Measure M program criteria. Metro staff worked with the City of Redondo Beach to review the project for eligibility and compliance with the Board-adopted policies outlined in Metro's Complete Streets Policy, Active Transportation Strategic Plan, and First/Last Mile Strategic Plan. Projects are also further evaluated to ensure that projects aim to reduce congestion, resolve operational deficiencies, improve safety, and incorporate multimodal investments.

## **DISCUSSION**

Additional programming in the amount of \$1,500,000 is being requested for improvements at the intersection of Aviation Blvd at Artesia Blvd in the City of Redondo Beach, in the South Bay Subregion, as described below and shown in Attachment A.

### **South Bay I-405, I-110, I-105 & SR-91 Improvements**

A total of \$455,600,337 has been programmed for projects in the South Bay Subregion to date. This update includes funding adjustments for one existing project.

The project improves transportation operations, safety, and accessibility at the intersection of Aviation Boulevard and Artesia Boulevard through the construction of a northbound right-turn lane and various pedestrian enhancements. These roadway improvements will assist in optimization of transit operations at the intersection, benefiting Torrance Transit Lines 8 and 13.

Additionally, the project includes pedestrian safety and accessibility upgrades. These improvements involve replacing sidewalks, curbs, gutters, and driveways, as well as installing handrails, accessible pedestrian push buttons, countdown pedestrian signals, and a new ADA-compliant curb ramp at the southeast corner of the intersection. The project will also feature updated signage and landscaping to further enhance the area's functionality and aesthetics.

The Project is proceeding with the construction phase. The Right-of-Way (ROW) settlement has been finalized, and the Project budget had the necessary funds to cover the cost. However, this nearly exhausts the available funds for the construction phase. The city is scheduled to advertise the construction phase in March, and without the additional \$1.5M, construction would need to be delayed until the funds are secured. The programming of an additional \$1,500,000 for MR312.20 - Aviation Blvd at Artesia Blvd intersection improvements in FY25-26 will result in a revised budget of \$4,957,000.

## **DETERMINATION OF SAFETY IMPACT**

The multimodal subregional programs support the development of a safer transportation system that will provide high-quality multimodal mobility options to enable people to spend less time traveling.

## **FINANCIAL IMPACT**

The highway projects are funded by the Measure R 20% Highway Capital subfund earmarked for the subregions. FY25 funds are allocated for the South Bay subregion, and FY25 funds are allocated in Cost Center 0441 in Project 460312. Funding for this project comes from line 33 of the Measure R

Expenditure Plan.

Since the Measure R Multimodal Highway Subregional Programs are multiyear programs that contain various projects, Countywide Planning and Development will be responsible for budgeting the costs in current and future years.

Impact to Budget

This action will not impact the approved FY25 budget.

The source of funds for these projects is Measure R 20% Highway Funds. This fund source is not eligible for transit capital or operations expenses.

**EQUITY PLATFORM**

This update funds subsequent phases of Board-approved Highway Subsidy grants aligned with the Measure R Board-approved guidelines and the Metro Objectives for Multimodal Highway Investments. The Highway Subsidy Grants offer opportunities to address transportation disparities via the development of projects through city contracts, which lead to locally determined and prioritized projects that represent the needs of cities. As with all subregions, the City of Redondo Beach independently and in coordination with its subregion, undertakes its jurisdictionally determined community engagement process specific to the type of transportation improvement it seeks to develop.

The intersection improvements at Aviation Blvd and Artesia Blvd in Redondo Beach will benefit Equity Focus Communities (EFC's) in the subregion, as the Project will include improvements to new sidewalks, traffic striping and signal detectors to improve upon the safety and operations of the intersection, including Torrance Transit Lines 8 and 13.

**VEHICLE MILES TRAVELED OUTCOME**

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

While the agency remains committed to reducing VMT through transit and multimodal investments, some projects may induce or increase personal vehicle travel. However, these individual projects aim to ensure the efficient and safe movement of people and goods.

This Board item will likely increase VMT in LA County, as it includes an investment that encourages driving alone or increased vehicle travel by funding the construction of a separate northbound right turn lane on Aviation Boulevard at the intersection with Artesia Boulevard to improve vehicular operations for northbound through traffic. The improvements include removing and constructing a

new sidewalk, along with curbs, gutters, and driveways, installing traffic striping modifications, and new signal loop detectors. The project also includes funding for safety improvements to facilitate pedestrian movement through the intersection and to ensure this item fits within the overall agency and statewide goals and to improve vehicular operations for northbound through traffic (including transit buses).

Although this item may not directly contribute to the achievement of the Board-adopted VMT Reduction Targets, the VMT Targets were developed to account for the cumulative effect of a suite of programs and projects within the Metro region, which individually may induce or increase VMT. Additionally, Metro has a voter-approved mandate to deliver multimodal projects that enhance mobility while ensuring the efficient and safe movement of people and goods.

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

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

The recommendation supports the strategic plan goal:

“Goal 1: Provide high-quality mobility options that enable people to spend less time traveling.”

Goal 1.1. Approval of the multimodal highway subregional programs will expand the transportation system as responsibly and quickly as possible as approved in Measure R and M to strengthen and expand LA County's transportation system.

“Goal 4: Transform LA County through regional collaboration”

Goal 4.1. Metro will work closely with municipalities, council of governments, Caltrans to implement holistic strategies for advancing mobility goals”

### **ALTERNATIVES CONSIDERED**

The Board may choose not to approve the funding allocation for this project. However, this option is not recommended as it will delay the development of the construction phase and will face significant cost implications by delaying the required amendments.

### **NEXT STEPS**

Staff will begin working on amending the Funding Agreement. Metro staff will also continue working with the South Bay Subregion and the other subregions for their consideration of multimodal investments within the Measure R Multimodal Highway Subregional Program.

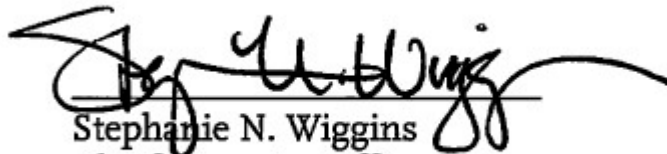
### **ATTACHMENTS**

Attachment A - Measure R South Bay I-405, I-110, I-105 & SR-91 Improvements - March 2025

Prepared by: Roberto Machuca, Deputy Executive Officer, Complete Streets and Highways,  
(213) 418-3467

Michelle Smith, Executive Officer, Complete Streets and Highways, (213) 547-4368  
Avital Barnea, Senior Executive Officer, Multimodal Integrated Planning, (213) 547-4317

Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274



Stephanie N. Wiggins  
Chief Executive Officer

Agency	Project ID No.	PROJECT/LOCATION	Funding Phases	Note	Prior Alloc	Alloc Change	Current Alloc	Prior Yr Program	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30
<b>Total Measure R Programmed to Date</b>					<b>1,834,858</b>	<b>1,500</b>	<b>1,837,763</b>	<b>1,686,829</b>	<b>102,695</b>	<b>29,015</b>	<b>5,655</b>	<b>5,365</b>	<b>2,300</b>	<b>4,200</b>
<b>South Bay I-405, I-110, I-105, &amp; SR-91 Ramp / Interchange Imps (Expenditure Line 33)</b>					<b>454,100.2</b>	<b>1,500.0</b>	<b>455,600.3</b>	<b>427,624.1</b>	<b>19,967.0</b>	<b>2,667.5</b>	<b>1,976.4</b>	<b>3,365.3</b>	<b>0.0</b>	<b>0.0</b>
Redondo Beach	MR312.20	Aviation Blvd at Artesia Blvd intersection improvements (Northbound right turn lane)	PS&E, ROW, Construction	CHG	3,457.0	1,500.0	4,957.0	2,457.0	1,000.0	1,500.0				
<b>TOTAL REDONDO BEACH</b>					<b>16,801.0</b>	<b>1,500.0</b>	<b>18,301.0</b>	<b>15,801.0</b>	<b>1,000.0</b>	<b>1,500.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL SOUTH BAY PROGRAMMING</b>					<b>454,100.2</b>	<b>1,500.0</b>	<b>455,600.3</b>	<b>427,624.1</b>	<b>19,967.0</b>	<b>2,667.5</b>	<b>1,976.4</b>	<b>3,365.3</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Measure R Programmed to Date</b>					<b>1,834,858</b>	<b>1,500</b>	<b>1,837,763</b>	<b>1,686,829</b>	<b>102,695</b>	<b>29,015</b>	<b>5,655</b>	<b>5,365</b>	<b>2,300</b>	<b>4,200</b>

**Definitions:**

Lead Agency is the primary project manager for the administration of scope and use of funds  
 Funding Agreement (FA): references the agreement number on file with Metro  
 Project Location: Describes the general scope and parameters of the project  
 Project Phase identifies which lifecycle phase the project is in at the time of reporting noted as follows:  
*PI - Project Initiation / PE - Preliminary Engineering / EA - Environmental Analysis / FD - Final Design / ROW - Right of Way Acq / CON - Construction*  
 Notes: Provide a quick reference to reported change for the period such as:  
*Add - Addition of a new project / REP - Reprogram of funds / CHG - Change in funding / SCAD - Scope Addition / SCCH - Scope Change / BAD - Budget Adjustment / DEL - Deletion*  
 Prior Allocation identifies the reported project allocation reported in the previous report  
 Alloc Change denotes the amount of change occurring in the current reporting period.  
 Current Allocation identifies the total current allocation planned for a project. This includes the prior year Programming and the sum of the future fiscal years



# Program Funds for City of Redondo Beach Improvements at Aviation and Artesia Boulevard



MARCH 2025

# Staff Recommendation

## CONSIDER:

- A. APPROVING \$1,500,000 in additional programming within the capacity of Measure R Multimodal Highway Subregional Programs for improvements at the intersection of Aviation Blvd at Artesia Blvd in the City of Redondo Beach within the South Bay Subregion as shown in Attachment A; and
- B. AUTHORIZING the Chief Executive Officer or their designee to negotiate and execute all necessary agreements for the Board-approved projects.





# Project Map



- Subject Property (± 54,885 Sq Ft)
- R/W Acquisition (1,813 Sq Ft)
- Temp. Construction Easement (1,440 Sq Ft)



# Equity Section

- The South Bay subregion comprises of 15 cities and the adjacent unincorporated area of Los Angeles County. Although there are no Equity Focus Communities (EFC's) within the City of Redondo Beach, there are EFC's in Gardena, Hawthorne, Inglewood, the City of Los Angeles, and the unincorporated County of Los Angeles. Eighteen percent of the census tracts are defined as EFC in the Subregion.
- The intersection improvements at Aviation Blvd and Artesia Blvd in Redondo Beach will benefit EFC's in the subregion, as the Project will include improvements to new sidewalks, traffic striping and signal detectors to improve upon the safety and operations of the intersection, including Torrance Transit Lines 8 and 13.





## Board Report

File #: 2024-1093, File Type: Project

Agenda Number: 6.

### PLANNING AND PROGRAMMING COMMITTEE MARCH 19, 2025

**SUBJECT: EXPO/CRENSHAW JOINT DEVELOPMENT**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer (CEO), or designee, to execute and enter into a joint development agreement (JDA), ground lease, and other related documents with Expo Crenshaw Apartments, LP (Developer), for the construction and operation of a mixed-use affordable housing project (Project) on 1.77 acres of Metro-owned property located at the southeast corner of W. Exposition Blvd. and Crenshaw Blvd. (Metro Site), adjacent to the K Line Expo/Crenshaw Station in the City of Los Angeles (Attachment A - Site Map) in accordance with the Summary of Key Terms and Conditions (Attachment B) and upon receipt of concurrence by the Federal Transit Administration (FTA); and
- B. FINDING the Project complies with the requirements of the California Environmental Quality Act (CEQA) for using a Sustainable Communities Environmental Assessment (SCEA) as authorized pursuant to Public Resources Code Section 21155.2(b), which is consistent with the Environmental Studies and Reports set forth in Attachment C, making the CEQA findings set forth further below (CEQA Findings) and authorizing the CEO or designee to file a Notice of Determination for the Project in accordance with said findings by the Metro Board of Directors (Metro Board).

#### **ISSUE**

Since 2017, Metro staff, the County of Los Angeles (County), and the Developer have collaborated under a Metro Board and County Board of Supervisors (County Board) approved Exclusive Negotiation Agreement and Planning Document (ENA) to conduct community engagement, refine the design of a mixed-use affordable housing project to be developed on both the Metro Site and the County-owned property located at 3606 Exposition Blvd. (County Site), negotiate key terms and conditions for a JDA and ground lease, and study relevant CEQA issues. In order to advance the Project into construction, staff recommends that the Metro Board adopt the CEQA findings set forth herein, and authorize the CEO to (i) execute a JDA and subject to the satisfaction of conditions under the JDA, execute a ground lease, both in accordance with the terms and conditions set forth in the

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Summary of Key Terms and Conditions (Term Sheet) attached as Attachment B; and (ii) adopt CEQA findings.

## **BACKGROUND**

The Metro Site was originally purchased to serve as a Park-and-Ride for the K Line Station. In response to a March 2015 motion by the Metro Board, staff initiated joint development (JD) planning activities in partnership with Los Angeles County (acting through the Community Development Commission of the County of Los Angeles, now known as Los Angeles County Development Authority) for the Metro Site and County Site (collectively, the Sites). In 2016, staff received FTA approval to use the Metro Site for joint development instead of parking. The interim use has been construction staging, and with K Line construction completed, the Metro Site now sits vacant.

In June 2016 the Metro Board authorized entering into an implementation MOU, and Metro and County staff worked jointly in administering the JD process for both Sites. Following extensive community input on future development of the Sites, Development Guidelines were adopted by the Metro Board in June 2016 and integrated into a Request for Proposals (RFP) issued in 2017 for the Sites. In late 2017/early 2018, the Metro Board and County Board approved entering into a six-month ENA with Watt Companies doing business as WIP-A LLC (Watt, predecessor-in-interest to Developer), for a mixed-use affordable development of approximately 400 residential rental units (15% of which would be affordable) across both Sites (Metro-County Project). In the spring of 2018, Watt entered into an agreement with West Angeles Community Development Corporation (WACDC) to provide support in the delivery and operation of the Metro-County Project.

During the ENA period, Watt, WACDC, and Metro staff hosted four events with over 300 representatives from resident associations, business groups, faith-based organizations, and other community-based organizations. In response to community feedback, Watt revised the Metro-County Project proposal to reserve at least 20% of the units for households earning 60% of Area Median Income (AMI) or less. Following County and Metro Board approvals, a longer-term ENA was executed on October 15, 2018, between Metro, the County, and Watt. To allow for additional time to secure entitlements and funding, the Metro Board authorized additional extensions in November 2019 and March 2021. In April 2022, the Metro-County Project received entitlements from the City of Los Angeles.

In response to additional outreach and feedback from the community expressing a desire for the Metro-County Project to include more affordable housing, in 2022, Watt further revised the scope to reserve 100% of the residential rental units for households earning between 30% to 80% of AMI. With the goal of making the Metro-County Project more competitive for affordable housing financing sources, Watt and WACDC expanded their team and partnered with The Richman Group of California Development Company LLC (Richman) and the Housing Authority of the City of Los Angeles (HACLA); together these constituent entities or affiliates thereof formed a limited partnership called Expo Crenshaw Apartments, LP (the current Developer). In February 2023, the Metro Board approved an up-to 24-month extension and authorized the assignment of the ENA to a Developer entity comprised of the aforementioned entities or affiliates/instrumentalities of such entities. In March 2023, Watt assigned the ENA to the Developer, which, consistent with the Board authorization, is comprised of: (1) Expo Crenshaw GP, LLC, a Delaware limited liability company, which is a joint

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venture entity comprised of affiliates of Richman and Watt, acting as the administrative general partner; (b) La Cienega LOMOD, Inc., a California nonprofit public benefit corporation (an affiliate of HACLA), acting as the managing general partner; (c) West Angeles Villas LLC, a California limited liability company, which is an affiliate of WACDC, as a co-general partner; and (d) Richman, as the initial limited partner. The current ENA expires in April 2025.

## **DISCUSSION**

### **The Metro Site and the Project**

When the Project shifted to a 100% income-restricted development, the Developer determined they would be more successful in securing funding if they submitted separate funding applications for the Metro Site and County Site. Although entitled together, the development of the Sites is now proceeding independently with separate financing plans and schedules.

The Project on the Metro Site proposes the construction, operation, and maintenance of an affordable housing project that includes approximately 176 residential for-rent units, of which two (2) will be unrestricted property manager units. For the entire ground lease term, all of the units (which are a mix of studios, one-, two-, and three-bedroom units), will (a) be reserved for households earning between thirty percent (30%) of AMI and eighty percent (80%) of AMI, with at least fifteen percent (15%) of the units being reserved for households earning thirty percent (30%) of AMI, and (b) be rented to such households at affordability levels consistent with applicable laws. Residential amenities will include a fitness center, multipurpose rooms, laundry room, lounge areas, outdoor amenity spaces, and a landscaped viewing deck. Community amenities include approximately 24,000 square feet of commercial space, approximately 4,500 square feet of community-serving space reserved for neighborhood retail, and 230 parking spaces, including nine stalls reserved exclusively for Metro Facilities Maintenance or other operational needs. The Developer is in advanced negotiations with a grocer to serve as the anchor tenant in the ground-floor commercial space of the Project. Since JD planning activities for this Site began in 2015, stakeholders have consistently emphasized to Metro the need for improved access to essential food items, fresh produce, and job opportunities. See Attachment D - Site Plan and Renderings.

### **JDA and Ground Lease Terms**

The terms of the JDA, as set forth in greater detail in the attached Term Sheet, are focused on the Developer bringing the Project through full financing and construction readiness. The following are some of the key JDA terms and conditions recommended by staff:

- A term of three years with an option to extend up to two additional 12-month periods.
- Provide Metro with a Holding Rent of \$3,530/month during the JDA term, which would be credited towards the one-time capitalized rent due at execution of the ground lease.
- Provide Metro with the right to review and approve the design of the Project as it progresses to completion.
- Reimburse Metro for transaction-related costs, such as design and financial review.
- Set forth the conditions for executing the ground lease, including verifying project financing, governmental approvals, payment and performance bonds, and a completion guaranty are in place.

The unsubordinated ground lease would be executed once the conditions set forth in the

JDA are met. As described in greater detail in the attached Term Sheet, the following represent some of the key ground lease terms and conditions recommended by staff:

- A term of 75 years.
- Restriction to ensure continued affordability for the full term of the ground lease.
- Provides Metro with a maximum compensation of \$8,475,000 which would be accumulated through the following:
  - A one-time capitalized ground rent payment of \$1,000,000 upon executing the ground lease for the housing portion of the Project;
  - 10% of annual residual receipts for the housing portion of the Project; and
  - 20% of all net proceeds from the sale and/or refinancing of the Project.
- In addition to the above, also provides Metro with 15% of all annual commercial net rent paid, unless such businesses are providing goods or services essential to the daily needs of residents (further described below).
- Provides Metro with funds via a deposit to cover construction management and related inspection costs.

#### Affordable Housing Ground Lease Rent Discount

In October 2023, the Metro Site was appraised at a fair market value (FMV) of \$16,950,000. Rising construction costs, interest rate inflation, costs for commercial prevailing wage, geotechnical impacts (high water table), design/construction costs associated with development near complex transit infrastructure, and financing/operating expenses associated with a 100% affordable housing project significantly reduce the amount of funds available for ground rent. Based on staff analysis and third-party underwriting, the maximum capitalized ground lease payment that may be made to Metro while preserving the financial feasibility of the Project is \$1,000,000. In addition to the \$1,000,000 one-time, up-front ground rent payment, once the Project is in operation, Metro will receive 10% of annual residual receipts, as available, and be entitled to 20% of all sale or refinancing net proceeds of the Project. Inclusive of these potential revenues, the ground lease provides Metro with a maximum compensation of \$8,475,000, representing a 50% discount from the FMV of the Metro Site, or \$48,153 per unit which is the equivalent of \$642 per unit per year over the term of the ground lease.

Early in the engagement process, stakeholders communicated support to Metro and the Developer for affordable housing on the Sites and expressed preferences which informed the current unit makeup. Although the Project does not include a permanent supportive housing component for which much of the affordable housing financing currently available is targeted, the Developer has secured 100 project-based vouchers from HACLA and approximately \$67.6M in grant funding, representing approximately 42% of the total development costs of \$162.2M. While the Project will be one of the largest in the Metro joint development portfolio, affordable housing funding sources place limits on the per unit subsidy a project is eligible for and typically favor smaller projects which contribute to the Project's unique funding constraints.

#### Commercial Ground Lease Rent

If any of the Project's commercial space is subleased to businesses that provide goods or services essential to the daily needs of residents within the Project or within a 1-mile radius of the Site, no commercial rent will be owed to Metro. Such uses may include, but are not limited to, grocery stores, pharmacies, restaurants, cafés, barbershops, hair salons, childcare facilities, and other similar

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neighborhood-serving businesses, as determined by Metro. If Metro determines the commercial use is not providing essential services to the community, the ground lease will require Metro receive 15% of all annual net rent paid for commercial uses, in addition to the upfront \$1,000,000 rent payment and 10% of the annual residual receipts for the housing portion of the Project, and 20% of all net proceeds from the sale and/or refinancing of the Project. Grocery stores are generally unable to contribute to ground lease rent payments as they operate on profit margins of just one to three percent, largely due to high costs for refrigeration, lighting, transportation, and spoilage. These high operating costs make it difficult to attract grocery stores, often resulting in food deserts. To help secure a grocery store tenant, Metro staff and third-party financial consultants have determined the commercial space should not be required to contribute to ground lease payments. In addition to the 174 affordable residential rental units, the inclusion of a grocery store will deliver a long-desired community benefit.

Metro's financial consultant has verified that the Developer has pursued all reasonable subsidies for the Project and has also indicated that the Project's cost is reasonable. These determinations have led the consultant to conclude that the discounted ground lease rent is justified and needed to make the Project financially viable.

If the Metro Board approves the JDA and ground lease terms, with site control, the Developer will pursue the maximum funding the Project is eligible for in tax credit equity, conventional debt, and other affordable housing financing sources. Per the JDA, the Project must be fully financed before entering into the ground lease.

#### CEQA Findings

Metro, acting as a responsible agency under CEQA, reviewed and considered the Project's Sustainable Communities Environmental Assessment (SCEA) and Erratum dated September 2021 (Erratum) and Mitigation and Monitoring Program (MMP) prepared and adopted pursuant to Public Resources Code Section 21155.2(b) by the City of Los Angeles (City) as the lead agency. The Metro Board has independently reviewed and considered the information contained in the SCEA, Erratum, and MMP and reached its own conclusions regarding the environmental effects of Metro's approval related to the Project as shown in the SCEA and the Erratum. The City's MMP is adequately designed to ensure compliance with the mitigation measures related to Metro's approvals during Project implementation. There is no substantial evidence that the Project will have a significant effect on the environment. With respect to each significant effect on the environment required to be identified in the initial study for the SCEA, and for the reasons set forth in the SCEA and supporting documents and the City's environmental findings, all such effects have been analyzed in the SCEA and changes or alterations have been required in or incorporated into the Project that avoid or mitigate the significant effects to a level of insignificance or those changes and alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency. Metro's actions are within the scope of the City's SCEA and Erratum. None of the changes or factors identified in CEQA Guidelines 15162 and 15164 have arisen since the City's approval of the SCEA and the Project. Subject to and consistent with these findings, it is recommended that the Metro Board authorize staff to file a Notice of Determination for the Project with the Los Angeles County Registrar-Recorder/County Clerk and the State Clearinghouse of the Governor's Office of Planning and Research.

### Compliance with Surplus Land Act (SLA)

The proposed ground leasing of the Metro Site for the Project qualifies for the “grandfathering provision” of the Surplus Land Act (Cal. Gov’t Code Section 54220 *et seq.*, hereinafter, SLA), pursuant to Government Code Section 54234, subdivision (a)(3). In order to qualify for the “grandfathering provision,” (i) prior to September 30, 2019, a public agency must have issued a competitive request for proposals for the development of property that includes at least 100 residential units (and at least 25 percent of the total residential units are restricted to lower-income households, as defined in the statute, with an affordable rent, as defined in Section 50053 of the Health and Safety Code, for a minimum of 55 years for rental housing), and (ii) a disposition and development agreement for the property must be entered into no later than December 31, 2027. As discussed in this report, a competitive solicitation process for the development of the Metro Site was initiated in 2017; the proposed Project meets the requirements concerning the number of units and percentage of units restricted to lower-income households, with an affordable rent; and following Metro Board approval, staff intends on entering into the JDA (which meets the definition of “disposition and development agreement” under the SLA) prior to December 31, 2027. As such, the ground leasing of the Metro Site for the Project would meet the requirements of the SLA “grandfathering provision” pursuant to Section 54234(a)(3) and, upon Metro Board approval, Metro may proceed with execution of the JDA.

### Federal Transit Administration Review

The Metro Site was acquired using grant funding from the FTA. Metro has submitted the terms of the JDA and ground lease to FTA through their Joint Development Review process to ensure that the FTA is aware of the proposed Term Sheet and has no objections to the overall deal structure, including the proposed rental discount for affordable housing. Execution of the JDA is subject to receipt of FTA concurrence.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item would improve safety and security conditions immediately around the K Line Station as well as the adjacent E Line Station. By replacing the vacant fenced lot with this Project, the respective stations will have a 24-hour presence of residents who will be able to monitor or report activities. The Developer will pay for Metro Construction Management staff to oversee the construction of the Project to ensure that it does not adversely impact the Metro Site or the continued safety of staff, contractors, and the public. Project oversight will be conducted via existing Metro processes. The Developer will submit Construction Work Plans, Track Allocation Requests, and all other required documentation for review and approval by Metro staff. 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**

Financial compensation under the JDA and the ground lease is fair and reasonable as determined in the third-party financial feasibility analysis. Per the ground lease, the \$1M capitalized ground rent payment to Metro is guaranteed. Metro’s receipt of the remaining \$7,475,000 will depend on the Project’s financial performance. The ground lease will require annual financial reports for Metro’s review to ensure compliance with all terms.



### Impact to Budget

Funding for activities related to the Project is included in the FY25 Budget under Project Code 401300 (Joint Development 10K Homes), Cost Center 2210. Furthermore, Metro staff, legal and consultant costs (excluding JD staff and in-house counsel time, which are covered by the program budgets) would be recovered from the Developer via a nonrefundable fee of \$50,000. No Metro funds are used to entitle or construct the Project.

### EQUITY PLATFORM

The proposed Metro Board action will allow Metro to work with the Developer to advance towards construction of the Project, creating 174 units of affordable housing, approximately 24,000 square feet of commercial space, approximately 4,500 square feet of community-serving space reserved for neighborhood retail, a fitness center, outdoor amenity spaces, and other transit-supportive amenities. The Project will also benefit adjacent community members who may utilize the proposed full-service grocery store. Per the RFP issued in 2017, construction of the Project will be subject to the County's Local Hire Policy which establishes a goal that 30% of the construction hours be performed by qualified Local Residents from low-income zip codes, and a goal that 10% of the construction hours be performed by Targeted Workers facing barriers to employment. The Project will deliver affordable housing, enhanced public infrastructure, jobs, and other transit-supportive amenities benefiting community members adjacent to the Project as well as other low-income Los Angeles County residents.

Consistent with the Equity Platform pillar "listen and learn," the Project has gone through a lengthy and extensive community engagement process which directly led to revisions to the Project scope. Before initiating the developer selection process, from 2015 to 2016 Metro JD staff attended more than 25 community meetings and events to introduce the Metro JD process to local stakeholders and to build relationships in order to better understand the community priorities for future development along the K Line. During the ENA period, the Developer and Metro staff hosted events that were promoted via the distribution of 5,000 flyers within one-half mile of the Sites, e-blasts, social media, phone calls, and a Metro-County Project website. In 2019, an online survey aimed at gathering input on the Metro-County Project was circulated and over 200 responses were received. From 2020 to 2023, in addition to the City of Los Angeles' required public hearings, the Developer conducted outreach to more than a dozen community groups including neighborhood councils, block clubs and other local stakeholder organizations. The Developer has created and continues to maintain deep relationships with stakeholders. The Developer and Metro staff will continue to actively engage with and be responsive to all stakeholders throughout the construction and eventual operations of the Project. 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 construction nears completion, affirmative marketing strategies will be utilized to encourage local residents within the income thresholds to apply for housing in the Project. As noted in Attachment B, the Developer is required to notify Metro prior to leasing the affordable residential units.

### VEHICLE MILES TRAVELED OUTCOME

Vehicle Miles Traveled (VMT) and VMT per capita in Los Angeles County are lower than national

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averages, the lowest in the Southern California Association of Governments (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.

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 (TDM) 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. Parking for residents will be "unbundled" from the residential units, meaning parking spaces will be a separate charge from rent thus encouraging households to go car-free. With these strategies, the household VMT per capita was forecasted to be 6.0 and no work VMT. The Project has also been awarded Affordable Housing Sustainable Community (AHSC) funding which provides tenants of 109 of the residential units with transit passes for three (3) years. 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.

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

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

These recommendations support the 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 proposed Project will deliver several community benefits, including transit-accessible affordable housing and new commercial/community space.

## **ALTERNATIVES CONSIDERED**

The Metro Board could choose not to authorize the execution of the JDA and ground lease. Staff is not recommending this option because the proposed Project is the product of a competitive solicitation, has had several years of extensive community engagement, has received entitlements from the City of Los Angeles, and is consistent with the goals of Metro's Joint Development Policy. Further, the terms of the proposed JDA and ground lease are fair and reasonable given the community benefits associated with this large-scale, 100% affordable housing development. Electing not to authorize execution of the JDA and ground lease would unnecessarily delay development of the Metro Site, inhibit the community from accessing a potential grocery store (or other community-serving use), and jeopardize the construction of 174 affordable housing units which are designated to serve very low- and low-income households.

**NEXT STEPS**

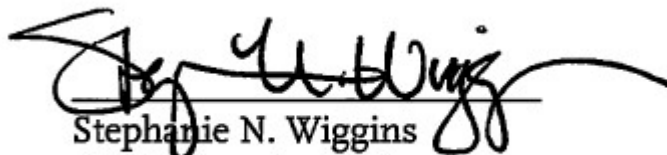
Upon approval of the recommended actions and necessary approval by FTA, staff would finalize and execute the JDA and file the Notice of Determination with the County Clerk and State Clearinghouse. Staff and the Developer will work to satisfy the conditions under the JDA necessary to finalize the ground lease in preparation for the construction of the Project. The JDA, ground lease, and related documents will be executed thereafter in substantial accordance with the terms and conditions set forth in Attachment B. In particular, the Developer will work to secure all financing necessary for the construction of the Project, which may commence on the Metro Site as early as 2026.

**ATTACHMENTS**

- Attachment A - Site Map
- Attachment B - Summary of Key Terms and Conditions
- Attachment C - Environmental Studies and Reports
- Attachment D - Site Plan and Renderings

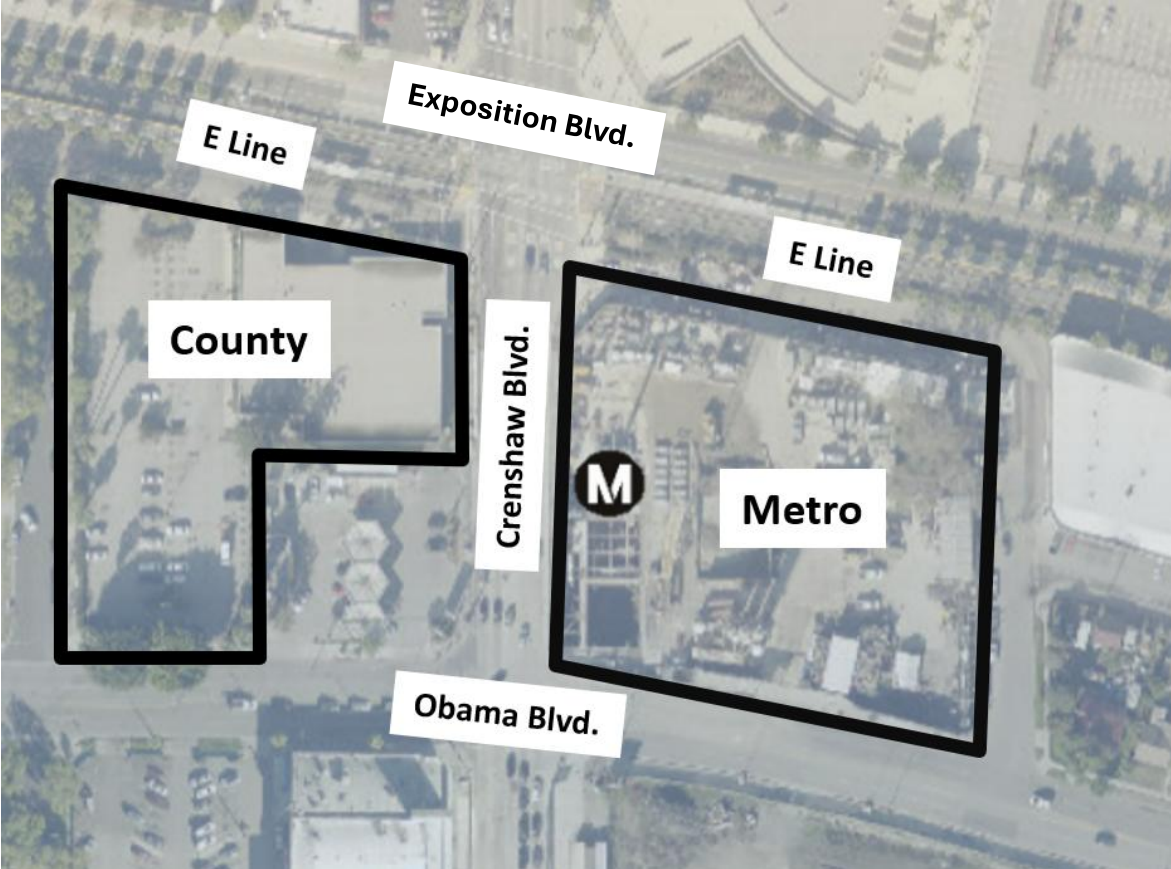
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Stephanie N. Wiggins  
Chief Executive Officer

Site Map



**Non-Binding Summary of Key Terms and Conditions  
for  
Joint Development Agreement and Ground Lease**

**Expo/Crenshaw Joint Development Project of**

**LACMTA Property**

**Dated:** \_\_\_\_\_

This Non-Binding Summary of Key Terms and Conditions (“**Term Sheet**”) outlines the key terms and conditions of a development transaction by and between the Los Angeles County Metropolitan Transportation Authority (“**LACMTA**,” “**Lessor**” or “**Agency**”), as lessor, and Expo Crenshaw Apartments, LP, a Delaware limited partnership (“**Developer**”). Each of Lessor and the Developer are occasionally referred to herein as a “**Party**” and collectively as the “**Parties**.”

Developer intends to develop certain real property owned by Lessor, which is located at the intersection of Crenshaw and Exposition Boulevards, adjacent to the LACMTA Expo/Crenshaw light rail station in the City of Los Angeles (“**Expo/Crenshaw Station**”), with a mixed-use development project (the “**Project**”), as more particularly described in Section 1.4. The purpose and intent of this Term Sheet is to set forth the general terms and conditions pursuant to which the Parties would consider entering into a proposed Joint Development Agreement (“**JDA**”) and, upon satisfaction of certain conditions precedent set forth in the JDA, ground lease (the “**Ground Lease**”), which will set forth the terms and conditions for the development of the Premises (as defined in Section 1.2) with the Project.

Because this Term Sheet (i) is not intended by any Party to be binding, (ii) does not contain all of the terms and conditions needed to create a binding contract with regard to the JDA or the Ground Lease, (iii) has not been approved by either LACMTA’s Board of Directors (“**LACMTA Board**”), which approval is required under law prior to the execution of either the JDA or Ground Lease, and (iv) LACMTA’s Board has not completed all required review and made any required determinations in compliance with the California Environmental Quality Act, Public Resources Section 21000 *et seq.* (“**CEQA**”), this Term Sheet shall be nonbinding. Without limitation of the foregoing, except as set forth in the immediately following paragraph, nothing in this Term Sheet shall constitute a covenant or representation by any Party or obligate any Party to negotiate with any other Party concerning any matter contemplated by this Term Sheet or otherwise.

**ARTICLE 1.  
GENERAL DESCRIPTION**

**1.1 DEVELOPER:**

1.1.1 Developer is a Delaware limited partnership that consists of the following: (a) Expo Crenshaw GP, LLC, a Delaware limited liability company, which is a joint venture entity comprised of affiliates of The Richman Group of California Development Company LLC, a California limited liability company (“**Richman**”) and Watt Companies, LLC, a California limited liability company (“**Watt**”), acting as the administrative general partner; (b) La Cienega LOMOD, Inc., a California nonprofit public benefit corporation (an affiliate of the Housing Authority of the City of Los Angeles), acting as the managing general partner; (c) West Angeles Villas LLC, a California limited liability

company, which is an affiliate of West Angeles Community Development Corporation, a California limited liability company, as a co-general partner; and (d) Richman, as the initial limited partner.

1.1.2 Developer shall be permitted, upon prior approval by LACMTA to assign its right, title, and interests in and under the JDA, including the right to enter into a Ground Lease with Lessor for the development and construction of the Project, to an Affiliate. As used herein, an “**Affiliate**” is an entity formed and Controlled (as defined in Section 6.7.4) by Developer for the development and construction of the Project (as defined in Section 1.4.1).

1.2 **DEVELOPMENT SITE:** LACMTA is the fee owner of approximately 98,000 square feet of real property that is adjacent to the Expo/Crenshaw Station on the southeast corner of Exposition and Crenshaw Boulevards in the City of Los Angeles, commonly known as 3630 S. Crenshaw Boulevard, 3642 S. Crenshaw Boulevard, 3510 W. Exposition Boulevard, 3505 W. Obama Boulevard, and 3635 S. Bronson Avenue, as depicted on Exhibit A (the “**LACMTA Property**”).

The portions of the LACMTA Property to be leased by the Developer are referred to herein as the “Premises” and depicted in Exhibit B.

1.3 **DEDICATIONS:** Lessor will consider any dedications and grants of Lessor real property rights to the City of Los Angeles or other public or quasi-public entities as are reasonably necessary to support the development, construction, and operation of the Project, subject to acceptable compensation to the Agency. Dedications and grants approved by Lessor shall be referred to herein as “**Dedications.**”

1.4 **PROPOSED PROJECT:**

1.4.1 Project. The proposed Project will be constructed at Developer’s sole cost and expense (except that Lessor shall bear its own costs and expenses in connection with its oversight functions related to the Project and negotiation and drafting of the JDA, Ground Lease and related documents, to the extent not constituting reimbursable Agency Transaction Costs (defined in Section 7.1)), and shall satisfy the following:

1.4.1.1 include an affordable housing project that satisfies the requirements of Section 54234(a)(3) of the California Government Code and includes approximately one hundred seventy-six (176) residential for-rent units, all of which shall, for the entire Ground Lease Term (as defined in Section 4.5), (a) be reserved for households earning between thirty percent (30%) of Area Median Income as defined by the U.S. Department of Housing and Urban Development for the Los Angeles-Long Beach Metropolitan Statistical Area (“**AMI**”) and eighty percent (80%) of AMI, with at least fifteen percent (15%) of the units being reserved for households earning thirty percent (30%) of AMI, and (b) be rented to such households at an affordable rent, as defined in Section 50053 of the California Health and Safety Code (“**Affordable Housing Project**”);

1.4.1.2 include commercial ground floor retail space (the “**Commercial Project**”), which may include space in the Project that is subleased for businesses that provide goods or services essential to the daily needs of residents within the Project or within a 1-mile radius of the Premises. Such uses may include, but are not limited to, grocery stores, pharmacies, restaurants, cafés, barbershops, hair salons, childcare facilities, and other similar neighborhood-serving businesses, as determined by LACMTA;

1.4.1.3 include approximately two hundred thirty (230) vehicle parking spaces serving the Project), with nine (9) vehicle spaces reserved for LACMTA’s exclusive use;

and 1.4.1.4 include approximately one hundred sixty (160) bicycle parking spaces;

1.4.1.5 be constructed to LEED Silver Standard or its equivalent.

## **ARTICLE 2. GENERAL CONDITIONS**

### **2.1 FEDERAL TRANSIT ADMINISTRATION APPROVAL:**

2.1.1 The LACMTA Property was acquired by LACMTA using Federal Transit Administration (“**FTA**”) funds, and the K Line and Expo/Crenshaw Station were constructed using similar funding sources. Therefore, the construction and operation of the Project, and the Ground Lease transaction, Dedications and other development-related matters contemplated in this Term Sheet are subject to funding source approvals (collectively, “**Funding Approvals**”):

2.1.1.1 applicable FTA-approval/concurrence; and

2.1.1.2 LACMTA confirmation that such actions will not violate any bond funding related requirements or restrictions imposed on LACMTA, the LACMTA Property or the K Line;

2.1.2 LACMTA will seek the required Funding Approvals as soon as possible.

### **2.2 DEVELOPMENT ENTITLEMENTS AND OTHER LEGAL REQUIREMENTS:**

2.2.1 Developer has, or prior to execution of the Ground Lease for the Project will have, at its sole cost and expense (except that Lessor shall bear its own costs and expenses in connection with the negotiation and drafting of the JDA, Ground Lease and related documents, to the extent not constituting reimbursable Agency Transaction Costs) obtained all required entitlements for the Project, including adoption of CEQA findings, and shall comply with all applicable requirements of the the applicable governmental body having or asserting the jurisdiction to grant such entitlements “**Entitling Agency**,” as well as any other applicable legal requirements related to or required for the development, construction and operation of the Project, including, but not limited to, compliance with County of Los Angeles Local and Targeted Worker Hire Policy (see Attachment C of the LACMTA and County jointly issued Request for Proposals No. PS37025 issued on January 10, 2017). Prior to entering into the JDA, any Ground Lease or any other transaction documents, the LACMTA Board will need to make the requisite findings as a responsible agency (or lead agency, as applicable) pursuant to CEQA requirements.

2.2.2 Developer intends to process an air rights subdivision of the Premises, pursuant to which the Affordable Housing Project will be located on one or more separate legal parcels (collectively, the “**Affordable Parcel**”) and the Commercial Project will be located on one or more separate legal parcels (collectively, the “**Commercial Parcel**”). The Commercial Parcel will contain the parking structure to be constructed as part of the Project and all of the retail space in the Project.

2.2.2.1 Developer shall have the right, upon prior approval by LACMTA to assign to an Affiliate, all of Developer’s rights, title, and interests in and under the JDA with respect to the Commercial Parcel, which entity shall own the leasehold rights to the Commercial Parcel once a Ground Lease for the Commercial Parcel is executed (the “**Commercial Project Owner**”). If requested by Developer, LACMTA shall enter into a separate Ground Lease with respect to any Commercial Parcel, which Ground Lease terms and conditions shall be consistent with the terms and conditions applicable to a Ground Lease, as set forth in this Term Sheet.

2.2.2.2 Prior to completion of construction of the Project, a final map (the “**Final Map**”) will be recorded against the Premises.

2.2.2.3 In addition, concurrent with recordation of the Final Map, a reciprocal easement agreement (the “**REA**”) will be recorded against the Premises. The REA will set forth the rights and responsibilities of the Developer and Commercial Project Owner, including, among other matters, (a) Developer’s obligation to pay for its pro rata share of the cost of developing and operating the common areas in the Project, (b) the Commercial Project Owner’s obligation to pay its pro rata share of the cost of developing and operating the common areas in the Project, and (c) the Commercial Project Owner’s obligation to maintain the common areas and common building systems within the Project in accordance with the terms of the REA.

2.3 **AS-IS CONDITION:** Developer acknowledges and agrees that it shall accept the Premises “as is,” solely in reliance upon Developer’s own investigation, inspection, and research, and that no representations or warranties of any kind whatsoever, express or implied, have been made by LACMTA. Any information provided or disclosure made by LACMTA to Developer shall not constitute a representation or warranty regarding the condition or title to the Premises. Furthermore, Developer shall assume the cost and expense for the removal of any contaminated materials, toxic or hazardous substances, and asbestos on the Premises.

2.4 **SITE REMEDIATION:** Developer shall perform any required remediation or abatement deemed necessary in accordance with environmental and soils studies to be performed, if any.

2.5 **COMPLIANCE WITH LAWS:** During the term of the JDA and Ground Lease, Developer and Ground Lessee (as defined in [Section 4.1](#)), as applicable, at their sole expense, shall comply with all applicable federal, state and local laws, ordinances, regulations, rules and orders with respect to their respective rights and responsibilities under the JDA and Ground Lease. Furthermore, Developer shall acknowledge in the JDA that, in Lessor’s performance of its obligations and adherence to the terms and conditions of the JDA, Lessor is subject to all applicable federal and state laws (including, but not limited to, California Government Code Section 54220 *et seq.* (the “**Surplus Land Act**”), and that Lessor shall not be obligated to perform any obligation or adhere to any covenant under the JDA if such performance or adherence would result in a violation of any such laws.

2.6 **SUPERSEDURE:** This Term Sheet supersedes and replaces any and all term sheets or summaries of key terms and conditions relating to the Premises, the Project or any joint development agreement or ground lease with respect to the Premises dated prior to the date of this Term Sheet. Notwithstanding the foregoing, that certain Exclusive Negotiation Agreement and Planning Document dated as of October 15, 2018, as amended by that certain Amendment No. 1 thereto dated as of December 13, 2019, that certain Amendment No. 2 thereto dated as of December 10, 2020, that certain Amendment No. 3 thereto dated as of April 13, 2021, that certain Amendment No. 4 thereto dated as of April 15, 2022, that certain Amendment No. 5 thereto dated as of March 7, 2023, and that certain Amendment No. 6 thereto dated as of March 15, 2024 (collectively, the “**ENA**”), shall remain in full force and effect and be unchanged by this Term Sheet.

### **ARTICLE 3. KEY JDA TERMS**

3.1 **JDA - GENERALLY:** After (a) the LACMTA Board has approved and Developer has accepted this Term Sheet, (b) Developer has met all CEQA requirements for the Project (as further described below in the Closing Conditions), and (c) the LACMTA Board has made the requisite findings as a responsible agency (or lead agency, as applicable) pursuant to the CEQA requirements for the



Project, then LACMTA and Developer will enter into a JDA (concerning the LACMTA Property), which JDA will contain terms and conditions that are substantially consistent with those set forth in this Term Sheet, subject to any modifications as directed by Lessor's Board and agreed to by Developer. The JDA will address matters between Developer and Lessor regarding the Project and the Premises during the JDA Term (defined in Section 3.3).

3.2 **ESCROW:** Within fifteen (15) days after the JDA Effective Date (defined in Section 3.3), Developer and Lessor shall enter into an escrow ("**Escrow**") with Kim Hernandez, Senior/ Commercial Escrow Officer, Commonwealth Land Title Company, 4400 MacArthur Blvd, Suite 880, Newport Beach, CA 92660 ("**Escrow Holder**" or "**Title Company**") to complete the Ground Lease transaction contemplated in the JDA. Unless requested by Escrow Holder or Title Company, Developer shall not be obligated to deliver any deposit or other amounts to Escrow Holder in connection with the opening of Escrow.

3.3 **JDA TERM:** The JDA shall be effective upon execution by LACMTA and Developer (the "**JDA Effective Date**") and continue for a period of three (3) years (the "**JDA Initial Term**"); provided, however, LACMTA shall have the option, in its discretion, after request for an extension by Developer to extend the JDA Initial Term for two (2) additional terms of one (1) year (as may be extended, the "**JDA Term**"), but in no event shall the term of the JDA exceed a maximum period of five (5) years. During the JDA Term, Lessor and Developer will endeavor to satisfy the conditions precedent to execution of the Ground Lease as set forth in the JDA, as more particularly described below (the "**Closing Conditions**"), and terminate upon the Closing (defined in Section 3.5).

3.4 **JDA CONSIDERATION / HOLDING RENT:** As consideration for the rights granted to Developer during the JDA Term, commencing with the JDA Effective Date and continuing throughout the JDA Term, Developer shall pay a non-refundable holding rent for the Ground Lease as set forth in this Section 3.4. Notwithstanding the foregoing, payment of such Holding Rent applicable to the Ground Lease shall be deferred by Developer until the later of (a) the expiration of the applicable JDA Term, or (b) the commencement of applicable Ground Lease. All Holding Rent due to Lessor shall be non-refundable, but all Holding Rent received by LACMTA shall be applied at Closing as a credit to the Annual Minimum Rent due under the Ground Lease, in the event the Ground Lease is executed by the Developer and LACMTA.

During the JDA Term, Developer shall pay LACMTA a monthly holding rent in the amount of three thousand five hundred and thirty dollars (\$3,530.00) (the "**Holding Rent**").

3.5 **CONDITIONS TO CLOSING:** During the JDA Term, Lessor and Developer shall work in good faith to satisfy certain conditions precedent to execution of the Ground Lease for the Project that shall be set forth in the JDA (the "**Closing Conditions**"). When all of the Closing Conditions for the Project have been satisfied (or waived by the applicable party) and when Developer has assigned to the applicable Ground Lessee all of Developer's right under the JDA to enter into the applicable Ground Lease, then such Ground Lessee and Lessor will enter into the Ground Lease. The closing for the Ground Lease (the "**Closing**") will occur when the Closing Conditions have been satisfied or waived by the applicable party, and Developer and the Lessor have entered into the Ground Lease for the Project and other transaction documents necessary to complete the Closing as contemplated in the JDA (the "**Closing Documents**"). The Closing Conditions will require, among other things, that:

3.5.1 No default by Developer under the JDA or by any Ground Lessee under any Ground Lease for the Project shall have occurred (and be continuing), and no representation or warranty made by Developer under the JDA or by any Ground Lessee under any Ground Lease for the Project shall be false;

3.5.2 Developer shall have delivered commitments for financing sufficient to fund the construction and operation of the Project;

3.5.3 Developer shall have delivered to Lessor evidence and assurances demonstrating that Developer has the financial resources in place to design, construct and operate the Project;

3.5.4 Developer shall have applied for and received all governmental approvals necessary (including LACMTA, County, and Entitling Agency approvals, as applicable) for the development, construction, and operation of the Project (including Lessor approval of the Final Construction Documents for the Project (defined in Section 3.6.6));

3.5.5 Developer shall have received all approvals/certifications in accordance with CEQA of all CEQA documents for the Project from the applicable governmental authorities, and all applicable statutes of limitation have run without a lawsuit having been timely filed or, if such a lawsuit has been filed, then such lawsuit has been finally adjudicated or dismissed with prejudice, upholding such approvals/certifications;

3.5.6 Developer shall have received a “ready to issue” letter from the Entitling Agency for all building permits necessary for the construction of the Project;

3.5.7 Developer and Lessor shall have executed and delivered all of their respective Closing Documents to Escrow;

3.5.8 Developer shall have provided Lessor with payment and performance bonds or a completion guaranty guaranteeing and securing Completion for the Project (defined in Section 5.1.1.1), each in a form as required by Developer’s construction lender and the Lessor;

3.5.9 Developer shall have received all Funding Approvals;

3.5.10 Title Company shall be irrevocably and unconditionally committed to issue in favor of Developer an ALTA extended coverage policy of title insurance, insuring Ground Lessee’s interest under the applicable Ground Lease, in the form of a pro forma title insurance policy (including endorsements thereto) showing no exceptions other than (1) any current levy or tax not yet due and (2) such exceptions as were reviewed and approved by Developer prior to entering into the JDA, dated as of the date of recordation of a memorandum in the official records of Los Angeles County, California providing notice of the existence of such Ground Lease;

3.5.11 Lessor shall not be in material default (beyond any applicable cure period) of any of its obligations under the JDA, nor shall any material representation made by Lessor under the JDA be false; and

3.5.12 Lessor shall be prepared to proceed to Closing under the JDA.

### 3.6 **JDA DESIGN REVIEW:**

3.6.1 It is contemplated that Developer will have completed design drawings and construction drawings for the Project at the time the Ground Lease is executed.

3.6.2 Prior to the execution of the Ground Lease, Lessor will review, and have the right to approve changes to the design of the Project, including:

3.6.2.1 the exteriors and massing of the Project;

3.6.2.2 any design elements of the Project that materially adversely affect (1) the transit-related operations of LACMTA, (2) Lessor's exercise of its Retained Rights (defined in Section 6.8.3), (3) public health and safety, (4) the Lessor Retained Area (defined in Section 4.4), any public transit facilities on the Premises and the access to or from the same, and (5) the lateral and subjacent support to the Lessor Retained Area, any public transit facilities and any area providing support necessary for Lessor to exercise its Retained Rights; and

3.6.2.3 as applicable, any LACMTA improvements that are developed by Developer in connection with the Project, including, but not limited to, any public open space, or connections to LACMTA transit facilities.

The items in sections 3.5.2.1 and 3.5.2.2 are referred to as the “**Agency Development-Related Concerns.**”

3.6.3 LACMTA's approval of Project plans that are not related to Agency Development-Related Concerns will be at LACMTA's reasonable discretion, except to the extent that the design of the Project depicted, described and specified on such plans does not represent a logical evolution of the design depicted, described and specified on plans approved by Lessor at the preceding level of design development (a “**Logical Evolution**”).

3.6.4 Approval of Project plans that are related to Agency Development-Related Concerns or are not a Logical Evolution will be at Lessor's sole and absolute discretion.

3.6.5 Lessor's design approval rights as set forth herein are, in part, intended to ensure that the Project meets Lessor's public serving responsibilities, priorities and imperatives, and/or other obligations required by statute or pre-existing funding requirements, including but not limited to, LACMTA's Satisfactory Continuing Control Requirement (defined in Section 6.8.1.5).

3.6.6 Except as otherwise approved in writing by LACMTA, Developer shall not proceed with preparation of (a) the Project Design Development Drawings until it has received LACMTA's written approval of the Project's Schematic Design Drawings, or (b) the Project Final Construction Documents, until it has received LACMTA's written approval of the Project's Design Development Drawings and Schematic Design Drawings. The term “**Final Construction Documents**” shall mean the final plans and specifications required by the Entitling Agency for the issuance of all building permits with respect to construction for the Project, and containing details as would be reasonably necessary to allow Lessor to assess all impacts of such proposed construction in accordance with Lessor's rights under the Ground Lease for the Project.

### 3.7 **JDA/GROUND LEASE CLOSING:**

3.7.1 At the Closing for the Project, Lessor will lease Premises to the Ground Lessee, subject to the Retained Rights, in exchange for the rental payments described in Section 5.4 below to be paid under the Ground Lease.

### 3.8 **TRANSFERS, ASSIGNMENT AND SUBLETTING:**

Except (a) for a one-time transfer by Developer to the Ground Lessee immediately prior to the execution of the Ground Lease and (b) as otherwise approved in writing by Lessor in its sole and absolute

discretion, Developer shall not transfer or assign its rights or obligations under the JDA or any portion thereof.

**ARTICLE 4.  
KEY GROUND LEASE TERMS:**

4.1 **GROUND LESSEE:** Developer (“**Ground Lessee**”).

4.2 **GROUND LEASE – GENERALLY:**

4.2.1 At the Closing for the Project, Lessor, as ground lessor, and Ground Lessee, as ground lessee, will enter into a ground lease with respect to the Premises (the “**Ground Lease**”), which will provide for the construction and operation of the Project. The Ground Lease will contain terms and conditions that are substantially consistent with those set forth in this Term Sheet, subject to any modifications as directed by the LACMTA Board, and agreed to by Developer.

4.2.2 During the course of construction of the Project, Ground Lessee will act as the sole lessee of the Premises and will undertake the construction and development of the Project.

4.2.3 Except for non-delinquent property taxes and assessments, any liens or encumbrances that do not affect Developer’s leasehold interest in the Premises and any liens or encumbrances caused by Developer or Ground Lessee, Lessor shall cause the release of any monetary liens and encumbrances placed on the Premises.

4.3 **UNSUBORDINATED GROUND LEASE:**

4.3.1 Lessor’s interests under the Ground Lease (including but not limited to, as to the LACMTA Property, the FTA’s interest as a provider of funds for such property’s initial acquisition and LACMTA’s Retained Rights) shall be subordinated to any interest that Ground Lessee or its lenders or investors will have in the Premises.

4.3.2 The Ground Lease shall contain customary (a) leasehold financing lender protection provisions (including, without limitation, the right of lenders to a separate agreement granting them a right to a new lease in the event of a termination of the Ground Lease under certain conditions, as approved by LACMTA at its sole and absolute discretion) and (b) subtenant non-disturbance provisions. Lessor will reasonably cooperate with Ground Lessee in entering into a customary Lease Rider in the form required by the California Tax Credit Allocation Committee (“**CTCAC**”).

4.4 **GROUND LEASE PREMISES:** The Premises will consist of the property necessary for the development of the Project, less any Dedications and portions of the LACMTA Property that, prior to Closing, become unavailable for development because they are retained by Lessor (the “**Lessor Retained Area**”).

4.5 **GROUND LEASE TERM; COMMENCEMENT OF AFFORDABLE HOUSING PROJECT LEASING:** The Ground Lease will commence on the date of the Closing in accordance with the terms of the JDA (such date being the “**Commencement Date**”). The term of the Ground Lease will be seventy-five (75) or such longer term as may be required to satisfy the tax and underwriting analysis of the tax credit investor (the “**Ground Lease Term**”), expiring on the day immediately prior to the seventy-fifth (75th) anniversary of the Commencement Date (or such longer period as may be required to satisfy the tax and underwriting analysis of the tax credit investor) (the “**Expiration Date**”). The Project shall include an affordable for-rent residential component, referred to herein as the Affordable Housing Project,

which shall be maintained for the entire Ground Lease Term beyond the expiration of any affordable housing covenants. Ground Lessee shall notify Lessor prior to leasing any portion of the Affordable Housing Project.

**ARTICLE 5.**  
**GROUND LEASE ANNUAL MINIMUM RENT, FIXED PERCENTAGE**  
**GROUND RENT & OTHER COMPENSATION**

5.1 **CONSTRUCTION PERIOD:** The construction period for the Ground Lease (“**Construction Period**”) will commence on the respective Commencement Date and terminate upon the earlier of (the “**Construction Period Termination Date**”):

5.1.1.1 completion of construction of the Project improvements as described in the respective Ground Lease (i.e., as a proxy, the date Ground Lessee obtains a temporary certificate of occupancy for substantially all of the Project improvements described in the Ground Lease) (“**Completion**”); or

5.1.1.2 the day preceding the second (2nd) anniversary of the respective Commencement Date, subject to extensions for force majeure events (as defined in the Ground Lease).

5.2 **CONSTRUCTION PERIOD:** The Ground Lease will require commencement of construction within thirty (30) days after Ground Lessee obtains a building permit for the work to be performed on the Premises, subject to extensions for force majeure events (as defined in the Ground Lease).

5.3 **NET LEASE:** The parties acknowledge that the rent to be paid by Ground Lessee under the Ground Lease is intended to be absolutely net to Lessor. Ground Lessee shall be responsible for all capital costs and operating expenses attributable to the operation and maintenance of the Premises, including all taxes and assessments levied upon any interest in the Ground Lease. Ground Lessee is aware that the Premises is also subject to possessory interest taxes, which shall be paid by Ground Lessee.

5.4 **RENTAL PAYMENTS:**

5.4.1 Affordable Housing Project: Ground Lessee shall pay Lessor an annual ground rent equal to the amount that is ten percent (10%) of Residual Receipts generated by the Affordable Housing Project (the “**Base Ground Rent**”). The term “**Residual Receipts**” shall mean the net operating income remaining after payment of operating expenses, partner asset management fees or partnership management fees, non-contingent debt service, deferred developer fee, tax credit adjuster payments and repayment of partner loans pursuant to the Ground Lessee entity partnership agreement approved by LACMTA at closing, and funding of required reserves). In addition to the annual Base Ground Rent, on the Commencement Date for the Ground Lease for the Affordable Housing Project, Ground Lessee shall make a capitalized payment of one million dollars (\$1,000,000) (the “**Capitalized Rent Payment**”). Notwithstanding anything to the contrary contained herein, in no event shall the aggregate amount of the Base Ground Rent, Capitalized Rent Payment and the Net Proceeds Payment paid during the term of the Ground Lease for the Affordable Housing Project exceed the total appraised fair market value of the Premises upon which the Project will be constructed, adjusted to eight million four hundred and seventy-five thousand dollars (\$8,475,000) based on impacts associated with development of affordable housing and other LACMTA requirements (the “**Total Adjusted AFMV**”), as agreed to by the parties prior to the JDA Effective Date.

5.4.2 **Commercial Project.** Ground Lessee shall pay LACMTA percentage rent in an amount equal to fifteen percent (15%) of all Net Rent paid or credited to Ground Lessee for commercial uses of the Project or Premises (“Commercial Percentage Rent”). For purposes of this section, “**Net Rent**” shall mean Gross Rent actually received by Ground Lessee, less reasonable and customary leasing commissions, any tenant improvement allowances, and operating expenses paid by Ground Lessee for the applicable commercial space; “**Gross Rent**” shall mean (a) rent paid or credited to Ground Lessee pursuant to a sublease for commercial uses of the Project or Premises; and (b) any fees or charges that are incidental or otherwise related to a commercial subtenant’s occupancy. Commercial Percentage Rent shall be calculated on a calendar year basis and shall be due to LACMTA from Ground Lessee annually, in arrears, on March 30 of each calendar year following the subject calendar year, with a full accounting of the amount due. Notwithstanding the foregoing, no Commercial Percentage Rent shall be due for the portion of the Premises used for Community Serving Retail. The term “**Community Serving Retail**” shall mean space in the Project that is subleased for businesses that provide goods or services essential to the daily needs of residents within the Project or within a 1-mile radius of the Premises. Such uses may include, but are not limited to, grocery stores, pharmacies, restaurants, cafés, barbershops, hair salons, childcare facilities, and other similar neighborhood-serving businesses, as determined by LACMTA.

5.5 **SALE/REFINANCING PROCEEDS:** Upon a Refinancing (defined below) of the Project, or of the Project, Ground Lessee shall pay Lessor an amount equal to twenty percent (20%) of all Refinancing Net Proceeds (defined below), unless prohibited by other public funding, received by Ground Lessee in connection with such Refinancing (“**Net Refinancing Payment**”). Upon a Sale (defined below) of the Project, Ground Lessee shall pay Lessor twenty percent (20%) of all Sale Net Proceeds (defined below), unless prohibited by other public funding, received by Ground Lessee in connection with such Sale (the “**Net Sale Payment**” and together with the Net Refinancing Payment, the “**Net Proceeds Payment**”). Notwithstanding the foregoing, in no event shall the Net Proceeds Payment, when combined with the aggregate amount of Base Ground Rent payments previously paid plus the Capitalized Rent Payment, exceed the Total Adjusted AFMV. Lessor shall have audit rights to verify the calculation of Refinancing Net Proceeds and Sale Net Proceeds.

5.5.1 “**Refinancing**” shall be defined as the creation or substantial modification of a loan secured directly or indirectly by any portion of the Premises, the Project, Ground Lessee, and/or Ground Lessee’s leasehold interest under the Ground Lease.

5.5.2 “**Refinancing Net Proceeds**” means with respect to each Refinancing, the gross principal amount of the Refinancing, less (a) the amount of any then-existing secured or unsecured debt incurred by Ground Lessee in connection with the Premises, the Project, Ground Lessee, and/or Ground Lessee’s leasehold interest under the Ground Lease that is satisfied out of the Refinancing proceeds, (b) amounts to be used by Ground Lessee to make repairs or capital improvements to the Project within twenty four (24) months after the closing date of the Refinancing, (c) amounts paid to the tax credit investor in Ground Lessee (the “**Investor Limited Partner**”) in connection with any purchase option and right of first refusal, and (d) the following transaction costs and expenses paid by Ground Lessee to any non-affiliate of Ground Lessee in connection with the consummation of the Refinancing, to the extent such costs are commercially reasonable: escrow fees, title charges, lender fees or charges, recording costs, brokerage commissions, attorneys’ fees and payment in full of any deferred developer fee earned in connection with the Project to Ground Lessee or an affiliate thereof to cover costs related to the consummation and administration of the Refinancing.

5.5.3 “**Sale**” means the direct or indirect transfer of any portion of the beneficial interest in the Premises, the Project, and/or Ground Lessee’s leasehold interest under the Ground Lease. Notwithstanding the foregoing, no payment shall be due under this Section 5.5 for any transfer of the limited partnership interest in Tenant in connection with the tax credit syndication for financing the

construction of the Improvements, or any subsequent re-syndication by the Investor Limited Partner involving a transfer by the Investor Limited Partner of its limited partnership interest in Tenant to a partnership which it or an affiliate is the general partner or to a limited liability company in which it or an affiliate is the managing member or manager.

5.5.4 “**Sale Net Proceeds**” means with respect to each Sale, the total consideration less (a) the amount of any then-existing debt secured directly or indirectly by any portion of the beneficial interest in the Premises, the Project, and/or Ground Lessee’s leasehold interest under the Ground Lease that is satisfied out of the Sale proceeds, and (b) the following transaction costs and expenses paid by Ground Lessee to any non-affiliate of Ground Lessee in connection with the consummation of the Sale, to the extent such costs are commercially reasonable: escrow fees, title charges, lender fees or charges, recording costs, brokerage commissions and attorneys’ fees (and, for re-syndications only, a reasonable developer fee to Ground Lessee or an affiliate thereof to cover costs related to the consummation and administration of the re-syndication proceeds).

## **ARTICLE 6. GROUND LEASE – OTHER TERMS AND CONDITIONS**

### **6.1 DESIGN REVIEW:**

6.1.1 Ground Lessee shall not make any changes to the Approved Construction Documents for the Project without the prior consent of Lessor. During the Construction Period, Lessor will have design review rights with respect to any changes to the Approved Construction Documents desired by Ground Lessee as set forth in Section 6.1.4.

6.1.1.1 Approval of such changes that represent Logical Evolutions of the design and are not related to Agency Development-Related Concerns will be at Lessor’s reasonable discretion.

6.1.1.2 Approval of such changes that are related to Agency Development-Related Concerns or are not a Logical Evolution of the design will be at Lessor’s sole and absolute discretion.

6.1.2 Lessor will retain the same design approval rights for any substantive Project changes or improvements later sought by Ground Lessee at any time during the Ground Lease Term.

6.1.3 Lessor’s design approval rights as set forth herein are, in part, intended to ensure that the Project meets Lessor’s public serving responsibilities, priorities and imperatives, and/or other obligations required by statute or pre-existing funding requirements including but not limited to, LACMTA’s Satisfactory Continuing Control Requirement.

6.1.4 The term “**Approved Construction Documents**” shall mean the Final Construction Documents approved by Lessor in writing, or deemed approved by Lessor, as applicable, as such Final Construction Documents may be subsequently modified, amended, or revised as a result of Ground Lessee changes to the Final Construction Documents approved by Lessor in writing, or deemed approved by Lessor, as applicable.

6.1.5 In addition to the foregoing, LACMTA shall retain similar design approval rights as set forth in Section 3.6 for any substantive Project changes or improvements sought by Ground Lessee after the initial construction of the Project. LACMTA’s design approval rights as set forth herein are, in part, intended to ensure that the Project meets LACMTA’s Satisfactory Continuing Control Requirement.

6.2 **MAINTENANCE AND OPERATIONS:** During the Ground Lease Term, Ground Lessee shall maintain and operate all portions of the Project and the Premises at its sole cost and expense pursuant to maintenance and operations standards that shall be mutually agreed between the parties and set forth in the Ground Lease.

6.3 **DEMOLITION/DEMOLITION SECURITY:** If required by LACMTA, Developer shall, at Developer's sole cost and expense, (a) demolish and remove the Project and any improvements then located on the Premises (or such portion thereof as indicated by LACMTA in writing), exclusive of any LACMTA improvements and/or transportation-related amenities and facilities then located on the Premises, (b) return the Premises to LACMTA in its otherwise original condition (the "**Demolition**") at the expiration or earlier termination of the Ground Lease and (c) provide reasonable assurances to LACMTA near the end of the Ground Lease Term that the Demolition shall be completed.

6.4 **FINANCING AND ENCUMBRANCES:** Subject to Lessor's reasonable approval, Ground Lessee may encumber its leasehold estate with mortgages, deeds of trust or other financing instruments; provided, however, in no event shall LACMTA's Satisfactory Continuing Control Requirement, or Lessor's fee title interest be subordinated or subject to Ground Lessee's financing or other claims or liens (except as set forth below for certain affordable housing and other covenants). Such encumbrances and financings shall be subject to Lessor's reasonable approval, except with respect to certain "**permitted financing events**" meeting specific criteria to be set forth in the Ground Lease, which shall not require Lessor's approval.

6.5 **COVENANTS:** Ground Lessee may encumber its leasehold estate with affordable housing and other covenants reasonably required by Ground Lessee's affordable housing funding sources or the Entitling Agency as a condition to granting Project approvals, entitlements and building permits, which covenants shall be subject to Lessor's review and reasonable approval. Agency will reasonably consider the encumbrance of its fee title interest with certain restrictive covenants, if required by Ground Lessee's affordable housing funding sources or the Entitling Agency as a condition to granting Project approvals, entitlements and building permits; provided that Ground Lessee agrees to perform all obligations under said covenants during the Ground Lease Term and to indemnify Agency for all claims and losses resulting from Ground Lessee's failure to do the same, except to the extent Ground Lessee's failure is caused by the gross negligence or willful misconduct of Lessor.

6.6 **FEDERAL CIVIL RIGHTS COVENANTS:** Ground Lessee shall comply with all applicable Federal nondiscrimination requirements, including applicable sections of Title 49 of the Code of Federal Regulations.

6.7 **TRANSFERS, ASSIGNMENT, AND SUBLETTING:**

6.7.1 Except for limited permitted exceptions to be set forth in the Ground Lease and subject to the Permitted Transfers discussed below (including, without limitation, in connection with (a) a transfer or assignment to an affiliate Controlled by Ground Lessee, (b) financing approved by the Lessor and obtained by Ground Lessee in connection with construction of the Project or (c) the exercise of remedies by a joint venture partner of Ground Lessee or its affiliates approved by the Lessor, as to be more particularly set forth in the JDA), Ground Lessee shall not transfer, assign or sublet (except for the typical subleasing of the apartments and retail space within the Project) its rights or obligations under the Ground Lease, or beneficial interests in Ground Lessee (each, a "**Transfer**"):

6.7.1.1 Prior to Completion; and



6.7.1.2 After Completion, other than in accordance with reasonable transfer criteria to be set forth in the Ground Lease, including, without limitation, criteria regarding (a) applicable FTA approval (for the LACMTA Property), (b) the creditworthiness, history and experience of any proposed transferee and its affiliates, and (c) FTA and State requirements, as applicable, concerning debarment, suspension, etc. stemming from FTA and State funding related to acquisition of the LACMTA Property.

6.7.2 Notwithstanding the foregoing, the Ground Lease will allow Ground Lessee to make certain “**Permitted Transfers**” without Lessor’s consent; provided that (a) Ground Lessee is not in breach or default under the Ground Lease, (b) Ground Lessee provides written notice to Lessor of Ground Lessee’s intent to effectuate a Permitted Transfer in accordance with time frames set forth in the Ground Lease and with sufficient detail for Lessor to reasonably determine that the intended Transfer is a Permitted Transfer, (c) Ground Lessee provides written notice to Lessor of the consummation of the Transfer in accordance with time frames set forth in the Ground Lease and with sufficient detail for Lessor to reasonably determine that the Transfer was a Permitted Transfer, (d) the Permitted Transfer complies fully with all applicable provisions of the Ground Lease, (e) no Permitted Transfer shall release Ground Lessee from any part of its obligations under the Ground Lease, except as expressly set forth in the Ground Lease, and (f) no such Permitted Transfer shall result in a Change of Control, except as expressly permitted in the Ground Lease. Subject to the conditions set forth in the previous sentence, Permitted Transfers shall include: (i) a transfer of the initial limited partnership interest in Ground Lessee to an investor limited partner and the subsequent transfer of such investor’s limited partnership interest in Ground Lessee to another investor or an affiliate of Ground Lessee (which Lessor and Ground Lessee acknowledge will result in a Change of Control), and (ii) the replacement of Ground Lessee’s general partner for cause with an affiliate of the limited partner in accordance with the terms of Ground Lessee’s partnership agreement (which Lessor and Ground Lessee acknowledge will result in a Change of Control), provided that in each case such investor or affiliate meets certain transferee requirements set forth in the Ground Lease.

6.7.3 “**Change of Control**” means (y) a change in the identity of the entity with the power to direct or cause the direction of the management and policies of Ground Lessee, whether through the ownership of voting securities, by contract or otherwise, or (z) the transfer, directly or indirectly, of fifty percent (50%) or more of the beneficial ownership interest in Ground Lessee.

6.7.4 “**Control**” or “**Controlled**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any entity, whether through the ownership of voting securities, by contract, family or trustee.

## 6.8 **RETAINED RIGHTS:**

6.8.1 LACMTA shall retain from its Ground Lease and Premises, certain rights as shall be further described in detail in the Ground Lease, relating to the following (the “**LACMTA Retained Rights**”):

6.8.1.1 the right to install, construct, inspect, operate, maintain, repair, expand, replace public transit facilities in, on, under, over, and adjacent to the Premises as LACMTA may deem those rights necessary (i.e., no interference with transit operations);

6.8.1.2 the right to use sidewalk areas and any Lessor Retained Areas (particular to LACMTA) for LACMTA and pedestrian ingress and egress and activities related to the operation of any public transit facilities;

6.8.1.3 the right to enter upon and inspect the Premises, subject to the rights of subtenants under their subleases and upon reasonable notice to Ground Lessee, and anytime during normal business hours, for purposes of conducting normal and periodic inspections of the Premises and the Project and to confirm Ground Lessee's compliance with the terms and conditions of the Ground Lease;

6.8.1.4 the right to install, use, repair, maintain, and replace along the perimeter of the Premises abutting the public streets, sidewalks or rights-of-way (including, without limitation, on the exterior of the Project) informational, directional and way-finding signs for the purpose of directing the public to, from and between LACMTA and other public transit options in the area; provided, however, LACMTA shall not install any such signage on the Premises or the Project without Ground Lessee's prior written approval, which shall not be unreasonably withheld, conditioned or delayed; and

6.8.1.5 all rights not explicitly granted to Ground Lessee in the Ground Lease. The LACMTA Retained Rights shall, among other things, ensure that the Premises remains available for the transit purposes originally authorized by the FTA ("**LACMTA's Satisfactory Continuing Control Requirement**").

6.9 **FIRST/LAST MILE PLAN:** During the Ground Lease Term, Developer shall, at its sole cost and expense, use commercially reasonable efforts to continue to collaborate in furtherance of LACMTA's First/Last Mile Strategic Plan to pursue grants and other funding for both on and offsite pedestrian improvements in relation to the Project.

6.10 **LOCAL HIRE POLICY:** Developer shall require that at least thirty percent (30%) of the total California construction labor hours worked on the Project be performed by a qualified Local Resident, and that at least ten percent (10%) of the total California construction labor hours be performed by County residents classified as a Targeted Worker facing barriers to employment, consistent with the Countywide Local and Targeted Worker Hire Policy adopted by the Board of Supervisors on September 6, 2016 (as may be amended from time to time, the "**Local Hire Policy**").

6.11 **OTHER:** Other provisions will be included in the Ground Lease, including, without limitation, provisions relating to (a) Ground Lessee's assumption of risk related to the Project's proximity to rail and other transit operations, (b) insurance, and (c) indemnity.

## **ARTICLE 7. AGENCY TRANSACTION COSTS**

7.1 **AGENCY TRANSACTION COSTS:** Developer acknowledges and agrees that LACMTA will incur certain actual costs (the "**Agency Transaction Costs**") related to (a) the design, development, planning, and construction of the Project (including costs related to construction methods and logistics), and (b) negotiation of the terms and conditions of the transactions contemplated under the JDA and the Ground Lease. The Agency Transaction Costs shall include, without limitation, the actual cost of in-house staff time (including Agency overhead and administrative costs but excluding in-house costs incurred by County Counsel and LACMTA project manager) and third party consultation fees (including, but not limited to, fees related to consultants, engineers, architects, and advisors) for financial analyses, design review (including reviewing plans and specifications for the Project), negotiations, appraisals, document preparation, services related to development, planning, engineering, construction safety, construction management, construction support, and construction logistics and inspection, and other reasonable services related to the Project and the transactions contemplated under the JDA and Ground Lease.

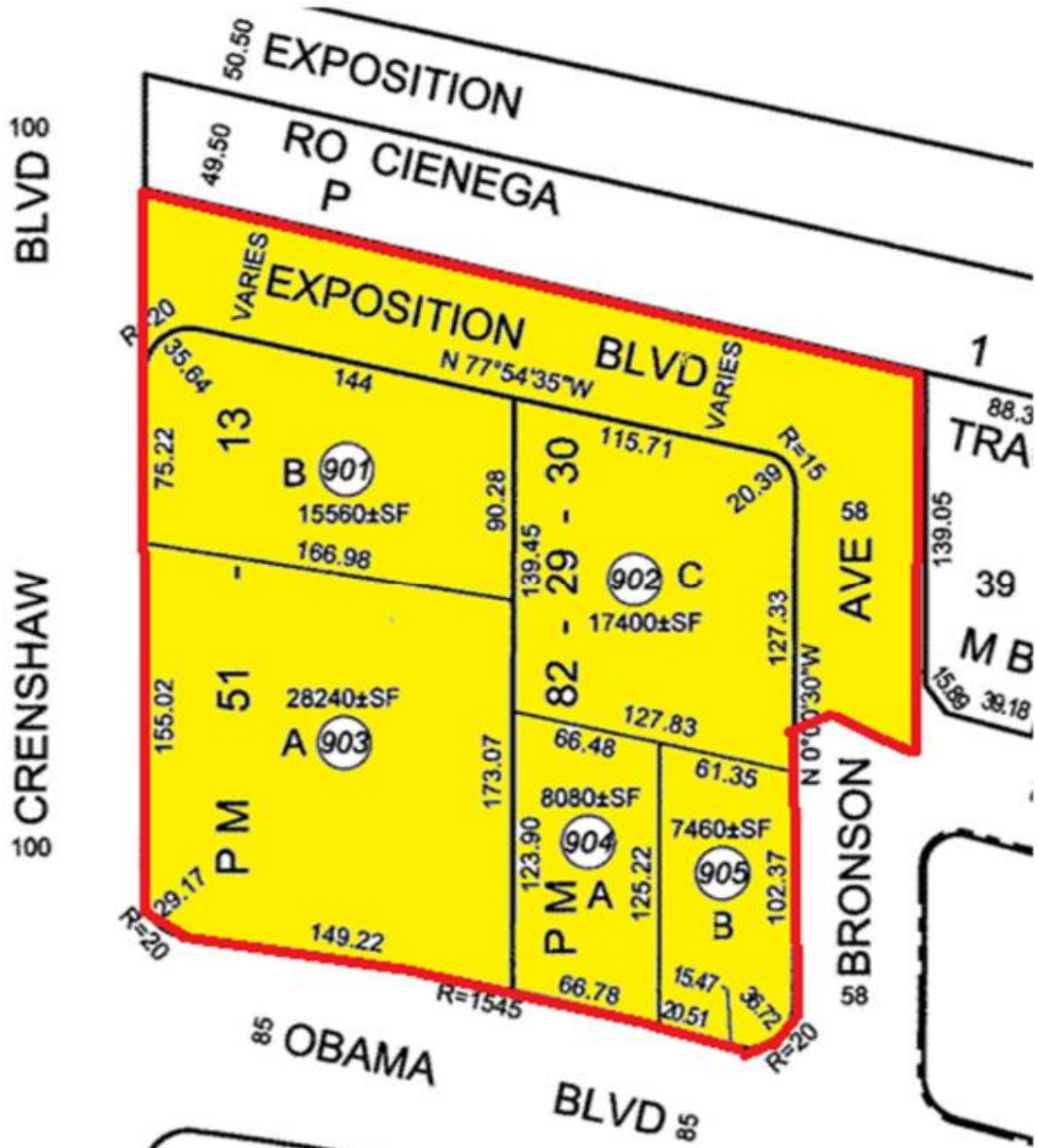
7.2 **JDA DEPOSIT:** Upon the execution of the JDA, Developer shall provide a deposit to Lessor (the “**JDA Deposit**”), for Lessor to apply to Agency Transaction Costs (whether accruing prior to or after the JDA Effective Date), such initial deposit being in the amount of \$50,000. Any unspent deposit provided by Developer under the ENA shall be carried over and applied towards the JDA Deposit. If the JDA Deposit is not fully utilized by LACMTA in connection with the Project during the JDA Term, then the remaining balance of the JDA Deposit shall be credited against the Ground Lease Deposit due under the Ground Lease. LACMTA shall provide documentation of Agency Transaction Costs to Developer upon Developer’s request, provided that the form of documentation will be such that is available to Agency and in its possession.

7.3 **GROUND LEASE DEPOSIT:** On the Commencement Date, the Ground Lessee shall provide a deposit to Lessor, for Lessor to apply to Agency Transaction Costs, an initial deposit (the “**Ground Lease Deposit**” and together with the JDA Deposit, the “**Deposit**”) in the amount of \$100,000. To the extent that the Ground Lease Deposit under the Ground Lease is not utilized by Lessor in connection with the Project, any remaining balance shall be returned to the Ground Lessee upon completion of the Project. Ground Lessee will provide Lessor with additional Ground Lease Deposit funds, in an amount to be determined at the time, for Agency Transaction Costs accruing during the term of the Ground Lease in connection with any Ground Lessee improvements requiring LACMTA review/approval.

7.4 **DEPOSIT REPLENISHMENT:** During the term of the JDA, whenever any Deposit balance reaches \$25,000 or less, Developer or Ground Lessee (as applicable) will replenish such Deposit to \$50,000 (under the JDA) and \$100,000 (under the Ground Lease), as applicable, upon written notice from LACMTA. If Developer does not replenish the Deposit at the applicable times as set forth herein, LACMTA may decline to provide the services that are to be covered by the Deposit and/or terminate the JDA.

Exhibit A

Depiction of LACMTA Property



**Exhibit B**

**Depiction of the Premises**



## ATTACHMENT C

### Environmental Studies and Reports

[https://www.dropbox.com/scl/fo/36bt6mv95dl623o2plizj/AEv5trn\\_evZNyE3etYPLMi0?rlkey=elhtutfjtbc1y234gl6kj6brv&e=1&st=9rqlmyd8&dl=0](https://www.dropbox.com/scl/fo/36bt6mv95dl623o2plizj/AEv5trn_evZNyE3etYPLMi0?rlkey=elhtutfjtbc1y234gl6kj6brv&e=1&st=9rqlmyd8&dl=0)

Site Plan and Renderings



Site Plan - Metro Site



North Elevation - Metro Site



*View of Metro Site (left) and County Site (right) Facing South on Crenshaw Blvd.*



*View of Metro Site Facing East from Crenshaw Blvd.*





**We're supporting thriving communities.**

**EXPO/CRENSHAW JOINT DEVELOPMENT**

Planning and Programming Committee | March 19, 2025

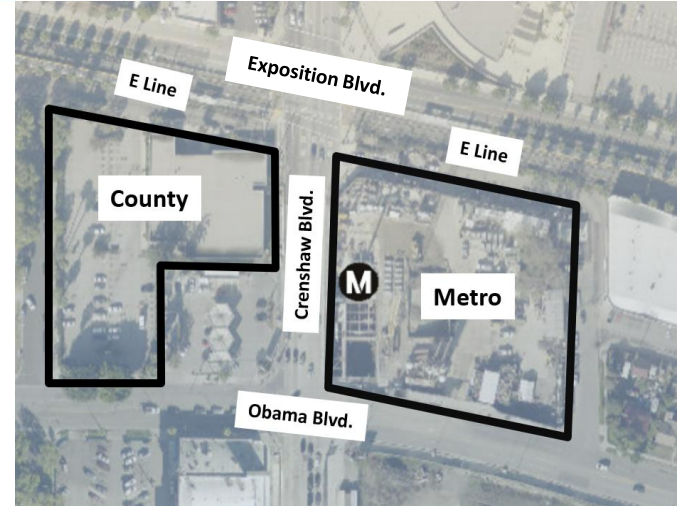
Legistar File# 2024-1093



**Metro**

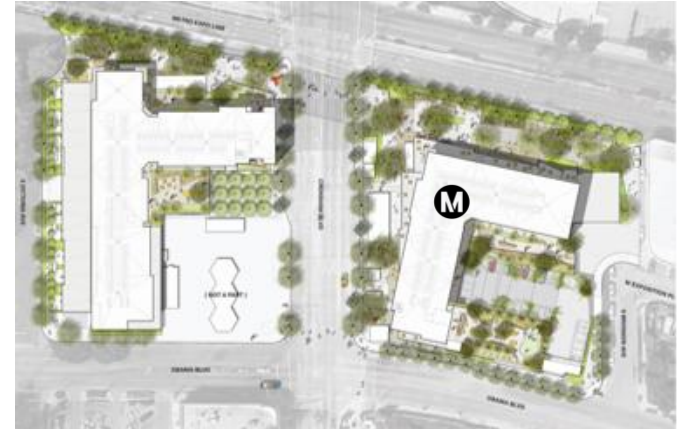
# Recommendations

- A. **AUTHORIZING** the CEO, or designee, to execute and enter into a joint development agreement (JDA), ground lease, and other related documents with Expo Crenshaw Apartments, LP (Developer), for the construction and operation of a mixed-use affordable housing (Project) on 1.77 acres of Metro-owned property at the southeast corner of W. Exposition Bl. and Crenshaw Bl. (Metro Site) adjacent to the K Line Expo/Crenshaw Station in the City of LA (Attachment A - Site Map) in accordance with the Summary of Key Terms and Conditions (Attachment B) and upon receipt of concurrence by the FTA; and
- B. **FINDING** the Project complies with the requirements of the California Environmental Quality Act (CEQA) for using a Sustainable Communities Environmental Assessment (SCEA) as authorized pursuant to Public Resources Code Section 21155.2(b), which is consistent with the Environmental Studies and Reports set forth in Attachment C, making the CEQA findings set forth further below (CEQA Findings) and authorizing the CEO or designee to file a Notice of Determination for the Project in accordance with said findings by the Metro Board of Directors (Metro Board).



# Background

- **2015:** Metro and County partner on Joint Development opportunity
- **2016:** Development Guidelines approved
- **2017:** RFP leads to Developer selection
- **2018-2022:** On-going engagement inform project refinements
- **2022:** City of L.A. Entitlements Approved
- **Development Team:** Expo Crenshaw Apartments, LP (affiliates of Watt Companies, West Angeles Community Development Corporation, Richman Group, Housing Authority of City of L.A.)



*Site Plan. Metro Site is on the right.*



*View looking south. Metro Site is on the left.*

# Project Overview

- 174 affordable units (30% to 80% AMI)
- 2 manager's units
- mix of studios, one-, two-, and three-bedroom units
- 24,000 SF grocery store
- 4,500 SF of neighborhood-serving retail space
- Public and resident-serving open space amenities



*View looking east towards the Metro Site*



*View looking southeast towards the Metro Site*

# Key Terms of the JDA and Ground Lease

## JDA

- Three-year term with option to extend up to two additional 12-month periods.
- Holding Rent of \$3,530/month, credited towards capitalized rent due at execution of the ground lease.
- Metro right to review and approve the design.
- Reimburses Metro for transaction-related costs, such as design and financial review.
- Sets forth the conditions for executing the ground lease, including verifying that project financing, governmental approvals, payment and performance bonds, and a completion guaranty are in place.

## Ground Lease

- 75-year term.
- Restriction to ensure continued affordability for the full term of the ground lease.
- Provides Metro with a maximum compensation of \$8,475,000 which would be accumulated through:
  - A one-time capitalized ground rent payment of \$1,000,000 for the housing portion of the Project.
  - 10% of Project's annual residual receipts proceeds for housing portion of the Project.
  - 20% of all sale and/or refinancing net proceeds of the Project.
- In addition to above, also provides Metro with 15% of annual net commercial gross rent paid, unless such businesses are providing goods or services essential to the daily needs of residents.
- Provides Metro with a deposit to cover construction management and related inspection costs.



# Next Steps

## Upon Board Approval:

- FTA concurrence
- Staff executes the JDA in accordance with the terms and conditions
- Developer secures all financing
- Developer submits design development and construction drawings for Metro review and approval
- JDA conditions met and ground lease executed
- Construction anticipated to start in 2026



## Board Report

File #: 2024-1141, File Type: Project

Agenda Number:

### PLANNING AND PROGRAMMING COMMITTEE MARCH 19, 2025

**SUBJECT: COMPLETION OF SURFACE TRANSPORTATION PROGRAM-LOCAL (STP-L)  
ANNUAL APPORTIONMENTS TO LOCAL AGENCIES**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

**AUTHORIZE:**

- A. the reallocation of \$25.74 million of Proposition C discretionary funds from the Access Services (Access) budget to fulfill unprogrammed STP-L funding program balances and;
- B. the Chief Executive Officer (CEO) or their designee to execute STP-L balance fulfillment agreements with local agencies, allowing them to receive their unprogrammed STP-L balances using available non-federal Metro funds.

#### **ISSUE**

Metro had historically apportioned, on an annual basis, \$31 million of Federal (STBG) formula funding by Metro to agencies in Los Angeles County based on population through the STP-L funding program to deliver basic maintenance projects that did not have air quality impacts, such as pavement rehabilitation and slurry seal projects. In 2021 and 2022, the federal government issued Corrective Actions to Caltrans and the Southern California Association of Governments (SCAG), respectively, finding that this practice was out of compliance with STBG funding requirements. While Metro can no longer apportion STBG funds to agencies based on population, several agencies still have STP-L fund balances from previous apportionments.

During the outreach process for the first SCAG Corrective Action Call for Project Nominations, several agencies and subregions requested that Metro develop a method by which the STP-L balances could be fulfilled by Metro with non-federal funds. The proposed action will shift an equivalent amount of local discretionary funds from Access, the Consolidated Transportation Services Agency (CTSA) that provides paratransit services throughout Los Angeles County, Proposition C budget to fulfill the fund balances from the former STP-L program to local jurisdictions.

#### **BACKGROUND**

Since the early 1990s, Metro has, on an annual basis, subvented approximately \$31 million of the STBG funding apportioned to Los Angeles County to all 88 agencies and the County of Los Angeles based on each agency's share of the County's population. This program was called the Surface Transportation Program-Local (STP-L). Each agency was responsible for obligating those funds to projects through the Federal Transportation Improvement Program (FTIP) process. Agencies were allowed to accumulate their annual STP-L apportionments until they had sufficient funding to complete a project. It was common for agencies to carry a balance of STP-L funds over from year to year. Attachment A lists the existing STP-L balances for each agency grouped by subregion.

In April 2021, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) issued a Corrective Action to Caltrans on the administration of the STBG and Congestions Mitigation and Air Quality (CMAQ) Improvement Programs. The findings require Caltrans to ensure that sub-recipients of STBG and CMAQ funds throughout the state administer these programs in compliance with federal program guidance and regulations. Subsequently, in August 2022, FHWA and FTA jointly issued a Corrective Action to SCAG, requiring a review of Caltrans' STBG and CMAQ administrative policies and the development of a process that ensures compliance with federal program guidelines and regulations for the administration of the STBG and CMAQ programs. Also, Metro has discontinued the STP-L funding program because of these Corrective Actions.

SCAG developed and adopted a STBG/CMAQ Compliance Action Plan, which outlines the regional approach for addressing the Corrective Action to ensure that any new project or new project phase funded with CMAQ and/or STBG funds are subject to a competitive project selection process. The specific issues the SCAG compliance plan addresses are:

- Replacing the current federal transportation funding suballocations by population or mode to agencies and counties with a performance-based approach.
- Modifying the eligibility screening conducted for compliance with Federal program guidance and regulations.
- Modifying the project selection process so federally funded transportation projects are selected by SCAG as the designated Metropolitan Planning Organization (MPO).

In 2024 SCAG held its first nomination process for STBG and CMAQ funds, and Board approval was obtained in March 2024 for the project ranking list for Los Angeles County.

## **DISCUSSION**

With the Corrective Action, STP-L funds that were programmed in the first four years of 2023 FTIP (FFY23-FFY26) before July 1, 2023, are considered "Grandfathered.". In the current 2025 FTIP, Grandfathered STP-L are only allowed to be programmed in FFY25 and FFY26, which must be obligated with an E-76 through Caltrans by December 31, 2026, or the funds will be lost permanently.

Conversely, the \$25.74M of STP-L balances are funds that are not programmed, grandfathered, or allowed to enter the FTIP. Per Board action in June 2023, local funds for Access operating and



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capital budget can be replaced with federal STBG. Through this Board action, Metro staff coordinated with Access to allocate an equivalent amount of STBG in exchange for its Proposition C discretionary funds to fulfill STP-L balances.

Adoption of the recommendations would allow Metro to provide a one-time fulfillment of the unprogrammed STP-L balances to agencies using Proposition C discretionary funds from the Access budget.

### **DETERMINATION OF SAFETY IMPACT**

Approval of this item will not directly impact the safety of Metro customers or employees. However, as some of the projects eligible for these funds include safety enhancements, avoiding potential risks and maintaining the grant funding helps to ensure the timely realization of the projects' anticipated safety benefits.

### **FINANCIAL IMPACT**

Adoption of the recommendations would allow Metro to provide a one-time fulfillment of the unprogrammed STP-L balances to agencies with Proposition C discretionary funds from the Access budget.

#### **Impact to Budget**

This fulfillment does not impact Metro's or Access's budgets, given that Access had previously received an equivalent amount of Surface Transportation Block Grant (STBG) funds. Per Board action in June 2023, local funds for Access's operating and capital budget can be replaced with federal STBG. The source of funding for this action will come from local funding sources that are eligible for bus and rail operations.

### **EQUITY PLATFORM**

STP-L funds are intended to provide a flexible funding source to local agencies for transportation projects and programs. The Board action will provide one-time funding to advance transit and other multimodal plans, programs, and infrastructure improvements throughout Los Angeles County, including lower-resourced communities, areas of concentrated poverty, and historically disadvantaged communities. The types of projects historically funded by local agencies with STP-L include street and sidewalk maintenance as well as the operation of local transit services. These projects have provided benefits to bicyclists, pedestrians, and transit riders.

SCAG's competitive grant process implements a process that allows agencies to secure funding based on the merit of their project as opposed to the STP-L program, which apportioned funds based on population. Through the competitive CMAQ/STBG grant process a small city can now compete for a much larger funding amount than they would have received based solely on their population.

### **VEHICLE MILES TRAVELED OUTCOME**

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

This initiative provides funding for surface transportation projects, typically pavement maintenance projects. Some projects may include active transportation and pedestrian safety treatments that may help reduce VMT. Local agencies have historically funded projects such as street and sidewalk maintenance and the operation of local transit services with STP-L. These projects have benefitted bicyclists, pedestrians, and transit riders. Traditionally, projects funded with STP-L do not increase capacity by adding new lanes but rather focus on improving the pavement conditions on local roadway safety through pavement maintenance and resurfacing.

Overall, this project may increase Vehicle Miles Traveled (VMT), as improvements in travel time could encourage more vehicle trips. However, any increase in VMT resulting from these projects is expected to be minimal. Additionally, the safety improvements and the benefits for cyclists, pedestrians, and transit users will help offset any potential growth in VMT.

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

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Approval of these recommendations will support the following Strategic Plan Goals:

Goal 3: Enhance communities and lives through mobility and access to opportunity by securing funding to conduct planning, create and enhance programs, and build infrastructure that accelerates infill development, facilitates housing supply, choice, and affordability, affirmatively furthers fair housing, and reduces VMT.

Goal 4: Transform LA County through regional collaboration and national leadership by facilitating partnerships to deliver transportation projects with significant geographic or regionwide benefits.

## **ALTERNATIVES CONSIDERED**

The Board may choose not to approve the recommended actions. Staff does not recommend this alternative because without the reallocation of \$25.74M of Proposition C 40% from the Access Services budget to the STP-L program, local agencies will not be able to receive their unprogrammed STP-L balances.

## **NEXT STEPS**

Planning staff will work with County Counsel to develop the STP-L balance fulfillment agreement so that local agencies can receive their unprogrammed STP-L balances. Staff will then contact cities

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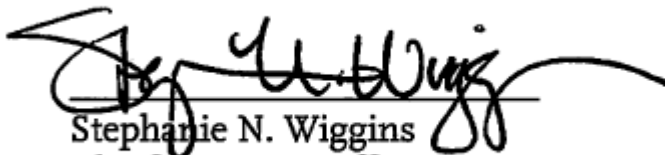
with unprogrammed STP-L balances and provide them with a deadline of December 31, 2026, and directions for the final one-time opportunity for Metro to fulfill their STP-L balances with local funds. Staff will also ensure that all eligible agencies in Los Angeles County are aware of future CMAQ/STBG/ funding through SCAG's Call for Nomination. The next SCAG Call for Nominations will start in the Spring of 2025, and Metro, as the County Transportation Commission, will lead the competitive call for projects for the Los Angeles County region.

**ATTACHMENTS**

Attachment A - Summary STP-L Balances for Agencies in Los Angeles County

Prepared by: Michael Richmai, Senior Manager, Countywide Planning & Development, (213) 922-2558  
Nancy Marroquin, Senior Director, Countywide Planning & Development, (213) 418-3086  
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Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274



Stephanie N. Wiggins  
Chief Executive Officer

**ATTACHMENT A**

<b>#</b>	<b>AGENCY</b>	<b>FULFILLMENT BALANCE</b>	<b>SUBREGION</b>
1	Agoura Hills	\$ -	Las Virgenes/Malibu
2	Alhambra	\$ 248,698	San Gabriel Valley
3	Arcadia	\$ 169,622	San Gabriel Valley
4	Artesia	\$ 49,177	Gateway Cities
5	Avalon	\$ 30,562	Gateway Cities
6	Azusa	\$ 151,224	San Gabriel Valley
7	Baldwin Park	\$ 215,114	San Gabriel Valley
8	Bell	\$ -	Gateway Cities
9	Bellflower	\$ 234,692	Gateway Cities
10	Bell Gardens	\$ 117,259	Gateway Cities
11	Beverly Hills	\$ 281,504	Westside
12	Bradbury	\$ 8,033	San Gabriel Valley
13	Burbank	\$ 1,446,029	Arroyo-Verdugo
14	Calabasas	\$ 69,204	Las Virgenes/Malibu
15	Carson	\$ 281,969	South Bay
16	Cerritos	\$ 146,346	Gateway Cities
17	Claremont	\$ 331,086	San Gabriel Valley
18	Commerce	\$ 36,783	Gateway Cities
19	Compton	\$ 2,964,096	Gateway Cities
20	Covina	\$ 88,976	San Gabriel Valley
21	Cudahy	\$ 67,946	Gateway Cities
22	Culver City	\$ -	Westside
23	Diamond Bar	\$ 162,985	San Gabriel Valley
24	Downey	\$ 339,952	Gateway Cities
25	Duarte	\$ 196,754	San Gabriel Valley
26	El Monte	\$ 325,096	San Gabriel Valley
27	El Segundo	\$ 214,802	South Bay
28	Gardena	\$ 182,781	South Bay
29	Glendale	\$ 1,183,526	Arroyo-Verdugo
30	Glendora	\$ 156,537	San Gabriel Valley
31	Hawaiian Gardens	\$ 124,832	Gateway Cities
32	Hawthorne	\$ 262,300	South Bay
33	Hermosa Beach	\$ 171,137	South Bay
34	Hidden Hills	\$ 15,353	Las Virgenes/Malibu
35	Huntington Park	\$ 162,830	Gateway Cities
36	Industry	\$ 3,815	San Gabriel Valley
37	Inglewood	\$ 325,046	South Bay
38	Irwindale	\$ 27,699	San Gabriel Valley
39	La Canada Flintridge	\$ 60,907	Arroyo-Verdugo
40	La Habra Heights	\$ 50,629	Gateway Cities
41	La Mirada	\$ 165,340	Gateway Cities
42	La Puente	\$ 113,822	San Gabriel Valley
43	La Verne	\$ 98,399	San Gabriel Valley
44	Lakewood	\$ 244,957	Gateway Cities
45	Lancaster	\$ 529,697	North County
46	Lawndale	\$ 94,081	South Bay

**ATTACHMENT A**

<b>#</b>	<b>AGENCY</b>	<b>FULFILLMENT BALANCE</b>	<b>SUBREGION</b>
47	Lomita	\$ 61,851	South Bay
48	Long Beach	\$ 1,102,418	Gateway Cities
49	Los Angeles (CITY)	\$ -	n/a
50	Los Angeles (COUNTY)	\$ 945,648	n/a
51	Lynwood	\$ 202,398	Gateway Cities
52	Malibu	\$ 32,126	Las Virgenes/Malibu
53	Manhattan Beach	\$ 1,645	South Bay
54	Maywood	\$ 75,014	Gateway Cities
55	Monrovia	\$ 114,787	San Gabriel Valley
56	Montebello	\$ 188,392	Gateway Cities
57	Monterey Park	\$ 181,512	San Gabriel Valley
58	Norwalk	\$ 1,210,672	Gateway Cities
59	Palmdale	\$ 506,958	North County
60	Palos Verdes Estates	\$ 113,830	South Bay
61	Paramount	\$ 297,669	Gateway Cities
62	Pasadena	\$ 418,646	Arroyo-Verdugo
63	Pico Rivera	\$ 186,322	Gateway Cities
64	Pomona	\$ 458,569	San Gabriel Valley
65	Rancho Palos Verdes	\$ 125,517	South Bay
66	Redondo Beach	\$ 1,747,973	South Bay
67	Rolling Hills	\$ 15,101	South Bay
68	Rolling Hills Estates	\$ 73,315	South Bay
69	Rosemead	\$ 153,186	San Gabriel Valley
70	San Dimas	\$ 104,721	San Gabriel Valley
71	San Fernando	\$ 71,778	San Fernando Valley
72	San Gabriel	\$ 117,754	San Gabriel Valley
73	San Marino	\$ 108,421	San Gabriel Valley
74	Santa Clarita	\$ 704,957	North County
75	Santa Fe Springs	\$ 56,443	Gateway Cities
76	Santa Monica	\$ 280,703	Westside
77	Sierra Madre	\$ 297,850	San Gabriel Valley
78	Signal Hill	\$ 66,572	Gateway Cities
79	South El Monte	\$ 59,823	San Gabriel Valley
80	South Gate	\$ 1,197,204	Gateway Cities
81	South Pasadena	\$ 244,843	Arroyo-Verdugo
82	Temple City	\$ 109,389	San Gabriel Valley
83	Torrance	\$ 887,289	South Bay
84	Vernon	\$ 7,433	Gateway Cities
85	Walnut	\$ 84,510	San Gabriel Valley
86	West Covina	\$ 330,249	San Gabriel Valley
87	West Hollywood	\$ 106,330	Westside
88	Westlake Village	\$ 70,945	Las Virgenes/Malibu
89	Whittier	\$ 468,169	Gateway Cities
	<b>TOTAL</b>	<b>\$ 25,740,531</b>	



# COMPLETION OF SURFACE TRANSPORTATION PROGRAM-LOCAL ANNUAL APPORTIONMENTS TO LOCAL AGENCIES

Planning and Programming  
Committee

March 19, 2025

File No. 2024-1141



**Metro**

# RECOMMENDATION

## CONSIDER:

- A. **AUTHORIZING** the reallocation of \$25.74 million of Proposition C discretionary funds from the Access Services (Access) budget to fulfill unprogrammed STP-L funding program balances and;
  
- B **AUTHORIZING** the Chief Executive Officer (CEO) or their designee to execute STP-L balance fulfillment agreements with local agencies, allowing them to receive their unprogrammed STP-L balances using available non-federal Metro funds.

# BACKGROUND

- Federal STBG (includes STP-L) formula funding that had previously been apportioned to agencies in Los Angeles County by population can no longer be programmed by those agencies due to the federal Corrective Action. While Metro can no longer apportion STBG to agencies, several agencies have fund balances from previous apportionments that staff proposes to fulfill with local funds.
- As a result of the Corrective Action, local agencies who had not programmed their STP-L balances in the 2023 or 2025 Federal Transportation Improvement Program (FTIP) will not be able to access those STP-L funds.
- During the outreach process for the first 2024 SCAG Corrective Action Call for Project Nominations, several agencies and subregions requested that Metro develop a process by which the STP-L balances could be fulfilled by Metro with non-federal funds.



# BACKGROUND

- Planning staff will work with County Counsel to develop the STP-L balance fulfillment agreement to be used with local agencies to receive their unprogrammed STP-L balances.
- Staff will then contact cities with unprogrammed STP-L balances and provide them a timeline and directions for the final one-time opportunity for Metro to fulfill their STP-L balances with local funds.
- Staff will also ensure that all eligible agencies in Los Angeles County are aware of future CMAQ/STBG/CRP funding through SCAG's Call for Nomination.



Thank you



Metro®

**Board Report**

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**File #:** 2025-0040, **File Type:** Plan**Agenda Number:** 8.

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**PLANNING AND PROGRAMMING COMMITTEE  
MARCH 19, 2025****SUBJECT: ADOPTION OF THE PROJECT PRIORITIZATION FRAMEWORK FOR THE 2025  
SCAG CMAQ/STBG CALL FOR PROJECTS****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the CEO or their designee to submit to SCAG the Project Prioritization Framework Metro will use to evaluate and rank projects for Los Angeles County as part of the 2025 SCAG CMAQ/STBG Call for Projects.

**ISSUE**

On March 31, 2025, the Southern California Association of Governments (SCAG) will release a call for nominations inviting agencies within Los Angeles County to submit applications for Congestion Mitigation and Air Quality (CMAQ) and Surface Transportation Block Grant (STBG) funding apportionments available for the SCAG region for federal fiscal year (FFY) 2027 and FFY 2028. Metro staff will be required to review and rank the applications for Los Angeles County. Staff is seeking Board approval of the project ranking criteria to be utilized in this process. The ranked projects for Los Angeles County will be presented for Board adoption at the July 2025 meeting. SCAG will then prioritize projects received from all six counties in the SCAG region and will make the final project funding awards at their November 2025 Regional Council (RC) Meeting.

**BACKGROUND**

The Congestion Mitigation and Air Quality Improvement (CMAQ) Program and Surface Transportation Block Grant (STBG) Program Guidelines, scheduled for adoption by the Southern California Association of Governments (SCAG) Regional Council in March 2025, establish the framework for project selection and allocation of CMAQ and STBG funds within the SCAG region in accordance with 23 CFR § 450.332(c) et al. These guidelines outline the SCAG-administered project selection process in compliance with federal requirements for the CMAQ and STBG programs.

In April 2021, the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) issued a Corrective Action to Caltrans on the administration of the CMAQ and STBG. The findings require Caltrans to ensure that sub-recipients of CMAQ and STBG funds throughout the state administer these programs in compliance with federal program guidance and regulations. Subsequently, in August 2022, FHWA and FTA jointly issued a corrective action to SCAG, requiring a

review of Caltrans' CMAQ and STBG administrative policies and the development of a process that ensures compliance with federal program guidelines and regulations for the administration of these two programs.

The program guidelines adopted by SCAG to comply with the federal Corrective Action require that any new project or new project phase funded with CMAQ and/or STBG funds are subject to a competitive project selection process. SCAG's adopted CMAQ/STBG Compliance Action Plan outlines the regional approach for addressing the Corrective Action. The specific issues the SCAG Compliance Action Plan addresses are:

- Replacing the current federal transportation funding suballocations by population or mode to cities and counties with a performance-based approach.
- Modifying the eligibility screening conducted for compliance with Federal program guidance and regulations.
- Modifying the project selection process so federally funded transportation projects are selected by SCAG as the designated Metropolitan Planning Organization (MPO).

As part of the 2025 SCAG Call for Projects, all County Transportation Commissions (CTCs) in the SCAG region, which includes Metro, will assist in the process by providing initial project screening using the proposed project evaluation and ranking criteria described below. Following the Board's adoption of the ranked projects for Los Angeles County this July, SCAG staff will then evaluate all nominations against program criteria and recommend a list of projects and funding amounts for final SCAG Regional Council approval of the selected projects.

As part of the Corrective Action guidelines, SCAG developed performance-based funding nomination targets for each county in the SCAG region. For the CMAQ and STBG funds available through this call process, Los Angeles County's target is approximately \$660 million. This funding target will only guide the nomination submittals from each county; it is not a guaranteed funding level nor a nomination ceiling.

## **DISCUSSION**

For the 2025 CMAQ/STBG Call for Projects process, SCAG will open the project application for funding on March 31, 2025. Metro staff then notify all cities and eligible agencies of the release of the application and the schedule to submit applications. To meet the August 1, 2025, deadline for CTCs to submit their prioritized projects to SCAG, agencies must submit their applications by May 16, 2025, to provide time for staff to review and rank the submitted projects.

Staff will also notify the Council of Governments (COGs) and subregions of the grant opportunity. Office hours will be available on Tuesday and Thursday mornings from 10 am to noon, during which agencies can schedule time to answer questions about project eligibility and the application process.

## **Project Ranking Criteria**

The SCAG guidelines require each county to adopt and apply a Project Prioritization Framework consisting of criteria to evaluate and rank each project. Projects will be evaluated into four categories: Highly Recommended, Recommended, Contingency List, and Not Recommended.

Staff is proposing the following four criteria be used to evaluate and rank projects submitted in Los Angeles County:

1. **Eligibility:** Potential implementing agencies and projects must be eligible for CMAQ and/or STBG funds.
2. **Alignment with Metro Plans and Policies:** Projects must support adopted Metro plans, policies, and objectives
  - a. Given the Metro Boards' commitment to providing world-class mobility options during the 2028 Olympic and Paralympic Games, priority will be given to the projects that support the Games Mobility Concept Plan.
3. **Community/Stakeholder Engagement:** Project nomination applications must demonstrate community support. Community support may be determined through a variety of means, including (but not limited to):
  - a. Responses to public outreach, including comments received at public meetings or hearings, feedback from community workshops, survey responses, etc.; and/or
  - b. Endorsement by community-based organizations
  - c. Subregional support. Endorsement by Council of Government or Subregional Board
4. **Deliverability and Readiness:** Implementing agencies must demonstrate sufficient capacity and technical expertise to meet deadlines. Projects must demonstrate readiness and the ability to obligate the funds within the programming period.
  - a. To maximize the timely obligation of CMAQ/STBG funds and to provide maximum mobility benefits to support the 2028 Olympic and Paralympic Games, priority will be given to projects that can be delivered (i.e., open to public use) before June 2028.

To address the concerns raised by the Councils of Government (COG) during the previous SCAG Call process and to ensure transparency in the project ranking process, staff will ask two representatives from the COGs to participate in reviewing and ranking the applications submitted for projects in Los Angeles County. This collaboration will enhance transparency in evaluating all projects and ensure that the COGs are involved in the rankings for all projects seeking CMAQ/STBG funding. Ultimately, the Southern California Association of Governments (SCAG) will make the final decisions regarding project funding awards.

### **DETERMINATION OF SAFETY IMPACT**

Approving this item will not directly impact the safety of Metro customers or employees. However,

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since some of the projects eligible for these funds include safety enhancements, avoiding potential risks associated with maintaining the grant funding is essential for ensuring the timely realization of the anticipated safety benefits these projects will provide.

### **FINANCIAL IMPACT**

There is no financial impact with this action.

### **EQUITY PLATFORM**

CMAQ and STBG funds are intended to provide a flexible funding source to State and local governments for transportation projects and programs to reduce congestion and improve air quality for areas that do not meet the National Ambient Air Quality Standards. The Board action will help secure funding from a program intended to advance transit and other multimodal plans, programs, and infrastructure improvements within and for lower-resourced communities, areas of concentrated poverty, historically disadvantaged communities, and/or areas with lost or reduced service.

The proposed project ranking criteria in the CMAQ/STBG Call for Nominations process require applicants to assess project benefits to populations living in Areas of Persistent Poverty and Historically Disadvantaged Communities. These benefits include air quality improvements, infrastructure for safer active transportation and improvements to local transit services. The types of projects funded through the CMAQ/STBG Call include improvements to local transit, clean transportation technology, and transportation demand management strategies.

Nearly all Metro EFCs overlap with one or more of the indicators included in the U.S. Department of Transportation's BUILD Grant mapping tool used to identify Areas of Persistent Poverty and Historically Disadvantaged Communities in the evaluation of Community Economic Development Benefits. Census tracts identified as Areas of Persistent Poverty are similar to Metro's EFCs in that they are determined using socioeconomic factors, including a significant percentage of the population living in poverty.

### **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.

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 by providing funding to enhance transit systems and to support various multimodal plans, programs, and infrastructure improvements throughout the region. These investment activities will benefit and further encourage transit ridership, ridesharing, and active transportation. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

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

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

Approval of these recommendations will support the following Strategic Plan Goals:

Goal 3: Enhance communities and lives through mobility and access to opportunity by securing funding to conduct planning, create and enhance programs, and build infrastructure that accelerates infill development that facilitates housing supply, choice, and affordability, affirmatively further fair housing, and reduce VMT.

Goal 4: Transform LA County through regional collaboration and national leadership by facilitating partnerships to deliver transportation projects with significant geographic or regionwide benefits.

### **ALTERNATIVES CONSIDERED**

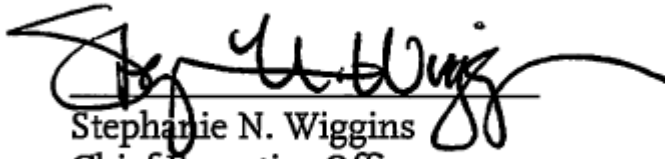
The Board may choose not to approve the recommended actions. SCAG requires each County Transportation Commission (CTC) to adopt project ranking guidelines. The Board can modify the guidelines for Los Angeles County or use the SCAG-adopted guidelines.

### **NEXT STEPS**

Staff will ensure that all eligible agencies in Los Angeles County are aware of the opportunity to apply for CMAQ and STBG through the 2025 SCAG's Call for Projects by hosting workshops and regular "office hours" on Tuesday and Thursday mornings from 10 am to noon to answer questions until the application window closes.

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Stephanie N. Wiggins  
Chief Executive Officer



The background features a large, stylized letter 'M' composed of several white, 3D rectangular blocks. The 'M' is set against a dark green circular backdrop. This green circle is partially overlaid by a large, curved orange shape that sweeps across the middle of the page. The bottom portion of the page is a solid black background.

# ADOPTION OF THE PROJECT PRIORITIZATION FRAMEWORK FOR THE 2025 SCAG CMAQ/STBG CALL FOR PROJECTS

Planning and Programming Committee

March 19, 2025

File No. 2025-0040



**Metro**

## Recommendation

Authorize the CEO or their designee to submit to SCAG the project prioritization framework Metro will use to evaluate and rank projects for Los Angeles County as part of the 2025 SCAG CMAQ/STBG Call for Projects.

# Background

- SCAG, as the Metropolitan Planning Organization (MPO) for the six-county region that includes Los Angeles County, is required under a change in federal funding guidelines to program CMAQ/STBG funds
- On March 31, 2025, SCAG will release a call for nominations inviting agencies within Los Angeles County to submit applications for CMAQ and STBG funding apportionments available for the SCAG region for federal fiscal year (FFY) 2027 and FFY 2028.
- Metro staff, with two COG representatives, will review and rank the applications for Los Angeles County. Staff is seeking Board approval of the SCAG's project rankings criteria. The ranked projects for Los Angeles County will be presented for Metro Board adoption at the July 2025 meeting.
- SCAG will then prioritize projects received from all six counties in the SCAG region and will make the final project funding awards at their November 2025 Regional Council (RC) Meeting.



**Metro**

# Project Prioritization Framework

The SCAG guidelines require each county to adopt and apply a Project Prioritization Framework consisting of criteria to evaluate and rank each project. Projects will be evaluated into four categories: Highly Recommended, Recommended, Contingency List, and Not Recommended.

Staff is proposing the following four criteria be used to evaluate and rank projects:

- 1. Eligibility:** Potential implementing agencies and projects must be eligible for CMAQ and/or STBG funds, as detailed in 23 USC Sec. 133, 149, et al.
- 2. Alignment with Metro Plans and Policies:** Projects must support adopted Metro plans, policies, and objectives.
  - Priority will be given to projects that support the Games Mobility Concept Plan and can be delivered before June 2028
  - Equity: Projects must align with Metro's Equity Program and provide benefits to Metro Equity Focus Communities.
- 3. Community/Stakeholder Engagement:** Project nomination applications must demonstrate community support.
- 4. Deliverability and Readiness:** Implementing agencies must demonstrate sufficient capacity and technical expertise to meet deadlines. Projects must demonstrate readiness and the ability to obligate the funds within the programming period.



**Metro**

# Next Steps

- SCAG will open the project application for funding on March 31, 2025. Metro staff then notify all cities and eligible agencies of the release of the application and the schedule to submit applications.
- Agencies must submit their applications by May 16, 2025. This timeline allows staff sufficient time to review and rank the submitted projects.



**Board Report**

**File #:** 2025-0044, **File Type:** Project

**Agenda Number:** 9.

**PLANNING AND PROGRAMMING COMMITTEE  
MARCH 19, 2025**

**SUBJECT: VERMONT TRANSIT CORRIDOR ENVIRONMENTAL AND PLANNING STUDY**

**ACTION: APPROVE RECOMMENDATION**

**RECOMMENDATION**

CONSIDER:

- A. RECEIVING AND FILING the Vermont Transit Corridor environmental study findings as per Senate Bill 922 Statutory Exemption requirements;
- B. APPROVING the proposed Vermont Transit Corridor Project, a new 12.4-mile at-grade, side-running bus rapid transit (BRT) line with 26 stations at 13 intersection locations (Attachment A), as the Locally Preferred Alternative (LPA);
- C. APPROVING the finding that the Project is statutorily exempt from CEQA under Section 21080.25(b); and
- D. AUTHORIZING the Chief Executive Officer to file a CEQA Notice of Exemption (NOE) for the Project with the Los Angeles County Clerk and the Governor’s Office of Planning and Research.

**ISSUE**

The Vermont corridor is the busiest bus transit corridor in Los Angeles County with approximately 38,000 weekday boardings and serves several communities heavily dependent on public transit providing connectivity to four Metro rail lines, several east-west bus routes, and major activity centers.

The Vermont Transit Corridor Project (Project) brings long-awaited improvements in travel time, service reliability, and customer experience along a 12.4-mile stretch of Vermont Avenue between

Sunset Boulevard and 120th Street (Attachment B).

The Vermont Transit Corridor is a Measure M Project with an anticipated opening date as early as 2028, in time for the 2028 Summer Olympic and Paralympic Games in Los Angeles. Critical to meeting this schedule, a Project and a Locally Preferred Alternative (LPA) must be identified, and the environmental review complete. The Project is statutorily exempt under CEQA through SB 922 and staff seek Board approval of this finding.

## **BACKGROUND**

In December 2013, Metro completed the Los Angeles County Bus Rapid Transit (BRT) and Street Design Improvement Study identifying Vermont as one of the top candidate corridors for BRT. At that time, Vermont was the second busiest bus corridor with approximately 45,000 daily boardings. With the onset of the COVID-19 pandemic, systemwide ridership dropped significantly. However, the Vermont corridor today is the busiest bus corridor with 38,000 daily boardings, which are projected to increase to 66,000 by 2045.

The Vermont Transit Corridor has been under study for nearly a decade starting with the Vermont BRT Technical Study initiated in 2015 and completed in 2017. This was followed by the Vermont Transit Corridor Rail Conversion/Feasibility Study completed in 2019. Both studies examined potential BRT and rail alternatives for the corridor from Hollywood/Sunset Boulevards to 120th Street, where Metro's local and Rapid services on Vermont Avenue terminate and where Gardena Transit continues service. In June 2022, Metro implemented a community-based planning approach to engage with community partners and stakeholders to build a common vision for the corridor, listen to their transit needs and concerns, and incorporate their feedback into developing equitable mobility options for Vermont. Through the six months of extensive community outreach work with the CBOs, the community shared their desire for the following:

- Make immediate improvements to the existing bus service;
- Build a BRT line in the mid-term; and
- Deliver a rail project when funding becomes available longer-term.

As a result, in September 2022, the Board passed a motion (Attachment C) directing staff to advance a three-pronged strategy for immediate quick-build improvements, medium-term BRT, and long-term rail transit as funding becomes available. As part of the motion, the Board confirmed the limit of the transit improvements by directing staff to include an extension south of 120<sup>th</sup> Street in a list of Metro's future, strategic unfunded projects. Near-term improvements are being implemented through the Bus Speed and Reliability Program, which includes bus-only lanes in two areas of the Vermont corridor. To implement near-term improvements, existing and/or new extended weekday parking restrictions on Vermont Avenue between Sunset and Wilshire Boulevards will be implemented 7-10 a.m. and 3-7 p.m. Additionally, all-day bus-only lanes will be implemented between Gage Avenue and the Athens C Line Station. These improvements are underway, separate from the Vermont Transit Corridor Project, and are anticipated to be complete by Spring 2025.

In September 2023, the Board approved a contract award in support of developing a medium-term BRT, including consultant services for environmental clearance, design, and outreach. Work was initiated in November 2023 and included further evaluation of two initial bus lane configurations, end-to-end side-running bus lanes, and a combination side- and center-running bus lanes.

The 12.4-mile Bus Rapid Transit (BRT) Project features 26 stations at 13 locations (one on each side of the street) (Attachment A). The BRT Project extends from 120th Street (a discharge and layover

location), south of the Vermont/Athens Metro C Line Station, to Sunset Boulevard and a connection to the Vermont/Sunset Metro B Line Station in Hollywood. The study area encompasses several densely populated communities defined as Equity Focus Communities (EFCs) (Attachment D).

Most of the Study Area is within the City of Los Angeles and includes several communities, including East Hollywood/Los Feliz, University Park/Exposition Park, Koreatown, and South Los Angeles. Approximately 2.5 miles at the southern end (on the western side of Vermont Avenue only), the Study Area encompasses the West Athens and Westmont communities, which are in unincorporated Los Angeles County. These communities are among the most densely populated in the region and have a significantly higher percentage of transit-dependent residents. The corridor also features various cultural and institutional amenities as well as numerous major activity centers, including the University of Southern California (USC), BMO Stadium, the Exposition Park Museums, Kaiser Permanente Los Angeles Medical Center, Children's Hospital Los Angeles, and Los Angeles City College (LACC).

The Project seeks to enhance the existing north-south transit service for residents and businesses located west of the I-110 Harbor Freeway. Additionally, it aims to create opportunities for reinvestment in the communities along the corridor. The need for transit improvements along Vermont is highlighted through several key themes.

- **Growing Travel Market:** The high number of daily transit trips accessing or using the corridor is projected to increase over time from 38,000 daily riders today to 66,000 by 2045.
- **Deteriorating Traffic Conditions:** Segments of the corridor have constrained public rights-of-way, resulting in competition between modes, increased operating conflicts, inefficient movement of people, and decreased safety.
- **Degrading Transit Network Reliability:** Transit travel times, service quality, and service reliability are significantly impacted by traffic congestion in the corridor.
- **Inequitable Allocation of Resources:** The corridor has a disproportionately high number of transit-dependent riders. The entire corridor is within EFCs—resulting in disparate outcomes for those with the highest need when comparing service availability in corridors with a lower concentration of EFCs. Additionally, approximately one-third of the corridor's population resides within designated Federal Opportunity Zones.
- **Poor Safety and Customer Experience Conditions:** The poor condition or lack of transportation infrastructure (roadway, transit, bicycle, and pedestrian) near transit stops discourages riders. The Vermont Corridor is also on the City of Los Angeles' High Injury Network with more pedestrian incidents than any other street in LA over the last 10 years.

## **DISCUSSION**

### **Project Goals**

The goals and objectives for the Project are summarized as follows:



- Advance a premium transit service that is more competitive with private auto travel
- Improve transit access to major activity and employment centers
- Enhance connectivity to Metro and other regional transit services
- Provide improved passenger comfort and convenience
- Improved safety on the corridor

### Stakeholder and Community Outreach

In addition to the community meetings required by SB 922, the Vermont Transit Corridor Project team has prioritized community engagement throughout Project development, achieving significant milestones and shaping its direction.

- **Cultural Needs and Equity Workshops** were conducted to ensure that the Project is responsive to the diverse communities along the corridor.
- **Station Design Workshops** provided a platform for residents and stakeholders to actively participate in shaping the design of future BRT stations. This collaborative approach ensured that station designs were functional, accessible, and integrated well with the surrounding neighborhoods.
- **Surveys** at key stops along Vermont Avenue and on Bus Lines 204 and 754 were completed with 371 transit riders who provided feedback on their experience and preferences for improvements along the corridor.
- **Ongoing Project updates** through various channels staff have kept the public informed about the Project's progress, critical decisions, and upcoming opportunities for engagement. This transparency has maintained community awareness and has reinforced its crucial role in shaping the future of the Vermont Transit Corridor. Engagement activities have included sharing information at 25 community events (5 CicLAVias, Leimert Park Jazz Festival, Honduran Business Fair, and several others), 22 briefings at key institutions, block clubs, and community groups located along Vermont Avenue, and presented to 22 neighborhood councils, block clubs, and community groups.

A robust Partnership Program was also implemented with 38 Community-, Community Development- or Faith-Based Organizations with deep roots in the corridor communities the Project will serve. The partnerships have allowed Metro to reach a wider audience and gain valuable insights from stakeholders who do not typically engage with Metro's planning processes, including reaching out to over 24,300 community members. Staff also conducted three rounds of community meetings as well as an additional five public meetings in early December 2024 to present the SB 922 analysis/reports and solicit comments. Attachment E includes a summary of the community engagement activities and comments received.

### BRT Alternatives Considered

Based on the work done as part of the two earlier BRT studies in 2017 and 2019, two alternatives were brought forward as part of the Vermont Transit Corridor Planning and Environmental Study - an

all-day end-to-end side-running and an all-day combination side- and median-running BRT. Given the right-of-way constraints on Vermont Avenue, the majority (2/3) of the corridor north of Gage Avenue cannot physically accommodate median-running BRT and stations. After further analysis of the two alternatives and all the feedback received, the end-to-end side-running BRT alternative emerged as the best performing option. Additionally, 63% of those who commented preferred the side-running alternative well only 37% preferred the combination side- and median-running alternative.

The benefits of the end-to-end side-running BRT alternative outweigh the benefits of the combination side- and median-running BRT. Some of the advantages of the side-running alternative include:

- Preservation of more on-street parking (94%) versus the combination side and median-running alternative (77%), which was a key concern heard from the community and businesses;
- Shared bus lanes and BRT stations with local buses (Metro and DASH), thereby providing more BRT benefits to more riders;
- Access to stations from the sidewalk was preferred by the community as walking to/from stations in the middle of Vermont Avenue was perceived as being less safe from the perspective of user experience;
- Preservation of trees in the median valued by the community (total of 11 trees at two station locations);
- Extended pedestrian areas (bulb-outs) at stations enabling shorter crosswalks for improved pedestrian safety;
- Shorter construction schedule compared to the combination side and median-running alternative by at least 5 to 8 weeks; and
- Bus lanes that could continue to be used by buses when rail is eventually implemented.

Since the median-running BRT configuration is only feasible in about a two-mile segment south of Gage Avenue, only 3 of the 13 station locations could accommodate median stations (Century, Manchester, Florence). This is due to the additional right-of-way required for median-running bus lanes and stations resulting in additional time for demolition, median and street reconstruction, additional signal and utility conflict work, and some tree removal, resulting in a cost increase of \$20 to \$80 million. Because Metro's Line 204 and LADOT DASH need to make additional stops between Imperial and Gage Avenues, local buses would not be able to use the median-running bus lanes or stations.

Additionally, the overall travel time for the median-running bus lanes would be only 1-2 minutes less than the side-running bus lanes due to the relatively short section of the corridor that can accommodate median-running lanes and stations.

### Recommended Project Description

The recommended Project would consist of 12.4 miles of all-day side-running dedicated bus lanes from 120th Street on the south to Sunset Boulevard on the north. This configuration allows 94% of the existing parking to remain, which is one of the most important assets to the community.

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Dedicated bus lanes are one of the most crucial components of BRT. Combined with other BRT attributes such as transit signal priority, limited stops, frequent headways, all-door boarding, and enhanced stations, bus lanes significantly improve bus speeds and service reliability by allowing for more consistent travel times and enhancing the customer experience. Implementing these attributes ensures the BRT meets the Project goals and objectives and maintains its high performance over time even as traffic congestion worsens.

Additional Project features to be implemented at all 13 station locations include approximately 52 enhanced crosswalks to improve visibility and pedestrian safety, updated ADA-compliant curb ramps at 52 corners, and 26 bus bulb-outs. These bulb-outs will create larger pedestrian areas and reduce crosswalk distances. Additionally, bus bulb-outs will facilitate faster and more reliable bus operations by minimizing the time lost when buses merge in and out of bus or travel lanes.

Implementation of the Project is expected to result in travel times savings of 24% or 17 minutes end-to-end, as well as a 30% mile per hour improvement for buses. The Project is expected to increase corridor ridership from 38,000 daily boardings to approximately 66,000 daily boardings by 2045 due to more frequent service, faster travel speeds, and better reliability with dedicated bus lanes. The current on-time performance (OTP) of service on Vermont Avenue is approximately 70%. The goal is to improve OTP to at least 80% or better, and the bus-only lanes proposed in this project contribute to service reliability and on-time performance.

In March 2024, voters in the City of Los Angeles passed the Healthy Streets LA (HLA) initiative. HLA requires the City, when doing work on a city-owned street, to implement street enhancements described in its Mobility Plan 2035. Although the HLA ordinance does not specifically apply to Metro projects, the Vermont Transit Corridor Project helps achieve partial build-out of the Transit Enhanced Network (TEN) called for in the City of Los Angeles' Mobility Plan 2035. The Project also complements the City's goals of achieving a safer, more sustainable, and inclusive transportation network. Additionally, the Project and its associated street improvements do not preclude the City from implementing additional street improvements included in the Mobility Plan 2035.

A traffic analysis was conducted in 2024, in coordination with the City of Los Angeles, and estimated that approximately 25% of auto traffic on Vermont Avenue would divert to Hoover Street and Normandie Avenue, both of which have unused capacity that can accommodate the additional traffic. Another 15% of auto traffic on Vermont is expected to divert to other parallel major arterial streets outside of the study area (east of Hoover and west of Normandie). Consistent with the goals of the Mobility Plan 2035, the Project prioritizes transit in the corridor through the introduction of dedicated bus lanes with the expectation that auto traffic would adjust travel patterns as necessary. Staff also anticipate up to a 5% mode shift from single occupancy vehicles to transit.

### Environmental Analysis and Findings

Metro is seeking a statutory exemption under the California Environmental Quality Act (CEQA) through Senate Bill 922 (SB 922), which is codified as California Public Resources Code (PRC) 21080.25 (b). SB 922 exempts active transportation projects, including BRT projects, from CEQA requirements.

To support the case for the applicability of statutory exemption under SB922, Metro prepared three required analyses/reports: 1) Racial Equity Analysis; 2) Residential Displacement Analysis; and 3) Business Case Analysis. The SB 922 analyses are presented in the Vermont Transit Corridor Project Senate Bill 922 Reports: Racial Equity Analysis, Residential Displacement Analysis, and Business Case available on the Metro website at <https://www.metro.net/projects/vermont>.

Additionally, SB 922 requires that at least one public meeting be held to discuss each of the three reports, offering the public a chance to review and comment on them. The SB 922 documents were made available for review and comments at public libraries located on or near the corridor, as well as on the Metro website. The Metro project page noted the period to provide comments on the reports were November 22 to December 20, 2024. In early December, Metro hosted five (5) public meetings (Attachment F) throughout the corridor to not only present the report's findings but also to:

- Communicate details of the statutory exemption process so stakeholders are aware of the legal and environmental framework governing the Project
- Provide a comprehensive description of the Project's benefits and impact
- Allow the public to review the SB 922 documents

Approximately 80 comments were received at those meetings on the SB 922 reports. The sections below describe the three required analyses that were provided to the public about the impacts and benefits of the Project.

### Racial Equity Analysis

The purpose of the Racial Equity Analysis is to examine the impacts of the Project on different racial communities. The analysis identified which communities might benefit or be burdened by the Project, as well as strategies to mitigate any disproportionate impacts. Overall, based on data collected on race and ethnicity, low-income households, and zero-car households of the Project Area, 91.2% of the census tracts in the Project Study Area are considered Metro Equity Focus Communities (EFCs).

The findings showed that the Project would be implemented in a corridor with a high percentage of individuals identifying as Black or African American, Indigenous, or People of Color (BIPOC). In Los Angeles County, the BIPOC population is 74.8%, while in the City of Los Angeles, it is 71.9%. In contrast, the percentage of BIPOC individuals in the Project Study Area is significantly higher, at 88.8%. Additionally, the analysis revealed that the Project Area contains 55.6% of low-income households and 20.4% of households with no access to a car.

These communities will benefit from the project as it would provide improvements to north-south transit services and thus improved access to jobs, education, and essential services along the corridor. The BRT will help alleviate the existing inequities such as slow bus speeds due to heavy traffic that affect those who rely on transit services, especially zero-car households. The project will also provide BRT stations with overhead bus canopies, passenger amenities, and clear signage in a heavily transit-dependent corridor.

The Vermont Transit Corridor Project would narrow the existing inequities by investing in a transit

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system that supports a broad base of current and future users and reflects the needs of each distinct community by improving access, safety, and comfort. The Project would improve transit performance, enhance the experience for customers, invest in the community, and develop a cost-effective project.

### Residential Displacement Analysis

The purpose of the Residential Displacement Analysis was to identify areas at risk and the potential for residential displacement and develop strategies to mitigate the potential risks. The Project Study Area has a high percentage of BIPOC populations, low-income households, and renter-occupied homes, including vulnerable communities that could be affected by residential displacement. Residential displacement can occur in two ways: physical (direct) displacement and economic (indirect) displacement. Physical displacement results from eviction, property acquisition, rehabilitation, demolition, or the expiration of covenants on rent- or income-restricted housing. The Project involves a BRT project located entirely within the Vermont public right-of-way and would not directly contribute to residential displacement during either the construction or operation phases.

Economic displacement is related to unaffordable escalating rents or property taxes as related to development activities and changes in land uses. Metro does not have jurisdiction over land use or other community development efforts. The Project would provide better transit connectivity in the Vermont Corridor, which may indirectly spur new economic development opportunities and interest in housing development near transit stations that may benefit the community and increase the overall housing supply in the area. Strategies to avoid potential indirect impacts focus on Metro coordination and partnerships with Los Angeles County, the City of Los Angeles, public agencies, private developers, and the community. These coordination efforts would include encouraging land use plans and policies that minimize residential displacement, potential opportunities on public land to support housing, and joint development opportunities on Metro-owned parcels that could be developed to serve BRT users.

### Business Case Analysis

The purpose of the Business Case Analysis was to assess the Project's benefits, feasibility, costs, and overall impact of the investment. This analysis answers several key questions, including how the Project aligns with Metro's long-term goals, what the associated costs and benefits are, what the societal impacts might be, what the long-term financial implications are, and how the Project would be developed and implemented.

The Vermont Transit Corridor is currently the busiest bus corridor in the Metro system, with about 38,000 daily boardings. The selected Project would improve efficiency along the congested corridor and facilitate safe and accessible transport to major employment, social services, educational facilities, and regional activity centers. The Project supports the ambitions and goals from federal, state, and local governments, including transportation goals in Metro's 2020 Long Range Transportation Plan. The Project objectives would meet these long-range goals by significantly improving service reliability and ridership, reducing passenger travel times, enhancing stations and passenger amenities, improving pedestrian/bicycle access and safety and security, and better access to key destinations. Additionally, this Project complements the City's goals of achieving a safer, more

sustainable, and inclusive transportation network as outlined in their Mobility Plan 2035.

Other Project benefits include the creation of an estimated 1,000 construction jobs per year, increased road safety, cleaner air, and \$5.40 in community benefits for every dollar spent. In addition, the Project is projected to save \$18.99 million by replacing Metro Rapid Route 754 and reducing Metro Line 204 travel times, resulting in a net operation and maintenance cost increase of \$8.54 million.

### CEQA Determination

Metro staff have identified that the Project qualifies for statutory exemption under SB 922. The Project improvements fall within the exemptions described in Section 21080.25(b) as noted below.

- Introduction of a new premium BRT service on Vermont Avenue, an existing public right-of-way (Section 21080.25(b)(5))
- New all-day bus lanes on 12.4 miles of Vermont Avenue from 120<sup>th</sup> Street to Sunset Boulevard (Section 21080.25(b)(4))
- An increase in weekday headways from 10 to 5 minutes throughout most of the day (Section 21080.25(b)(5))
- The implementation of transit signal priority and all-door boarding (Section 21080.25(b)(3))
- The addition of 26 enhanced stations and passenger amenities at 13 station locations, including real-time next-bus information (Section 21080.25(b)(5))
- The addition of bus bulbs at the 13 station locations to reduce bus stop delays and increase space for bus stop amenities and pedestrians (Section 21080.25(b)(5))
- The use of zero-emission, battery-electric buses (Section 21080.25(b)(5) and (6))

Given the above, the Project meets the definition of a statutory exempt project and is consistent with SB 922's intent to accelerate sustainable transportation projects by providing an exemption from CEQA for a targeted set of sustainable transit projects, "active transportation" (walking and biking), and projects that expand sustainable mobility.

### DETERMINATION OF SAFETY IMPACT

Approval of this item and eventual completion of the Project will enhance safety by introducing dedicated bus lanes and bus bulbs. These improvements will reduce potential conflicts caused by buses weaving in and out of traffic. Additionally, bus bulbs will improve pedestrian safety by providing larger waiting areas and shortening crossing distances at station locations. The Project will also feature improved crosswalks for increased visibility of pedestrians and enhanced lighting at stations to boost safety and security for our customers. The Project will not compromise the safety of Metro's customers or employees.

### FINANCIAL IMPACT

The FY 2025 budget includes \$15M in Cost Center 4240 (Mobility Corridors Team 4), Project 471402 (Vermont Transit Corridor Project). Since this is a multiyear contract, the Cost Center Manager and Chief Planning Officer will be responsible for budgeting in future years for the balance of the

remaining Project budget.

### Impact to Budget

The funding source for the Vermont Transit Corridor Project is Measure M 35% Transit Construction. As these funds are earmarked for the Vermont Transit Corridor project, they are not eligible for Metro bus and rail capital and operating expenditures.

The preliminary cost estimate for the Project is \$393 million (year of expenditure) based on the 15% design developed for the end-to-end side-running configuration. Program Management will conduct an independent bottoms-up cost estimate during the Preliminary Engineering phase. The Measure M Expenditure Plan includes \$25 million in Measure M funds. The remaining \$400 million is anticipated to come from other local, state and federal sources. Staff are currently exploring opportunities for both state and federal funding opportunities, including a federal Small Starts Grant as directed by Motion 51 by Directors Dupont-Walker, Najarian, Mitchell, Solis, and Butts (Attachment C).

### EQUITY PLATFORM

The Vermont Transit Corridor Planning and Environmental Review contract was awarded in October 2023, with a significant Disadvantaged Business Enterprise (DBE) goal of 41.16%. The Vermont Transit Corridor will provide new benefits of enhanced mobility and improved regional access and connectivity in a corridor with a high percentage of individuals identifying as Black or African American, Indigenous, or People of Color (BIPOC). In Los Angeles County, the BIPOC population is 74.8%, while in the City of Los Angeles, it is 71.9%. In contrast, the percentage of BIPOC individuals in the Project Study Area is significantly higher, at 88.8%. Additionally, the Project Area contains 55.6% of low-income households and 20.4% households do not have access to a car.

The Project will also help support transit-oriented communities' policies, improve safety, support first/last-mile connections, and invest in disadvantaged communities. The Vermont Transit Corridor is located almost entirely within (98%) Equity Focus Communities (EFCs). Throughout the planning and environmental review of this project, advancing transit equity was a critical part of setting up project objectives in evaluating alternatives, developing design elements, and engaging the community and stakeholders. In addition, Metro partnered with 38 CBOs/FBOs to support this work and advance equity in alignment with Metro's CBO Partnering Strategy. These partnerships were valuable in allowing Metro to reach a wider audience and gain valuable insights from stakeholders who may or may not typically engage with Metro's planning processes, resulting in a project that will reduce travel times by 24% (17 minutes end-to-end) and improve access to key destinations along the corridor. This partnership also resulted in the development of a recommended and/or preferred BRT alternative.

### 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.

As part of these ongoing efforts, the Vermont Transit Corridor Project is expected to contribute to further reductions in VMT as it includes the implementation of a high-quality Bus Rapid Transit alternative along Vermont Avenue. This BRT service will enhance transit along the corridor by shortening passenger travel times and increasing service reliability and efficiency. This project is expected to encourage a shift from single-occupancy vehicles to public transit. Additionally, it will enhance access for cyclists and pedestrians to/from the stations.

To help characterize the VMT effects of the Project and provide a basis for comparing Project scenarios, the travel demand model estimated the Project's VMT benefit by multiplying the number of person-trips shifted from automobiles to transit because of the Project (as forecasted by the CBM18 B model [Metro, 2019b]) by the associated station-to-station (or comparable zone-to-zone) trip distances. The estimated user benefit is a savings of about 85,000 VMT resulting in the removal of 37 metric tons of CO<sub>2</sub> daily due to the implementation of the Project. A dedicated BRT lane can move 3 times the number of people per hour than a mixed traffic lane. This analysis was conducted as part of the Vermont Transit Corridor Planning and Environmental Study and aligns with the State statutory goals of reducing greenhouse gas emissions and increasing multimodal transportation networks.

\*Based on population estimates from the United States Census and VMT estimates from the highway performance monitoring system data between 2001-2019.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This Project will support the goals of the strategic plan by enhancing communities and lives through improved mobility and access to opportunities through the addition of a new high-quality mobility option, closing a gap in the transit network, and providing outstanding trip experiences.

## **ALTERNATIVES CONSIDERED**

The Board could consider not approving the Project/Locally Preferred Alternative (LPA) nor concur that the Project should be exempt under SB 922. This option is not recommended as this would be contrary to the analysis conducted by staff and the community input received over the last year. The Board could also consider approving a combination side and median-running alignment. This option is also not recommended as it would result in a higher project cost, longer construction time, additional loss of on-street parking, and would not allow the local bus services to benefit from the BRT bus lanes and stations. This Project will provide long overdue benefits of enhanced mobility and improved regional access for transit-dependent and minority and/or low-income populations within the study area. Board approval of the Project and Locally Preferred Alternative does not preclude future extension of services beyond 120<sup>th</sup> Street to El Segundo Street.

## **NEXT STEPS**

Upon Board approval, staff will file a CEQA Notice of Exemption (NOE) for the Project with the Los



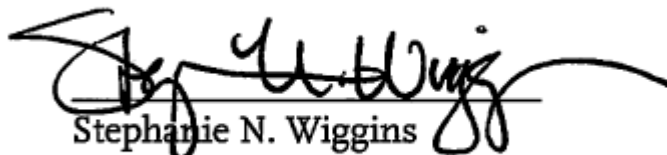
Angeles County Clerk and the Governor's Office of Planning and Research. Staff will also continue design work to 30% and continue coordination with the Federal Transit Administration on environmental clearance under the National Environmental Policy Act, which is anticipated to be complete by Summer 2025. Metro staff will continue to partner and work with the City of Los Angeles on any needed agreements in support of a timely construction schedule to meet the 2028 timeline. Additionally, staff will evaluate the potential extension of Metro and/or Gardena transit service on Vermont Avenue south of 120th Street to El Segundo Boulevard in response to some comments received.

## **ATTACHMENTS**

- Attachment A - Map of Proposed Project with Station Locations
- Attachment B - Map of Vermont Transit Corridor
- Attachment C - September 2022 Board Motion
- Attachment D - Map of Vermont Corridor EFCs
- Attachment E - Community Engagement Activities
- Attachment F - December 2024 Public Meeting Details

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Stephanie N. Wiggins  
Chief Executive Officer

MAP OF PROPOSED PROJECT WITH STATION LOCATIONS



MAP OF VERMONT TRANSIT CORRIDOR



## SEPTEMBER 2022 BOARD MOTION

## Metro



## Board Report

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

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**File #:** 2022-0676, **File Type:** Motion / Motion Response

**Agenda Number:** 51.

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**REGULAR BOARD MEETING  
SEPTEMBER 22, 2022**

**Motion by:**

**DIRECTORS DUPONT-WALKER, NAJARIAN, MITCHELL, SOLIS, AND BUTTS**

Vermont Transit Corridor Motion

Vermont Avenue is a principal transit corridor in Southern California that will benefit immensely from Metro investments.

Vermont Avenue is the second-busiest transit corridor in Southern California after Wilshire Blvd. According to Metro ridership data, Vermont currently carries more transit trips than any of Metro's rail and BRT lines except the A Line (Blue) and B Line (Red).

Likewise, the neighborhoods along Vermont contain some of the most densely populated, diverse, and highest transit-dependent communities in the region, many of which have a legacy of severe historical underinvestment. Race and class have had a glaring involvement. Nine out of ten riders on lines 204 and 754 identify as black, indigenous, and people of color. Additionally, over 60% of these riders live below the poverty line and 84% do not have access to a car. With that makeup, intentional action supporting safe, reliable service along Vermont could represent a dramatic shift toward equity for these communities.

With this existing high ridership and high need, Vermont will benefit from new investment more than any other existing transit corridor in the Metro system. Metro buses on Vermont travel at just 10 miles per hour and have an on-time performance of about 70 percent, highlighting the need for improvements.

To address these needs, the Metro included the Vermont Transit Corridor in the Measure M Expenditure Plan. Following studies to identify technically feasible bus and rail alternatives, Metro recently completed an innovative Community-Based Partnership Program engagement effort. Across

all engagement methods, feedback from the entire Vermont corridor showed clear support for short-, medium-, and long-term improvements.

Accordingly, Metro plans to advance the Vermont Transit Corridor through a three-pronged approach:

- Short-term: quick-build improvements, including new bus shelters, more bus service, and bus-only lanes
- Medium-term: a full BRT corridor project
- Long-term: a rail project to be delivered as funding becomes available

This smart approach balances tangible bus improvements with future plans for rail. Additionally, this approach also prevents the Board from being forced to select one mode at the conclusion of a single project development process.

Historically, Vermont was the second priority for rail transit investment after Wilshire. Rapid Transit along the Vermont Corridor has been part of Southern California transit master plans since the mid-1970s, including part of a proposed 1976 rail “Starter Line.” After Rapid Transit service north of Wilshire was realized in the 1990s, Metro continued to evaluate Vermont south. In the lead-up to Measure R and the 2009 Long Range Transportation Plan (LRTP), Metro found that rail on Vermont would have more boardings than any other then-unfunded rail corridor except Wilshire. Consequently, Metro included Vermont rail in the 2009 LRTP’s Strategic Unfunded project list. This high performance was further reinforced by the initial Vermont Transit Corridor studies in the 2010s.

The Board should act now to reaffirm this three-pronged strategy and take steps to ensure that rail remains a longer-term priority, even as Metro aggressively advances bus improvements.

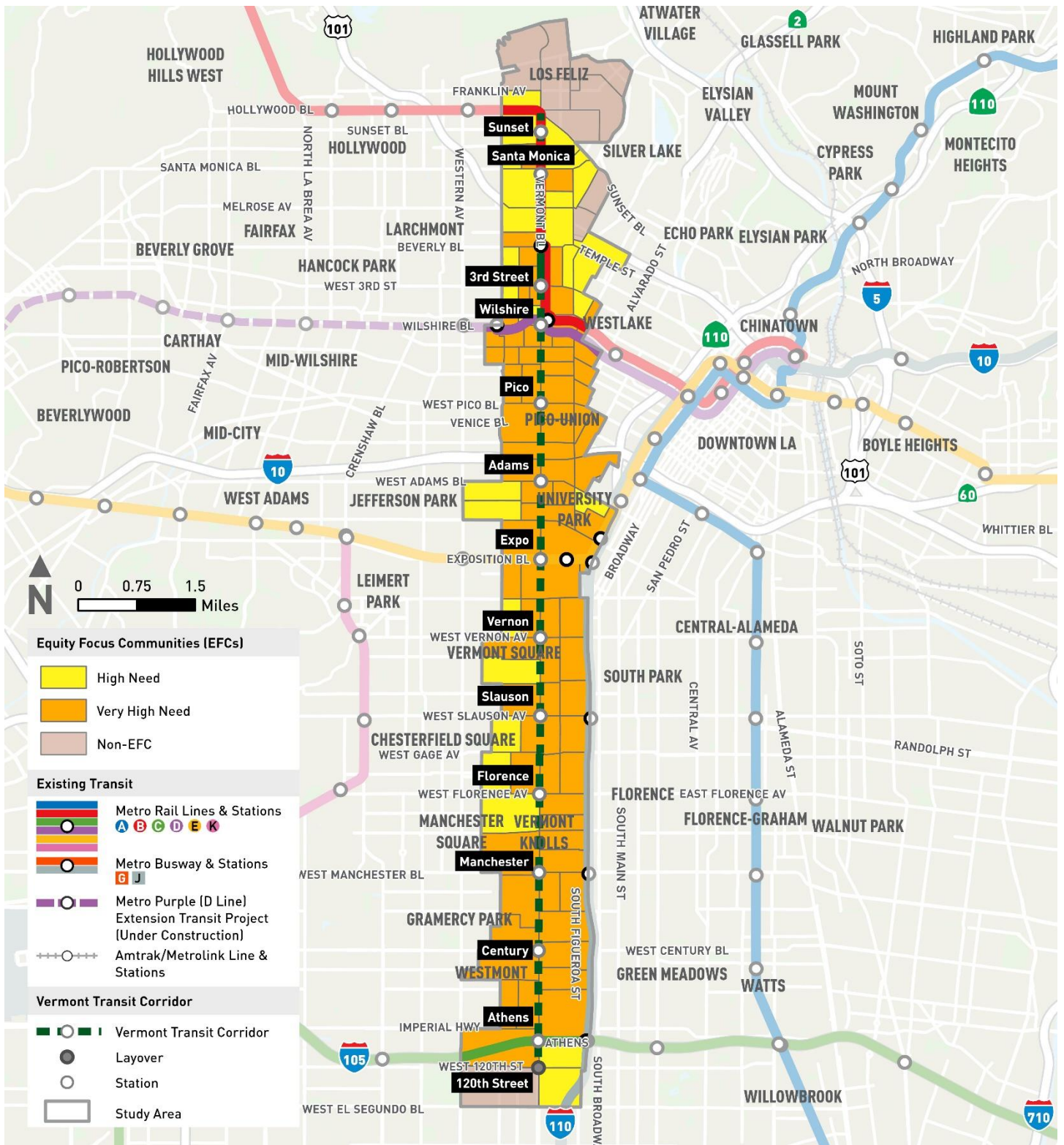
**SUBJECT: VERMONT TRANSIT CORRIDOR MOTION**

**RECOMMENDATION**

APPROVE Motion by Directors Dupont-Walker, Najarian, Mitchell, Solis, and Butts that the Board direct the CEO to:

- A. Advance the Vermont Transit Corridor with a three-pronged strategy, completing immediate-term quick-build improvements as soon as is practicable, a medium-term BRT project opening for revenue service no later than FY27, and a longer-term rail transit project thereafter;
- B. Evaluate the medium-term BRT project for a federal Small Starts application;
- C. Of the \$425 million included for the Vermont Transit Corridor in the Measure M Expenditure Plan (line item 17; 2015\$), reserve no less than ten percent for the development of the long-term rail transit project. If it ever becomes necessary for Metro to recommend this funding for a shortfall on the Vermont BRT project, Metro will work with the subregion to identify replacement funds that ensure the rail transit project continues to meaningfully advance;
- D. Identify a strategy to make the Vermont rail project shovel-ready consistent with voter- and Board-adopted Measure M project sequencing or acceleration priorities (Measure M Project Evaluation Readiness Tool). Without affecting existing voter- and Board-adopted project sequencing or acceleration priorities (except as allowed by the Measure M decennial process), make the Vermont rail project a first priority for any future new capital funding;
- E. Explore new opportunities to optimize bus service offered by municipal operators on the Vermont corridor, including evaluation of overlapping and connecting lines and schedule coordination to allow for seamless timed transfers; and
- F. Include an extension south of 120th Street in Metro's forthcoming list of future strategic unfunded projects, building off of the recently-completed Vermont Transit Corridor South Bay Extension Feasibility Study.

MAP OF VERMONT CORRIDOR EFCs



# COMMUNITY ENGAGEMENT ACTIVITIES

## VERMONT TRANSIT CORRIDOR

### Community Outreach Executive Summary

The Vermont Transit Corridor (VTC) is a 12.4-mile stretch where community collaboration is essential to shaping the future of transportation. Metro has prioritized a robust community engagement process centered on understanding residents' needs and ensuring their voices are heard. Metro provides ample opportunities for residents to share their input on Bus Rapid Transit (BRT) and rail alternatives through various channels.

Metro has woven community engagement into the fabric of the project's development. Since 2021, Metro has implemented an extensive outreach program to inform and involve local communities. This commitment is not merely a box to be checked but a fundamental principle guiding every step of the journey.

*As of February 2025, the VTC project has actively engaged over 24,300 individuals through various community engagement activities.*



#### Public Meetings & Workshops

- Eighteen public meetings, including three Cultural Needs Assessment workshops in February 2024 and seven Urban Design Workshops (May–June 2024), involving over 1,621 participants and 900 feedback responses.



#### CBO Partnership Program

- Collaborations with 38 hyper-local Community-Based, Community-Based Development and Faith-Based Organizations to expand outreach, gather insights, and build trust with communities along the corridor.



#### Elected Official and Stakeholder Briefings

- Engagements with City Council Districts 1, 8, 9, 10, 13, and 15, local institutions, business associations, and advocacy groups.



#### Project Updates

- Regular communication through canvassing, community meetings, newsletters, website updates, social media, and email notifications.



# Background

In April 2019, the Metro Board directed its staff to advance both BRT and rail concepts into the environmental review.

At the same time, the Board directed staff to study the feasibility of extending these BRT and/or rail concepts further south—evaluated separately as the Vermont Transit Corridor South Bay Extension Feasibility Study, which was completed in December 2021.

Prior to the Vermont Transit Corridor Project moving into the environmental review process, Metro conducted a pre-environmental, community-based planning effort aligned with the agency’s Equity Platform Framework that has successfully elevated the voices of stakeholders who live, work, play, study, and/or worship along Vermont Av. The purpose of the community-based planning approach is to engage with community partners and stakeholders early to build a common vision for the corridor, listen to their transit needs and concerns, and incorporate their feedback into the development of an equitable transit solution for the corridor.

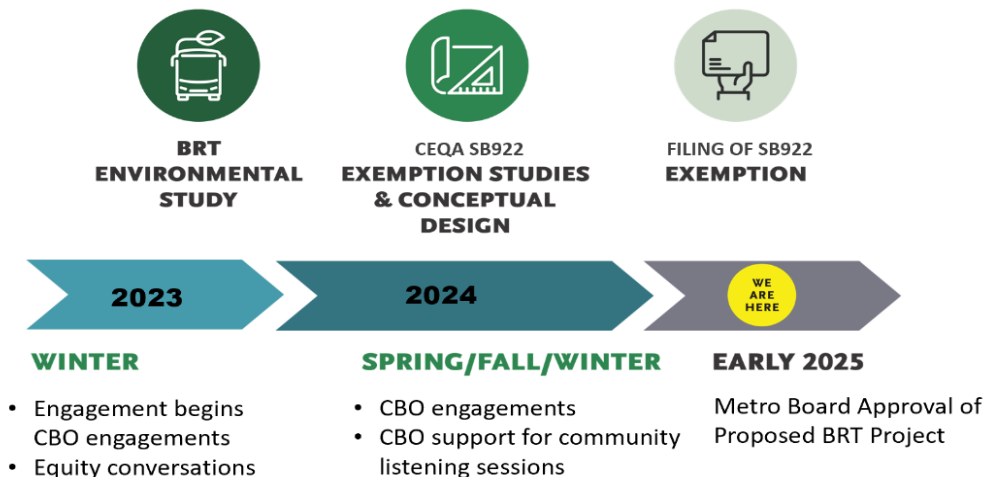
Over a seven-month period, from December 2021 to June 2022, Metro partnered with community-based organizations, faith-based groups, and local neighborhood groups to solicit feedback about the types of improvements that should be planned for the Vermont Transit Corridor (VTC) Project.

# Project Area

The 12.4-mile-long corridor traverses six Los Angeles City Council Districts, two Supervisorial Districts, 14 neighborhood councils, and many key educational, cultural, medical, social, and faith-based centers. The various communities that make up the VTC include, but are not limited to, East Hollywood, Thai Town, Little Armenia, Little Bangladesh, Wilshire Center, Koreatown, West Adams, USC Village, Expo Park, Vermont Square, Vermont Knolls, Vermont Vista, Broadway-Manchester, and Westmont-Athens.

All corridor-wide communities are considered Equity-Focused Communities given their socioeconomic characteristics: More than 40% of households are low-income (making less than \$35,000 annually), 80% are non-white, and 10% do not have access to a vehicle.

## Project Timeline





## Engagement Approach

As an agency, Metro ensures people can safely and reliably reach everyday destinations, such as jobs, schools, healthy food outlets, and healthcare facilities. For Los Angeles County as a whole, but specifically for the Vermont Transit Corridor, public transportation services play an essential role for people who depend on it – such as those who are unable to drive or do not have access to personal vehicles; low-income adults; children; individuals with different abilities; older adults, among other populations.

Outreach was conducted in Armenian, English, Korean, Spanish, and Thai to ensure all groups participated. In addition, the team connected with stakeholders who spoke Russian, Bangladeshi, and Zapotec (an Indigenous dialect from the southern part of Mexico).

*Transit investment along the Vermont corridor is a critical equity issue because improvements will provide people with faster, more reliable mobility options and improve access to employment, community resources, medical care, and recreational opportunities, which in turn will drastically improve the quality of life for area stakeholders.*



# Community-Based Organization Partnership Program

The CBO Partnership program is based on Metro’s CBO Partnering Strategy, written and adopted by the Metro Board of Directors in 2021. It plays a vital role in ensuring the VTC project is responsive to the needs and priorities of the diverse communities it serves.

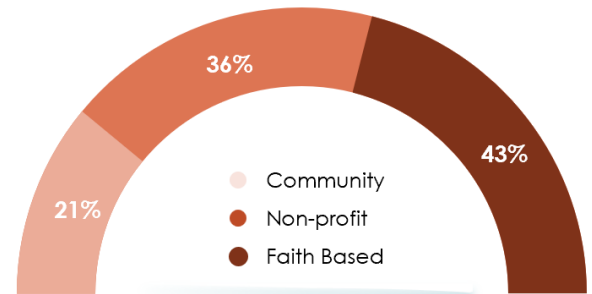
A key aspect of the engagement approach was implementing a CBO partnership program providing stakeholders various opportunities to engage with Metro.

The program currently partners with 38 Community and Faith-Based organizations with deep roots in the corridor communities the project will serve. These organizations vary in size and scope, ranging from large, established institutions to grassroots community groups.

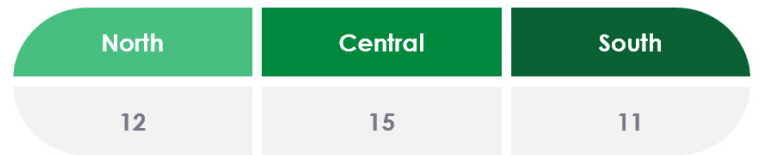
Partnering with them allows Metro to:

- **Reach a wider audience:** CBOs can help disseminate information about the project and encourage participation in engagement activities, especially among hard-to-reach populations and stakeholders who traditionally do not participate in the public involvement process with public agencies.
- **Gain valuable insights:** CBOs can provide helpful feedback on the project’s potential impacts and help identify solutions that address specific community concerns.
- **Build trust:** Working with trusted community partners helps foster a sense of collaboration and ensures that the project is responsive to local needs.

*CBO Partners by Service Category*



*CBO Partners by Study Area Segment*



## Cultural Needs Assessment and Equity Assessments

To ensure residents had a voice in shaping the future of Vermont Av, Metro hosted a series of three (3) workshops in February 2024, spread strategically across the corridor, and specifically targeted community and thought leaders from various parts of the corridor. These workshops aimed at:

- **Identify and Prioritize Key Assets:** Participants helped refine the project’s cultural and historical assets list, highlighting those most important to the community.
- **Improve Transit Service:** Discussions focused on current transit service and proposed BRT stations, ensuring they effectively serve residents and commuters.
- **Enhance Community Spaces:** Breakout sessions allowed for detailed feedback on study area maps, identifying key community places, landmarks, and pedestrian areas that need improvement.

Metro conducted thorough assessments to understand each community’s unique transportation challenges and priorities along the corridor. These assessments considered income levels, vehicle access, spoken languages, and cultural preferences.

## Station Design Workshops

Metro held a series of interactive workshops in May and June 2024 to ensure that future BRT stations along the Vermont corridor genuinely reflect the needs and character of the communities they serve. These workshops, attended by over 700 participants, provided a platform for community members to participate, ensuring that station designs were functional, accessible, and integrated well with the surrounding neighborhoods.

Key Focus Areas:

- **Station Location:** Participants provided input on the optimal placement of stations within their neighborhoods.
- **Accessibility:** Discussions centered on incorporating features like ramps, elevators, and tactile paving to ensure accessibility for all riders.
- **Amenities:** Community members shared their preferences for amenities such as seating, shelter from weather elements, real-time information displays, and public art.
- **Neighborhood Integration:** The workshops explored ways to seamlessly integrate stations with the surrounding neighborhood, including pedestrian walkways, bike paths, and community gathering spaces.





## Project Update Meetings

Transparency and community involvement were fundamental priorities throughout the project. Metro conducted seven meetings in March and October 2024 to update community members and stakeholders on the project update, next steps, and anticipated timeline.

Key topics included pedestrian safety, station access, design options for the median parkway, and desired BRT amenities.

## Senate Bill 922 Mandated Public Meetings

In December 2024, Metro held public meetings, which provided the opportunity for community engagement and a public comment period. In addition, Metro presented the three required reports under SB 922: 1) Racial Analysis 2) Residential Displacement 3) Business Case.

Metro offered in-person and virtual options to accommodate diverse schedules and preferences. It also held an open-house format where participants could learn about the project and engage with staff at information booths.

The meetings aimed to provide comprehensive information about the project and gather feedback on key aspects, including:

- Project plans and design
- Construction schedule and impacts
- Mitigation measures
- Community benefits

This multi-faceted approach ensured all stakeholders could engage with the project and provide valuable input.

## Elected Official and Stakeholder Briefings

Regular briefings have been held with elected officials' staff members at the city, state, and federal levels to provide them with the overall project plans. These briefings have been essential throughout the project's lifecycle to seek guidance and gather input from our elected officials, who represent many of the communities and business owners along the corridor.

Key institutions and stakeholders along the corridor are also briefed to inform their representatives of the project schedule, plans, and invitations to upcoming project update meetings.





## Transit Rider Survey

The transit rider intercept surveys were vital to the Vermont Transit Corridor's near-term improvement engagement initiative. These surveys gathered valuable data on rider experiences and satisfaction with the implemented changes. Metro surveyed 371 transit riders at key stops along Vermont Av and on Bus lines 204 and 754 to understand their experiences and preferences. The surveys were conducted in multiple languages during on- and off-peak times.

Metro implemented the following methodology:

- Onboard surveys: Distributing surveys on buses to gather feedback on travel times, service frequency, comfort, and amenities.
- Intercept surveys: Conduct surveys at bus stops and stations to gather information about rider demographics, trip purposes, and satisfaction with existing service.
- Online surveys: Using online platforms to reach a broader audience and gather feedback on proposed improvements and design options.

## Canvassing Program

Canvassers educated small business owners, residents, transit riders, and street vendors about the project, invited them to attend upcoming meetings, and allowed stakeholders to share their opinions.

Since December 2023, Metro canvassed on 15 different occasions along the corridor during various hours on weekdays and weekends to ensure different groups of people were engaged. Canvassers engaged over 1,286 people in Armenian, English, Kiche, Korean, Spanish, Thai, and Zapotec.



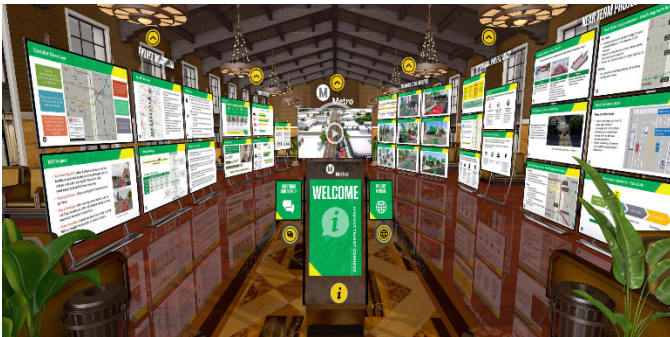
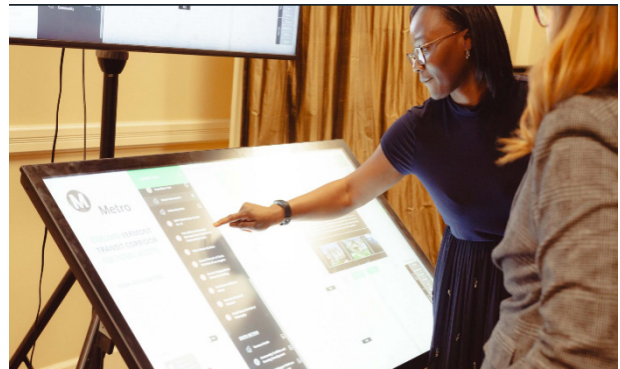
## Ongoing Communication Methods

Metro has employed various communication channels to keep the public informed and engaged throughout the project's lifecycle. These channels include newsletters, [project websites](#), social media, direct contact, email notifications, and [interactive platforms](#), including virtual reality, [simulation videos](#), and virtual environments to share project information. These channels ensure stakeholders have multiple avenues to access information and participate in developing the Vermont Transit Corridor Project.

*Community member participating in an interactive activity*



*Interactive Cultural Asst Map of the Vermont Transit Corridor*



*Virtual Open House for March and December Meetings*



*Community member experiencing a VR tour of Vermont Av*

**ATTACHMENT F****DECEMBER 2024 PUBLIC MEETING DETAILS**

<b>Meeting</b>	<b>Date/Time</b>	<b>Location/Address</b>
Community Meeting #1 Central Subarea	Saturday, December 7, 2024 10:00 AM-11:30 AM	Masjid Umar Ibn Al-Khattab 1025 Exposition Blvd Los Angeles, CA 90007
Community Meeting #2 South Subarea	Monday, December 9, 2024 6:00 PM-7:30 PM	Crenshaw Christian Center 7901 S Vermont Ave Los Angeles, CA 90044
Community Meeting #3 Virtual	Wednesday, December 11, 2024 12:00 PM-1:00 PM	Zoom Webinar
Community Meeting #4 North Subarea	Wednesday, December 11, 2024 6:00 PM-7:30 PM	Los Angeles City College 700 N. Heliotrope Drive Los Angeles
Community Meeting #5 Virtual	Monday, December 16, 2024 6:00 PM-7:30 PM	Zoom Webinar





We're planning a new way to ride on Vermont.

Planning & Programming Committee

VERMONT TRANSIT CORRIDOR

Legistar File 2025-0044

March 19, 2025



# Recommendation

## CONSIDER:

- A. RECEIVING AND FILING the Vermont Transit Corridor environmental study findings as per Senate Bill 922 Statutory Exemption requirements;
- B. APPROVING the proposed Measure M Vermont Transit Corridor Project (a new 12.4-mile at-grade, side-running bus rapid transit (BRT) line with twenty-six (26) stations at thirteen (13) intersection locations);
- C. APPROVING the finding that the Project is statutorily exempt from CEQA under Section 21080.25(b); and
- D. AUTHORIZING the CEO to file a CEQA Notice of Exemption (NOE) for the Project with the Los Angeles County Clerk and the Governor's Office of Planning and Research



# SB 922

- Metro is seeking a statutory exemption under CEQA through Senate Bill 922 (SB 922)
- SB 922 exempts active transportation projects, including BRT projects, from CEQA requirements
- To support the case for the statutory exemption under SB 922, Metro prepared the three (3) required analyses/reports:
  - Racial Equity Analysis
  - Residential Displacement Analysis
  - Business Case Analysis
- December 2024 - Metro held five (5) public meetings to present the findings of each report and solicit public comment



# BRT Alternatives Studied

- November 2023 - staff initiated environmental clearance, design, and outreach including further study of two alternatives identified in earlier BRT feasibility studies on Vermont
  - An all-day end-to-end side running alternative
  - A combination side and median-running BRT
- Based on all public comments received over the last year and after further technical analysis of the two alternatives, staff is recommending an end-to-end, side-running BRT
- Some benefits of side-running bus lanes include:
  - Preserves more on-street parking (94%)
  - Local buses (Metro line 204 and Dash services) can use the bus lanes and stations providing more BRT benefits to more riders
  - Access to stations perceived by community as safer
  - Preserves trees valued by the community in center medians
  - Bulb-outs at stations increase pedestrian space and shorten crossing distances for pedestrian safety



# Visual Simulation



Segment 1  
87th St to 83rd St  
Northbound



# Project Description



- Converts rightmost travel lanes to bus-only lanes
- Includes 12.4 miles of all-day dedicated side-running bus lanes from Sunset Bl to 120<sup>th</sup> St
- Includes 26 enhanced stations at 13 locations, with enhanced shelters and passenger amenities
- Other station area improvements include enhanced crosswalks and ADA-compliant curb ramps
- Bus bulbs at stations extend pedestrian area and shorten crossings for improved safety
- Restriping and/or bus lane pavement repair
- Other safety/security improvements include enhanced lighting and potential emergency call buttons/security cameras



# Bike Lanes under Healthy Streets LA (HLA) Measure

- > The Project helps achieve partial build-out of the Transit Enhanced Network (TEN) in the City's Mobility 2035 Plan
- > Existing bike lanes on the corridor are maintained
- > Due to insufficient roadway widths, the addition of new Class II and Class IV bike lanes constitutes a betterment and is not included, however, the project would not preclude the City from pursuing the future implementation of bike infrastructure as per the City's Mobility 2035 Plan
- > Modifying the existing roadway widths to accommodate new bike lanes requires additional property acquisition (up to an est. 250-300 properties), parking loss (approx. 1,100 spaces), and additional civil work. NOTE: CEQA approval per SB 922 prohibits private property acquisition
- > Due to potential impacts of incorporating new bike lanes the project would experience delays of up to five years and significant cost impacts of up to \$400M beyond the identified funding
- > This week the Federal Transit Administration concurred with Metro's application into the Capital Investment Grant Small Starts program. The addition of new bike lanes would threaten this FTA concurrence, the viability of implementing the Measure M Vermont BRT Project, and would impact funding made available to other priority Metro projects in the pipeline



# Next Steps

- Upon Board Approval, staff will:
  - File a CEQA NOE for the Project with LA County Clerk's office and the Governor's Office of Planning and Research
  - Continue Preliminary Engineering (PE) 30% design work
  - Continue coordination with FTA on environmental clearance under the National Environmental Policy Act (NEPA)
  - Continue to work with the City of Los Angeles on any needed agreements in support of a timely construction schedule to meet the 2028 timeline
- Additionally, staff will evaluate the potential extension of transit service south of 120<sup>th</sup> Street to El Segundo BI in the nearer term







## Board Report

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File #: 2025-0052, File Type: Contract

Agenda Number: 10.

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### PLANNING & PROGRAMMING COMMITTEE MARCH 19, 2025

**SUBJECT: MAJOR CAPITAL PROJECT GRANTWRITING**

**ACTION: APPROVE RECOMMENDATION**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate Contract No. PS125381000 to Capitol Government Contract Specialists for Major Capital Project grantwriting services to support Board priorities, in an amount Not-to-Exceed (NTE) \$6,332,734 for a two-year base period, with one, two-year option in the amount of \$6,287,602, for a total NTE amount of \$12,620,336, effective April 7, 2025, subject to resolution of any properly submitted protest(s), if any.

#### **ISSUE**

Staff requires grant writing services to secure funding for Board priority projects such as those included in the Measure M Expenditure Plan and the 2020 Long Range Transportation Plan. The current contract has been in effect for four years and is set to expire on March 31, 2025.

#### **BACKGROUND**

The current grant writing contract was executed on December 23, 2019, and is set to expire on March 31, 2025. Under this contract valuing \$6.4 million, 167 task orders have been issued, resulting in grant awards totaling \$1.77 billion. 2020 Metro Long Range Transportation Plan aims to add over 100 miles of transit infrastructure over the next 30 years, making it the most ambitious transit expansion plan in the nation. In addition to transit improvements, Metro will invest in multimodal projects designed to improve safety and reduce congestion, such as the I-605 Hotspot Program. There will also be efforts to enhance alternative transportation modes through bicycle and pedestrian projects. Furthermore, Metro is committed to transitioning its entire bus fleet to zero-emission operations. Through these investments, Metro plans to improve regional mobility, support economic recovery, and promote sustainability with green construction practices.

Metro's Countywide Planning & Development Department is seeking a consultant to provide grant writing and related services to secure state and federal discretionary funding for these and other vital projects. The selected consultant will also be responsible for identifying, developing, and securing Capital Investment Grants and other federal funding opportunities, which are new tasks in the Major Investment Project scope. Additionally, the consultant will support Metro's applications and major

investment campaigns through special tasks. To accommodate the expanded scope, the contract capacity will be greater than that of the current contract.

**DISCUSSION**

In 2014, staff began contracting for grant writing services to help local jurisdictions replace funding lost due to the termination of a federal program with funds from the new state Active Transportation Program (ATP). This grant assistance program proved successful, with 44 percent of awards in Los Angeles County going to projects that utilized grant writing services. As a result, Metro decided to continue this program, which has benefited 24 local agencies, including 22 cities, the County of Los Angeles, and the San Gabriel Valley Council of Governments (SGVCOG). Seven of the cities were designated as low resource cities, based on income and population. Metro then began using some of the consultant capacity to support its efforts to advance Board priorities. To date, in addition to Metro, the following have benefited from the current contract for grant writing assistance:

Arcadia	Artesia	Baldwin Park
Bell	Compton	Covina
Diamond Bar	Duarte	Glendora
Huntington Park	La Puente	La Verne
Lancaster	Long Beach	Los Angeles City
Los Angeles County	Lynwood	Montebello
Palmdale	Pasadena	Pico Rivera
San Gabriel Valley COG	Santa Monica	South Gate

The Measure M Expenditure Plans assumed that \$20 billion in local, state, and federal funds would be available to leverage Metro's local sales tax revenues, enabling the implementation of a larger capital program valued at \$41 billion over 51 years. The technical assistance to be provided under the recommended grant writing contract is needed to help realize these assumptions. The current contract has delivered \$1.1 billion for projects to deliver the Measure M Expenditure Plan. Some of the major awards have been \$600 million in state Transit Intercity Capital Rail Program (TIRCP) funds for the East San Fernando Valley Transit Corridor, \$150 million in Senate Bill 1 Solutions for Congested Corridor funds for the I-105 Express Lanes project, and \$104 in federal Low and No Emission (LoNo) funds for LA Metro Zero Emission Bus and Infrastructure Deployment.

**DETERMINATION OF SAFETY IMPACT**

Approving this item will not jeopardize the safety of Metro’s customers or employees. On the contrary, granting this approval will enhance safety, as many of the grants that the grant writers will help staff develop will provide funding to expand and improve the Metro bus and rail fleet and infrastructure. Examples of past grant awards that have contributed to safety include the G Line Bus Rapid Transit improvements and the Huntington Park Safe Routes for Students and Seniors Project.

**FINANCIAL IMPACT**

The FY 2025 budget included \$1,950,000 in Cost Center 4420 (Federal/State Policy & Programming), Project 405510, Task 05.05.01. Since this is a multiyear contract, the Cost Center Manager and Chief Planning Officer will be responsible for budgeting in future years for the balance

of the remaining Contract budget.

### Impact to Budget

Awarding the Major Capital Project Contract is anticipated to have a positive financial impact by obtaining billions of dollars for the agency. The source of funds for this contract are Administration funds from Proposition A, Proposition C, Measure R, Measure M and TDA, which are not eligible for bus & rail operations and capital projects.

### EQUITY PLATFORM

Staff identifies potential projects for grant applications from two primary sources. The first source is the Active Transportation Program Grant Assistance Program. Under this program, Metro allows local jurisdictions and other ATP-eligible agencies to request grant assistance by submitting a Letter of Interest (LOI). The LOIs include information about whether the proposed project aims to benefit disadvantaged communities, such as Metro Equity Focus Communities (EFCs), which staff considers during its decision-making process, as published each cycle.

The second source for identifying projects is the Evaluative Criteria Framework (ECF). This process enables staff to consider projects from the Measure M Major Project Expenditure Plan, the Long-Range Transportation Plan, and other priorities set by the Board. The ECF consists of the following six steps:

1. Sustain Measure M and other Pre-Measure M/LRTP Priorities and Schedules
2. Align Project Competitiveness with New/Expanded Program Criteria
3. Evaluate Certainty (Formula) versus Risk (Competitive/Discretionary)
4. Ensure Consistency with Board Policies and Directives
5. Confirm Consistency with the Metro Long Range Transportation Plan (LRTP) and the Southern California Association of Governments (SCAG) Regional Transportation Plan (RTP)
6. Assess Transportation Equity and Geographic Balance

To address the Metro Equity Platform as a Board directive in Step 4 and transportation equity as a parameter in Step 6, staff assesses the transportation equity impacts of the projects under consideration, prioritizing projects that benefit people in disadvantaged communities and prioritizing outside assistance to lower-resource agencies.

### 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.

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As part of these ongoing efforts, this item is expected to contribute to further reductions in VMT. Over the previous two fiscal years, FY 2023 and FY 2024, approximately 87% of the awards Metro received under competitive programs, and with the support of grantwriting consultant services, were for active transportation and transit projects. This item supports Metro's systemwide strategy to reduce VMT through planning and administrative activities that will benefit and further encourage transit ridership, ridesharing, and active transportation. Metro's Board-adopted VMT reduction targets were designed to build on the success of existing investments, and this item aligns with those objectives.

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

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

The recommended action supports Strategic Plan Goal #2: Providing outstanding trip experiences for everyone. Metro's grant writers help staff develop applications for projects across all transportation modes. Our grant awards enhance mobility throughout Los Angeles County for pedestrians, cyclists, users of Metro Bus and Rail, Metro Express Lanes, highway travelers, and even for goods transportation.

### **ALTERNATIVES CONSIDERED**

The Board has the option to forgo entering into a contract for grant writing assistance and rely solely on staff to prepare grant applications. However, the current staffing levels lack both the capacity and expertise needed to submit the number and quality of applications that could be prepared with the assistance of a grantwriting contractor.

### **NEXT STEPS**

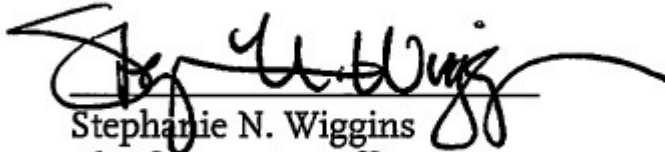
Upon approval, staff will execute Contract No. PS125381000 with Capitol Government Contract Specialists for Major Capital Project Grantwriting services effective April 7, 2025.

### **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - DEOD Summary

Prepared by: Patricia Chen, Senior Director, (213) 922-3041  
Mark Yamarone, Executive Officer, Countywide Planning & Development, (213) 418-3452  
Laurie Lombardi, Senior Executive Officer, Countywide Planning & Development, (213) 418-3251  
Carolina Coppolo, Deputy Chief Vendor/Contract Management Officer, (213) 922-4471

Reviewed by: Ray Sosa, Chief Planning Officer, (213) 547-4274



Stephanie N. Wiggins  
Chief Executive Officer

PROCUREMENT SUMMARY

MAJOR CAPITAL PROJECT GRANTWRITING/PS125381000

1.	<b>Contract Number: PS125381000</b>	
2.	<b>Recommended Vendor:</b> Capitol Government Contract Specialists	
3.	<b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	<b>Procurement Dates:</b>	
	<b>A. Issued:</b> July 16, 2024	
	<b>B. Advertised/Publicized:</b> July 16, 2024	
	<b>C. Pre-Proposal Conference:</b> July 24, 2024	
	<b>D. Proposals Due:</b> August 20, 2024	
	<b>E. Pre-Qualification Completed:</b> January 23, 2025	
	<b>F. Ethics Declaration Forms Submitted to Ethics:</b> August 20, 2024	
	<b>G. Protest Period End Date:</b> March 25, 2025	
5.	<b>Solicitations Downloaded:</b>  77	<b>Bids/Proposals Received:</b>  3
6.	<b>Contract Administrator:</b> Yamil Ramirez Roman	<b>Telephone Number:</b> (213) 922-1064
7.	<b>Project Manager:</b> Patricia Chen	<b>Telephone Number:</b> (213) 922-3041

**A. Procurement Background**

This Board Action is to approve Contract No. PS125381000 issued in support of grant writing services for Metro’s major capital projects. Board approval of contract awards are subject to resolution of any properly submitted protest(s), if any.

Request for Proposals (RFP) No. PS125381 was issued in accordance with Metro’s Acquisition Policy and the contract type is firm fixed unit rate. The RFP was issued under the Medium-Size Business Enterprise Program 1 (MSZ-1). The Diversity & Economic Opportunity Department recommended a Small Business Enterprise (SBE) goal of 28% and a Disabled Veteran Business Enterprise (DVBE) goal of 3%. It was also subject to the Local Small Business Enterprise Preference program, which awards a bonus of 5 preference points for the utilization of local small business firms.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on July 17, 2024, included Exhibit A, Scope of Services, which was inadvertently left out of the solicitation package;
- Amendment No. 2, issued on August 12, 2024, extended the proposal due date.

A total of 77 downloads of the RFP were included in the planholders list. A virtual pre-proposal conference was held on July 24, 2024, and was attended by 27

participants representing 18 firms. There were 16 questions received, and responses were provided prior to the proposal due date.

A total of three proposals were received on August 20, 2024, and are listed below in alphabetical order:

1. Advanced Avant-Garde Corporation
2. Capitol Government Contract Specialists
3. Ross Infrastructure Development, LLC

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Metro’s State Analysis and Discretionary Grants department, Federal/State Policy & Programming department, and Multimodal Integrated Corridor & System Planning department was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were evaluated based on the following evaluation criteria and weights:

- Quality of Consultant Proposal 45 percent
- Project Experience and Staff Available 40 percent
- Cost Proposal 15 percent
- Local Small Business Enterprise (LSBE) Preference Program 5 percent

Several factors were considered when developing these weights, giving the greatest importance to the quality of consultant’s proposal.

During the period of September 5, 2024 to September 17, 2024, the PET independently evaluated and scored the technical proposals. Ross Infrastructure Development, LLC was determined to be outside the competitive range and was not included for further consideration. The remaining two firms were determined to be in the competitive range and were invited for oral presentations on September 30, 2024. The firms had the opportunity to present their qualifications, and respond to questions from the PET. Following the oral presentations, the PET finalized their scores and Capitol Government Contract Specialists was determined to be the highest ranked proposer. Staff conducted negotiations and clarifications with the firm during October through January.

## **Qualifications Summary of Firms within the Competitive Range:**

### **Capitol Government Contract Specialists**

Capitol Government Contract Specialists' (Capitol) proposal demonstrated grant development experience, and the task discussions showed a thorough understanding of the scope of services. Capitol's team includes experienced grant writers and the proposal demonstrated the team's schedule and availability to perform tasks as needed to successfully deliver on-time and visually compelling grant applications.

Capitol's proposal demonstrated a thorough quality control process with a dedicated team to review applications and ensure documents submitted to Metro are accurate and reduce redundancy of multiple drafts for grant applications. During the oral presentations, Capitol's team provided examples of previous experience successfully delivering applications within limited timeframes, specifically one grant delivered in two week's notice.

Capitol's proposal included a team with various areas of expertise such as greenhouse gas emissions analysis, Capital Investment Grants (CIG) analysis and successful grant writing experience in the public sector. The proposal included key staff with grant award experience and a history of positive application-to-award ratios.

### **Advanced Avant-Garde Corporation**

Advanced Avant-Garde Corporation's (Avant-Garde) proposal demonstrated an understanding of the scope of services, the policies and guidelines required to perform the work. The proposal provided a thorough schedule demonstrating the timeline and expectations for each task required in the grant application process.

Avant-Garde's proposal demonstrated previous experience working with various public sector agencies and cities in the greater Los Angeles area. The proposal provided a detailed organizational chart that clearly assigned staff to their respective areas of expertise and application types.

However, Avant-Garde's proposal did not demonstrate thorough experience with non-motorized transit, highway projects, and greenhouse gas analysis, particularly work related to CIG analysis tasks.



A summary of the PET scores is provided below:

1	Firm	Average Score	Factor Weight	Weighted Average Score	Rank
2	<b>Capitol Government Contract Specialists</b>				
3	Quality of Consultant Proposal	88.89	45.00%	40.00	
4	Project Experience and Staff Available	86.68	40.00%	34.67	
5	Cost Proposal	73.60	15.00%	11.04	
6	Local Small Business Enterprise (LSBE) Preference Program (Bonus 5%)	0.00	5.00%	0.00	
7	<b>Total</b>		<b>105.00%</b>	<b>85.71</b>	<b>1</b>
8	<b>Advanced Avant-Garde Corporation</b>				
9	Quality of Consultant Proposal	80.00	45.00%	36.00	
10	Project Experience and Staff Available	65.83	40.00%	26.33	
11	Cost Proposal	100.00	15.00%	15.00	
12	Local Small Business Enterprise (LSBE) Preference Program (Bonus 5%)	100.00	5.00%	5.00	
13	<b>Total</b>		<b>105.00%</b>	<b>82.33</b>	<b>2</b>

### C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon technical evaluation, cost analysis, and negotiations. Metro staff successfully negotiated cost savings of \$1,623,766. The variance between the Independent Cost Estimate (ICE) and the negotiated amount is attributed to the ICE underestimating the level of effort required to produce compelling narrative as well as high quality supporting graphics and analysis for the grant applications.

	Proposer Name	Proposal Amount	Metro ICE	NTE amount
1.	Capitol Government Contract Specialists	\$14,244,101	\$10,193,488	\$12,620,335
2.	Advanced Avant-Garde Corporation	\$10,480,494		

During negotiations, the proposer agreed to a moderate amount of reasonable and logical streamlining of the work. The contractor's negotiated level of effort was determined to be fair and reasonable to deliver the required services.

**D. Background on Recommended Contractor**

The recommended firm, Capitol Government Contract Specialists (Capitol), located in Irvine, CA, has been in business for 13 years and provides program management for rolling stock acquisition, transit operations and oversight consulting services for other public agencies such as Eagle Valley Transportation Authority, Colorado, and the City of Turlock, CA.

The proposed team includes ten subcontractors, five of which are Metro certified SBEs and one DVBE. The team's clients include Metrolink, City of Culver City, City of Lancaster, Golden Gate Bridge Highway and Transportation District, Riverside County Transportation Commission, and Washington State Department of Transportation. Capitol's project manager has 35 years of experience working in the aerospace and public transportation sectors.

Capitol has provided project control support, technical consulting and program management services to Metro and performance has been satisfactory. Capitol is a Metro-certified SBE firm.

## DEOD SUMMARY

## MAJOR CAPITAL PROJECT GRANTWRITING/PS125381000

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 28% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this Medium Size Business Enterprise (MSZ-I) solicitation. Capitol Government Contract Specialists, an SBE firm, exceeded the goal by making a 37.01% SBE and 3.17% DVBE commitment.

<b>Small Business Goal</b>	<b>28% SBE 3% DVBE</b>	<b>Small Business Commitment</b>	<b>37.01% SBE 3.17% DVBE</b>
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	<b>SBE Subcontractors</b>	<b>% Committed</b>	<b>LSBE</b>	<b>Non-LSBE</b>
1.	Capitol Government Contract Specialists (SBE Prime)	30.15%		X
2.	Redman Consulting LLC	2.23%		X
3.	Evan Brooks Associates	1.11%	X	
4.	Deborah Murphy Urban Design + Planning	1.66%	X	
5.	Lemmon Planning	0.93%		X
6.	System Metrics Group	0.93%		X
	<b>Total SBE Commitment</b>	<b>37.01%</b>		

	<b>DVBE Subcontractors</b>	<b>% Committed</b>	<b>LSBE</b>	<b>Non-LSBE</b>
1.	OhanaVets, Inc.	3.17%		X
	<b>Total DVBE Commitment</b>	<b>3.17%</b>		

**B. Medium Size Business Enterprise Program I (MSZ-I)**

As a certified firm, Capitol Government Contract Specialists, is an eligible MSZ-I.

**C. Local Small Business Enterprise (LSBE) Preference**

Capitol Government Contract Specialists, a non-LSBE prime, did not subcontract at least 30% of its contract value with eligible LSBE firms and was ineligible for the preference.

**D. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy is not applicable to this contract.

**E. Prevailing Wage Applicability**

Prevailing wage is not applicable to this contract.

**F. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction related value in excess of \$2.5 million.

# PS125381000, MAJOR CAPITAL PROJECT GRANTWRITING, CAPITOL GOVERNMENT CONTRACT SPECIALISTS

Planning and Programming Committee

March 19, 2025



Metro

# RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a firm fixed unit rate Contract No. PS125381000 to Capitol Government Contract Specialists for Major Capital Project Grantwriting services to support Board priorities, in an amount Not-to-Exceed (NTE) \$6,332,734 for a two-year base period, with one, two-year option in the amount of \$6,287,602, for a total NTE amount of \$12,620,336, effective April 7, 2025, subject to resolution of any properly submitted protest(s).

# ISSUE AND DISCUSSION

## ISSUE

- Staff requires grant writing services to secure funding for Board priority projects such as: Measure M Expenditure Plan and 2020 Long Range Transportation Plan projects
- Current contract has run for five years, obtaining \$1.77 billion in awards

## DISCUSSION

- The Measure M Expenditure Plans assumed \$20 billion in local, state, and federal funds.
- The grantwriting to be provided under the proposed contract is needed to help realize these assumptions and advance other Board priorities.

# PROCUREMENT EVALUATION

Evaluation Criteria	Maximum Points	Capitol Government Contract Specialists	Advanced Avant-Garde Corporation
Quality of Consultant Proposal	45.00	40.00	36.00
Project Experience and Staff Available	40.00	34.67	26.33
Cost Proposal	15.00	11.04	15.00
Local SBE Preference Program (Bonus 5 points)	5.00	0.00	5.00
<b>Total Score</b>	<b>105</b>	<b>85.71</b>	<b>82.33</b>

DEOD Goal: 28% SBE; 3% DVBE

CGC Commitment: 37.01% SBE; 3.17% DVBE





# NEXT STEPS

Upon approval, staff will execute Contract No. PS125381000 for Major Capital Project Grantwriting services

- The Contract will be with Capitol Government Contract Specialists
- The effective date will be April 7, 2025