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Agenda - Final

Thursday, October 28, 2021

10:00 AM

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Board of Directors - Regular Board Meeting

Hilda L. Solis, Chair

Ara Najarian, 1st Vice Chair

Jacquelyn Dupont-Walker, 2nd Vice Chair

Kathryn Barger

Mike Bonin

James Butts

Fernando Dutra

Eric Garcetti

Janice Hahn

Paul Krekorian

Sheila Kuehl

Holly Mitchell

Tim Sandoval

Tony Tavares, non-voting member

Stephanie Wiggins, Chief Executive Officer

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

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

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

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

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

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

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La Reunion de la Junta comienza a las 10:00 AM, hora del Pacifico, el 28 de Octubre de 2021. Puedes unirse a la llamada 5 minutos antes del comienzo de la junta.

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Written Public Comment Instruction:

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

CALL TO ORDER

ROLL CALL

1. APPROVE Consent Calendar Items: 2, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 19, 20, 24, 28*, 29, 30, 31, 35, and 36.

*Item requires 2/3 vote.

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

All Consent Calendar items are listed at the end of the agenda, beginning on page 8.

NON-CONSENT

3. **SUBJECT: REMARKS BY THE CHAIR** [2021-0695](#)

RECOMMENDATION

RECEIVE remarks by the Chair.

4. **SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER** [2021-0696](#)

RECOMMENDATION

RECEIVE report by the Chief Executive Officer.

16. **SUBJECT: SUBSTITUTE MOTION - 710 SOUTH CLEAN TRUCK PROGRAM** [2021-0708](#)

RECOMMENDATION

APPROVE Motion by Directors Hahn and Dutra that directs the CEO to take the following actions:

- A. Recommit \$50 million from Measure R I-710 South Corridor Project funds as "seed funding" for a 710 South Clean Truck Program,
- B. Collaborate with the I-710 Task Force, local and regional stakeholders, cities, the Ports, the I-710 South Task Force, and the Gateway Cities COG to develop a 710 South Clean Truck Program that seeks to deploy Zero Emissions trucks in the I-710 Corridor as soon as possible,
- C. Conduct aggressive Federal and State advocacy to secure funding for a 710 South Clean Truck Program, including as many as possible of the 1,000 Zero Emissions trucks included in the FY22 California State budget.
- D. Report back to the Board in February 2022 and May 2022 with updates on

stakeholder engagement and Program development and implementation, including areas for possible further study, consideration, and development to achieve Zero Emissions goods movement objectives along the I-710 South Corridor.

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION AS AMENDED (5-0):

**37. SUBJECT: ZERO EMISSIONS TRANSPORTATION
INFRASTRUCTURE WORKING GROUP**

[2021-0689](#)

RECOMMENDATION

APPROVE Motion by Directors Krekorian, Garcetti, Kuehl, Barger, Hahn, and Solis that the CEO and or her designee participate along with other appropriate staff in the City of Los Angeles' ZE Transportation Infrastructure working group to work collaboratively to meet the following objectives;

- A. Identify opportunities for collaboration on deploying shared charging infrastructure for all fleet needs (all vehicle classes, both revenue and non-revenue vehicles), while ensuring that renewable and resilience measures are included. This effort should optimize the amount of shared or multi-agency accessible zero-emission fueling infrastructure in the region.
- B. Analyze any potential efficiencies in joint procurement and long-term planning.
- C. Evaluate opportunities for co-locating and co-developing zero-emissions vehicle charging infrastructure with both public and private agencies.
- D. Maximize capacity for EVs through deploying electric vehicle charging/fueling equipment in underutilized parking lot facilities for public and/or agency use. Each agency (where applicable) should provide a report back to its respective governing board listing such opportunities in parking lots, including the number of available parking spaces in each lot.
- E. Maximize and coordinate funding and grant applications for shared charging, storing, and other infrastructure opportunities.
- F. Explore collective procurement opportunities and other procurement innovations, such as common bid language that allows all agencies to take advantage of a contract awarded by any of the other agencies, with special emphasis on encouraging and incentivizing local businesses to benefit from such procurement.
- G. To the greatest extent possible, set cross-agency standards for charging,

materials, measurement (hourly need), and telematics needs to ensure a regional standard.

- H. Explore ways to maximize coordination with private industry investments in zero-emission fuel infrastructure in order to facilitate meeting current or anticipated agency EV needs (for example, relating to construction, power, and storage). Such steps might include a notification protocols to ensure that all agencies will be able to take advantage of any potential electrification infrastructure synergies during large private sector electrification projects.
- I. Explore the use of battery storage and energy management for shared charging infrastructure projects between working group members. Work with LADWP and Southern California Edison to identify strategies to leverage battery storage to achieve system resiliency alongside fleet electrification projects.
- J. Share lists and maps of assets that can be used in a unified plan for zero-emission infrastructure, including parking lots, layover locations, park and rides, and existing EV facilities.
- K. Identify other public agencies, including the County of Los Angeles Department of Public Works, Internal Services Department, and Chief Executive Office, that can participate in the work of the working group to expand long-term zero-emission infrastructure planning further.

WE FURTHER MOVE that the CEO report back to the board on a quarterly basis to provide updates on these goals.

EXECUTIVE MANAGEMENT COMMITTEE RECEIVED AND FILED THE FOLLOWING:

- 41. SUBJECT: PUBLIC EDUCATION CAMPAIGN FOR ENHANCED LIFE PROGRAM, HALF-PRICED PASSES AND FARE RESUMPTION** [2021-0646](#)

RECOMMENDATION

RECEIVE AND FILE the Communications plan update supporting LIFE program expansion, half-priced passes and fare resumption.

- Attachments:** [Attachment A - 90-Day Fares Public Education Strategic Communications Plan](#)
[Attachment B - Motion 40 - FSI](#)
[Attachment C - October 12 Fares Update Source Post](#)
[Attachment D - Email to 88 Cities, Countywide Faith-Based Leaders and CBOs](#)
[Attachment F - LIFE Mask Card](#)

42. **SUBJECT: FINDINGS REQUIRED TO CONTINUE TO MEET VIA TELECONFERENCE IN COMPLIANCE WITH AB 361 WHILE UNDER A STATE OF EMERGENCY AND WHILE STATE AND LOCAL OFFICIALS CONTINUE TO PROMOTE SOCIAL DISTANCING**

[2021-0707](#)

RECOMMENDATION

CONSIDER making the following findings:

Pursuant to AB 361, the Metro Board, on behalf of itself and other bodies created by the Board and subject to the Ralph M. Brown Act, including Metro's standing Board committees, advisory bodies, and councils, finds:

The Metro Board has reconsidered the circumstances of the state of emergency, and that:

- A. The state of emergency continues to directly impact the ability of the members to meet safely in person, and
- B. State or local officials continue to impose or recommend measures to promote social distancing.

Therefore, all such bodies will continue to meet via teleconference subject to the requirements of AB 361.

END OF NON-CONSENT

43. **SUBJECT: CLOSED SESSION**

[2021-0699](#)

- A. Conference with Legal Counsel - Anticipated Litigation - G.C.54956.9(d)(4):
Initiation of Litigation (One Case)
- B. Public Employee Performance Evaluations - G.C. 54957(b)(1)
Titles: Chief Executive Officer, General Counsel, Board Clerk, Chief Ethics Officer, Inspector General

CONSENT CALENDAR

2. **SUBJECT: MINUTES**

[2021-0700](#)

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held September 23, 2021.

Attachments: [Regular Board Meeting MINUTES - September 23, 2021](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

5. **SUBJECT: I-605/VALLEY BOULEVARD INTERCHANGE IMPROVEMENT PROJECT THIRD-PARTY AGREEMENTS** [2021-0091](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute all necessary agreements with third parties to complete the I-605 at Valley Boulevard Interchange Improvements Project.

Attachments: [Attachment A - I605-Valley Blvd IC Improvements Project Area](#)
[Attachment B - East Temple Avenue Rail Crossing](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

6. **SUBJECT: I-105 EXPRESSLANES PLANS, SPECIFICATIONS, AND ESTIMATES (PS&E) AND RIGHT-OF-WAY (ROW) COOPERATIVE AGREEMENT** [2021-0417](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute a Cooperative Agreement with the California Department of Transportation (Caltrans) for the I-105 ExpressLanes project for the Plans, Specifications, and Estimates (PS&E) and Right-of-Way (ROW) phases in an amount not to exceed \$7,260,000.

Attachments: [Attachment A - I-105 ExpressLanes ROW Impacts](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

7. **SUBJECT: JOINT DEVELOPMENT POLICY GOAL** [2021-0496](#)

RECOMMENDATION

CONSIDER:

- A. APPROVING a ten-year Joint Development goal of completing 10,000 housing units, at least 5,000 of which will be income-restricted; and
- B. RECEIVING AND FILING the response to Motion 15.1 (Dupont-Walker and Solis) (Attachment B).

- Attachments: [Attachment A - Joint Development Policy](#)
 [Attachment B - Board Motion](#)
 [Presentation](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

8. **SUBJECT: I-405 SEPULVEDA PASS (PHASE 1) EXPRESSLANES INVESTMENT GRADE TRAFFIC AND REVENUE STUDY; AND I-10 EXPRESSLANES EXTENSION INVESTMENT GRADE TRAFFIC AND REVENUE STUDY** [2021-0624](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE firm fixed price Contract No. PS67379000 with CDM Smith for comprehensive investment grade Traffic and Revenue (T&R) modeling services to produce the I-405 (Sepulveda Pass (Phase 1) ExpressLanes Investment Grade Traffic and Revenue (T&R) Study, for a three-year performance period, effective on November 20, 2021, in the amount of \$1,455,718 subject to the resolution of properly submitted protest(s), if any; and

- B. EXECUTE firm fixed price Contract No. PS67450000 with CDM Smith for comprehensive investment grade Traffic and Revenue (T&R) modeling services to produce the I-10 ExpressLanes Extension Investment Grade Traffic & Revenue (T&R) Study, for a two-year performance period, effective on November 20, 2021, in the amount of \$1,363,452 subject to the resolution of properly submitted protest(s), if any.

- Attachments: [Attachment A - I-405 Sepulveda Pass ExpressLanes Procurement Summary](#)
 [Attachment B - I-405 Sepulveda Pass ExpressLanes DEOD Summary](#)
 [Attachment C - I-10 ExpressLanes Extension Procurement Summary](#)
 [Attachment D - I-10 ExpressLanes Extension DEOD Summary](#)

PLANNING AND PROGRAMMING COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

9. **SUBJECT: STATE ACTIVE TRANSPORTATION PROGRAM** [2021-0587](#)

RECOMMENDATION

APPROVE the:

- A. State Active Transportation Program (ATP) Cycle 6 Grant Assistance Priorities in Attachment A; and

FINANCE, BUDGET, AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

- 13. SUBJECT: FIRST LEASE AMENDMENT AGREEMENT WITH THE STATE OF CALIFORNIA**

[2021-0619](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO), or their designee, to execute a five (5) year First Lease Amendment commencing October 1, 2021 with the State of California, (“Lessor”) for the Division 2 Employee Parking Lot (“Location 403”) located at 17th Street and Griffith Avenue in Los Angeles at a rate of \$13,447.00 per month with annual increases of three percent (3%) for a total of \$858,192.00 over the five (5) year term.

Attachments: [Attachment A - Plot Plan for Location 403](#)
[Attachment B - Deal Points](#)

FINANCE, BUDGET, AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

- 14. SUBJECT: CALIFORNIA SB1 STATE OF GOOD REPAIR PROGRAM**

[2021-0579](#)

RECOMMENDATION

APPROVE the Resolution in Attachment A to:

- A. AUTHORIZE the Chief Executive Officer (CEO) or designee to claim \$30,484,780 in fiscal year (FY) 2021-22 State of Good Repair Program (SGR) grant funds as the Regional Entity for Los Angeles County for this program;
- B. APPROVE the regional SGR Project List for FY2021-22; and
- C. CERTIFY that Metro will comply with all conditions and requirements set forth in the SGR Certification and Assurances document and applicable statutes, regulations and guidelines.

Attachments: [Attachment A - Resolution to Accept & Distribute LA County SGR Funds](#)
[Attachment B - Submitted Project Listing From Metro & Municipal Operators](#)

FINANCE, BUDGET, AND AUDIT COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

15. SUBJECT: AUDIT SERVICES BENCH AMENDMENT

[2021-0594](#)

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to execute Modification No. 4 to Contract Nos. PS36627000 through PS36627004, PS36627006, PS36627008, PS36627009, PS36627011 through PS36627018 to exercise the second, one-year option, extending the contract term from January 1, 2022 to December 31, 2022; and increasing the total authorized not-to-exceed amount by \$2,288,000 from \$9,152,000 to \$11,440,000; and
- B. AWARDING AND EXECUTING task orders for an aggregate not-to-exceed amount of \$11,440,000.

- Attachments:**
- [Attachment A - Procurement Summary](#)
 - [Attachment B - Contract Mod](#)
 - [Attachment C - Firms on the Audit Services Bench](#)
 - [Attachment D - Task Order List](#)
 - [Attachment E - DEOD Summary](#)

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

19. SUBJECT: AUTOMATED STORAGE AND RETRIEVAL SYSTEM (ASRS) UPGRADE

[2021-0592](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a single source, 24-month, firm fixed price Contract No. PS76506000 to Dematic Corporation, for a total amount of \$3,396,686, inclusive of sales tax subject to resolution of protest(s), if any.

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

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

20. SUBJECT: PURCHASE OF SAFETY VESTS

[2021-0576](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a two-year, Indefinite Delivery/Indefinite Quantity (IDIQ) Contract No. MA75908000 for reflective safety vests with Safety Vibe Inc. The Contract one-year base amount is \$577,649 inclusive of sales tax, and the one-year option amount is \$595,869 , inclusive of sales tax, for a total contract amount of \$1,173,518, subject to resolution of any properly submitted protest(s).

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

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

24. SUBJECT: CONTRACT MODIFICATION - LA COUNTY DEPARTMENT OF HEALTH SERVICES C3 HOMELESS OUTREACH TEAMS HOME AT LAST (HAL) SHELTER BED PILOT EXTENSION

[2021-0550](#)

RECOMMENDATION

AUTHORIZING the Chief Executive Officer to execute Amendment No. 4 to the Letter of Agreement for Multidisciplinary Street-Based Engagement Services (Contract No. MO136727000-32385), to include extending the homeless shelter bed program (Home At Last (HAL)) through ~~June 30~~ January 31, 2022, for outreach team enhancements and capabilities ~~consistent with Board Motion 26.2 (File #:2021-0190)~~, in an amount not-to-exceed ~~\$3,708,000~~ \$1,250,000, increasing the total cost from \$26,200,000, to ~~\$29,908,000~~ \$27,450,000, inclusive of administrative fees and other pilot initiatives.

Attachments: [Attachment A - Home at Last \(HAL\)](#)
 [Attachment B - Rapid Equity Assessment](#)

CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

- 28. SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT PROJECT** [2021-0543](#)

RECOMMENDATION

CONSIDER:

- A. FINDING that authorization of the use of alternative delivery methods, including Progressive Design-Build (PDB), will achieve integration of design, project works, and other components in an efficient manner the East San Fernando Valley (ESFV) Light Rail Transit Project (Project) pursuant to Public Utilities Code Section 130242; and
- B. APPROVING a competitive solicitation of a PDB contract to achieve the proposed design approach, specific project features and functions, and other project criteria in addition to price, pursuant to Public Utilities Code 130242 (e).

(REQUIRES 2/3 VOTE OF THE FULL BOARD)

CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

- 29. SUBJECT: EAST SAN FERNANDO VALLEY LIGHT RAIL TRANSIT PROJECT** [2021-0544](#)

RECOMMENDATION

CONSIDER:

- A. FINDING that authorization of the use of Public/Private Partnership (P3) will achieve the design, build, finance, and participation in oversight of Operation and Maintenance of solar photovoltaic (PV) power (commonly known as solar panels) generation system at the Maintenance and Storage Facility for the East San Fernando Valley Transit Corridor Project (ESFV) pursuant to Public Utilities Code Section 130242; and
- B. APPROVING a competitive solicitation of a P3 contract to achieve the proposed design, specific features and functions, and other qualifications in addition to price, pursuant to Public Utilities Code Section 130242.

CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (3-0):

- 30. SUBJECT: CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR CAPITAL PROJECTS** [2021-0572](#)

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD AND EXECUTE a three-year cost plus fixed fee contract, Contract No. AE76301MC081 with Zephyr Rail, to provide Construction Management Support Services for Capital Projects, in an amount not-to-exceed \$3,519,211.94 for the three-year base period, plus two (2) one-year options if deemed appropriate, subject to resolution of any properly submitted protest(s); and
- B. EXECUTE individual Task Orders within the Board approved not-to-exceed amount.

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

CONSTRUCTION COMMITTEE MADE THE FOLLOWING RECOMMENDATION (4-0):

- 31. SUBJECT: LOCAL PREFERENCE** [2021-0686](#)

RECOMMENDATION

APPROVE Motion by Directors Hahn, Dupont-Walker, Butts, Mitchell, Dutra, and Kuehl that directs the CEO to:

- A. Survey local preference best practices nationally and make recommendations for local preference criteria;
- B. Evaluate and recommend changes to Metro policies regarding advancing local preference in small, medium, and disadvantaged business contracting;
- C. Review State and Federal laws and regulations and make recommendations for inclusion in future Federal and State Legislative Priorities; and,
- D. Report back on these requests in February 2022.

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION

(5-0):

35. SUBJECT: FARE POLICY CHANGE

[2021-0679](#)

RECOMMENDATION

APPROVE:

- A. The results of the Fare Equity analysis for changing free fares to 5 years and under.
- B. Changing the fare policy to raise the maximum age of free fare from under age 5 to under age 6.

Attachments: [Attachment A - Fare Equity Analysis](#)

EXECUTIVE MANAGEMENT COMMITTEE MADE THE FOLLOWING RECOMMENDATION

(5-0):

36. SUBJECT: TICKETS OR PASSES DISTRIBUTION POLICY

[2021-0634](#)

RECOMMENDATION

CONSIDER:

- A. APPROVING the Tickets or Passes Distribution Policy in Attachment A; and
- B. AUTHORIZING the Chief Ethics Officer to amend the policy consistent with any changes in state law or Metro priorities.

Attachments: [Attachment A - Tickets or Passes Distribution Policy](#)

END OF CONSENT CALENDAR

SUBJECT: GENERAL PUBLIC COMMENT

[2021-0697](#)

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 #: 2021-0646, File Type: Informational Report

Agenda Number: 41.

EXECUTIVE MANAGEMENT COMMITTEE OCTOBER 21, 2021

SUBJECT: PUBLIC EDUCATION CAMPAIGN FOR ENHANCED LIFE PROGRAM, HALF-PRICED PASSES AND FARE RESUMPTION

ACTION: RECEIVE AND FILE

RECOMMENDATION

RECEIVE AND FILE the Communications plan update supporting LIFE program expansion, half-priced passes and fare resumption.

ISSUE

Metro developed a 90-day Public Education Strategic Communications and Marketing Plan (Attachment A) in collaboration with external partners as directed by the Metro Board at the September 2021 meeting (Attachment B). The plan supports the roll-out of discounted passes, enhancements to the Low-Income is Easy Fare (LIFE) Program, and the return to fare collection.

BACKGROUND

At its May 2020 meeting, the Board approved Motion 36 reducing the cost of Metro full-price passes by 50% upon fare resumption.

In September 2021, the Board approved the Fareless Systems Initiative (FSI) funding plan for Phase I (K-14) and Motion 40 revamping the LIFE Program. Expanding and enhancing the LIFE Program will alleviate the impact of fares on low-income riders while Metro continues to seek funding to implement FSI Phase 2 (low-income adults)

Phase I implementation began on October 1, 2021, allowing students in participating K-12 districts and community colleges in LA County the ability to board Metro and participating transit agencies with a special pass that requires no fare payment at boarding. Metro is preparing a streamlined LIFE application process that enables on-the-spot enrollment, allows applicants to self-certify, and provides three months of fareless transit to new enrollees. Specifically, since the last Board meeting, staff has completed or advanced the following:

- Simplified the LIFE application to streamline enrollment and add the option of self-certification (complete);

-
- LA County Workforce Development, Aging, and Community Services distributed 11,000 LIFE informational flyers to clients receiving meal delivery and at 14 Community and Senior Centers throughout the region;
 - Updated the LIFE webpage (in progress); and
 - Created online LIFE application portal with self-certification feature (in progress).

. In collaboration with community-based organizations (CBO's), Metro will launch a coordinated and proactive outreach effort around the enhanced LIFE program and discounted fares with grassroots and boots on the ground tactics in advance of resuming fare collection on January 10, 2022.

DISCUSSION

Coordinated efforts are in progress to ensure a comprehensive, multi-platform, and community-centered outreach and public engagement strategy. Metro communications is leading the efforts with Strategic Financial Management (formerly Office of Management and Budget), TAP, including Operations, and the Office of the Chief Executive Officer in partnership with community-based organizations. Metro secured the services of an external multicultural marketing firm to assist in developing a comprehensive public education campaign. The consultant firm will develop creative concepts and key messaging to educate and inform the public about Metro's enhancements to the LIFE program, the promotion of half-off passes, and the resumption of fare collection.

The public education campaign launched October 12, 2021, and includes a complement of strategies leveraging social media, print and online advertising in local and community publications, in-person outreach, and engagement through community-based organizations over the next 90 days. The plan includes the following outreach strategies:

- Earned, owned, and paid media channels, including ethnic and hyper-focused local media (print, radio, electronic)
- Utilization of Metro's digital and static assets.
- Disseminate information using community-based organizations at highly-trafficked areas throughout the county, including high-frequency transit stops and stations and community locations where people gather and engage in social discourse, such as barbershops, hair salons, community centers, and local shopping centers.
- Utilize government social service partners to distribute information to mutual clients.
 - Staff is in discussions with the Los Angeles County Community Development Authority to distribute information to Section 8 and Public Housing clients.
 - Staff continues to work with the Los Angeles County Department of Social Services to distribute information through their programs such as, General Relief and CalFresh clients.
- Leverage existing Metro resources to inform customers of promotional and discount programs and fare collection resumption, including the deployment of ambassadors and signage at bus stops and Point of Sales (POS) locations such as ticket vending machines (TVM) and Metro Customer Centers.

- Enlist the support of community partners, including faith-based organizations, to help amplify the Agency’s messages through notices to their stakeholders via social media channels.
- Ensure Metro employees are informed of the programs to act as ambassadors within their spheres of influence.

The public education tactics, in three phases, are aligned with the 90-day promotional campaign and the 45-day LIFE Program self-attestation enrollment period. The following is a high-level overview of the three phases:

Public Engagement and Outreach: Early October	<ul style="list-style-type: none"> • Launch public education campaign with public relations tactics (blogs, press release, internal communications) • Contract with a multicultural marketing agency.
Strategic Communications: Mid October	<ul style="list-style-type: none"> • Develop messaging matrix and creative concepts • Support the launch of LIFE Program enhancements and enrollments
Community-Based Organizations Engagement: Late October thru January	<ul style="list-style-type: none"> • Engage CBO partners for expanded community outreach • Launch systemwide campaign ads and paid media advertising - online banners, print, radio, direct mail • Continue outreach and public engagement tactics leading to fare resumption

Communications initiated focused tactics at the onset of the promotional period, including a press release, features on Metro blogs The Source and El Pasajero (Attachment C), e-blast to 88 cities, countywide faith-based leaders, and CBOs (Attachment D) and an initial LIFE card distribution to over 2000 riders, (Attachment E)

EQUITY PLATFORM

The communications plan and public education campaign is a multi-pronged outreach effort that includes partnering and procuring CBOs with extensive experience engaging a broad range of stakeholders within Los Angeles County's diverse communities and specific geographic areas to build awareness and support overall outreach efforts. The communications plan commits to providing non-English translation and multilingual, culturally appropriate materials. Additionally, the plan seeks to meet community members where they are to reduce barriers to Metro updates and information. These efforts will target messaging to economically vulnerable people in our communities and improve access to transit through discounted passes and the enhanced LIFE Program.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The communications plan and public education campaign supports strategic goal #3 “Enhancing communities and lives through mobility and access to opportunity” by providing financial relief by reducing the cost of riding transit for all riders, especially the most economically vulnerable people in our communities.

NEXT STEPS

Over the next two weeks staff will utilize the services of a multicultural marketing firm to develop specific messaging and marketing materials. The new online portal will be user-tested the week of October 25th and will be live October 31st. Additionally, staff will collaborate with the County's Social Service providers and network to distribute information to mutual clients. Finally, staff will continue outreach and public engagement of LIFE Program enhancements, such as self-certification and enrollments through pop-up events in partnership with CBOs. Staff will return to the Board in November with an update.

ATTACHMENTS

Attachment A - 90-Day Public Education Strategic Communications Pla

Attachment B - Motion 40 - FSI

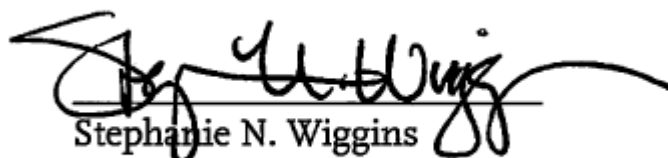
Attachment C - October 12 Fares Update Source post

Attachment D - E-Blast

Attachment E - LIFE card

Prepared by: Glen Becerra, Executive Officer, Marketing (213) 418-3265
Kristie Crawford, Manager, Marketing and Communications (213) 418-3174

Reviewed by: Yvette Rapose, Acting Deputy Chief, Communications, (213) 418-3154



Stephanie N. Wiggins
Chief Executive Officer

90-Day Fares Public Education Strategic Communications Plan

Overall Goals

- Raise broad awareness with Metro riders about systemwide changes beginning January 10, 2022, including:
 - Improved fare options – enhanced LIFE program and discounted passes
 - Bus fare collections resume
 - Discontinue rear-door boarding (note: All-Door Boarding continues to be available on Lines 720 and 745, and J Line (Silver))
 - More frequency and convenience with NextGen implementation - systemwide service hours restored
 - A clean and safe system
 - Educate internal staff on fare changes via Division communications tactics

Timing

OBJ/OBJ

Phase 1: 10/1 – 10/15	<ul style="list-style-type: none"> • Launch public education campaign with public relations tactics (blogs, press release, internal communications) • Contract with multicultural marketing agency and CBOs for expanded professional services and resources
Phase 2: 10/16 – 11/15	<ul style="list-style-type: none"> • Support the launch of LIFE program enhancements and enrollments • Develop Strategic Communications Plan • Develop messaging matrix and creative concepts
Phase 3: 11/16 – 1/10/22	<ul style="list-style-type: none"> • Deploy CBO partners for expanded community outreach • Launch systemwide campaign ads and paid media advertising – online banners, print, radio, direct mail • Continue outreach and public engagement tactics leading to fare resumption
Phase 4: 1/10/22 – 7/10/22	<ul style="list-style-type: none"> • Monitor, evaluate and continue to optimize campaign

CAMPAIGN: LIFE (Low-Income Fare is Easy)

Timing

Campaign launch: October 12, 2021

Goals

- Double the number of LIFE participants by end of 2022
- Make public transit more affordable for low-income riders

- Encourage sign-ups of current transit riders that are qualified but not signed up for the LIFE program

Audience

- Low-income riders
- Cash-paying riders
- Pass holders (full/reduced fare)
- Community partners
- Metro Operators and staff
- Media – local and ethnic media (print, broadcast, online)

Strategy

- Educate and inform current cash-paying customers of the LIFE program, including additional discounts available as part of the half-off passes promotion.
- Promote the LIFE program as a method of greater savings on Metro passes.
- Drive awareness to LIFE participants that their passes will be deeply discounted.
- Partner with community-based organizations to sign up potential LIFE participants.

Key Messages

- We're making it easier for low-income riders to sign up for heavily discounted fares.
- One-Day, 7-Day and 30-Day passes are deeply discounted for LIFE participants from December 15, 2021, through July 20, 2022.
 - Regular 30-Day pass – drops to \$26 (regularly \$76)
 - 7-Day Pass – \$6.50 (regularly \$19.50)
- Applying is now easier. Metro is now accepting LIFE applications at Metro Customer Centers.
- Low-income riders can save on passes or get free rides with the LIFE program.
- You'll get 90 days of free rides if you are a new LIFE participant starting January 10, 2022.

Customer-Facing Message

- Metro is here for you. We're helping eligible riders get around at a discounted price.
- The LIFE program offers low-income riders assistance with paying fare.
\$26 for 30-day pass (regularly \$76)
 \$6.50 for 7-day pass (regularly \$19.50)
- Apply now to get your **first 90 days of free rides.**

Suggested Tactics

Phase 1

- PR: *The Source/El Pasajero*, social media posts, press release

- Outreach: email deployment to 88 cities, countywide faith based leaders and CBOs
- Internal: Metro Daily Brief, FAQs document, Metro Friday Facts email, myMetro intranet, printed piece for staff/operator education

Phase 2

- Development of Strategic Communications Plan
 - o Messaging matrix and creative concepts
- Update LIFE materials to include free 90-day transit pass, TAP Card opt-in language to receive a TAP and self certification language

Phase 3

- Customer-facing campaign ads: Bus car cards, rail posters, TK1s, LIFE applications, FAQ flyers, direct mail campaign
- Media: Online banners, newspaper ads, radio, social media
- PR: *The Source/El Pasajero*, social media posts, press release
- Web: Updates to *metro.net/LIFE*, update to *taptogo.net*, online application portal
- Outreach: CBO partnerships with faith-based organizations mobile outreach, ongoing community events and outreach, sign ups at major transit centers, mobile customer center, Metro Blue Shirts

CAMPAIGN: Fare Collection Resumption

Timing

Campaign launch: October 12, 2021

Fare collection resumes: January 10, 2022

Fare enforcement resumes: 30 days after fare collection resumes

Goals

- Inform Metro riders that we will resume collecting bus fare on January 10, 2022
- Encourage riders to visit *metro.net/fares* for information on all available discounted fare programs, including the six-month half-off passes promotion

Audience

- Riders – general and all who qualify for discounted programs
- Community partners
- Metro Operators and staff
- Media – local and ethnic media (print, broadcast/radio, online)

Strategy

- Utilize point of level communication tactics to inform customers of fare collection, including ambassadors, signage at bus stops, alert banners on *metro.net*, push alerts to 70,000 *Transit* app users.
- Integrate fare resumption message into NextGen/December shake up materials where space is available.
- Provide general information on Metro's discounted fare programs, with targeted communication on additional pass discounts to LIFE participants and current pass holders.

Customer-Facing Message

- Get ready to pay your fare on **Metro buses** starting January 10, 2022.
- Your fares support Metro service.
 - Find out about discounts on fare and passes at metro.net/fares.

Suggested Tactics

Phase 1

- PR: *The Source/El Pasajero*, social media posts, press release
- Internal: Metro Daily Brief, FAQs document, Metro Friday Facts email, myMetro intranet, printed piece for staff/operator education

Phase 2

- Development of Strategic Communications Plan
 - Messaging matrix and creative concepts

Phase 3

- Customer-facing: *Transit* app integration, digital kiosk ads, messages on hold, information at bus stop level, posters, integration into NextGen materials
- Web: Updated fares section on *metro.net*
- Outreach: Metro Blue Shirts, mobile customer center

CAMPAIGN: Half-off passes

Timing

Campaign launch: October 12, 2021

Half off fares active: December 15, 2021 through July 10, 2022

Background

Metro is providing emergency relief for transit-riding Angelenos. The Metro Board has directed Metro to offer riders financial relief, specifically by offering a deep promotional discount on Metro 1-Day, 7-Day and 30-Day passes.

Goals

- Provide financial relief to pass buyers
- Inform and educate riders of the promotional half-price passes and all other discount fare programs

Audience

- All riders
- Community partners
- Metro Operators and staff
- Media – local and ethnic media

Strategy

- Highlight promotional passes and other discount programs at point of sale (POS) locations, including TVMs, Metro Customer Centers and TAP website.
- Drive demand via earned and paid media channels that 30-Day, 7-Day and 1-Day passes are half price for a promotional limited time.

Customer-Facing Message

- Metro is offering 1-Day, 7-Day and 30-Day passes at half-price savings.
- Go Metro for half the price.
 - Pay only \$3.50 on a day pass, \$12.50 on a weekly pass, and \$50 on a 30-day pass.
 - 30-Day Pass: ~~\$100~~ \$50
 - 7-Day Pass: ~~\$25~~ \$12.50
 - 1-Day Pass: ~~\$7~~ \$3.50

Suggested Tactics

Phase 1

- PR: *The Source/El Pasajero*, social media posts, press release
- Internal: Metro Daily Brief, FAQs document, Metro Friday Facts email, myMetro intranet, printed piece for staff/operator education

Phase 2

- Development of Strategic Communications Plan
 - Messaging matrix and creative concepts

Phase 3

- Customer-facing campaign ads: Bus car cards, rail posters, email to current TAP pass holders, ads on digital kiosks, *Transit* app integration, *TAP* app
- Paid media: Online banners, newspaper ads, radio, social media, FB ads targeting likely riders

- Web: updates to *metro.net/LIFE*, update to *taptogo.net*, online application portal
- Outreach: Mobile customer center, Metro Blue Shirts

**Board Report**

File #: 2021-0627, **File Type:** Motion / Motion Response**Agenda Number:** 40.

REVISED
REGULAR BOARD MEETING
SEPTEMBER 23, 2021**Motion by:****DIRECTORS MITCHELL, SOLIS, GARCETTI, SANDOVAL, BONIN, AND DUPONT-WALKER**

Related to Item 35: Fareless System Initiative (FSI)

Effective March 23, 2020, former LA Metro CEO Phil Washington ordered that all passengers shall board the rear door when entering an LA Metro bus and, accordingly, removed the requirement for bus passengers to use the fare box. This practice was established to reduce the risk of COVID-19 transmissions on transit and to protect transit operators at the front of the bus from potential exposure to COVID-19. While put in place as a health pandemic response, this practice has been one of the most effective strategies in our region to respond to the economic pandemic our communities face.

Riders and community advocates quickly embraced LA Metro's fare free bus service and in August 2020, CEO Washington announced the formation of the Fareless System Initiative (FSI) Task Force to study the potential for continuing fare-free service as a recovery strategy to continue after the pandemic. The Task Force's research confirmed what riders already know; that LA Metro's riders are overwhelmingly low-income people of color for whom transit fares are an economic burden and for whom fare enforcement perpetuates racial disparities. Furthermore, the Task Force found that a fareless system would grow ridership and help the region meet its mobility, congestion reduction, and sustainability goals more effectively than almost any other LA Metro initiative. Buoyed by these findings, on May 27, 2021, the Board directed staff to proceed with FSI, subject to a final financial plan, which is before the Board for consideration today.

The financial plan identifies funding for free student passes as Phase 1 of FSI. Staff has moved quickly to build on the previously existing U-Pass program to expand free student passes to students in every participating school district throughout the county. However, the financial plan does not identify the funding needed to move forward and launch Phase 2 of FSI, which would serve all low-income riders. In the interim, staff proposes to build on the existing LIFE Program as a first step toward FSI Phase 2, until additional funding can be secured.

Increasing enrollment in the LIFE Program is an important interim step for an expansion of FSI. If implemented, it will create a pre-qualified pool of applicants for FSI Phase 2. While enrollment has grown since its launch in 2019, the LIFE Program still falls far short of its intended impact, largely due

to intimidating, restrictive, and tedious enrollment barriers. The current LIFE Program design will require an overhaul to meet the needs of eligible low-income riders. Namely, the LIFE Program must be far easier to enroll in, more accessible, easier to pay for, and truly affordable for low-income riders.

Our communities are still faced with a dual economic and health pandemic that racial and economic inequalities have further exacerbated. Programs across this region-created to support families in need-will be expiring later this year, despite evidence that these programs have collectively spurred a record drop in poverty (as much as half according to the Urban Institute). Costs will quickly escalate for families, many of whom are still unemployed, taking care of children and loved ones at home, and paying off rental debt. LA Metro must do more to prevent the resumption of fares from exacerbating economic distress among economically vulnerable people in our communities. Removing financial barriers for those who cannot afford transportation creates a lifeline for those who need access to essential travel.

Revamping the LIFE Program will alleviate the impact of fares on low-income riders while preparing LA Metro to implement FSI Phase 2.

SUBJECT: AMENDMENT TO FARELESS SYSTEM INITIATIVE (FSI)

RECOMMENDATION

APPROVE Motion by Mitchell, Solis, Garcetti, Sandoval, Bonin, and Dupont-Walker that the Board direct the Chief Executive Officer to:

- A. Develop a plan to double the number of LIFE Program enrollees by the end of 2022.
- B. Expedite a streamlined application system that enables on-the-spot enrollment and the immediate issuance of LIFE Program benefits through a process that allows applicants to self-certify qualification in the program. Applicants should attest that their information and eligibility in the program is accurate under penalty of fine.
- C. Ensure the fare capping pilot approved by the Board in March 2021 applies to LIFE Program participants.
- D. Expand partnerships with local, state, and federal public benefit programs to automatically enroll members in LIFE upon qualification.
- E. Partner with community-based organizations to canvass LA Metro buses and trains to enroll qualifying riders.
- F. Provide three months of fareless transit to new enrollees as an incentive to enrollment, beginning upon the resumption of fare collection.
- G. Evaluate whether qualified applicants can enroll in the LIFE Program with the next generation of touch screen TAP Vending Machines.

WE, FURTHER MOVE, that the Board direct the Chief Executive Officer to:

- H. Continue the current boarding practices until prospective participants can enroll-on-the spot and self-certify their eligibility, with no less than 90 days for promotion and 45 days for enrollment before fare collection resumes. The resumption of fare collection should also be subject to a 45-day awareness-building period that fares collection will resume as detailed in Attachment I of the September 2021 FSI report (Board File 2021-0574).
- I. Return to the Board in January 2022 with an update on LIFE Program changes.
- J. Conduct a LIFE Program evaluation - in partnership with community-based organizations -- to:
 - 1. Develop additional strategies that support the enrollment of new participants in the LIFE Program.
 - 2. Survey and convene current and prospective LIFE Program enrollees on how well the current program meets the needs of eligible applicants.
 - 3. Review current benefit levels and recommend changes, as appropriate.

BONIN AMENDMENT:

I would like Metro staff to come back to us in your next report with a more reasonable evaluation of the benefits and costs of going truly fareless. This analysis needs to consider:

- A. A phased approach that winds down contracts rather than breaching them.
- B. The cost of anticipated upgrades and maintenance of our fare collection system that could be avoided.
- C. Realistic ridership and fare revenue forecasts that take into account actual ridership trends, use today's ridership as a baseline, and factor in already Board-approved discounts, including today's actions.
- D. Operational savings from reduced bus dwell times and reduced staff needs for fare collection and enforcement.
- E. Validating cost assumptions from munis.
- F. Looking more holistically at Access Services, including potential savings from Federal waivers and coordination with Microtransit; and
- G. Look at universal \$26 pass proposal from Bus Riders Union.

KUEHL AMENDMENT:

Report back on the communication plan.

2022 DISCOUNTED FARES ARE COMING! Find out more about discounted and free rides using the LIFE Program, GoPass and your TAP card

BY STEVE HYMON , OCTOBER 12, 2021

Fare collection resumes on the Metro bus system on January 10. Your fares help keep our system running!

To keep riders and our employees safe, we suspended front door boarding on our buses in March 2020 at the outset of the COVID-19 pandemic. We also relaxed our rules requiring riders to use the farebox and TAP validator.

With vaccinations well underway and mask wearing on our system required, we will resume front door boarding only and fare collection on Jan. 10, 2022.

We're working to make sure everyone knows about these changes well in advance. Some big discounts are also coming to our fares.

Need help paying for your rides? We're also making it easier for you to apply for our Low-Income Fare Is Easy (LIFE) program and providing deeper discounts.

6 Months of discounted LIFE fares:

\$26 for a 30-day pass (regularly \$76)

\$6.50 for a 7-day pass (regularly \$19.50).

Additionally, new LIFE riders will get 90 days of free rides starting January 10, 2022, when fare collection restarts.

6 months of half price passes for all riders: We're cutting the price of our regular passes in half for all customers to make riding easy and affordable.

We will be offering 1-Day, 7-Day and 30-Day passes at half-price savings that riders can start using on Jan. 10. That means you will pay only \$3.50 for a day pass, \$12.50 for a weekly pass and \$50 for a 30-day pass if you are not enrolled in a discounted program.

The fares will be available on our TAP vending machines, taptogo.net and at Metro Customer Centers and will be available for purchase beginning Dec. 15 until July 20, 2022.

Meet the Metro Student GoPass:

Our GoPass fareless program for students allows K-12 and community college students at participating schools and/or school districts in L.A. County to obtain passes to ride the Metro System (and participating transit operators) for free through June 30, 2023.

We've had significant interest in our GoPass pilot program — more than 40 districts are in the process of signing up. Earlier this month the Los Angeles Unified School District — the largest district in our region — announced they will partner with Metro on this important program. This will help students reach school and other destinations — and save their families money that can be used for other expenses.

To check if your district is on the list, [click here](#).

SHARE THE SOURCE:



LIKE THIS:



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Related

[Metro Board approves fareless plan for K-14 students and easier access to discounted fares for many riders](#)

We launched our Fareless System Initiative in Aug. 2020. The program's goals are simple: to use fareless transit as a tool to help L.A. County residents deal with the ever-rising cost of living here and help recover from the September 23, 2021 In "Policy & Funding"

[Metro unveils new "LIFE" programs for discounted fares for low-income riders](#)

As of January 1, qualifying riders can save even more on Metro 7-Day, 30-Day or EZ passes with LIFE coupons. The discounts are made possible by the passage of the Measure M sales tax ballot measure by L.A. County voters January 16, 2018 In "Go Metro"



[New fare charts and FAQ on the fare increases and changes that begin Sept. 15 August 11, 2014 In "Inside Metro"](#)

[Edit This](#)

CATEGORIES: [Go Metro](#)

TAGGED AS: [discounts](#), [fare collection](#), [GoPass](#), [LIFE fares](#), [passes](#), [students](#)

[Arts education through artists commissioned for the Crenshaw/LAX Transit Project](#)

Leave a Reply on The Source



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Montoya, Eric

To: Crawford, Kristie
Subject: RE: Bus Fares Resuming January 2022

From: Metro Community Relations <communityrelations@metro.net>
Sent: Wednesday, October 13, 2021 7:02 AM
To: Cortez, Michael <CortezMic@metro.net>
Subject: Bus Fares Resuming January 2022



Fare collection resumes on the Metro bus system on January 10. Your fares help keep our system running.

To keep riders and our employees safe, we suspended front door boarding on our buses in March 2020 at the outset of the COVID-19 pandemic. We also relaxed our rules requiring riders to use the farebox and TAP validator.

With COVID-19 vaccinations well underway and mask wearing on our system required, we will resume front door boarding only and fare collection on January 10, 2022.

We're working to make sure everyone knows about these changes well in advance. Some big discounts are also coming to our fares.

For more information about bus fare collections beginning in January, discounted Fares, Free Rides or the LIFE program [click here](#).

We also want to let you know **we are always here to listen to any insights from our partners regarding the customer experience on our transit system**. Please email communityrelations@metro.net to share your thoughts with us.



You have subscribed to receive Metro information, [edit your preferences](#), [manage subscriptions](#), or [unsubscribe](#).
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This email was sent to cortezmic@metro.net

Bus & Rail Transit information
323.GO.METRO (323.466.3876)
8am - 7pm (Monday - Friday)
8am - 4:30pm (Saturday/Sunday)

**Metro bus fare collection
resumes January 10, 2022.**

**Eligible riders can now
save more on their fares.**

*Sign up now for a free 90-day pass.
Learn more at metro.net/LIFE.*



Metro[®]

Low-income riders can save through the LIFE (Low-Income Fare is Easy) Program.

Fare Product	LIFE Discount
Regular 30-Day/Monthly Pass	\$24
Regular 7-Day/Weekly Pass <i>(up to four per month)</i>	\$6
20 Regional Rides: <i>Base fare only. Interagency transfers are additional cost.</i>	Free

Applying is easy with more ways to submit applications.

Submit your application via email, mail, or drop off at your local enrollment agency: FAME Assistance Corporation (FAC) or International Institute of Los Angeles (IILA). Or you can drop off your application at any Metro Customer Center.

Scan the QR code or **visit** metro.net/LIFE to learn more.

More ways to save are coming soon!



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Los Angeles, CA

Board Report

File #: 2021-0700, **File Type:** Minutes

Agenda Number: 2.

**REGULAR BOARD MEETING
OCTOBER 28, 2021**

SUBJECT: MINUTES

RECOMMENDATION

APPROVE Minutes of the Regular Board Meeting held September 23, 2021.



MINUTES

Thursday, September 23, 2021

10:00 AM

Board of Directors - Regular Board Meeting

DIRECTORS PRESENT:

Hilda L. Solis, Chair

Ara Najarian, 1st Vice Chair

Jacquelyn Dupont-Walker, 2nd Vice Chair

Kathryn Barger

Mike Bonin

James Butts

Fernando Dutra

Eric Garcetti

Janice Hahn

Paul Krekorian

Sheila Kuehl

Holly Mitchell

Tim Sandoval

Gloria Roberts, non-voting member

Stephanie Wiggins, Chief Executive Officer

CALLED TO ORDER: 10:00 A.M.

1. APPROVE Consent Calendar Items: 2, 5, 6, 7, 8, 9, 10, 15, 16, 19, 20, 21, 22, 25, 29, 33, and 34.

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

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

2. SUBJECT: MINUTES 2021-0608

APPROVED ON CONSENT CALENDAR Minutes of the Regular Board Meeting held July 22, 2021.

3. SUBJECT: REMARKS BY THE CHAIR 2021-0606

RECEIVED remarks by the Chair.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
P	P	P	P	P	P	P	P	P	P	P	P	P

4. SUBJECT: REPORT BY THE CHIEF EXECUTIVE OFFICER 2021-0607

RECEIVED report by the Chief Executive Officer.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
P	P	P	P	P	P	P	P	P	P	P	P	P

KB = K. Barger	FD = F. Dutra	SK = S. Kuehl	HS = H. Solis
MB = M. Bonin	EG = E. Garcetti	HM = H. Mitchell	
JB = J. Butts	JH = J. Hahn	AN = A. Najarian	
JDW = J. Dupont Walker	PK = P. Krekorian	TS = T. Sandoval	

LEGEND: Y = YES, N = NO, C = CONFLICT, ABS = ABSTAIN, A = ABSENT, P = PRESENT

**5. SUBJECT: MEASURE M MULTI-YEAR SUBREGIONAL PROGRAM & 2021-0527
MEASURE R TRANSIT INVESTMENTS PROGRAM
UPDATE - SOUTH BAY SUBREGION**

APPROVED ON CONSENT CALENDAR:

A. APPROVING:

1. Programming of an additional \$2,157,200 within the capacity of Measure M Multi-Year Subregional Program (MSP) - Transportation System and Mobility Improvements Program (Expenditure Line 50),
2. Programming of an additional \$28,498,120 within the capacity of Measure M MSP - Transportation System and Mobility Improvements Program (Expenditure Line 66),
3. Programming of an additional \$113,230,555 within the capacity of Measure R South Bay Transit Investments Program; and

B. DELEGATING the Chief Executive Officer (CEO) or their designee the authority to:

1. Amend Measure M MSP and Measure R Transit Investments Program funding agreements to modify the scope of work of projects and project development phases consistent with eligibility requirements;
2. Administratively extend funding agreement lapse dates for Measure M MSP and Measure R Transit Investments Program funding agreements to meet environmental, design, right-of-way, and construction time frames; and

C. AUTHORIZING the CEO or their designee to negotiate and execute all necessary agreements and/or amendments for approved projects.

**6. SUBJECT: MEASURE M MULTI-YEAR SUBREGIONAL PROGRAM 2021-0526
UPDATE - ARROYO VERDUGO SUBREGION**

APPROVED ON CONSENT CALENDAR:

A. REPROGRAMMING of projects in the Measure M Multi-Year Subregional Program (MSP) - Modal Connectivity and Complete Streets Program; and

(continued on next page)

(Item 6 – continued from previous page)

B. DELEGATING the Chief Executive Officer (CEO) or their designee the authority to:

1. Amend Measure M MSP funding agreements to modify the scope of work of projects and project development phases consistent with eligibility requirements;
2. Administratively extend funding agreement lapse dates for Measure M MSP funding agreements to meet environmental, design, right-of-way, and construction time frames; and

C. AUTHORIZING the CEO or their designee to negotiate and execute all necessary agreements and/or amendments for approved projects.

7. SUBJECT: CULVER CITY STATION ADJACENT DEVELOPMENT 2021-0449

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer or their designee to execute amendments to a Perpetual Easement Agreement and Perpetual Reciprocal Easement Agreement, accept Grant Deeds and enter into other related documents with Ivy Station LLC and/or its affiliates under common control (Developer) for the mixed-use development adjacent to the Metro E Line (Expo) Culver City Station.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
Y	Y	C	Y	C	Y	C	Y	Y	Y	C	Y	Y

8. SUBJECT: FIRST/LAST MILE PLAN FOR PURPLE (D LINE) EXTENSION TRANSIT PROJECT - SECTION 1 2021-0485

ADOPTED ON CONSENT CALENDAR First/Last Mile Plan (Plan) for Purple (D Line) Extension Transit Project Section 1.

9. SUBJECT: NORTH HOLLYWOOD TO PASADENA BUS RAPID TRANSIT CORRIDOR PROJECT 2021-0490

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to:

- A. INCREASE Contract Modification Authority (CMA) specific to Contract No. AE49369000 with Kimley-Horn and Associates, Inc. in the amount of \$580,000, increasing the total authorized CMA amount from \$676,889 to \$1,256,889 to support the additional environmental technical work needed for the Final Environmental Impact Report (EIR); and

(continued on next page)

(Item 9 – continued from previous page)

- B. INCREASE CMA specific to the On-Call Communications Bench Contract No. PS44432010 with The Robert Group - Task Order No. 09 in the amount of \$380,000, increasing the total authorized CMA amount from \$100,000 to \$480,000 to implement additional community engagement activities to support the Final EIR, focusing outreach activities to better engage transit riders and equity focused communities.

**10. SUBJECT: ALAMEDA CORRIDOR-EAST (ACE) PROJECT MEASURE 2021-0531
R WORKING CAPITAL LOAN RESTRUCTURING**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer (CEO) or their designee to negotiate and execute a project amendment to the ACE Measure R Master Funding Agreement which will restructure the associated working capital loan by extending the loan term an additional three years and restructure the loan maturity terms to allow for adjustment based on a percentage of the outstanding loan balance, thereby allowing for additional pre-payments.

**11. SUBJECT: I-710 SOUTH CORRIDOR IMPROVEMENTS 2021-0530
ENVIRONMENTAL PROCESS STATUS UPDATE AND
RESPONSE TO MOTION 47**

RECEIVED AND FILED I-710 South Corridor Project Motion 47 Response.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
P	P	P	P	P	P	P	P	P	P	P	P	P

**12. SUBJECT: I-710 SOUTH CORRIDOR IMPROVEMENTS 2021-0310
ENVIRONMENTAL PROCESS STATUS UPDATE AND
RESPONSE TO MOTION 48**

RECEIVED AND FILED I-710 South Corridor Project Motion 48 Response.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
P	P	P	P	P	P	P	P	P	P	P	P	P

**15. SUBJECT: PUBLIC LIABILITY/PROPERTY DAMAGE THIRD PARTY 2021-0484
CLAIMS ADMINISTRATION SERVICES**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to award an eight-year, firm fixed price Contract No. PS75821000, to Carl Warren & Company, LLC to provide Public Liability/Property Damage (PL/PD) claims administration services, in the amount of \$12,148,152 for the four-year base term, \$6,666,674 for the first, 2-year option term, and \$7,111,894 for the second, 2-year option term, for a combined amount of \$25,926,720, effective November 1, 2021, subject to resolution of protest(s), if any.

- 16. SUBJECT: FIFTH AMENDMENT TO LEASE AGREEMENT WITH BALDWIN STOCKER, LLC, FOR THE MICROWAVE RADIO STATION LOCATED AT LA CIENEGA BOULEVARD AND STOCKER STREET IN LOS ANGELES** 2021-0383

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer (CEO) or their designee to execute a ten (10)-year, Fifth Amendment to the Lease ("Amendment") commencing January 1, 2022, with Baldwin Stocker, LLC, ("Lessor") for the microwave radio station located at the Baldwin Hills Oil Field at La Cienega Boulevard and Stocker Street in Los Angeles at a rate of approximately \$46,465 per year with CPI escalations annually for a total of \$508,780 over the ten-year term.

- 19. SUBJECT: MEMBERSHIP ON METRO'S SAN FERNANDO VALLEY AND SOUTH BAY CITIES SERVICE COUNCILS** 2021-0399

APPROVED ON CONSENT CALENDAR nominees for membership on Metro's San Fernando Valley and South Bay Cities Service Councils.

- 20. SUBJECT: COMMERCIAL AND INDUSTRIAL DOOR REPAIR AND PREVENTIVE MAINTENANCE SERVICES** 2021-0520

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to award a firm-fixed unit rate Contract No. OP754160008370 for commercial and industrial door repair and preventive maintenance services with Steelman Build & Construction Inc., for a not-to-exceed amount of \$1,682,736 for the three-year base period, \$560,912 for option year one, and \$560,912 for option year two, for a combined not-to-exceed amount of \$2,804,560, effective January 1, 2022.

- 21. SUBJECT: CONTRACT NO. PS51796000 - TELEPHONE SYSTEM MAINTENANCE WITH NORSTAN COMMUNICATIONS** 2021-0523

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to execute Contract Modification No.1 to Contract No. PS51796000 for telephone system maintenance, service, and repair to Norstan Communications, Inc., dba Black Box Network Services, for telephone system maintenance, service, and repair, to exercise the first, two-year option in an amount of \$1,037,075, increasing the total contract amount from \$1,521,764 to \$2,558,839 and extending the contract term from October 31, 2021, to October 31, 2023.

- 22. SUBJECT: P3010 LIGHT RAIL VEHICLE PROCUREMENT CONSULTING SERVICES** 2021-0499

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to:

- A. INCREASE the Contract Modification Authority (CMA) from 10% to 15% of the total contract value through Contract Modification 32 to \$3,720,176 for Contract No. OP39602795A with LTK Engineering Services for Technical Support Services for P3010 Light Rail Vehicle Acquisition; and

(continued on next page)

(Item 22 – continued from previous page)

- B. EXECUTE Modification No. 32 to Contract No. OP39602795A with LTK Engineering Services for Technical Support Services for P3010 Light Rail Vehicle Acquisition, to extend the Period of Performance until 2023 and increase the Not-to-Exceed Total Contract Price by \$1,513,854, from \$23,287,320 to \$24,801,174.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
Y	Y	Y	Y	Y	Y	Y	Y	Y	C	Y	Y	Y

25. SUBJECT: ENTERPRISE ASSET MANAGEMENT SYSTEM **2020-0188**

APPROVED ON CONSENT CALENDAR:

- A. INCREASING the phased Life of Project (LOP) budget for the Enterprise Asset Management (EAM) Project, capital project number 207155, by \$22,950,000 from \$45,800,000 to \$68,750,000 to support Phase 2; and
- B. AUTHORIZING the Chief Executive Officer to award a firm fixed price Contract No. PS75040000 to KPMG LLP for the Enterprise Asset Management System (EAMS) Implementation Services, in the amount of \$36,525,318 for the 36-month base term, and for three options for annual assessments following implementation in the amounts of \$586,974.40 for the first assessment, \$395,138.64 for the second assessment, and \$227,875.28 for the third assessment, for a combined total amount of \$37,735,306.32, subject to the resolution of protest(s), if any.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
Y	Y	C	Y	C	Y	Y	Y	Y	Y	Y	Y	Y

29. SUBJECT: THIRD PARTY ADMINISTRATION **2021-0546**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to execute the annual expenditure budget plan for the FY22 Annual Work Plan for the City of Los Angeles.

33. SUBJECT: METRO EMPLOYEE ASSISTANCE PROGRAM **2021-0503**

AUTHORIZED ON CONSENT CALENDAR the Chief Executive Officer to award a five-year, firm fixed unit rate Contract No. PS186372000 to ComPsych Corporation to provide a comprehensive Employee Assistance Program in an amount not-to-exceed \$531,103 for the three-year base term, plus \$187,761 for the first option year, and \$193,394 for the second option year, for a combined not-to-exceed amount of \$912,258, inclusive of two, one-year options effective November 1, 2021 subject to resolution of protest(s), if any.

34. SUBJECT: METRO ADVISORY BODY COMPENSATION POLICY 2021-0509

APPROVED ON CONSENT CALENDAR:

- A. the Metro Advisory Body Compensation Policy (ABCP); and
- B. DELEGATING authority to the CEO, or CEO's designee, to compensate Metro advisory body members pursuant to Metro's ABCP Administrative Policy or as otherwise approved by the Metro Board.

35. SUBJECT: FARELESS SYSTEM INITIATIVE (FSI) 2021-0574

APPROVED AS AMENDED BY ITEM 40:

- A. RECEIVING AND FILING the FSI funding plan for Phase 1 (K-14) and Phase 2 (low-income riders) pilots and status report;
- B. implementation of Phase 1 (K-14); and
- C. Low Income Fare is Easy (LIFE) improvements.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
Y	Y	Y	Y	A	Y	Y	Y	Y	Y	Y	Y	Y

36. SUBJECT: 2021 MOVING BEYOND SUSTAINABILITY- STATUS REPORT 2021-0538

RECEIVED AND FILED status report on Moving Beyond Sustainability.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
P	P	P	P	A	P	P	P	P	P	P	P	P

39. SUBJECT: FREE TRANSIT FOR CLEAN AIR DAY ON OCTOBER 6 2021-0626

APPROVED Motion by Directors Solis, Butts, Hahn, Garcetti, Kuehl, and Mitchell that the Board of Directors:

- A. Recognize "Clean Air Day" on October 6, 2021 in Los Angeles County; and
- B. Direct the Chief Executive Officer or her designee to provide fareless transit for Metro bus, rail and bike share on Clean Air Day on October 6, 2021.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
Y	Y	Y	Y	A	Y	Y	Y	Y	Y	Y	Y	Y

40. SUBJECT: AMENDMENT TO FARELESS SYSTEM INITIATIVE (FSI) 2021-0627

APPROVED Motion by Mitchell, Solis, Garcetti, Sandoval, Bonin, and Dupont-Walker that the Board direct the Chief Executive Officer to:

- A. Develop a plan to double the number of LIFE Program enrollees by the end of 2022.
- B. Expedite a streamlined application system that enables on-the-spot enrollment and the immediate issuance of LIFE Program benefits through a process that allows applicants to self-certify qualification in the program. Applicants should attest that their information and eligibility in the program is accurate under penalty of fine.
- C. Ensure the fare capping pilot approved by the Board in March 2021 applies to LIFE Program participants.
- D. Expand partnerships with local, state, and federal public benefit programs to automatically enroll members in LIFE upon qualification.
- E. Partner with community-based organizations to canvass LA Metro buses and trains to enroll qualifying riders.
- F. Provide three months of fareless transit to new enrollees as an incentive to enrollment, beginning upon the resumption of fare collection.
- G. Evaluate whether qualified applicants can enroll in the LIFE Program with the next generation of touch screen TAP Vending Machines.

WE, FURTHER MOVE, that the Board direct the Chief Executive Officer to:

- H. Continue the current boarding practices until prospective participants can enroll-on-the spot and self-certify their eligibility, with no less than 90 days for promotion and 45 days for enrollment before fare collection resumes. The resumption of fare collection should also be subject to a 45-day awareness-building period that fares collection will resume as detailed in Attachment I of the September 2021 FSI report (Board File 2021-0574).
- I. Return to the Board in January 2022 with an update on LIFE Program changes.
- J. Conduct a LIFE Program evaluation - in partnership with community-based organizations -- to:
 - 1. Develop additional strategies that support the enrollment of new participants in the LIFE Program.

(continued on next page)

(Item 40 – continued from previous page)

2. Survey and convene current and prospective LIFE Program enrollees on how well the current program meets the needs of eligible applicants.
3. Review current benefit levels and recommend changes, as appropriate.

BONIN AMENDMENT:

I would like Metro staff to come back to us in your next report with a more reasonable evaluation of the benefits and costs of going truly fareless. This analysis needs to consider:

- A. A phased approach that winds down contracts rather than breaching them.
- B. The cost of anticipated upgrades and maintenance of our fare collection system that could be avoided.
- C. Realistic ridership and fare revenue forecasts that take into account actual ridership trends, use today's ridership as a baseline, and factor in already Board-approved discounts, including today's actions.
- D. Operational savings from reduced bus dwell times and reduced staff needs for fare collection and enforcement.
- E. Validating cost assumptions from munis.
- F. Looking more holistically at Access Services, including potential savings from Federal waivers and coordination with Microtransit; and
- G. Look at universal \$26 pass proposal from Bus Riders Union.

KUEHL AMENDMENT:

Report back on the communication plan.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
Y	Y	Y	Y	A	Y	Y	Y	Y	Y	Y	Y	Y

41. SUBJECT: CLOSED SESSION

2021-0623

- A. Conference with Legal Counsel - Existing Litigation - G.C. 54956.9(d)(1)
 1. Irma Perez v. LACMT, Case No. BC720506

AUTHORIZED settlement in the sum of \$360,000.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
Y	Y	A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

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(Item 41 – continued from previous page)

2. Jose Martinez v. LACMT, Case No. 18STCV04790

AUTHORIZED settlement in the sum of \$650,000.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
Y	Y	A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

3. Xiu Yin Yu v. LACMT, Case No. 18STCV03763

AUTHORIZED settlement in the sum of \$240,000.

AN	JDW	KB	MB	JB	FD	EG	JH	PK	SK	HM	TS	HS
Y	Y	A	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y

B. Conference with Real Estate Negotiator - G.C. 54956.8

Property Description: 800 N. Alameda Street, Los Angeles, CA 90012

Agency Negotiator: Holly Rockwell

Negotiating Party: Rye Bar, LLC. dba Traxx Restaurant and Bar

Under Negotiation: Price and Terms

NO REPORT.

C. Public Employee Performance Evaluations - G.C. 54957(b)(1)

Title: Chief Executive Officer

NO REPORT.

ADJOURNED AT 3:38 P.M. IN MEMORY OF CHRISTOPHER GARNETT.

Prepared by: Mandy Cheung
Administrative Analyst, Board Administration



Collette Langston, Board Clerk



Board Report

File #: 2021-0091, **File Type:** Agreement

Agenda Number: 5.

**PLANNING AND PROGRAMMING COMMITTEE
OCTOBER 20, 2021**

SUBJECT: I-605/VALLEY BOULEVARD INTERCHANGE IMPROVEMENT PROJECT THIRD-PARTY AGREEMENTS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to execute all necessary agreements with third parties to complete the I-605 at Valley Boulevard Interchange Improvements Project.

ISSUE

Metro Highway Programs is developing final design plans for the I-605/Valley Boulevard Interchange Improvements Project (Attachment A). Union Pacific Railroad (UPRR) and Southern California Regional Rail Authority (SCRRA) have facilities/rights of way including an at-grade rail crossing on East Temple Avenue (Attachment B) adjacent to the interchange that need to be considered, protected and/or enhanced.

The City of Industry owns and operates the local streets within the limits of the interchange improvement project and has a project on East Temple Avenue that needs to be coordinated with the interchange project.

Third party agreements are needed to memorialize the responsibilities of and define the necessary coordination by all parties during the development and implementation of the interchange project.

BACKGROUND

I-605 is a major north-south interstate freeway in Los Angeles County used for interregional travel and goods movement. The I-605 Valley Boulevard interchange experiences significant congestion, heavy truck traffic and operational deficiencies that are forecast to exacerbate further without the planned improvements. The interchange project will reconfigure the on- and off-ramps to reduce congestion and improve the interchange and local arterial operations and safety.

The potential for vehicle/train/pedestrian conflicts on East Temple Avenue at the rail crossing is a major concern given the heavy truck traffic and the frequently traveled freeway, interchange and local arterials. To improve mobility, access and local traffic circulation in this area, the City of Industry is

proposing to widen the roadway and channelize the lanes on East Temple Avenue, and Los Angeles County Department of Public Works (LA County) is proposing to reconstruct the pavement on Valley Boulevard. Early coordination and staging of work with the railroads, the City of Industry and LA County will allow all parties to effectively coordinate all projects at this location.

DISCUSSION

Staff initiated the environmental and final design phases of the interchange project in November 2018, based on the project definition established in the I-605 and SR-60 Project Study Report-Project Development Support that was approved by Caltrans in 2015. In discussions with the City of Industry, LA County, SCRAA and UPRR, it was discovered that future street and railroad crossing improvements were planned at this location which could potentially impact or be impacted by the interchange improvements. Staff determined that detailed coordination of all projects was warranted at this time to avoid future risks and higher costs.

In July 2019, the project team convened a railroad field diagnostic meeting to assess existing traffic conditions at the East Temple Avenue rail crossing. Representatives from UPRR, SCRRA, California Public Utilities Commission (CPUC), San Gabriel Valley Council of Governments (SGVCOG), City of Industry, Caltrans, Los Angeles County Department of Public Works (LA County) and others were in attendance. Many roadway improvements, including traffic signal upgrades, railroad preemption signals and safety and pedestrian enhancements, were recommended at the rail crossing.

UPRR owns and operates the right-of-way (ROW) and track on the south side of the crossing, controls, operates and maintains the railroad track, structures, signals communications systems and appurtenances for the rail line known as the Los Angeles Subdivision. The East Temple Avenue rail crossing is in the Los Angeles Subdivision. UPRR will provide engineering support (plan reviews and approvals) and railroad design review services for the proposed rail crossing improvements on East Temple Avenue to accommodate the interchange project.

SCRRA owns and operates the ROW and track on the north side of the crossing, controls, operates and maintains the railroad track, structures, signals, communications systems and appurtenances on the rail line known as the San Gabriel Subdivision in the City of Industry. The East Temple Avenue rail crossing is in the San Gabriel Subdivision. SCRRA will provide railroad design review services that include document review/design support and signal design for the proposed rail crossing improvements on East Temple Avenue to accommodate the interchange project.

CPUC is the State Agency that oversees rail safety for freight, intercity and commuter railroads, rail transit and rail crossings. CPUC also administers safety oversight and enforcement of passenger carriers. The proposed rail crossing improvements should be consistent with current grade crossing standards that are regulated by the CPUC.

LA County has jurisdiction within the footprint of the interchange improvement project and is responsible for the design and construction of the Valley Boulevard pavement rehabilitation and other related engineering services.

The City of Industry also has jurisdiction within the footprint of the interchange improvement project

and has a planned street improvement project on East Temple Avenue that interacts with both the interchange improvement project and the railroad crossing.

Continued coordination and collaboration with UPRR, SCRRA, CPUC, SGVCOG, City of Industry, Caltrans, and LA County is needed to implement the improvements that were identified during the railroad field diagnostic meeting. Effective design solutions will be pursued for this busy freeway interchange and the railroad crossing to ensure a well-coordinated, safe, and efficient roadway traffic and railroad operating system. This work will include track and switch cross-over modifications; design of new sensors and relays to support preemption signal timing; and design of signal interconnect systems.

Funding agreements will be executed with UPRR, SCRRA, and other third parties, as necessary, to reimburse the costs of their engagement in support of the development of the interchange project.

The Project will not result in any displacements. Temporary and permanent construction easements (TCEs) will be required for construction of the Project and post-construction maintenance of freeway and railroad improvements, respectively. Permanent partial right-of-way acquisitions will be from commercial property and for the widening of Temple Avenue by the City of Industry and safety improvements in the railroad right-of-way. Permanent partial right-of-way acquisitions (highway and maintenance easements) along Valley Boulevard are for Caltrans' use.

Right-of-way activities for the Project including determination of value and execution of agreements are scheduled for 2022.

EQUITY PLATFORM.

The proposed action is anticipated to address community needs through an engagement process and achieving equitable outcomes for all users, which are high priorities for all agency project partners. All agency project partners will continue to support outreach efforts that may include, but are not limited to, community meetings/activities; stakeholder briefings/presentations; round table discussions; multi-lingual mailers/postcards, notices; virtual meetings; website posts and email distribution; and social media, as needed, to inform the project development process.

The proposed action is also anticipated to support goods movement; reduce the potential for pedestrian, cyclists, motorists, and passenger/freight train conflicts; and provide better access to employment centers, markets, educational and healthcare facilities, and parks and recreations centers throughout the San Gabriel Valley.

The Project will include signalized intersections with painted/delineated crosswalks and pedestrian crossing indicators (push buttons); lighting to enhance public safety and security; and Americans with Disabilities Act (ADA) compliant pathways and other related ADA infrastructure (curb ramps, sidewalks, driveways, and auto pedestrian signals for the sight and hearing impaired). In addition, the Project will include upgraded ADA compliant pedestrian facilities (pedestrian barricades, gates, handrails and fencing) along East Temple Avenue to positively channelize and direct pedestrians through the at-grade rail crossing; pedestrian gates with flashers and tactile warning strips to restrict

and prohibit pedestrian movements onto the railroad tracks when trains are approaching; vehicular railroad crossing gates; raised and/or longer medians to reduce the potential for wrong-way drivers to attempt to bypass the railroad crossing gates; and pre-signal pedestrian and vehicular signal phases at the Temple/Valley intersection to clear traffic away from the rail crossing.

DETERMINATION OF SAFETY IMPACT

The proposed action has no known adverse impact on the safety of Metro's patrons and employees or users of the facility.

.Financial_Impact

FINANCIAL IMPACT

For FY22, \$755,000 has been budgeted in the I-605 Valley Interchange Improvement Project # 460348, Highway Program Cost Center 4730. No increase to the FY22 budget is needed at this time. Staff will work with the existing Fiscal Year Highway budget to fund the additional effort recommended herein.

Since this is a multi-year project, the Project Manager, the Cost Center Manager, and the Senior Executive Officer, Program Management - Highway Program will be responsible for budgeting the remaining costs of the Project in future fiscal years.

Impact to Budget

The source of funds will be Measure R Highway Capital (20%) Funds. These funds are not eligible for bus and rail operation and capital expenditures.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The proposed project is consistent with the following Metro Vision 2028 Strategic Plan Goals:

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

Goal 4: Transform LA County through regional collaboration by partnering with Caltrans, SGVCOG, LA County, City of Industry, UPRR, SCRRA and CPUC to identify needed improvements; and taking the lead in developing and implementing the interchange project.

ALTERNATIVES CONSIDERED

The Board could decide not to approve staff's recommendation. However, advancing work on the interchange project without input by and collaboration with third parties could result in potential design omissions and lead to long-term cost and schedule impacts.

NEXT STEPS

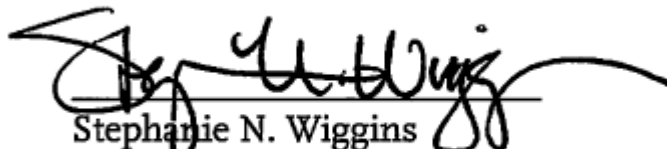
Upon Board approval, staff will execute the necessary funding agreements with third parties to facilitate the completion of the design and ROW phases of the interchange project.

ATTACHMENTS

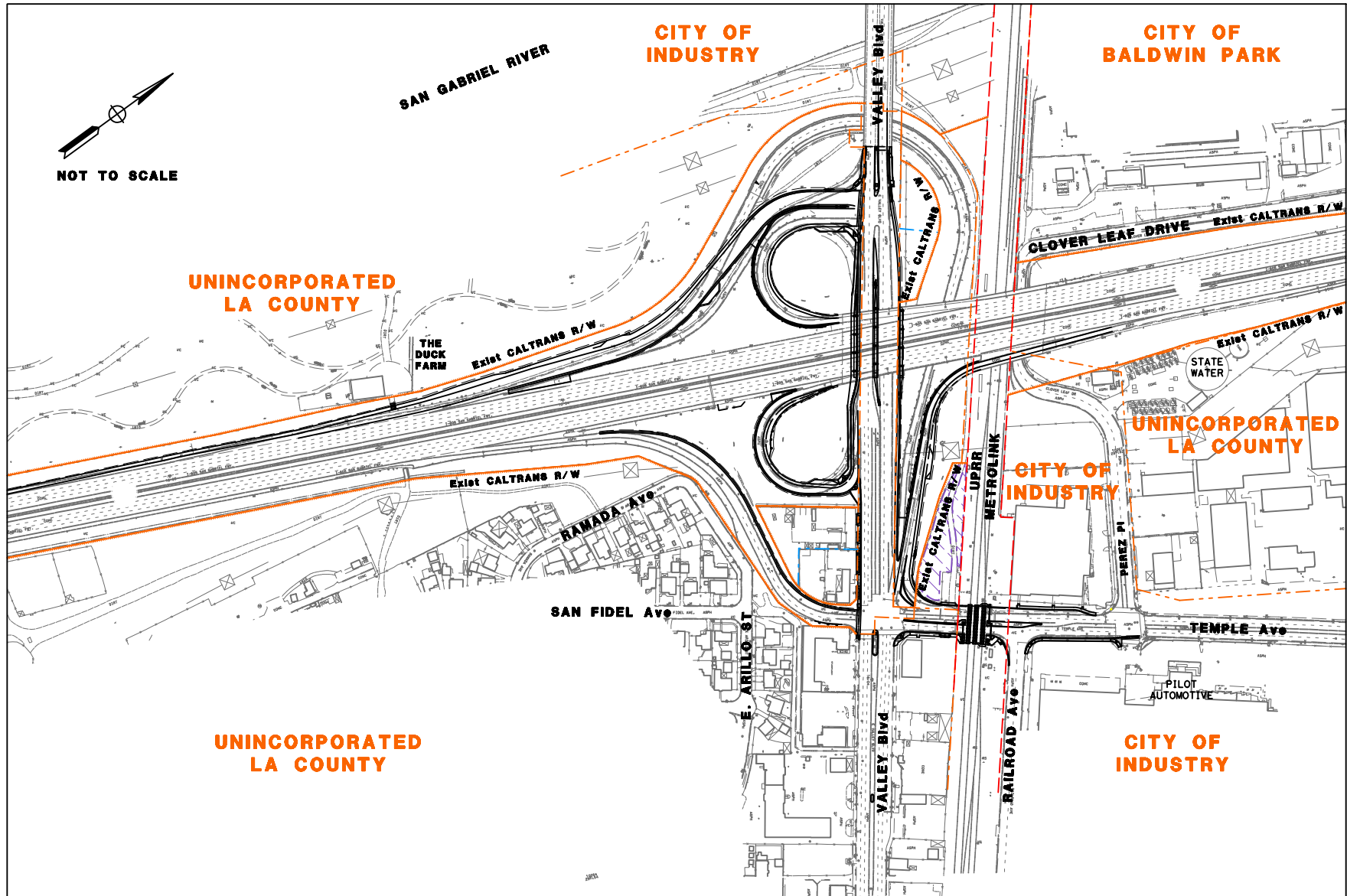
Attachment A - I-605/Valley Boulevard Interchange Improvements Project Area
Attachment B - East Temple Avenue Rail Crossing

Prepared by: Michelle Smith, Senior Director (213) 922-3057
Ernesto Chaves, Deputy Executive Officer (213) 418-3142
Abdollah Ansari, Senior Executive Officer (213) 922-4781

Reviewed by: Bryan Pennington, Chief Program Management Officer, (213) 922-7449

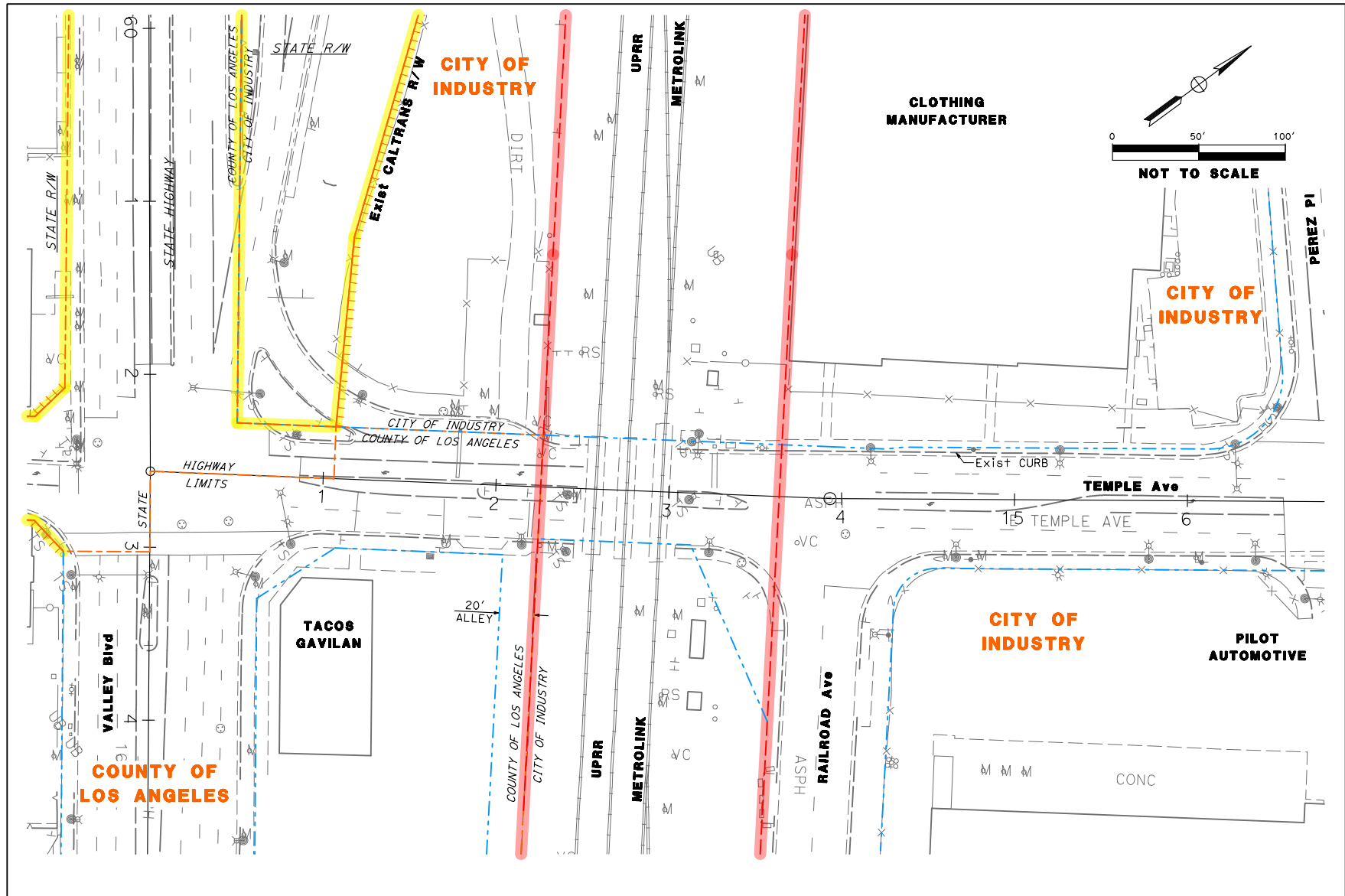

Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A



I-605/ VALLEY BOULEVARD INTERCHANGE IMPROVEMENT PROJECT AREA

ATTACHMENT B



EAST TEMPLE AVENUE UPRR AND SCRRRA RAIL CROSSING

**Board Report**

File #: 2021-0417, **File Type:** Project**Agenda Number:** 6.

**PLANNING AND PROGRAMMING COMMITTEE
OCTOBER 20, 2021****SUBJECT: I-105 EXPRESSLANES PLANS, SPECIFICATIONS, AND ESTIMATES (PS&E) AND
RIGHT-OF-WAY (ROW) COOPERATIVE AGREEMENT****ACTION: EXECUTE COOPERATIVE AGREEMENT****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute a Cooperative Agreement with the California Department of Transportation (Caltrans) for the I-105 ExpressLanes project for the Plans, Specifications, and Estimates (PS&E) and Right-of-Way (ROW) phases in an amount not to exceed \$7,260,000.

ISSUE

A cooperative agreement is required that defines Metro and Caltrans' roles and responsibilities, cost for Caltrans QMA (Quality Management Assessment) and reimbursed work, and terms and conditions for this work. Staff is seeking Board approval to enter into a cooperative agreement with Caltrans and for funding of Caltrans work for the PS&E and ROW phases.

BACKGROUND

The Final Environmental Impact Report/Environmental Assessment (EIR/EA) for the I-105 ExpressLanes project was completed in May 2021 and the project is proceeding to the next phases of project development, which are the PS&E and ROW phases. As part of these phases, Metro will be preparing the final design, and acquiring ROW and Temporary Construction Easements (TCEs), as required for the project.

As the owner/operator of the State Highway System (SHS), for the PS&E and ROW phases, Caltrans is responsible for reviewing and approving the design plans and certifying that all ROW needed for the project has been acquired. This review is known as Quality Management Assessment (QMA) for which Caltrans must be reimbursed if the proposed project is anticipated to generate revenue as is the case for the I-105 ExpressLanes. In addition to QMA, Caltrans will be conducting specialized environmental analysis and environmental mitigation monitoring as identified in the EIR/EA. Caltrans is also required to apply the Indirect Cost Recovery Proposal (ICRP) to cover indirect costs attributable to the work being performed which for self-help counties with local transportation sales taxes is ten percent. All cost associated with Caltrans' QMA, ICRP, environmental assessment and

mitigation monitoring is included in the funds being requested.

DISCUSSION

The I-105 ExpressLanes project will convert the existing High Occupancy Vehicle (HOV) lane to ExpressLanes and add a second Express Lane in each direction on the I-105 between I-405 and Studebaker Road in the City of Norwalk. This project is included in the Measure M expenditure plan and has been allocated \$175 million. In addition, the project was awarded a \$150 million State Solutions for Congested Corridors Program (SCCP) grant in December 2020.

The I-105 ExpressLanes is now beginning the PS&E phase. For this phase, Metro's role will be to prepare design plans for all civil elements of the project including structures, soundwalls, retaining walls, and signage, as well as the Roadside Toll Collection System (RTCS).

Metro anticipates acquiring ROW for this project. The EIR/EA identified partial acquisition of four parcels of vacant land located along Imperial Highway in the City of Lynwood and unincorporated Los Angeles County. Between Watts Avenue and Fernwood Avenue, the westbound I-105 will be widened by eleven feet to the north over Imperial Highway. This widening is needed for safety reasons because it will maintain existing ten foot left shoulders and sight distance. As a result, Imperial Highway will need to be realigned and shifted to the north, which in turn will require partial ROW acquisition. Attachment A provides maps of the ROW needed for the project. Parcels 1, 2, and 4 are privately owned, and parcel 3 is owned by the City of Lynwood.

As shown in Attachment A, no homes or commercial properties will be acquired for this project. During the PS&E phase, Metro and Caltrans' goal will be to minimize or eliminate the need to acquire these parcels. However, should acquisitions and TCEs be required for the project, Metro will work with Caltrans to appraise and compensate property owner(s) as specified by Caltrans guidelines.

Caltrans' role for the PS&E and ROW phases will be to perform QMA, which includes review and approval of the facility design plans and certification that all ROW needed for the project is acquired. As the I-105 ExpressLanes is a revenue generating project, Metro is required to reimburse Caltrans for QMA costs. In addition, Caltrans will be performing detailed environmental tasks that are required by the EIR/EA including site investigation for hazardous wastes; Aerially Deposited Lead (ADL) site investigation; asbestos and Lead Based Paint surveys; phased archeological testing and investigation; tracking and monitoring of the environmental commitment record; and other technical review and coordination related to environmental revalidation. In addition, Caltrans will obtain required environmental permits and may prepare an environmental revalidation if changes occur to the project during the PS&E phase. Because Caltrans prepared the EIR/EA and has specialized in-house environmental expertise, Caltrans provides the most efficient, cost-effective, and comprehensive methods for completing these tasks.

It should be noted that additional cooperative agreements with Caltrans will be needed for the construction phase and for the design, construction, and operation of the RTCS. It is anticipated that civil construction will utilize a Construction Manager/General Contractor (CM/GC) delivery method and the RTCS will utilize a Design/Build/Operate/Maintain (DBOM) delivery method. The Metro Board approved use of the CM/GC and DBOM delivery methods at the June 2021 Board meeting. In

addition, an operations and maintenance agreement will be needed prior to opening of the project to traffic. Staff will be bringing these agreements to the Board for approval at the appropriate time.

DETERMINATION OF SAFETY IMPACT

The proposed actions have no adverse impact on the safety of Metro's patrons, employees, or users of these facilities.

FINANCIAL IMPACT

Funding needed to conduct this work is available in the FY22 budget in cost center 2220, project 475004 task 01.04. Because this is a multi-year program, the cost center manager and Executive Officer, Congestion Reduction, will be responsible for budgeting for future years.

Impact to Budget

The funding for this Project is from Measure M. As these funds are earmarked for the I-105 ExpressLanes project, they are not eligible for Metro bus and rail capital and operating expenditures.

EQUITY PLATFORM

There are no anticipated equity impacts as a result of the recommended action. This project is expected to invest net toll revenue in transit service along the corridor, as is currently done on the 10/110 corridors. On those corridors, about \$8 million annually is granted to the Metro Silver Line and Foothill, Gardena, and Torrance transit providers.

To ensure all groups have opportunity to access and use the ExpressLanes, Metro has a Low-Income Assistance Plan (LIAP). The LIAP provides a \$25 credit and waives the monthly \$1 account maintenance fee, thus relieving financial stress caused by the requirement to have a transponder for discounted travel. In addition, Metro provides the option of opening a cash account for those who do not have a credit card. Furthermore, frequent transit riders can also take advantage of the Transit Rewards Program to earn monetary credits toward ExpressLane tolls and the Carpool Loyalty Program allows carpoolers the opportunity to earn toll credits for future SOV travel on the ExpressLanes.

A mitigation measure identified in the EIR/EA is to ensure communities along the corridor are made aware of these policies. This will occur through a media campaign comprised of various types of advertisements such as digital, radio, and out of home advertisements in both English and Spanish that are geographically targeted to low-income areas. In addition, Metro ExpressLanes intends to increase its targeted digital advertisements to broaden audience reach, advertise in more languages in addition to English and Spanish, and work with Metro Marketing to coordinate agency-wide low-income outreach tactics to supplement the efforts mentioned above.

In addition to these policies and outreach efforts, the EIR/EA also includes mitigation measures that will reduce impacts to Equity Focus Communities (EFCs), which comprise nearly six miles of the

corridor, such as new soundwalls and measures to reduce temporary construction impacts.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports Strategic Goal 1: Provide high quality mobility options that enable people to spend less time traveling. ExpressLanes provides drivers with the option of a more reliable trip while improving the overall operational efficiency of the freeway network.

ALTERNATIVES CONSIDERED

The Board could choose not to authorize the PS&E and ROW cooperative agreement. This is not recommended as it would delay the PS&E and ROW work, which would in turn jeopardize the \$150 million State SCCP funds that were awarded to the project.

NEXT STEPS

Upon Board approval, staff will finalize and execute the PS&E and ROW Cooperative Agreement with Caltrans.

ATTACHMENTS

Attachment A - I-105 ExpressLanes ROW Impacts

Prepared by:

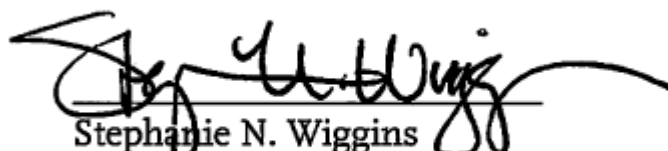
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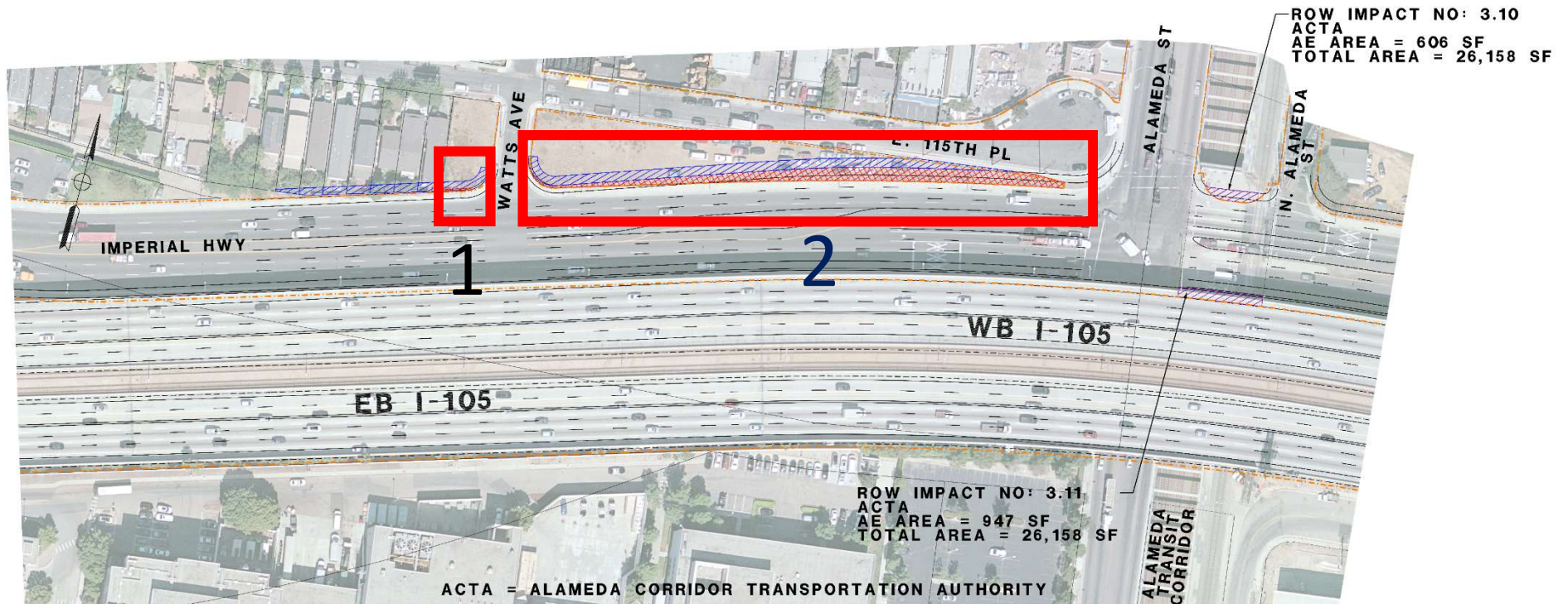
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Chief Executive Officer

ROW Impact Parcels 1 and 2



ATTACHMENT A

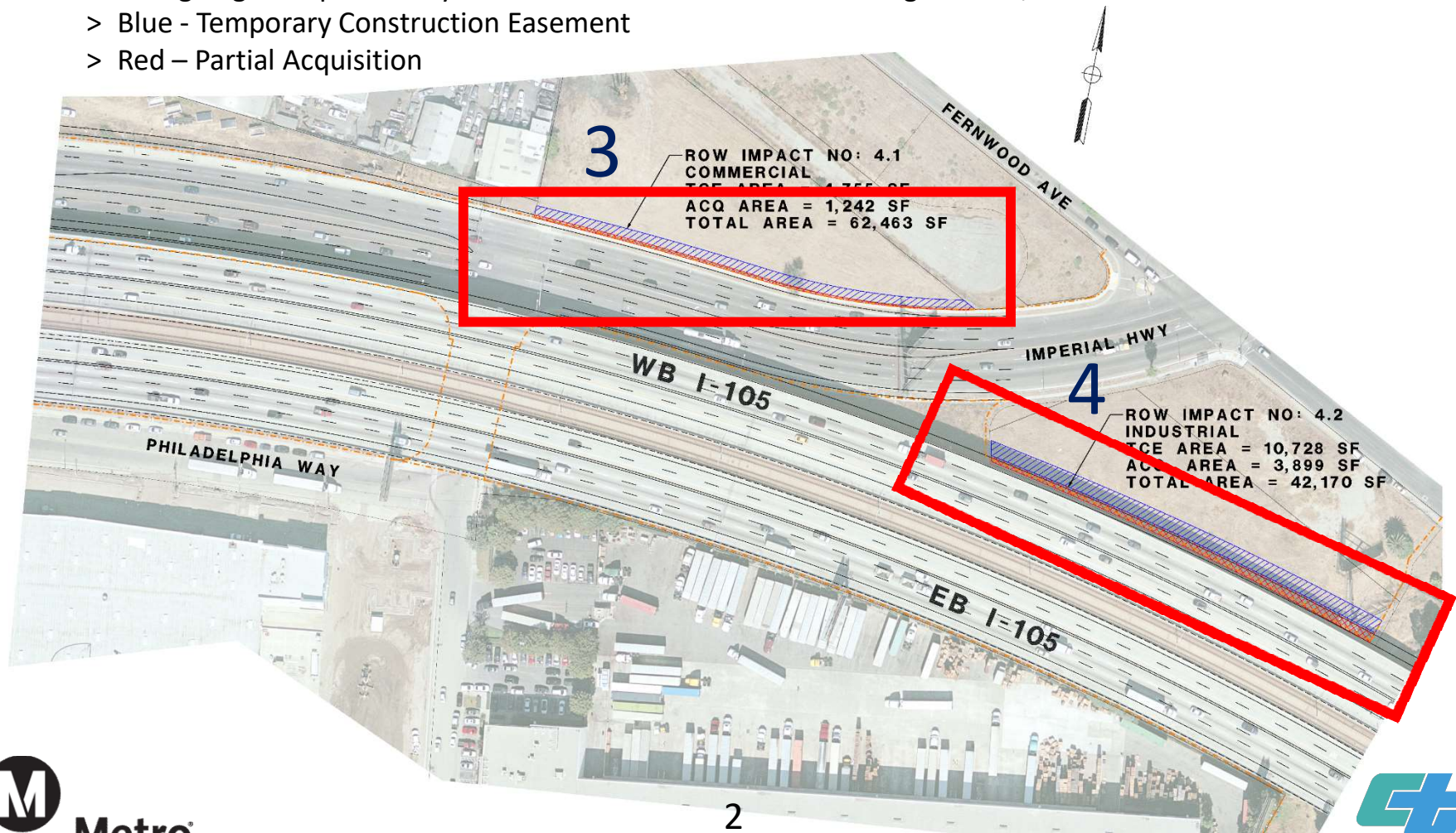
- ROW Impact parcels 1 and 2
 - > Imperial Highway (Watts Ave to N. Alameda St)
 - > Realigning of Imperial Hwy to accommodate WB I-105 widening of I-105/Alameda Viaduct
 - > Blue - Temporary Construction Easement
 - > Red – Partial Acquisition



ROW Impact Parcels 3 and 4



- ROW Impact parcels 3 and 4
 - > Southwest/Southeast Quadrant of Imperial Hwy/Fernwood Ave Intersection
 - > Realigning of Imperial Hwy to accommodate WB I-105 widening of I-105/Alameda Viaduct
 - > Blue - Temporary Construction Easement
 - > Red – Partial Acquisition





Board Report

File #: 2021-0496, File Type: Project

Agenda Number: 7.

PLANNING AND PROGRAMMING COMMITTEE OCTOBER 20, 2021

SUBJECT: JOINT DEVELOPMENT POLICY GOAL

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING a ten-year Joint Development goal of completing 10,000 housing units, at least 5,000 of which will be income-restricted; and
- B. RECEIVING AND FILING the response to Motion 15.1 (Dupont-Walker and Solis) (Attachment B).

ISSUE

In order to strengthen Metro's response to the housing crisis, the Board adopted an updated Joint Development (JD) Policy in June 2021 (Attachment A) which was based on extensive research and community outreach and will support the equitable delivery of JD projects. The Board also adopted a Motion 15.1 by Directors Dupont-Walker and Solis (Attachment B) requesting that staff report back with additional detail on specific topics. That report back is contained herein.

BACKGROUND

The updated JD Policy adopted in June centered on equity and affordable housing for the JD projects moving forward. It included, among other updates, provisions that require all JD sites to be first pursued for 100% income-restricted housing, require that if a property cannot support a 100% income-restricted project, a minimum threshold of housing units be income-restricted, and adjust the existing land discounting policy to remove the percentage cap.

The Board requested that staff report back on the following topics: (1) establishing a portfolio-wide affordable housing goal; (2) the feasibility of parallel housing/transit delivery; (3) encouraging community-based development; (4) increasing small and medium-sized contractor participation; (5) inclusion of project labor agreements in JD projects; and (6) the potential for a JD Community Land Trust.

DISCUSSION

Portfolio-Wide Goal

The analysis performed for the JD Policy update included a financial model that evaluated 48 *potential*, but representative, JD sites to be developed in concert with upcoming transit projects. Through that modeling, and an assessment of completed and in-negotiation projects, JD recommends a **ten-year goal of completing 10,000 housing units, at least 5,000 of which will be income-restricted**. This is an aspirational yet achievable goal, the attainment of which will depend on market conditions, affordable housing funding, the delivery of pillar projects, and JD staff resources.

Parallel Housing/Transit Delivery

Often the visioning and expectations for joint development arise in tandem with the earliest stages of planning for new mobility corridors. This presents an opportunity to partner with local jurisdictions early in the process and ensure that the appropriate land uses are in place for transit-supportive development. The Transit Oriented Communities (TOC) Implementation Plan, which was adopted by the Board in Fall 2020, outlines a process for working with local jurisdictions community stakeholders to realize equitable TOCs. The Implementation Plan also includes internal strategies for better integrating TOC planning, including identifying JD opportunity sites as part of the Measure M corridor delivery process. The Mobility Corridors and JD teams are working together to implement these strategies into an integrated process as follows:

- In the *Early Planning and Feasibility* stages of a corridor project, staff will review corridor alignments and station locations to ensure that remnant property that may result from the construction of the project would be suitable for joint development wherever possible.
- During the *Environmental Review and Conceptual Engineering* stages, staff may screen potential property acquisitions to ensure that the location, size and configuration of the potential parcels to be acquired are optimal for development. The updated JD Policy also allows revenues from joint development to be set aside to support strategic property acquisitions where additional funds may be needed to acquire properties that are more suitable for joint development.
- In the *Preliminary Engineering* phase, when property acquisition begins, staff will review engineering and acquisition drawings to ensure that the developability of JD opportunity sites is preserved and that subsequent engineering does not introduce structures, easements or access limitations that would compromise the ability to market the site to developers.
- In the *Final Design and Build* stage, staff may study the physical and market feasibility of potential JD sites, initiate community visioning, and solicit proposals to begin the JD negotiation and design process. Staff will coordinate with the construction team to see if early use of properties is feasible.
- Once the sites are no longer needed for transit construction (generally the *Operations* stage), development rights may be conferred, and the JD projects may begin construction.

In addition, the Housing Lab and the Housing Accelerator work which was approved as part of the JD Policy adoption in June 2021 and the SCAG Regional Early Action Planning (REAP) grant funding approved in July 2021, will continue to explore opportunities for concurrent planning activities.

Encouraging Community-Based Development

The updated JD Policy adopted in June included specific policy provisions for Community Based Organizations (CBOs). Those provisions require, wherever feasible, that a) developers collaborate with CBOs, as development partners or community partners; b) Metro host “Building Partnerships” events to facilitate collaboration between organizations; and, c) reviewers award points to proposals that reflect robust engagement with CBOs and other community stakeholders.

A specific subset of CBOs are also land developers, known as Community Based Development Organizations (CBDOs). A small number of CBDOs have been development partners on JD sites, and still others have the potential to create community-centric projects that may serve as a long-term investment and stabilizing force in TOCs. In response to the Board motion, staff is exploring how to best partner with CBDOs and ensure that they have the opportunity to compete for and participate in JD projects. JD staff have distributed a survey to peer transit agencies, local municipal economic development staff, and TOD professionals nationwide to collect information on best practices on encouraging CBDOs and small- and medium-sized contractor participation. Responses were limited, as there is little precedent to this work, but led to valuable informal interviews with several developers and area experts.

Emerging themes in support of CBDO participation have emerged as a result of these surveys and interviews:

- Convening roundtables to identify barriers to CBDO participation
- CBDO participation must be meaningful to be successful
- Partnering with organizations to support or initiate CBDO capacity building
- Helping organizations and non-profit developers start advanced work on development concepts and other capacity building
- Providing resources to CBDOs to support predevelopment expenses and overcome barriers to entry

Going forward, staff will coordinate with the Office of Equity and Race to create specific CBDO definition/criteria, include CBDOs in the future CBO Database and invest in strengthening relationships with those CBDOs. Exploration of these potential tactics and additional best practices research will continue in the JD Housing Lab. The Housing Lab will also track metrics that facilitate the analysis of development partner attributes, including the extent to which development organizations are locally owned or controlled, and their history and partnerships with the community in which the projects are located.

Small and Medium-Sized Contractor Participation

The JD Policy update included provisions to encourage and incentivize small business inclusion. Development teams must provide opportunities for Small Business Enterprises/ Disabled Business Enterprises/ Disabled Veteran Business Enterprises (SBE/DBE/DVBE) and Minority and Women Business enterprises to partner in the delivery of professional or construction services. Metro will host “Building Partnerships” events to connect small businesses with potential proposers. In addition,

proposals that include SBE/DBE/DVBE and Minority and Women Business Enterprises will be awarded extra points in the evaluation of those proposals.

JD staff is coordinating with the Diversity and Economic Opportunity Department (DEOD) to determine how JD policies may align with existing DEOD policies and procedures for enforcement. In particular, the team is evaluating the definition of medium-sized business enterprises and the feasibility of adding this category to the policy. Key to this research is determining how and if such provisions could be integrated and enforced in development agreements. The Housing Lab will also continue research on how best to ensure greater participation with small- and medium-sized businesses.

Project Labor Agreements

The JD Policy was updated in 2017 to include the Metro Project Labor Agreement and Construction Careers Policy (PLA/CCP) for projects greater than 60 units in size and the 2021 JD Policy update maintained this provision. The Metro PLA/CCP includes requirements that a minimum of 40% of all hours of project work shall be performed by community Targeted Workers, with priority given to Community Area Residents and a minimum of 10% of all hours of Project Work shall be performed by Disadvantaged Workers whose primary place of residence is within Los Angeles County, among other developer and contract requirements.

JD Community Land Trust

A key goal of the Housing Lab is to realize a project with a Community Land Trust (CLT) model. Staff will work with the LA County CLT working group and other potential partners to create a collaborative transit-oriented land trust project. Potential models include partnerships with CBDOs or other local non-profits to ensure community members are able to maintain a long-term stake in the station area through the CLT.

EQUITY PLATFORM

The work discussed in this report includes decisions that present an opportunity to engage marginalized communities through partnerships with community-based development organizations (CBDOs). Specific communities that could benefit from the work include Black, Indigenous and/or People of Color, through partnerships with CBDOs in these communities which will focus on profit sharing or other wealth building structures for development. In addition, Minority or Women Owned Businesses, Disadvantaged Business Enterprises, or Disabled Veterans Business Enterprises could benefit from the increased focus on contracting with these businesses.

The roundtable discussions, capacity building work and contracting incentives have the potential to exclude marginalized groups by engaging with only the most established CBDOs and businesses with community history and strong relationships. Therefore, additional efforts will be made to research, connect with, and build relationships in Equity Focus Communities. The JD Housing Lab will create specific tracking metrics in order to better analyze the communities who may be burdened or benefit from the JD Program and will seek to create equitable outcomes for all marginalized communities in future JD projects.

DETERMINATION OF SAFETY IMPACT

This receive and file report will have no impact on safety.

FINANCIAL IMPACT

The work proposed in this receive and file report may result in an increase of staff time necessary to complete projects or consultant contracts to conduct outreach. Some of this time will be reimbursed by grant funding. Staffing needs will be managed on a year-to-year basis.

Impact to Budget

This receive and file report will not impact the Fiscal Year 2022 Budget.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This report is in support of the JD Policy which is fulfilling Strategic Plan Goal 3.2 by seeking to catalyze TOCs with affordable housing and stabilize neighborhoods, and Goal 3.4 by playing a leadership role in addressing homelessness.

NEXT STEPS

The JD unit will track and report progress toward the 10,000-unit, 50% income-restricted portfolio goal as well as PLA agreements and CBO participation in future board reports. In addition, JD staff will continue to research and analyze tactics for encouraging and incentivizing CBDO participation and small- and medium-sized business participation in Metro JD projects. Staff will create a definition for CBDOs as well as a database of CBDOs. Staff will launch the Housing Accelerator which will include research and collaborative efforts for hosting CBDO roundtables, and ongoing surveying, interviewing and relationship building, and forging partnerships to advance a transit-oriented CLT. Staff will implement these new tactics in upcoming JD projects and report results on an ongoing basis.

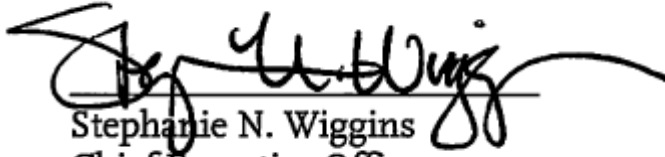
ATTACHMENTS

Attachment A - Joint Development Policy

Attachment B - June 2021 Board Motion

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Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A

Los Angeles County
Metropolitan Transportation Authority

Joint Development Policy



Metro[®]

JUNE 2021

I. INTRODUCTION

Vision 2028 Strategic Plan

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

Metro Joint Development

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

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

Land Use and Transit

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

Housing Affordability

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

Purpose

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

II. VALUES & GOALS

Equity & Inclusion

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

Access

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

Performance

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

Innovation

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

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

III. POLICIES

A. Income-Restricted Housing

1. Affordable First.

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

2. Neighborhood Alignment.

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

3. Minimum Affordability.

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

4. Affordability Definitions.

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

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

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

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

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

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

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

B. Transportation & Access

1. Transit-Supportive Land Use.

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

2. Preservation of Transit Facilities.

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

3. Transit Connections.

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

4. Parking.

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

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

5. Equity.

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

C. Resources

1. Maximize Benefit.

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

2. Land Subsidies.

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

3. Collaborative Contribution.

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

4. Land Ownership.

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

5. Use of Proceeds.

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

6. Strategic Acquisition.

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

D. **Community Outreach**

1. Community Engagement.

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

2. CBO Participation.

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

3. Local Collaboration.

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

E. Developer Solicitation.

1. Competitive Solicitation.

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

2. Unsolicited Proposals.

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

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

F. Project Requirements.

1. Small & Disadvantaged Businesses.

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

2. Design Excellence.

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

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

3. Sustainability.

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

4. Project Labor.

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

IV. PROCESS

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

A. Site Selection

1. Acquisition.

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

2. Site Prioritization.

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

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

B. Project Scoping

1. Site Analysis.

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

2. Neighborhood Income Analysis.

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

3. Community Engagement.

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

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

4. Development Guidelines.

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

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

C. Developer Selection

1. Project Solicitation.

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

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

2. Fostering Partnerships.

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

3. Proposal Evaluation.

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

4. Evaluation Criteria.

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

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

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

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

5. Unsolicited Proposals.

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

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

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

Phase One – Conceptual Proposal

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

Phase Two – Detailed Proposal

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

Phase Three – Community Outreach and Preliminary Discussions

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

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

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

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

D. Development Phase

1. Exclusive Negotiation.

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

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

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

Metro Responsibilities under the ENA:

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

Term of the ENA:

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

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

2. FTA Concurrence.

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

3. Environmental Compliance.

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

4. Joint Development Agreement.

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

5. Ground Lease.

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

V. PROGRAM METRICS

A. Outcome Tracking

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

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

Developers will be required to allow Metro to conduct annual commercial and residential tenant surveys to gather metrics for ongoing monitoring. Consistent with pillar one of the Equity Platform, requiring ground lessees to allow Metro to conduct an annual tenant survey would enable JD to track policy objectives such as transit use, demographic data (as allowed/feasible), car ownership, move in/move out information, revenue generation and qualitative data on the tenant satisfaction to help inform features of our projects (e.g., design issues, amenities, desired ground floor services, parking, and unit design).

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

VI. LEGAL FRAMEWORK

B. Statutory Basis

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

C. State Regulations

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

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

D. Federal Regulations

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

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

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

E. Local Jurisdictions

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

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Joint Development Policy
Matrix of Changes

ATTACHMENT B

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

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

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

III.C.2	Land Discount/ Subsidy	Where appropriate, and subject to FTA approval (if applicable), Metro may discount joint development ground leases below the fair market value in order to accommodate affordable housing. The proportional discount of the ground lease may not be greater than the proportion of affordable units to the total number of housing units in the project, with a maximum discount of 30%.	Where appropriate, and necessary for project feasibility, Metro may, subject to the approval of the Metro Board of Directors (“Board”), subsidize JD projects by discounting ground leases below the fair market value in order to accommodate income-restricted housing or other community benefits. Ground lease discounts from fair market value will be disclosed to the Board in an absolute dollar amount when transaction terms are presented to the Board for approval.	Land discounting can be one of the most expensive ways for Metro to produce more affordable units and, for 100% affordable projects, may simply displace other available public subsidies. Subsidizing beyond a 30% discount is not usually helpful in creating more units or deeper affordability because land is a relatively small component of overall project costs. Thirty percent is an arbitrary cap and additional flexibility will be beneficial. (Policy Tool A.2.1)
III.C.4	Land Ownership	Ground Lease Preference. Use of a long term ground lease is generally preferred to fee disposition.	Use of a long-term ground lease is generally preferred to fee disposition. In specific cases where Metro’s continued ownership of a property is neither convenient nor necessary, Metro may sell the property in fee to the developer. In the event that a fee disposition of Metro property is necessary for a JD project, staff shall place a covenant on the property requiring that any income-restricted units developed remain income-restricted in perpetuity, if applicable.	The Los Angeles region is experiencing a wave of expiring affordable housing covenants, exposing residents relying on affordable housing to displacement and threatening the supply of affordable housing in the region. (Policy Tool B.4.2)
III.C.6	Use of Proceeds	Not Included.	Proceeds from JD projects will be reinvested in Transit Oriented Communities activities.	While revenues from JD projects are modest compared to the larger Metro budget, these unrestricted funds are well-positioned to support reinvestment in TOC activities (Policy Tool A.2.3)
III.C.6	Strategic Acquisition	To encourage opportunities for joint developments surrounding transit investments, when appropriate, Metro will consider joint development opportunities in the acquisition of required property, location of new station sites, and construction of station facilities.	To encourage opportunities for JD projects surrounding transit investments, staff shall evaluate transit corridor projects in the initial planning (e.g., during the environmental and preliminary engineering phases) and shall seek to create the most advantageous conditions for JD projects in the acquisition of required property, location of new station sites, and construction of station facilities.	Expanding the area of acquisition only slightly in certain instances may lead to far more viable JD sites, which can help achieve transit-oriented communities goals surrounding the station areas, unlock long-term value, and

				decrease the cost of providing affordable housing. (Policy Tool A.2.4)
III.D.2	Community Engagement	Metro will ensure that the Joint Development Process actively engages community members at every development stage.	Staff shall pro-actively engage with the communities throughout the JD process and require that developers do so as well.	Updated Policy with current best practices for outreach and community engagement and align with the Metro Community Based Organization Action Plan.
III.D.3	Community-Based Organization Participation	Metro strongly encourages partnerships with local Community Based Organizations that provide affordable housing and other community serving programs and uses to its joint development sites, as part of the development team.	Staff shall require, wherever feasible, that developers collaborate with local Community Based Organizations (CBOs), both formally as development partners or informally as community partners providing independent community-level input on the project scope, design and program. Points will be awarded to proposals that reflect robust engagement with community-based organizations (CBOs) and other community stakeholders as part of the development process.	In keeping with the agency-wide CBO strategy, this tactic will deliver more equitable and community-informed projects.
III.E.2	Unsolicited Proposals	Metro does not encourage unsolicited proposals. Metro may consider unsolicited proposals in limited cases, as set forth in Metro's <i>Unsolicited Proposals & Public/Private Sector Engagement Policy</i> (Metro UP Policy).	Staff may consider unsolicited proposals that seek the right to develop or improve Metro property by bringing unique benefit to a Metro site such as adjacent property or innovative design. For example, a successful proposal might add additional land area to a Metro site that would enable the combined properties to support a superior development than the Metro property alone. Unsolicited proposals must comply with all policies set forth herein. If pursued, Metro will conduct market and zoning analysis, study the surrounding Neighborhood AMI, and seek input of impacted stakeholders to ensure the unsolicited proposal is in alignment with community needs.	The existing Unsolicited Proposal Process does not allow sufficient communication between JD staff, local jurisdictions and community members. (Policy Tool B.2.5)
III.F.2	Design Excellence	Projects shall demonstrate a high quality of design that is both sensitive to community context and enhances the surrounding community.	Metro is committed to design excellence in JD projects. Staff shall promote context sensitive planning, architectural integration, and quality materials for all programmatic elements of JD sites. Staff shall ensure that projects demonstrate a high quality of design that is both sensitive to community context and enhances the surrounding community. If applicable, staff may require	JD projects are a gateway to the Metro system and a beacon to potential riders that will endure decades. Care must be taken to ensure JD designs are

			<p>developers to incorporate community-appropriate public art and/or Metro directional signage into the proposed project.</p> <p>JD projects will often require a signage and wayfinding program connecting the development to the transit system. These designs must reinforce Metro's brand identity and shall be prepared by a professional environmental graphic design consultant contracted by the Developer. JD projects may also provide opportunities for developers to commission public art in order to support cultural equity and articulate a community identity. Emphasis should be focus on spaces with high visibility and opportunity for architectural integration.</p>	aesthetically appealing and context sensitive.
IV.A.1	Acquisition		In the initial planning of a transit corridor project (e.g., during the environmental and preliminary engineering phases), staff may conduct site analysis and evaluate proposed station sites for their JD potential. Working with Metro's Corridor Planning, Real Estate and Program Management departments, JD staff shall review proposed transit project property acquisitions for JD potential before the acquisition footprint is established and cleared during environmental review.	See Section III.C.6
IV.A.2	Site Prioritization	The determination to select sites for joint development is dependent on several factors including, but not limited to: market conditions, community input, local jurisdictions, and Metro resources. These factors may provide the basis for establishing project priorities, project implementation strategies, and ultimately the creation of Development Guidelines, to ensure maximum attainment of Metro's Joint Development Objectives.	<p>The JD staff has finite resources; therefore, the decision to begin a JD project must be made carefully, factoring in several criteria including, but not limited to market conditions, community input, ability to generate Income-Restricted Units, potential for local jurisdiction partnerships, and Metro resources. The JD workplan will prioritize projects with consideration of the following:</p> <ul style="list-style-type: none"> • Neighborhood Stabilization • Equity Focus Communities (EFCs) • Access to Opportunities. • Streamlining • Maximizing Impact 	More than 40 new JD sites will become available for development and will be added to the JD pipeline over the next 10 years, which will likely lead to a queue of available sites for JD projects that will need to be prioritized. These priorities advance the overarching policy objective of building as much housing as quickly as possible for those who need it most. (Policy Tool B.1)
IV.B.1	Site Analysis	Not Included.	At the outset of the site selection process, staff shall conduct zoning and market analysis to determine the capacity of a JD site for housing units, community benefits and revenue generation. Potential JD sites will be evaluated through Metro equity analysis	This initial analysis can inform the outreach and RFP process to ensure a realistic conversation about the

			<p>tools to address past unintended consequences and provide the most opportunity to the most vulnerable populations, especially transit-dependent residents. Staff shall estimate any additional costs of upgrades required to develop the property in a manner that preserves existing transit infrastructure and operations. Examples of such costs include adding a new entrance, building replacement park and ride parking, or development features necessary to span or otherwise accommodate existing transit infrastructure.</p>	<p>tradeoffs and decision points. Neighborhood-level income analysis should dictate the threshold of income levels and rents that should be targeted for affordable sites. If the site needs market rate housing in order to be viable, the optimal inclusionary scenario can be determined with a financial feasibility study. This key information will be the starting off point for the community conversations and the RFP. (Policy Tool B.2.2)</p>
IV.B.2	Neighborhood Income Analysis	Not Included.	<p>As part of the site analysis, staff shall calculate the median income and median rent for the area that is within an approximately 15-minute walk of the site, which will inform the Neighborhood AMI. The Neighborhood AMI will determine the threshold of household income levels and rents that will be targeted for projects with Income-Restricted Units. The neighborhood income and rent data will inform the outreach and preparation of Development Guidelines, with a goal of aligning housing affordability levels with the needs of the neighborhood and ensuring a realistic conversation about tradeoffs.</p>	<p>The site feasibility process could look closer at the incomes and the prevailing market rents for the neighborhoods in which the projects are proposed and seek units that would be affordable to people who live in the neighborhood. (Policy Tool A.1.2)</p>
IV.B.3	Community Engagement	<p>Once a site has been selected for a potential joint development, Metro will consult with local jurisdictions and conduct outreach to solicit input from the community surrounding the site. The Joint Development Program staff, working closely with Metro Community Relations, will work with the community stakeholders and local jurisdiction to determine a vision for the potential project.</p>	<p>Staff shall consult with local jurisdictions and conduct outreach to solicit input from the community surrounding a JD site. JD staff, working closely with Metro Community and Construction Relations staff, shall work with community stakeholders and the local jurisdiction to define a vision for the potential project.</p> <p>Outreach should focus on upfront visioning and community updates throughout the process. In conducting outreach, staff shall utilize a breadth of outreach tools including, but not limited to focus groups, one-on-one meetings, workshops, pop-up, attending other community meetings and events, intercept surveys, participation in community events, as well as virtual and online tools such as online surveys and virtual workshops to reach a broader stakeholder base.</p>	<p>Outreach should focus on upfront visioning to avoid difficult conversations later in the project when changes may no longer be viable. Strengthening the clarity and transparency of these deliberations can help to ensure that all stakeholders are operating from a common platform. These methods can increase confidence in decision-making, which in turn may accelerate the speed at</p>

				which the JD team is able to deliver projects, in order to address the regional housing needs. (Policy Tool B.2.3)
IV.B.3	Development Guidelines	Upon determination of a unified vision that is desirable to the community and economically feasible, Metro will prepare Development Guidelines specific to the site. The Development Guidelines will articulate the intensity and type of land uses that Metro and the community desire for that site, as well as any desired transit and urban design features. The Development Guidelines will be presented to the Metro Board for approval.	Upon determination of a unified vision that is desirable to the community and economically feasible, staff shall prepare Development Guidelines which will be presented to the Board for approval. The Development Guidelines will articulate the following project expectations: <ul style="list-style-type: none"> • Scale and Program • Transit Infrastructure Requirements (if applicable) • Regulatory and Planning Framework • Community-Informed Development Vision. • Project Checklist • Design Criteria • Community-Informed Evaluation Criteria 	While every community is distinct, there are similarities across many JD sites which can be used to scope projects more efficiently. Transit-oriented developments are always expected to be walkable, human-scaled, and supportive of alternative transportation modes, among other attributes. These attributes can create a somewhat standardized baseline for the Development Guidelines which could allow lessons learned from one site to be transferred to another and can save valuable time and resources to allow more sites to come online faster. (Policy Tool B.2.2)
IV.C.1	Project Solicitation	The standard RFIQ/RFP procedure will be managed through the Vendor/Contract Management Department and will be consistent with Procurement Policies.	After Board approval of the Development Guidelines, staff shall solicit proposals for development of a JD site through a Request for Information and Qualifications (RFIQ) and/or an RFP. Staff shall use the Metro Acquisition Policy as a general guideline to pursue fair and open competition and seek best value for the public. The RFIQ/RFP process will adhere to applicable state and federal codes, and, if the subject site was purchased with federal funding, will conform to Federal Transit Administration FTA circular 7050.1B, which governs JD projects, as it may be amended from time-to-time.	JD proposals are unique in that they are constrained by the parcel footprint and have physical impacts on the communities around them but do not usually contain trade secrets or other sensitive information. Because of these distinctions from traditional public procurements, time and resources can be saved by streamlining solicitations and the unsolicited proposals processes within the JD team. (Policy Tool B.2.4)

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

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

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

ATTACHMENT C

December 14, 2020

Metro Joint Development Affordable Housing Policy Paper

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

Table of Contents

INTRODUCTION	6
METHODOLOGY	7
BACKGROUND	9
PRECEDENTS	14
POTENTIAL POLICY & PROCESS TOOLS	18
POLICY TOOLS	18
A.1 DELIVER HOUSING FOR EVERYONE.....	18
A.2 MAXIMIZE THE PUBLIC BENEFIT DERIVED FROM THE JD PORTFOLIO	21
A.3 RESPECT COMMUNITIES BY COUNTERACTING DISPLACEMENT AND DELIVERING BENEFITS	24
A.4 LEAD THE REGION AND NATION BY DRIVING INNOVATION AROUND HOUSING	26
PROCESS TOOLS.....	27
B.1 PRIORITIZE COMMUNITIES WITH THE DEEPEST NEED	27
B.2 STREAMLINE PROCESS FOR FASTER PROJECT DELIVERY	29
B.3 EVALUATE AND SELECT THE MOST INCLUSIVE PROJECTS.	31
B.4 MEASURE OUTCOMES AGAINST POLICY OBJECTIVES.....	33
OVERARCHING THEMES	35
FLEXIBILITY IS CRITICAL	35
TIME IS OF THE ESSENCE	35
INNOVATION IS VITAL	36
APPENDICES	37
APPENDIX A: POTENTIAL POLICY AND PROCESS TOOLS EVALUATION MATRIX	
APPENDIX B - FINANCIAL MODEL METHODOLOGY	
APPENDIX C - STAKEHOLDER INPUT SUMMARY	
APPENDIX D – PRECEDENTS ANALYSIS	

INTRODUCTION

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

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

Today, in the depths of a regional housing crisis which is exacerbating structural racial inequities¹, updating the JD Policy provides an important opportunity to focus the Agency’s commitment to delivering inclusive, high-quality affordable housing on its land. This paper lays the groundwork for an updated policy that will rise to the occasion, laying out the principals and goals against which specific interventions are measured and analyzing the potential policies and tools against this framework.

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

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

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

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

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

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

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

METHODOLOGY

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

Stakeholder Input

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

Precedent Research

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

Financial Analysis

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

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

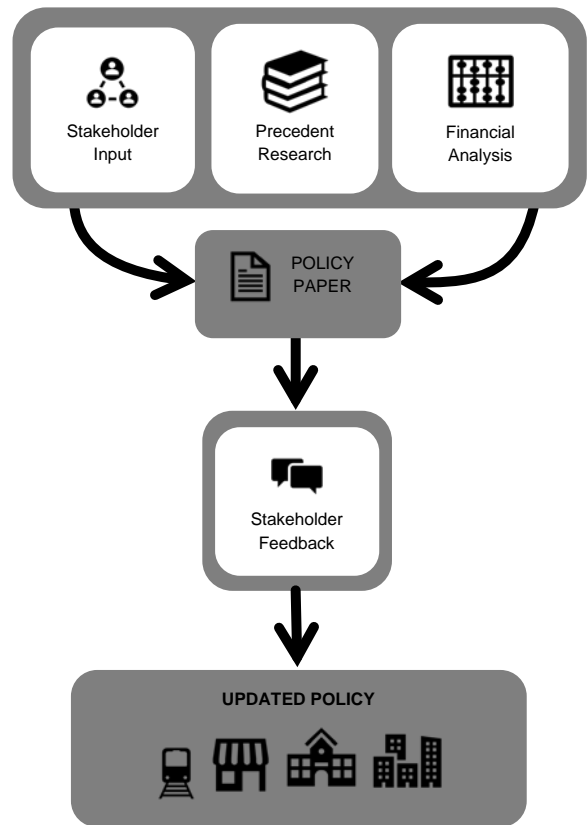


Figure 1: Methodology Diagram

POLICY VALUES

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

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

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

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

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

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

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

BACKGROUND

The Need for Stronger Policies and Tools

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

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

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

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

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

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

have increased, so lack of housing affordability and supply have also challenged and undermined Metro’s mission.⁶

Affordable Housing Context

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

Current JD Policy and Approach

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

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

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

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

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

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

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

Metro Affordable Transit Connected Housing (MATCH) Loan Fund

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

The Value of the JD Portfolio

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

Competing Forces

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

Applicable Local, State, and Federal Policies

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

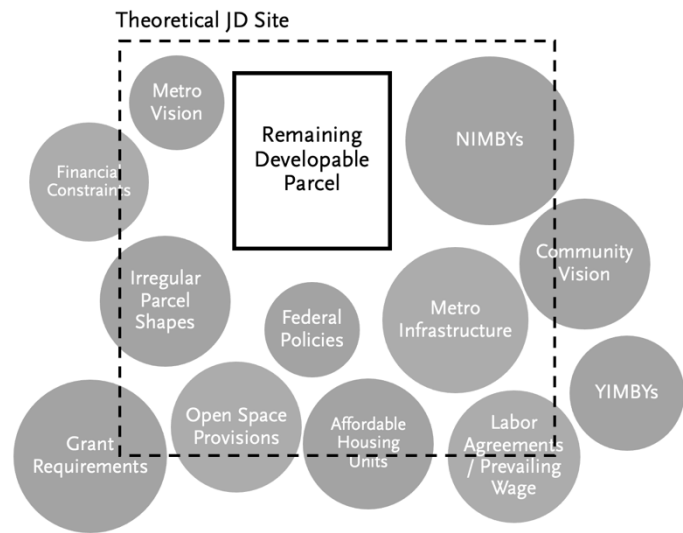


Figure 2: Competing Forces Diagram

City of Los Angeles

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

County of Los Angeles

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

State of California

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

In 2018, California Senate Bill 35 amended certain sections of California Government Code to further streamline processing for qualifying infill projects in cities that have not met their regional housing need. In the City of LA, SB 35 allows projects to bypass time consuming discretionary CEQA reviews if the project contains at least 50% affordable units. In the 18 months after the adoption of the law, eight 100% affordable projects in the City of LA filed for streamlining under Senate Bill 35.⁹ One JD project, which is also 100% affordable, is currently using the CEQA streamlining advantages made possible by Senate Bill 35.

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

⁷ Los Angeles Department of City Planning. (2020). Housing Progress Report. <https://planning.lacity.org/resources/housing-reports>

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

⁹ Los Angeles City Planning Performance Management. (2019). *Housing Progress Quarterly Report: April - June 2019*. <https://planning.lacity.org/odocument/c795255d-9367-4fdf-9568-0a3407720ef>

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

Federal Transit Administration

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

Federal Opportunity Zone Program

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

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

PRECEDENTS

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

Equity

SCAG RHNA Equity Multiplier

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

Chicago Equitable Transit Oriented Development Policy Plan

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

Boston Green Ribbon Commission

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

Seattle Equitable Development Initiative

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

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

¹¹ SCAG Final RHNA Methodology 030520

¹² Green Ribbon Commission Carbon Free Boston. (2019). *Carbon Free Boston: Social Equity Report 2019*. https://www.greenribboncommission.org/wp-content/uploads/2019/05/CFB_Social_Equity_Report_WEB.pdf

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

Affordable Minimum or Goal

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

BART

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

Caltrain

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

MARTA

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

MBTA

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

Sound Transit

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

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

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

¹⁶ MARTA. (2010). *MARTA TOD Implementation Policies*. https://www.itsmarta.com/uploadedFiles/More/Transit_Oriented_Development/MARTA-TOD-Implementation-Policies-Adopted-Text-November-2010.pdf

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

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

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

Land Discount

BART

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

Sound Transit

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

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

Loan Funds and Grants

Sound Transit

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

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

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

Bay Area Metropolitan Transportation Commission - Transit Oriented Affordable Housing

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

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

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

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

Parking

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

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

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

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

²¹ Sightline Institute. (2013, December 12). Who Pays for Parking? The hidden costs of housing. https://www.sightline.org/research_item/who-pays-for-parking/

²² The City of San Diego Planning Department. (2019). Parking Standards in Transportation Priority Area Fact Sheet. https://www.sandiego.gov/sites/default/files/tpa_fact_sheet_updated_04.24.19_final_onwebpage.pdf

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

POTENTIAL POLICY & PROCESS TOOLS

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

Policy Tools

A.1 DELIVER Housing for everyone

A.1.1 *Affordable First*

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

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

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

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

A.1.2 *Affordability Levels*

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

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

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

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

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

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

A.1.3 Minimum Affordability Requirements

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

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

The Affordability Score

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

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

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

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

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

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

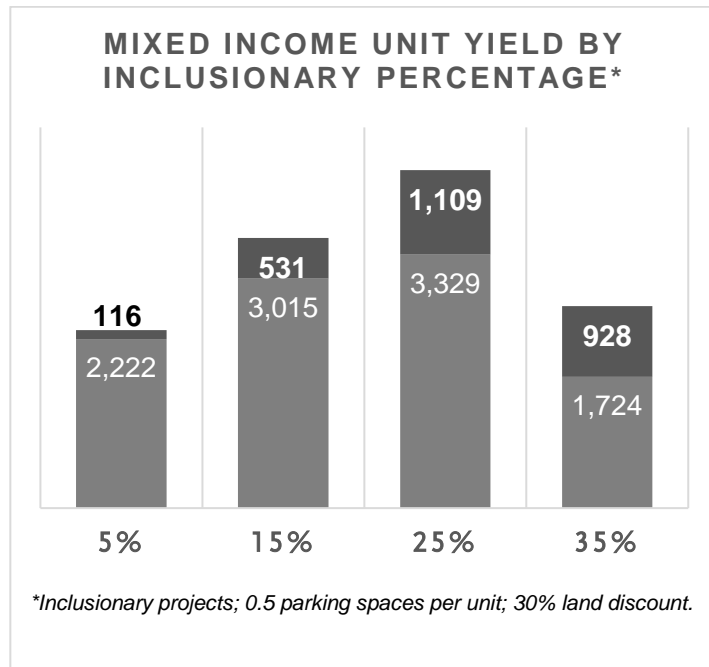


Figure 3: Mixed Income Unit Yield by Inclusionary Percentage

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

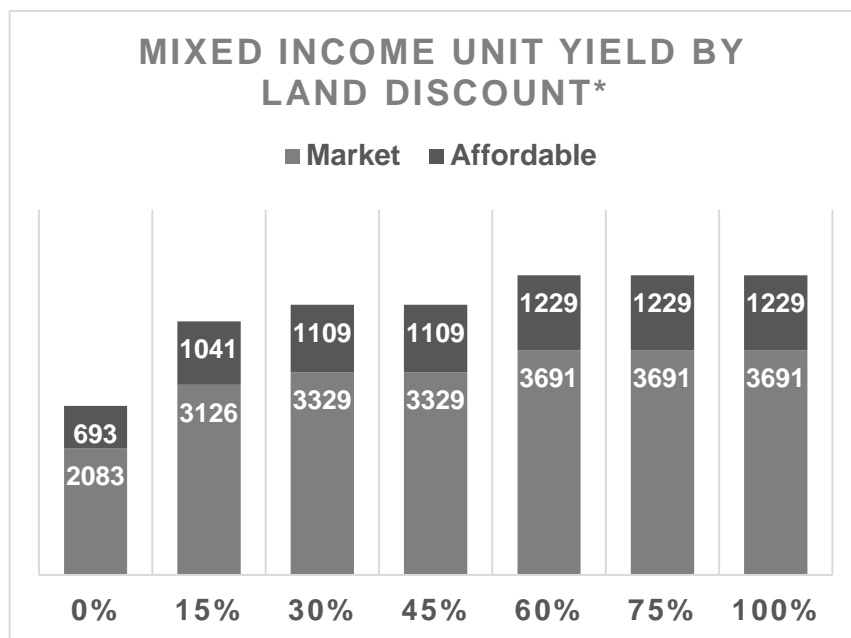
A.2.1 Leverage land value

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

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

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

Subsidizing beyond a 30% discount is not usually helpful in creating more units or deeper affordability because the land is already a smaller component of overall project costs. (See Figure 3.) Many projects, whether 100% affordable or inclusionary, may achieve a variety of the policy goals contained herein but are on the threshold of feasibility. In lieu of an automatic land discount, Metro could instead analyze each project to determine if a Metro subsidy may help to achieve that project. If so, such subsidy should be disclosed as a dollar amount to the Board along with the terms and a clear valuation and explanation of the use of the subsidy.



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

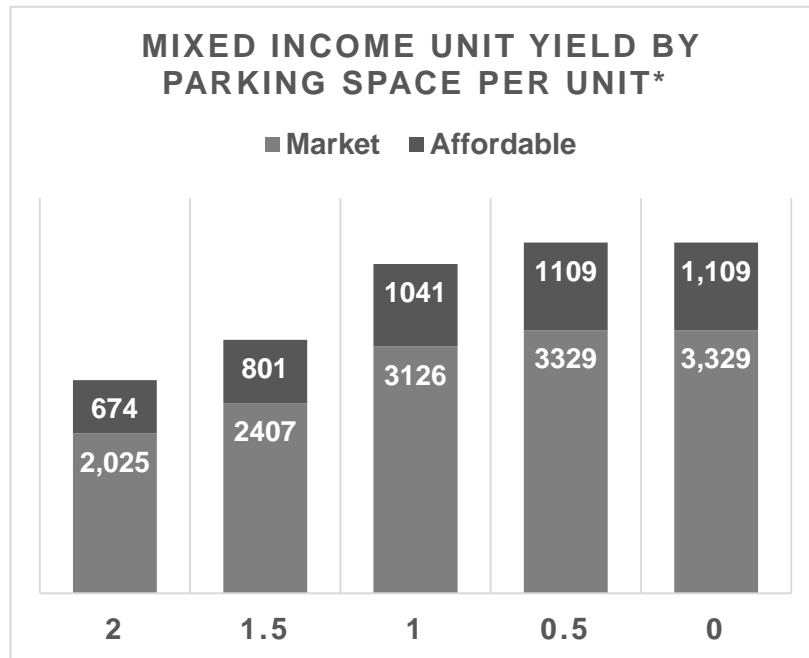
Figure 4: Mixed Income Unity Yield by Land Discount

A.2.2 Parking Policies

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

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

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



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

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

A.2.3 Use of Joint Development Proceeds

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

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

A.2.4 Strategic Acquisition

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

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

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

A.3 RESPECT communities by counteracting displacement and delivering benefits

A.3.1 Small Business Tenants

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

Mixed-use projects are often funded almost entirely through the rents generated by the housing units and may not require additional revenue from ground-floor retail spaces to underwrite the project. Furthermore, locating community serving businesses near transit makes riding more convenient and efficient, and occupied storefronts make street safer for pedestrians²⁴. Therefore, accommodating opportunities for small business tenants with tools such as flexible lease terms, favorable rental prices, or other incentives can help stabilize the local economy and provide a transit benefit. To the extent that neighborhood change is applying pressures to existing legacy businesses in surrounding neighborhoods, preference could be granted to such businesses in ground floor retail spaces.

A.3.2 Sustainability

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

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

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

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

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

A.3.3 Labor Agreements

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

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

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

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

A.3.4 Mobility Benefits

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

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

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

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

A.3.5 Free Transit Passes

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

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

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

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

A.4.1 Housing Lab

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

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

Recapturing Investments

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

Alternative financing

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

Alternative construction

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

Alternate typologies

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

Supportive programs

- Affordable housing discount transit pass
- Transit demand management program

Sustainability

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

Promoting innovation

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

Process Tools

B.1 PRIORITIZE communities with the deepest need

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

B.1.1 Neighborhood Stabilization

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

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

Urban Displacement Project

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

Metro Equity Focus Communities

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

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

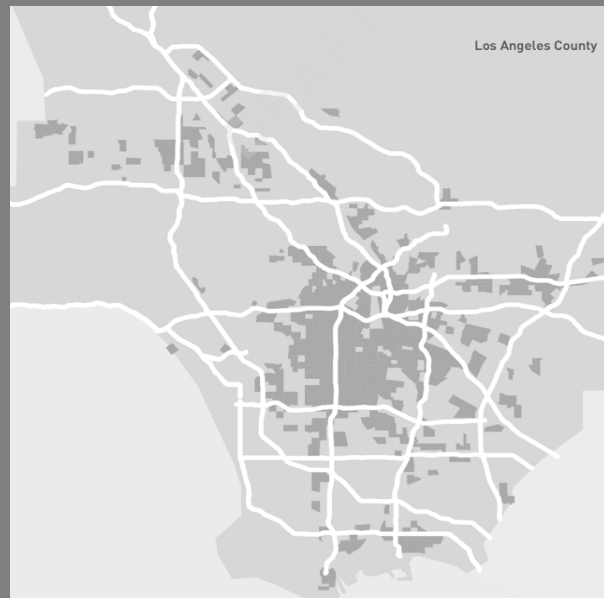


Figure 6: Equity Focus Communities

B.1.2 Equity Focus Communities

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

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

B.1.3 Access to Opportunities

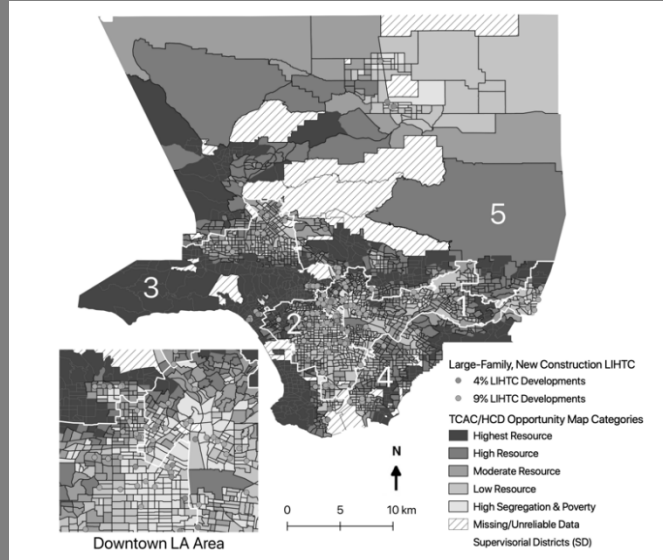
- **Prioritize projects that would build affordable units in areas with greater access to opportunities.**

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

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

TCAC/HCD Opportunity Maps

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



B.2 STREAMLINE process for faster project delivery

B.2.1 Feasibility

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

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

B.2.2 Site Analysis and Development Guidelines

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

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

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

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

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

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

B.2.3 Community Engagement

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

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

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

B.2.4 Expedited Procurement Processes

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

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

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

B.2.5 Unsolicited Proposals

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

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

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

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

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

B.3 EVALUATE and select the most inclusive projects.

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

B.3.1 Affordability Scoring

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

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

B.3.2 Economic Development Scoring

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

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

B.3.3 Community-informed Evaluation Criteria

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

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

B.3.4 Expedient Delivery Scoring

- **Assign points to projects that lay forth a path for expedient permits and approvals and demonstrated community support.**
- **Establish blanket authorization to enter into ENAs with highest scoring proposal if project meets key Board-established criteria.**

Given track record of long JD project delivery timeframes, and the urgency of the housing crisis, scoring should favor projects that include a streamlined entitlements path. Projects that are by-

right and do not require discretionary local actions should be favored over those that do not. Projects with fewer environmental impacts that require less intensive analysis and can be delivered faster should receive higher scores. Likewise, projects with demonstrated community support that are less likely to be delayed by opposition could be prioritized.

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

B.3.5 Sustainability Scoring

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

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

B.4 MEASURE outcomes against policy objectives

B.4.1 Metrics and Outcome Tracking

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

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

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

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

- People housed
- Low-income households
- Open space provided
- Small businesses contracting and subleasing
- Construction jobs created
- Permanent employment
- First-last mile connections built

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

B.4.2 Long-Term Affordable Housing

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

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

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

OVERARCHING THEMES

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

Flexibility is Critical

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

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

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

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

Time is of the Essence

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

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

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




Innovation is Vital

















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





APPENDICES

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

APPENDIX A: Potential Policy and Process Tools Evaluation Matrix

 Policy value achieved
  Policy value not impacted
  Policy value negatively impacted

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

<i>A.1.3 Minimum Affordability Requirements</i>				
<ul style="list-style-type: none"> Require mixed-income projects to achieve an “affordability score” equivalent to at least 25% of units set aside for households earning 80% of AMI and below. 				

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

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

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

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

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

B.3 EVALUATE and select the most inclusive projects.	INCLUSI ON	ACCES S	PERFORMA NCE	INNOVATI ON
<i>B.3.1 Affordability Scoring</i>				
<ul style="list-style-type: none"> Evaluate JD proposals based on an “affordability score” that indexes the number of affordable homes proposed and the target income levels served. 	●	●	◐	◐
<i>B.3.2 Economic Development Scoring</i>				
<ul style="list-style-type: none"> Formally evaluate proposals based on small business contractors, racial inclusion, and community-based organizations in developer selection criteria. 	●	●	◐	◐
<i>B.3.3 Community-informed Evaluation Criteria</i>				
<ul style="list-style-type: none"> Solicit input from stakeholders on evaluation criteria for development proposals. 	●	●	◐	◐
<i>B.3.4 Expedient Delivery Scoring</i>				
<ul style="list-style-type: none"> Assign points to projects that lay forth a path for expedient permits and approvals and demonstrated community support. 	◐	◐	●	●
<ul style="list-style-type: none"> Establish blanket authorization to enter into ENAs with highest scoring proposal if project meets key Board-established criteria. 	◐	◐	●	●

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

Appendix B - Financial Model Methodology



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AFFORDABLE HOUSING CALCULATOR POLICY IMPLICATIONS

Contents

1. INTRODUCTION 2

APPROACH	2
DASHBOARD	3

2. KEY TAKEAWAYS 5

3. FINDINGS 6

VARYING AFFORDABLE HOUSING SITES.....	6
AFFORDABILITY AND UNIT MIX	6
LAND VALUE.....	7
PARKING SPACES PER UNIT	10
PLA / CCP REQUIREMENTS	11
ADDITIONAL DEVELOPMENT REQUIREMENTS.....	11

4. METHODOLOGY 12

APPROACH	12
CAVEATS AND QUALIFICATIONS.....	17

Introduction

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

Approach

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

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

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

Dashboard

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

INPUTS: Inclusionary

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

Parking spaces per unit	1	Total number of spaces required per unit
Amenities Contribution	\$0 /unit	Contribution from developer for on-site amenities
PLA CCP Unit Limit	200 units	Unit limit at which PLA/CCP wage regulations apply
PLA CCP Hard Costs Premium	8%	Hard cost premium applied for projects that are subject to the PLA/CCP premium.
Land Value Discount	0%	Share of land value discounted by Metro

Unit Mix

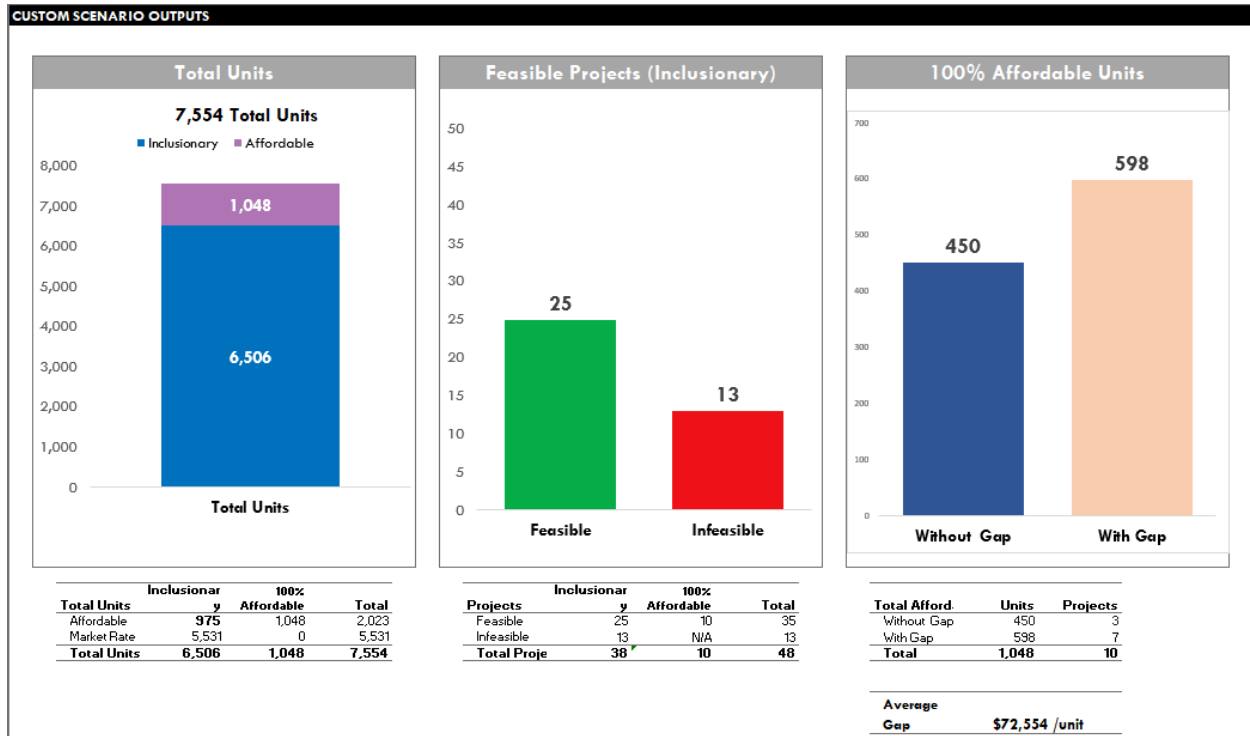
30% AMI (TOC: 11%)	0%	Unit mix and affordability share across every project in the portfolio
50% AMI (State Bonus: 11% / TOC: 15%)	0%	
60% AMI (State Bonus: 20% / TOC: 25%)	0%	
80% AMI (State Bonus: 20% / TOC: 25%)	25%	
100% AMI	0%	
120% AMI	0%	
Affordable Units	25%	
Market Rate Units	75%	
Total	100%	

INPUTS: Affordable

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

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

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



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

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

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

Key Takeaways

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

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

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

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

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

Findings

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

Varying Affordable Housing Sites

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

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

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

Varying Affordable Housing Sites and Impact on Total Units

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

Affordability and Unit Mix

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

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

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

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

Total Units by AMI Level at 25% Affordable

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

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

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

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

Total Units by Various AMI Levels and Inclusionary Shares

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

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

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

Land Value

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

Land Value by Tier

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

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

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

Feasibility by Land Value Discount

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

This indicates two key takeaways:

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

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

Land Value Discount	AMI and Set-Aside	Total Units	Market Rate Units	Inclusionary Affordable Units
0%	25% at 80% AMI	5,228	3,138	1,042
	11% at 50% AMI	5,973	4,381	544
25%	25% at 80% AMI	7,587 (+2,359)	4,907	1,632
	11% at 50% AMI	6,943 (+970)	5,234	650

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

Total Units at 25% at 80% AMI

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

Parking Spaces per Unit

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

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

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

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

PLA / CCP Requirements

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

Project Size of Premium Applications

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

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

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

Additional Development Requirements

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

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

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

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

Methodology

Approach

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

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

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

Developing Key Assumptions

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



²⁶ CoStar, 2020.

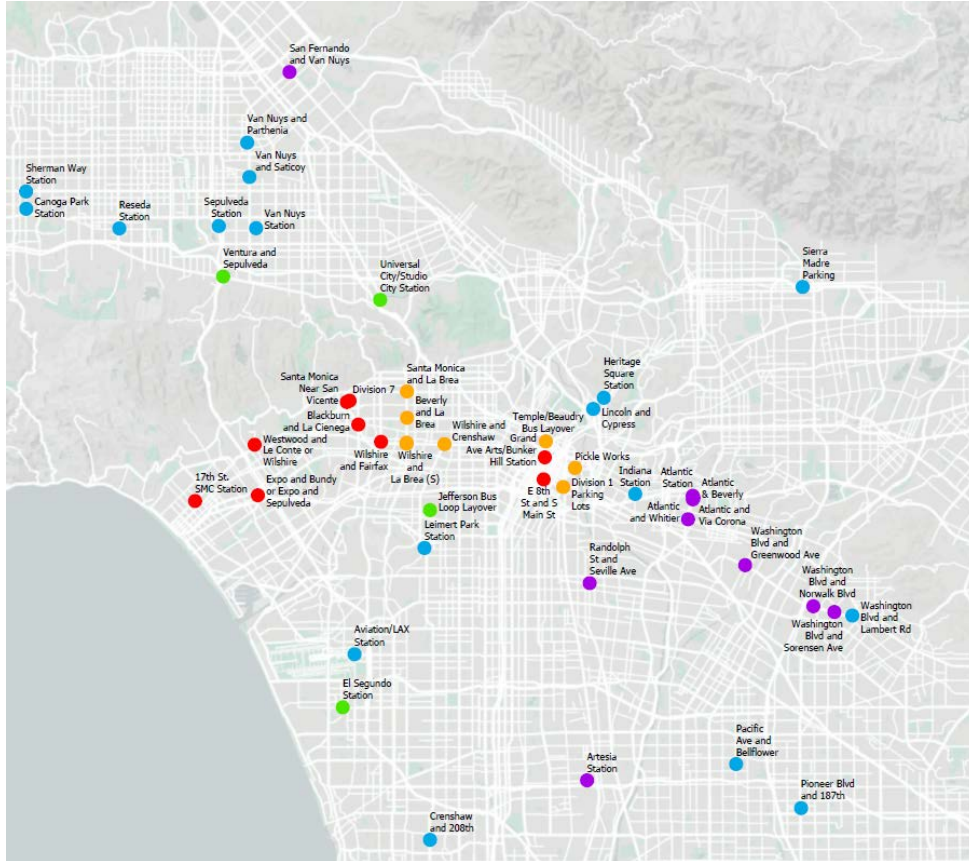
Typology	Average Unit Size (GSF)	Net to Gross	Resi HC per GSF	Retail HC	TI / LC (GSF)
High-Rise (25 to 39 stories)	1,000 SF	78%	\$376/SF	\$376/SF	\$30/SF
High-Rise (13 to 24 stories)	1,000 SF	79%	\$336/SF	\$336/SF	\$30/SF
High-Rise (8 to 12 Stories)	1,000 SF	79%	\$286/SF	\$286/SF	\$30/SF
High-Medium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

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

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

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

Metro Sites by Tier



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

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

Los Angeles 2019 Schedule 1 Rents (100% Affordable)

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

Los Angeles 2019 Schedule 6 Rents (Inclusionary)

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

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

Variable Descriptions for Detailed Results Table

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

Caveats and Qualifications

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

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

Appendix C - Stakeholder Input Summary

Metro Internal Working Group

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

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

Prioritize need and equity

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

Evaluate potential policy outcomes

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

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

Consider other tools and models

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

External Stakeholder Roundtable

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

Focus on goals

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

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

Performance Outcomes

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

- Consider removing the limits to Metro’s land discount policy.
- Boost impact of Metro’s JD Program by incentivizing (or requiring) that mixed-use projects include commercial space that is appropriate for and accessible to small businesses, social enterprises, and community cultural spaces. In addition to relocation assistance, establish First Right of Refusal to commercial space on Metro-owned land and marketing space of the transit project for legacy small business and/or MBE/WBE/DBE/DVBE that is directly displaced by a Metro project and displaced due to construction impacts.
- Advance strategic land acquisition to help build affordable transit-oriented developments, through both JD projects on Metro-owned land, as well as non-profit development on transit-adjacent land.

How should Metro gather input on the policy?

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

Metro Policy Advisory Council (PAC)

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

What should we prioritize?

- Consider how the policy could address intergenerational housing.
- The existing JD program accomplishments are impressive. Metro should take pride in the work you have done building the current units across LA county and receive

commendation for a policy that will soon deliver 5,000 units. The new policy feels like the same as the old one and Metro should emphasize what is different.

- Emphasize that the new policy is providing a deeper impact on racial equity. The new policy should provide additional benefits, including tactics to reach sustainability goals and providing additional green space. Make sure to mention climate goals in your tradeoffs. The climate policies are not a tradeoff but an imperative. Get credit for the benefits you are offering.

Which tools do you think would be most successful?

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

How would you measure success?

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

Metro TOC Town Hall

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

Appendix D – Precedents Analysis

City of Los Angeles TOC Incentive Program and Density Bonus Program

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

Collectively in 2020, the TOC and Density Bonus programs generated 62% of the City of LA's planning approved units, and over two thirds of the City's affordable units. In the City of LA, the TOC incentive program has approved 30,721 housing units including 6,497 affordable units since its inception, while the density bonus has generated 28,300 units including 6,303 affordable units since 2015.²⁷

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

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

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

The California State Density Bonus Law was initiated in 1976 to encourage the development of affordable housing with building density incentives. The contemporary Density Bonus program SB

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

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

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

1818 was passed in 2004 and updated in 2020 to provide larger density bonuses for a greater range of projects with affordable units.

Comparison of affordable unit income levels across TOC and Density Bonus Programs

As shown in the table below, the majority of approved TOC applications 2018-2020 were in the low-income and extremely low-income categories, with far fewer units approved in the very low-income category. In 2020, the majority of affordable units approved through TOC were in the low-income category, accounting for 57% of by-right, and 52% of discretionary approvals. In contrast to the TOC program, the majority of approved Density Bonus applications from 2015 – 2020 were for very low-income units, followed by low-income. In 2019, the majority of applications shifted towards low income, followed by very low-income.

Income level of approved affordable housing via TOC Program 2018 – 2020³⁰

	2018		2019		2020		3 year average	
	By-Right (BR)	Discretionary (Discr.)	BR	Discr.	BR	Discr.	BR	Discr.
Low Income (\$54,250)	15%	45%	59%	39%	57%	52%	44%	45%
Very Low (\$33,950)	13%	11%	6%	10%	19%	15%	13%	12%
Extremely Low (\$20,350)	72%	44%	35%	52%	24%	32%	44%	43%

SB 35 Streamlining Affordable Housing

In 2018, California Senate Bill 35 provided further streamlined processing for projects that contain at least 50% affordable units.³¹ In the City of LA, SB 35 allows projects to bypass timely discretionary CEQA reviews if the project contains at least 50% affordable units. In the 18 months after the adoption of the law, eight 100% affordable projects in the City of LA filed for streamlining under SB 35. SB 35 currently plays a role in entitling active JD projects.³² As of June 2019, four of the eight SB 35 projects were approved in an average of 77 days.

Expanding TOC

³⁰ Los Angeles City Planning. (2020). *Housing Progress Dashboard*. Housing Progress Reports. <https://planning.lacity.org/resources/housing-reports>

³¹ *Housing Progress Quarterly Report: April - June 2019*.

³² Los Angeles City Planning Performance Management. (2019). *Housing Progress Quarterly Report: April - June 2019*. <https://planning.lacity.org/odocument/c795255d-9367-4fdf-9568-0a3407720ef>

To expedite housing production and address the housing crisis in housing in Los Angeles, LPlus & UC Berkeley's College of Environmental Design recommend expanding TOC, by

- A) "Raising the threshold for site plan review to 100 units," to avoid triggering costly CEQA review for infill projects;
- B) "Allowing at least 6 FAR and a 120% density bonus for Tier 4 projects that propose a development taller than 85 feet," to allow more expensive construction types to become financially feasible;
- C) "Allowing use of Tier 1 within 750 feet of a bus stop with frequency of at least 15 minutes during rush hour," to incorporate intersect high volume bus lines that don't necessarily intersect a second bus line.³³

Review of Transit Agency Affordable Housing Policies

BART Transit Oriented Development Affordable Housing Policy

The San Francisco Bay Area Rapid Transit District TOD Policy has many similarities to that of LA Metro, including affordability goals for the TOD portfolio, and offering land discounts for housing developments based upon the percentage of affordability. In April 2020, BART amended its TOD policy with further clarity on land discounting. TOD Policy Strategy E, Invest Equitably, states:

*"... aim for a District-wide target of 35% of all units to be affordable, with a priority to very low (<50% AMI), low (51-80% AMI) and/or transit-dependent populations. To aid in achieving BART's 35% affordability goal, provide **up to a 60% discount** in ground lease for projects with at least 35% affordable housing (30% for projects with a high rise)."*

The Draft Framework to Determining Financial Return from Affordable Housing illustrates BART's tiered discount to the property's appraised fair market value, where residential projects with at least 35% affordable units are given deeper discounts when the affordable units have lower average Area Median Incomes.

For example,

- "A low discount of **10 to 20%** will be considered for affordable housing projects with units restricted to an average of 61% - 80% of AMI"
- "A standard discount of **20 to 30%** will be considered for affordable housing projects with units restricted to an average AMI of 46% - 60%."
- "A high discount of **30 to 60%** will be considered for affordable housing projects with units restricted to an average AMI of 45% or below."

Discretionary exceptions are made for desired projects in high rises that help BART reach affordability goals. Each project's discount is subject to BART's conditions, one of which states that in order to reach a maximum discount, projects should pursue "eligible sources of revenue that provide

³³ LPlus & The Real Estate Development & Design Program, College of Environmental Design, University of California Berkeley, Vallianatos, M., Smith, M., Morrow, G., Mendel, J., & Jessie, W. (2019). *Measure JJJ: An Evaluation of Impacts on Residential Development in the City of Los Angeles*. <https://wordpressstorageaccount.blob.core.windows.net/wp-media/wp-content/uploads/sites/867/2019/06/2019-Measure-JJJ-An-Evaluation-of-impacts-on-residential-development-in-City-LA.pdf>

additional funding to transportation or infrastructure on BART property, such as Affordable Housing & Sustainable Communities or the Infill Infrastructure Grant.”³⁴ BART states that in addition to advancing the goals of BART’s TOD Policy, the financial return expectations of any affordable project considers the following baseline conditions: A) Fair Market Value; B) Sources of Revenue from TOD; C) Net Ridership Gains and D) Parking Revenue.³⁵

Lastly, BART’s 10-year Workplan focuses on equity and the priority areas where BART intends to pursue Transit Oriented Development. Following its completion of current pipeline projects, one of the top priority strategies in the near term (2020-2025) is to: “Advance racial and economic equity by prioritizing housing for lower-income residents in areas experiencing displacement, and high-opportunity communities in the core of the system. “

Sound Transit

In the Seattle area, Sound Transit gives local governments, housing authorities and non-profits the first offer to bid on 80 % of land deemed surplus and suitable for housing, whether through sale, long term lease, or transfer. If the qualified entity accepts the offer, they are required to construct housing where 80% of the units are affordable for households below 80% AMI. Property discounts are provided based on financial assessments demonstrating the project’s gap funding and financial needs of Sound’s corridor and system expansion. Sound Transit considers value capture across TOD projects to support affordable housing, including “allowing cross-subsidy across a master development site or through transfer of development rights to a market-rate site generating revenue to support affordable housing development.”³⁶

To make affordable housing more feasible near transit stations and fill the gaps in affordable housing finance across the region, Sound Transit created the Affordable Housing Revolving Loan Fund. Sound Transit is incorporating \$4 million per year for 5 years and leveraging additional funding contributions from public and private sources. Much like Metro’s MATCH fund, the fund is a self-replenishing, utilizing interest and principal payments on old loans to issue new ones. To maximize the fund’s application and serve unmet local needs, Sound conducted an Affordable Housing Needs Assessment with Local Initiatives Support Corporation (LISC). LISC used a mixed methods approach, including affordable housing “stakeholder interviews, focus groups, a review of 15 LIHTC project proformas, extensive analysis of public policies and resources that affect affordable housing, and an analysis of the funding gaps that exist.”³⁷

MARTA Transit Oriented Development

³⁴ San Francisco Bay Area Rapid Transit District. (2020a). *BART TOD Framework for Determining Financial Return from Affordable Housing*. <https://www.bart.gov/sites/default/files/docs/Att%202%20-%20BART%20TOD%20Draft%20FR%20Framework%20-%20v7%202020-04-13.pdf>

³⁵ San Francisco Bay Area Rapid Transit District. (2020a). *BART TOD Policy*

³⁶ Sound Transit. (2018). *Resolution No. R2018-10 Adopting an Equitable Transit Oriented Development Policy*.

³⁷ Local Initiatives Support Corporation (LISC). (2020, April). *Sound Transit Affordable Housing Revolving Loan Fund Needs Assessment*. <https://www.soundtransit.org/sites/default/files/documents/revolving-fund-needs-assessment-short-20200616.pdf>

MARTA in Atlanta sets a goal of having 20% of each project's units as "affordable units", where affordable housing includes 1) housing affordable to seniors with low, moderate, or fixed incomes and persons with disabilities; 2) rental workforce housing (60-80% AMI); and 3) for-sale workforce housing for households earning 80% to 100% of AMI. Projects containing more than 10 units are required to meet affordability goals and will be reviewed on a project to project basis.³⁸

Massachusetts Bay Transportation Authority

MBTA requires JD projects with at least 15 units to build 20% of its units as affordable (up to 60% AMI) or workforce housing (61% - 100 AMI), but will work with municipalities to determine project feasibility and adjust inclusionary requirements to as low as 10%.³⁹

Caltrain

As of February 2020, Caltrain requires new housing projects to offer below market rate rents for 30% of their units. Of those below market rate units, 10% must be reserved for households <50% AMI, 10% for households <80% AMI, and the remainder of units will be offered to households making no more than 120% of AMI.⁴⁰

Unbundling Parking Costs

In 2019, the City of San Diego began requiring all parking spaces within Transit Priority Areas (TPA) be "unbundled" from housing development, so parking is optional and paid separately from the rent or home sale price. The policy was based on a city study on parking costs that found that a single parking spot adds between \$35-90,000 in housing costs per unit.⁴¹ Another study from the Victoria Transport Policy Institute estimates that a single parking space increases the price of a housing unit by 12.5%.⁴²

Parking unbundling can be done in a variety of ways, as outlined by the Victoria Transport Policy Institute:

- *"Parking spaces are not included in the base rent/purchase cost and are rented by the tenant/owner separately.*
- *Landlords/condo associations can provide a discount to renters/owners who do not want to use the standard number of parking spaces.*

³⁸ MARTA. (2010). *MARTA TOD Implementation Policies*. https://www.itsmarta.com/uploadedFiles/More/Transit_Oriented_Development/MARTA-TOD-Implementation-Policies-Adopted-Text-November-2010.pdf

³⁹ Massachusetts Bay Transportation Authority, & Massachusetts Department of Transportation. (2017). *MBTA TOD Policies and Guidelines*. https://www.mass.gov/files/documents/2017/10/17/TOD_Policy.pdf

⁴⁰ Caltrain. (2020). *Transit Oriented Development Policy*. [https://www.caltrain.com/Assets/___Agendas+and+Minutes/JPB/2020/Item+!\\$239a+TOD+Presentation.pdf](https://www.caltrain.com/Assets/___Agendas+and+Minutes/JPB/2020/Item+!$239a+TOD+Presentation.pdf)

⁴¹ The City of San Diego Planning Department. (2019). Parking Standards in Transportation Priority Area Fact Sheet. https://www.sandiego.gov/sites/default/files/tpa_fact_sheet_updated_04.24.19_final_onwebpage.pdf

⁴² Litman, J. (2020). Parking Requirement Impacts on Housing Affordability. Victoria Transportation Policy Institute. <https://vtpi.org/park-hou.pdf>

- *Landlords/condo associations can create a secondary market for parking by renting unused spaces out as a separate commodity.*
- *Unbundling can be used as a municipal code tool that allows developers to reduce the amount of parking they are required to provide.* ⁴³

Parking Minimums and Maximums

San Diego's Transit Priority Area policy also removed parking minimums for multifamily units around Transit Priority Areas, or neighborhoods located ½ mile from a major transit stop, to allow developers to provide parking in accordance with perceived market demand. This builds off of Seattle and Portland's successful removal of parking requirements for multifamily units, which resulted in "decreased automobile ownership, increased transit use, and greater housing production and affordability."⁴⁴ In 2006, San Francisco replaced parking requirements with maximums of 1 parking space for every 4 housing units in certain downtown commercial zones, in addition to policies on unbundling parking and car-sharing.

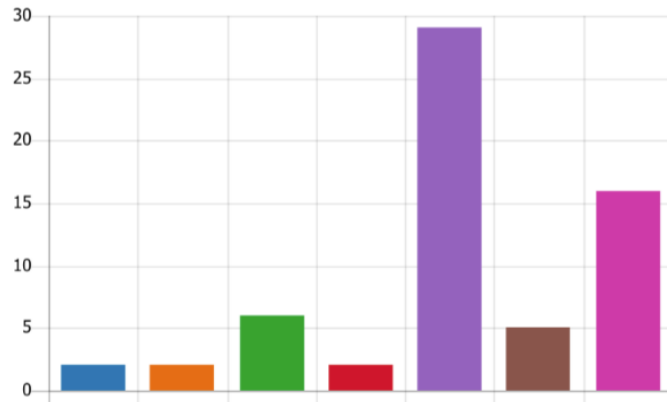
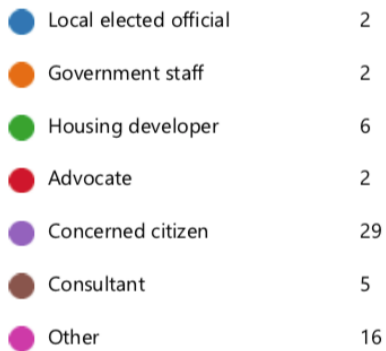
⁴³ *Parking Requirements & Unbundling.* (Accessed September 26, 2020). ParkingPolicy.com

⁴⁴ The City of San Diego Planning Department. (2019). Parking Standards in Transportation Priority Area Fact Sheet. https://www.sandiego.gov/sites/default/files/tpa_fact_sheet_updated_04.24.19_final_onwebpage.pdf

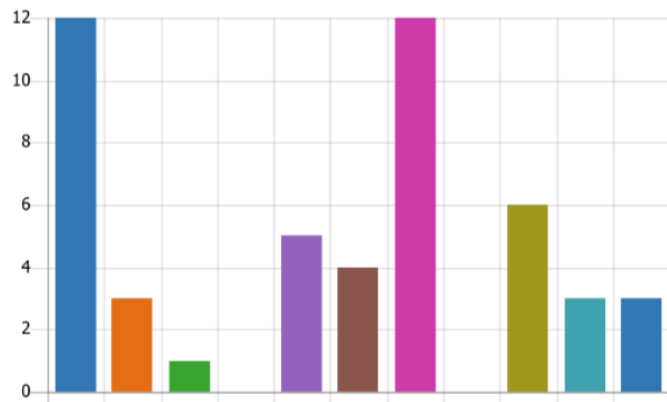
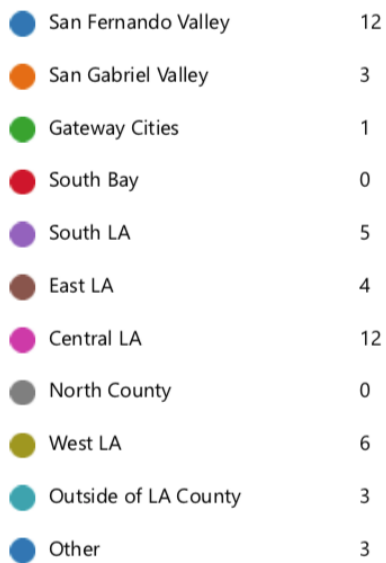
Metro Joint Development Policy Stakeholder Feedback Summary

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

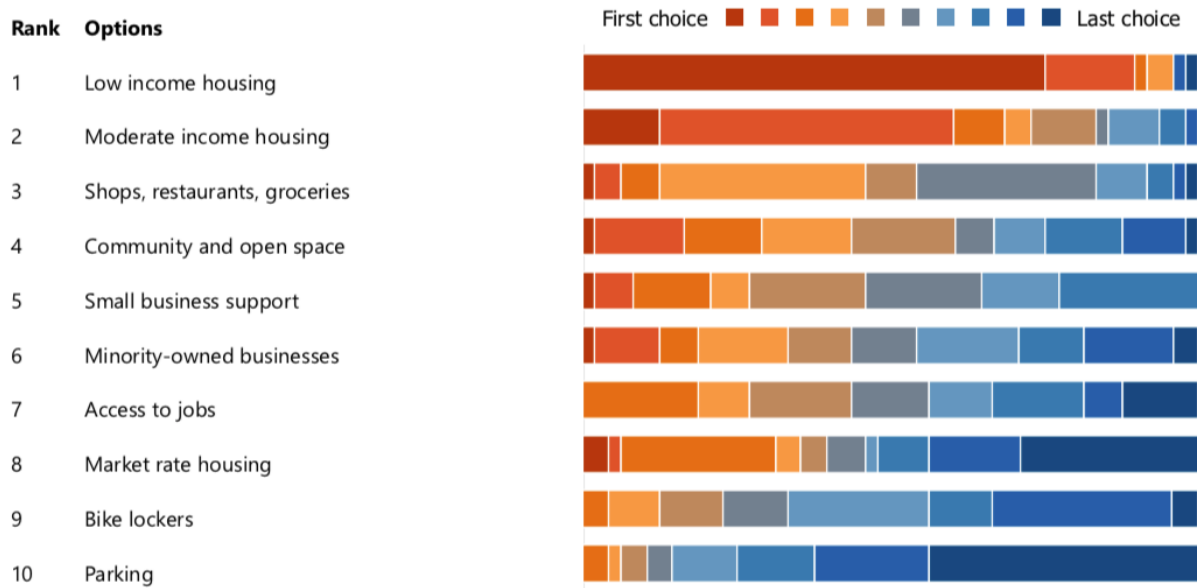
1. Which of the following best describes you?



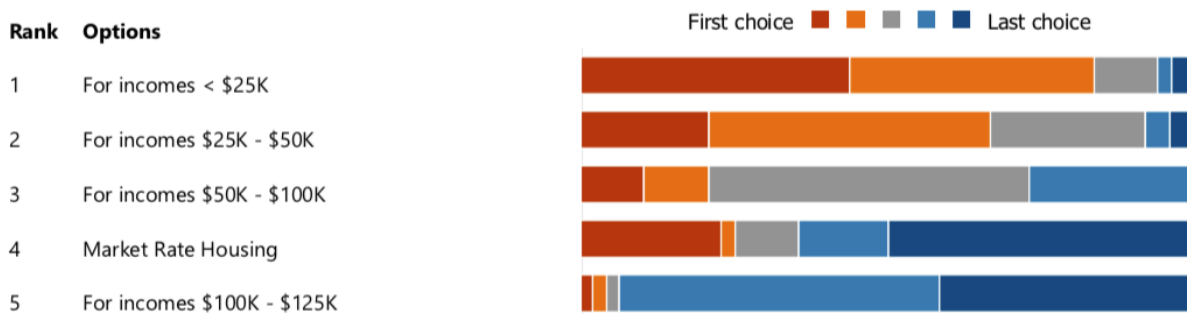
2. Where do you live?



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



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



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

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

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

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

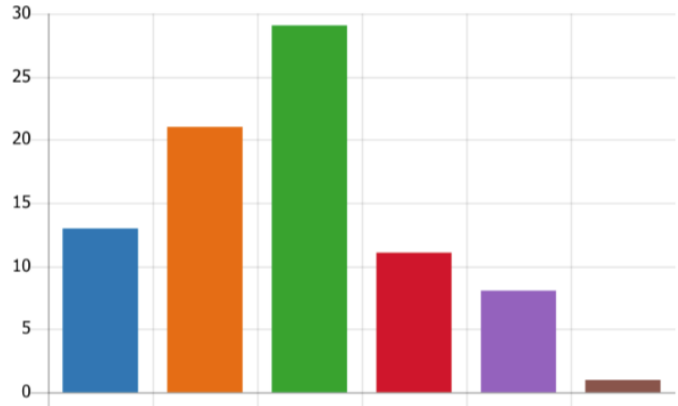
6. Metro is exploring the creation of a “Housing Lab,” which would be a proving ground for innovative housing solutions. Do you have any ideas that you would like us to explore?

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

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

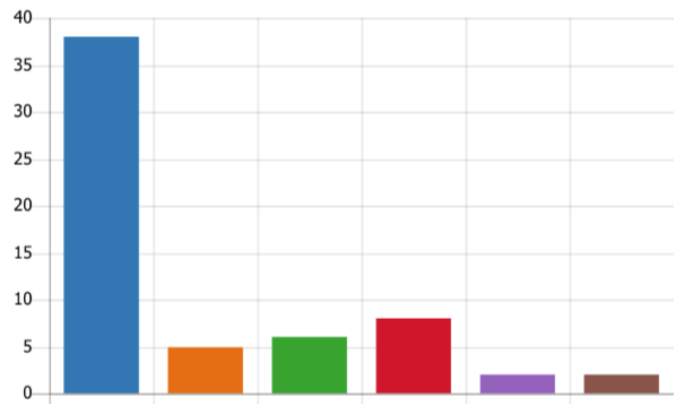
7. When are you usually available for public meetings?

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



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

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



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

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



Metro Joint Development Policy Update

Planning & Programming Committee

June 16, 2021

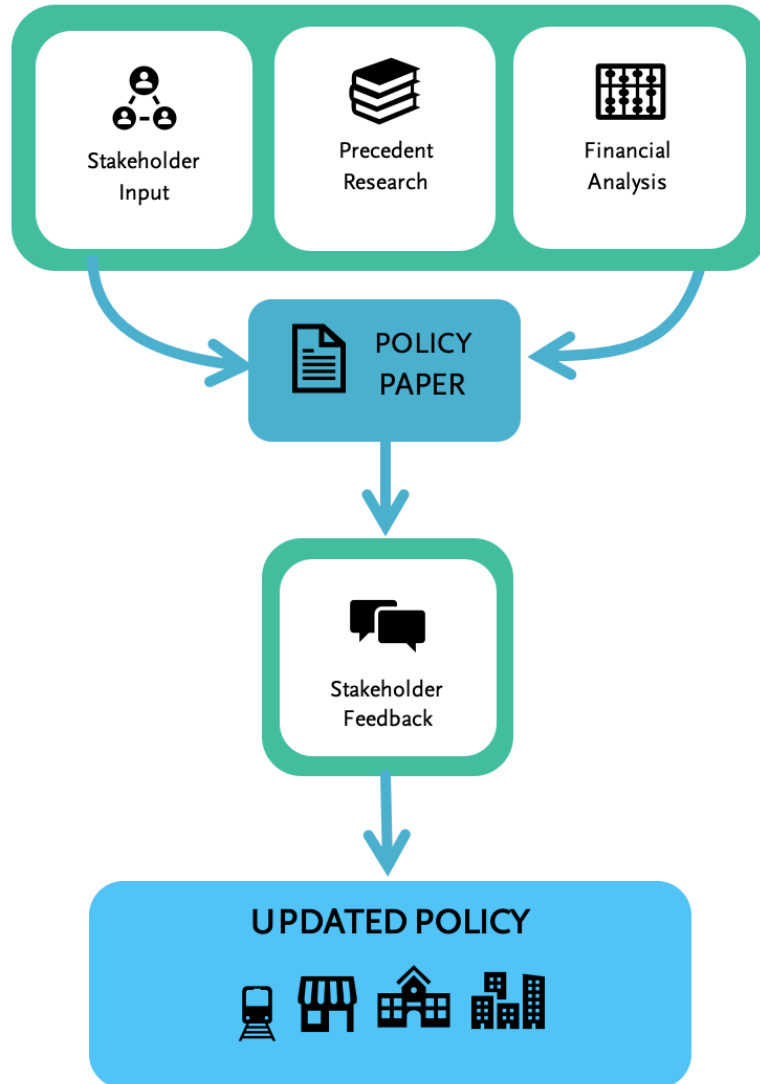
Legistar File #2021-0192

Recommended Action



ADOPT UPDATED JOINT DEVELOPMENT POLICY

Policy Update Process



OUTREACH

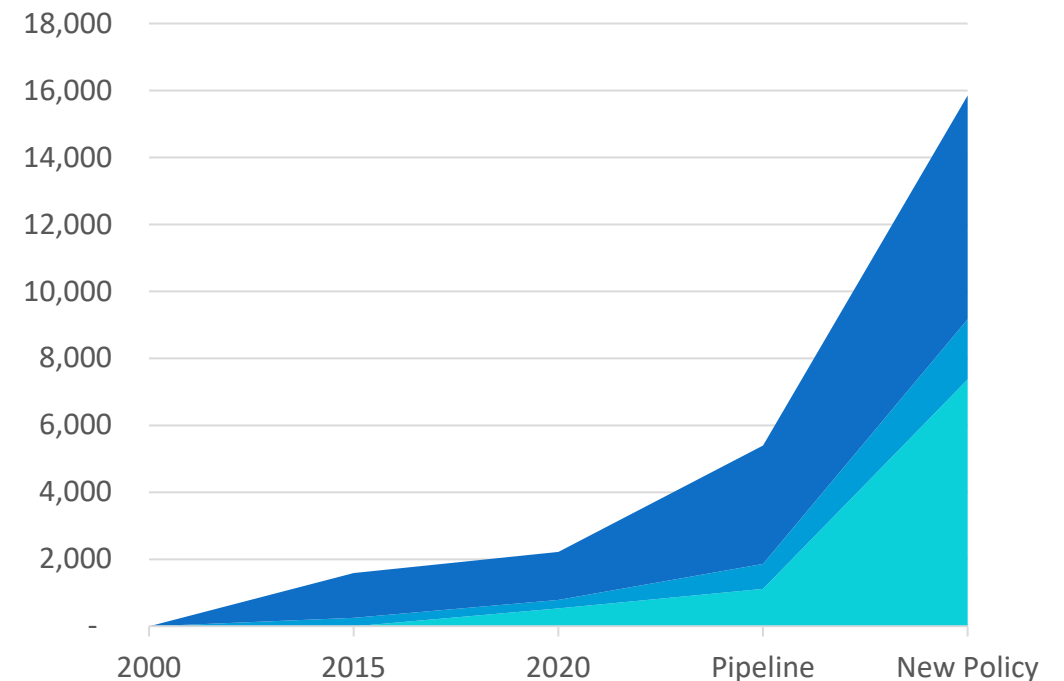
- **Internal Working Group:**
Metro representatives from Equity, Transit-Oriented Communities (TOC), Innovation, Real Estate, Communications, and Sustainability.
- **External Roundtable:**
Industry stakeholders including community-based organizations (CBOs), affordable housing developers, non-profit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

Affordable First



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

JD Portfolio
Completed and Projected Units



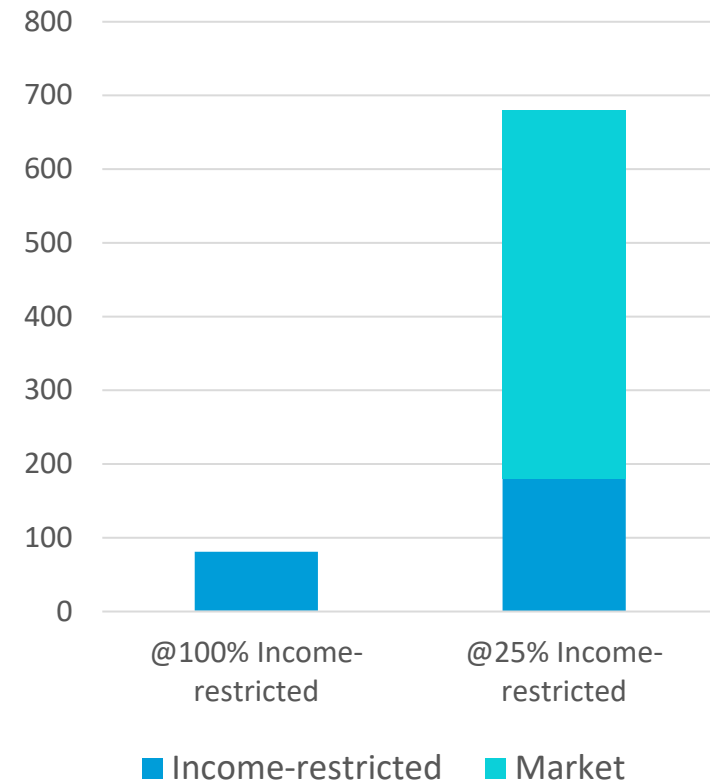
- 100% Income-Restricted
- Inclusionary
- Market Rate Units

Additional Policy Changes



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

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



Next Steps

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



Metro

Board Report

File #: 2021-0448, **File Type:** Motion / Motion Response

Agenda Number:

**REGULAR BOARD MEETING
JUNE 24, 2021**

Motion by:

DIRECTORS DUPONT-WALKER AND SOLIS

Related to Item 15: Joint Development Policy Update

SUBJECT: JOINT DEVELOPMENT POLICY UPDATE AMENDMENT

DUPONT-WALKER AND SOLIS AMENDMENT:

We move that the Board direct the CEO to report back at the September 2021 Planning and Programming Committee on:

- A. The feasibility of setting a portfolio-wide goal of 50% consistent with Metro's joint development forecast;
- B. Best practices from peer agencies for encouraging community-based development; and
- C. Recommendations for strategies and incentives to support community-based development, small and medium-sized contractor participation and local hire in order to avoid favoring big businesses and to create a level playing field for all to compete.

Also include in the September report back consideration of an overall goal for the number of units produced.

The report back should include the feasibility of developing affordable housing on land acquired for major capital projects in parallel with the delivery of the projects and the feasibility of launching community land trust initiatives similar to those of the County of Los Angeles.

Lastly, the report back should also consider inclusion of project labor agreements in joint developments.



Next stop: vibrant communities.

Joint Development Policy Report Back

Planning & Programing Committee

October 20, 2021

Legistar File #2021-0496



Recommended Action

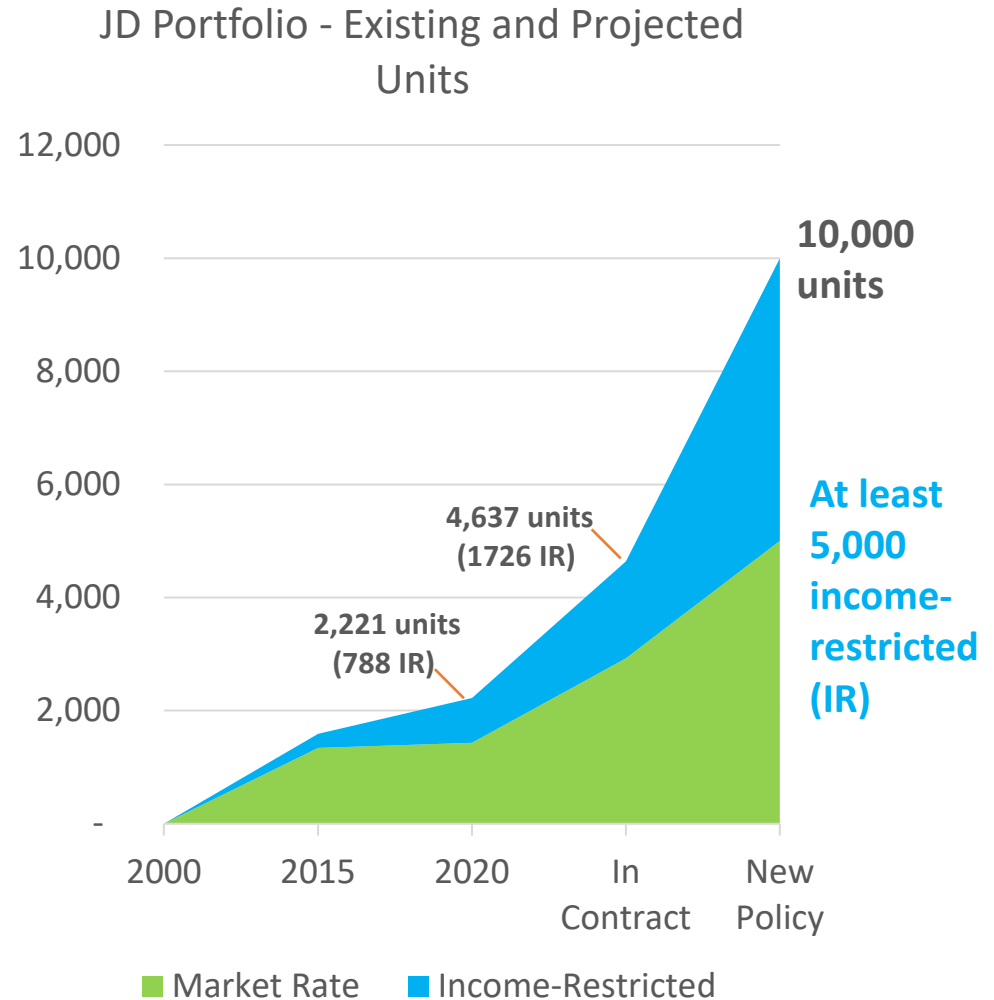
- A. APPROVE a ten-year Joint Development goal of completing 10,000 housing units, at least 5,000 of which will be income-restricted; and
- B. RECEIVE AND FILE the report back as directed by the Dupont-Walker and Solis Board approved Motion 15.1

Motion 15.1 Summary:

1. Establishing Portfolio Goals
2. Assessing feasibility of parallel housing/transit delivery
3. Encouraging community-based development
4. Small and medium-sized contractor participation
5. Project Labor Agreements
6. Exploring Community Land Trust potential

Establish Portfolio Goals

- JD Portfolio model evaluates 48 *potential*, but representative, sites
- **10-YEAR GOAL:**
 - **10,000** total completed units
 - 5,000 (**50%**) income-restricted units
- Additional considerations for JD project delivery
 - Market conditions
 - Delivery of pillar projects
 - Staff resources



Parallel housing/transit delivery

PROPERTY ACQUISITION

Early Planning/ Feasibility

- Review potential acquisition sites to maximize JD potential.

Enviro Review & Conceptual Engineering

- Screen potential construction staging sites to maximize JD potential.

Preliminary Engineering

- Review engineering drawings to preserve JD opportunities.

Final Design & Build

- Study physical and market feasibility of potential JD sites.
- Initiate community visioning.
- Solicit proposals, negotiate and refine JD sites.
- Coordinate with construction team on early use of property.

Operate & Maintain

- Construct JD projects.

- TOC Implementation Plan (Board-approved Fall 2020) includes internal strategies for integrating TOC planning, including identifying joint opportunity sites, into Measure M corridor delivery process
- The Housing Lab and the Housing Accelerator work will continue to explore improvements in concurrent planning activities.

Community-Based Economic Development

Ongoing Research

- Administered a survey of peer transit agencies and municipal professionals to collect information on best practices
- Held interviews with developers and area experts
- Additional research to be conducted through the Housing Lab and SCAG partnership

Emerging Themes

- Definition/criteria and database of Community Based Development Organization (CBDO) is needed
- CBDO participation must be meaningful to be successful
- Capacity building to support predevelopment expenses and overcome barriers to entry may be necessary
- Relationship building among small- and medium-sized contractors, CBDOs and traditional developers is needed

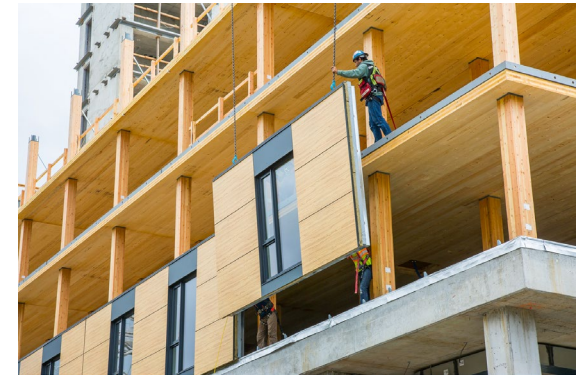
PLA / CLT

Project Labor Agreements

- JD Policy was updated in 2017 to include the Metro Project Labor Agreement and Construction Careers Policy (PLA/CCP) for projects greater than 60 units in size
- 2021 JD Policy update maintained this provision

Community Land Trusts

- A key goal of the Housing Lab is to realize a project with a Community Land Trust model
- Staff will work with the LA County CLT working group and other stakeholders to create a collaborative transit-oriented land trust project



Next Steps

- Coordinate with Office of Equity and Race to create specific CBDO definition/criteria
- Build database and invest in strengthening relationships with key CBDOs
- Develop requirement for meaningful CBDO participation in Joint Development defined by a menu of examples such as JV, profit sharing, fee developer, etc.
- Collaborate with DEOD to leverage existing small- and medium-sized contractor participation strategies
- Continue best practices research under auspices of JD Housing Lab and track attributes of developer partners to enable robust equity analysis



Board Report

File #: 2021-0624, File Type: Contract

Agenda Number: 8.

**PLANNING AND PROGRAMMING COMMITTEE
OCTOBER 20, 2021**

SUBJECT: I-405 SEPULVEDA PASS (PHASE 1) EXPRESSLANES INVESTMENT GRADE TRAFFIC AND REVENUE STUDY; AND I-10 EXPRESSLANES EXTENSION INVESTMENT GRADE TRAFFIC AND REVENUE STUDY

ACTION: AWARD CONTRACTS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. EXECUTE firm fixed price Contract No. PS67379000 with CDM Smith for comprehensive investment grade Traffic and Revenue (T&R) modeling services to produce the I-405 (Sepulveda Pass (Phase 1) ExpressLanes Investment Grade Traffic and Revenue (T&R) Study, for a three-year performance period, effective on November 20, 2021, in the amount of \$1,455,718 subject to the resolution of properly submitted protest(s), if any; and
- B. EXECUTE firm fixed price Contract No. PS67450000 with CDM Smith for comprehensive investment grade Traffic and Revenue (T&R) modeling services to produce the I-10 ExpressLanes Extension Investment Grade Traffic & Revenue (T&R) Study, for a two-year performance period, effective on November 20, 2021, in the amount of \$1,363,452 subject to the resolution of properly submitted protest(s), if any.

ISSUE

In January 2017, following previous Board direction, the Congestion Reduction Department initiated planning studies for the conversion of High Occupancy Vehicle (HOV) lanes into High Occupancy Toll (HOT) lanes for two projects within Tier 1 of the ExpressLanes Strategic Plan. Interstate 405 (I-405) Sepulveda Pass (Phase 1) ExpressLanes between I-10 and US-101 and I-10 ExpressLanes Extension between I-605 and the Los Angeles/San Bernardino County line are among the Tier 1 projects slated for near term implementation.

To continue the planning efforts required for I-405 Sepulveda Pass (Phase 1) and the extension of I-10 ExpressLanes, professional services are required to support the development of the Investment Grade T&Rs to assess and confirm toll rates and potential toll revenue that could be used to operate, maintain, fund construction of the projects as well as net toll revenues for improvements within the corridor.

BACKGROUND

In November 2014, the Board directed the preparation of a Countywide ExpressLanes Strategic Plan (Strategic Plan) based on the success of the I-110 and I-10 ExpressLanes. In January 2017, Board direction included initiating planning studies for Tier 1 ExpressLanes projects in Los Angeles County as identified in the Strategic Plan. The I-405 and the I-10 Extension ExpressLanes projects are prioritized as Tier 1 near-term efforts.

The Project Study Report/Project Development Support (PSR/PDS) for projects in the Tier 1 Network, inclusive of the I-405 Sepulveda Pass (Phase 1) ExpressLanes and the I-10 ExpressLanes Extension were completed in January 2021. The I-405 Sepulveda Pass (Phase 1) ExpressLanes Project Approval/Environmental Document (PA/ED) efforts which were paused in May 2020 due to the COVID-19 pandemic, resumed in December 2020 with completion anticipated in December 2023. The I-10 ExpressLanes Extension PA/ED effort recently approved by the Board is slated to begin in Fall 2021. The I-405 Sepulveda Pass (Phase 1) ExpressLanes has \$260 million in Measure M dedicated funding. Both projects are included in the Twenty-Eight by '28 Initiative.

DISCUSSION

The current phase in the planning process for the I-405 Sepulveda Pass (Phase 1) ExpressLanes Project and the I-10 ExpressLanes Extension is the PA/ED phase which includes preparation of engineering and environmental studies, Concept of Operations (ConOps), and community outreach and engagement activities. The PA/ED consists of two components, the Project Report (PR) and Environmental Document (ED). The PR will prepare preliminary engineering of the studied alternatives at a level of detail such that the potential impacts of those alternatives can be identified. The ED includes the necessary reports/analysis as required by the California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA), including environmental justice, air quality, community, noise, hazardous waste, biological, and cultural resource studies. In addition, investment grade T&Rs, subject to board approval, must be prepared that will provide toll rates and toll revenue estimates in these corridors. Toll revenue will fund operations and maintenance costs and can be leveraged for project construction, as well as fund transit enhancements, active transportation, and roadway improvements.

Metro will continue to coordinate with Caltrans for review and oversight on the PA/ED and other related study efforts. With Board approval, the work associated with the Investment Grade T&Rs will be initiated upon execution of the contracts.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Strategic Goal 1: Provide high quality mobility options that enable people to spend less time traveling. ExpressLanes provides drivers and transit users with the option of a more reliable trip while improving the overall operational efficiency of the freeway network.

EQUITY PLATFORM

As part of the Investment Grade T&R contract, data will be collected on travel patterns in the corridor

and the willingness of drivers from within the respective project area to pay tolls in relation to potential travel time saved through a Stated Preference Survey (SPS). HOVs meeting the occupancy requirements will still travel free on the ExpressLanes with a transponder; the general-purpose lanes will remain free.

The SPS asks questions such as trip origin and destination, trip purpose, time/day of the trip, routes used, income level, and number of occupants on the trip. The Rapid Equity Assessment Tool (REA) was applied to identify the survey area for the Stated Preference Survey (SPS), particularly in identifying Equity Focus Communities (EFCs) in the I-405 and I-10 corridors. EFCs will be surveyed as part of the SPS and survey responses from EFCs will be identified by requiring survey respondents to provide their ZIP code.

Through gathering data in the SPS on how and where people travel in the corridor, the T&R will assist Metro in identifying transportation improvements in the corridor that could be funded through net toll revenue, which could reduce potential inequities and disparate impacts to the most vulnerable corridor users. The SPS is able to prioritize EFCs along each of the corridors and the contract scope focuses on EFC populations' survey participation and data contribution towards the overall T&R. One approach is to oversample or send out more surveys to individuals within EFCs.

Metro grants approximately \$8 million in toll revenues annually to incremental additional transit service on the ExpressLanes benefiting the I-10 and I-110 corridors. It is anticipated that similar reinvestments could be made as part of the I-10 ExpressLanes Extension and I-405 Phase 1 ExpressLanes projects, subject to availability of funds.

As noted earlier, the Investment Grade T&R is part of the larger PA/ED effort that will prepare the PR and ED. The ED will include environmental justice/equity, socioeconomic analysis, noise, air quality, visual, and community impacts and extensive outreach to communities along the corridor. The ED's Community Impact Assessment (CIA), as required by state and federal law, identifies minority, low income, and disadvantaged populations along the corridor using socio-economic data from the Census Bureau and SCAG. The CIA is meant to clearly describe the existing conditions and potential socio-economic impacts of the project. These reports will identify any significant community impacts and mitigation/improvement measures, as required.

Finally, once these projects are operational, the Low-Income Assistance Plan (LIAP) will provide assistance to low-income populations by providing free toll credits and waiver of the monthly account maintenance fees.

Metro's Diversity and Economic Opportunity Department (DEOD) established a 12% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for PS67379000 and PS67450000. CDM Smith exceeded the goals for both procurements by making a 21.09% SBE and 3.02% DVBE commitment for PS67379000 and a 14.02% SBE and 3.01% DVBE commitment for PS67450000.

FINANCIAL IMPACT

Funds in the amount of \$2,819,170 are needed to conduct this work and are available in the FY22 budget in cost center 2220 "Congestion Reduction" and project # 475003 "I-405 Sepulveda

Express Lanes” and 405548 “Congestion Pricing”. Because this is a multi-year program, the cost center manager and the Executive Officer, Congestion Reduction programs, will be responsible for budgeting for future years.

Impact to Budget

Funds for this action will come from dedicated Measure M funding for the I-405 Sepulveda Pass (Phase 1) ExpressLanes Project and I-10 toll revenues for the I-10 ExpressLanes Extension Project. Toll revenues are not eligible as direct funding for bus and rail operations and other capital improvements.

ALTERNATIVES CONSIDERED

The Board could choose not to award this contract. This is not recommended as it would delay related project efforts including engineering and environmental studies, public outreach activities, potential funding opportunities, and jeopardize the overall project completion schedule.

Additionally, since the I-405 Sepulveda Pass (Phase 1) Project and I-10 ExpressLanes Extension Project are part of Metro ExpressLanes Strategic Plan Tier 1 prioritized projects with Measure M dedicated funding (\$260 million) for the I-405 Sepulveda Pass (Phase 1) ExpressLanes Project.

NEXT STEPS

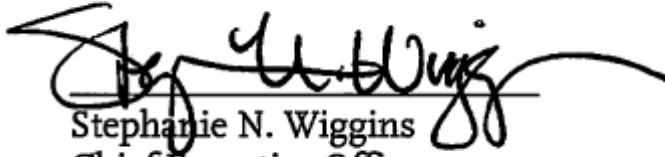
Upon Board approval, staff will execute the contracts with CDM Smith to initiate work associated with the projects.

ATTACHMENTS

- Attachment A - I-405 Sepulveda Pass (Phase 1) ExpressLanes Procurement Summary
- Attachment B - I-405 Sepulveda Pass (Phase 1) ExpressLanes DEOD Summary
- Attachment C - I-10 ExpressLanes Extension Procurement Summary
- Attachment D - I-10 ExpressLanes Extension DEOD Summary

Prepared by: Alice Tolar, Sr. Manager, Transportation Planning, Congestion Reduction, 213.418.3334
Daniel Tran, Manager, Transportation Planning, Congestion Reduction, 213.236.1883
Mark Linsenmayer, Deputy Executive Officer, Congestion Reduction, 213.922.5569

Reviewed by: Shahrzad Amiri, Executive Officer, Congestion Reduction, 213.922.3061
Debra Avila, Chief Vendor/Contract Management Officer, 213.418.3051



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

I-405 EXPRESSLANES SEPULVEDA PASS PHASE I INVESTMENT GRADE
TRAFFIC AND REVENUE STUDY/PS67379000

1.	Contract Number: PS67379000	
2.	Recommended Vendor: CDM Smith, Inc.	
3.	Type of Procurement (check one): <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.	Procurement Dates:	
	A. Issued : 1/28/2020	
	B. Advertised/Publicized: 1/24/2020	
	C. Pre-Proposal Conference: 2/5/2020	
	D. Proposals Due: 2/28/2020	
	E. Pre-Qualification Completed: 3/12/2020	
	F. Conflict of Interest Form Submitted to Ethics: 8/3/2021	
	G. Protest Period End Date: 10/25/2021	
5.	Solicitations Picked-up/ Downloaded: 53	Proposals Received: 1
6.	Contract Administrator: Andrew Conriquez	Telephone Number: 213-922-3528
7.	Project Manager: Alice Tolar	Telephone Number: 213-418-3334

A. Procurement Background

This Board Action is to approve the award of Contract No. PS67379000 with CDM Smith, issued to perform the I-405 ExpressLanes Sepulveda Pass Phase I Investment Grade Traffic and Revenue Study. Board approval of contract awards are subject to the resolution of any properly submitted protest(s).

On January 28, 2020, staff released Request for Proposals (RFP) PS67379 in accordance with Metro's Acquisition Policy and the contract type is firm fixed price.

No amendments were issued during the solicitation phase of this RFP.

A pre-proposal conference was held on February 5, 2020 and was attended by 14 participants representing eight companies. There were 7 questions asked and responses were released prior to the proposal due date. A total of 53 firms downloaded the RFP and were registered on the planholders list.

On February 28, 2020, one proposal was received from CDM Smith, Inc. Staff conducted a market survey to determine why no other proposals were received. Responses included such reasons as "the work required was not in their area of expertise" and "lack of resources and time to submit a proposal."

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro Congestion Reduction Department was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights that were published in the RFP:

- Proposed Team’s Qualifications and Experience 30 percent
- Firm’s Technical Approach 25 percent
- Team’s Management Approach 25 percent
- Partnering with Small Businesses 10 percent
- Cost 10 percent

The evaluation criteria are appropriate and consistent with criteria developed for other similar procurements in the past. Several factors were considered when developing these weights, giving the greatest importance to Proposed Team’s Qualifications and Experience.

On September 16, 2021, the PET completed its independent evaluation of the proposal and determined CDM Smith’s proposal to be responsible and responsive to the requirements of the RFP.

Due to the COVID-19 pandemic impacts experienced in 2020, including a reduction in traffic volumes on local freeways, this procurement was placed on hold until now.

Qualifications Summary of Recommended Firm:

CDM Smith, Inc.

CDM Smith, Inc., is a nationally recognized expert in traffic and revenue studies, supporting the feasibility assessment of pricing, revenue estimating, transportation operations, and congestion pricing.

The CDM Smith team has over five decades of toll facility support and their depth of tolling experience and successful delivery of traffic and revenue analyses in the industry. CDM Smith, Inc. has supported two similar studies in nature and complexity for Los Angeles County Metropolitan Transportation Authority.

Below is a summary of the firm’s score:

	Firm	Weighted Average Score	Factor Weight	Average Score	Rank
1	CDM Smith, Inc.				

2	Proposed Team's Qualifications and Experience	88.33	30.00%	26.50	
3	Firm's Technical Approach	88.00	25.00%	22.00	
4	Team's Management Approach	84.60	25.00%	21.15	
5	Partnering with Small Businesses	86.67	10.00%	8.67	
6	Cost	100.00	10.00%	10.00	
7	Total		100.00%	88.32	1

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), cost analysis, technical analysis, and fact finding. The recommended price exceeds the original proposal amount for two reasons. First, additional effort is needed to assess the impacts of COVID-19 on traffic volume. This will be done by collecting additional historical data and comparing that with traffic data that will be collected as part of the EIR. In addition, the stated preference survey area will be expanded to include Equity Focus Communities identified along the 405 corridor.

Proposer Name	Proposal Amount	Metro ICE	Negotiated Amount
CDM Smith, Inc.	\$1,138,132	\$1,552,315	\$1,455,718

D. Background on Recommended Contractor

The recommended firm, CDM Smith, Inc., is a professional consultancy firm that is nationally recognized in traffic and revenue studies. CDM Smith, Inc., has conducted hundreds of T&R studies that have supported over \$120 billion in toll financing for transportation infrastructure. In addition, they have supported more than 40 percent of the recent investment grade studies for toll financed projects in the U.S. since 2010 and have supported the assessment of express/managed lane projects around the country, including 27 express lane projects currently operating in the United States.

The proposed project manager has 20 years of experience in managing toll feasibility analyses and travel demand modeling projects for both private and public agencies. His areas of specialization include toll diversion modeling and financial analysis; urban, intercity, and statewide regional travel demand forecasting; AET feasibility analysis; new mode modeling and analysis; traveler's behavioral theory; discrete choice models; stated preference and revealed preference survey design and implementation; and software interface development.

Key personnel have over 21 years of project experience that include I-605 Express Lanes Revenue Study, I-105 Express Lanes investment Grade Traffic and Revenue Study for LACMTA, I-10 and I-15 Express Lanes Investment Grade Traffic and Revenue Study for the San Bernardino County Transportation Authority, and 91 Express Lanes Traffic and Revenue Study for Orange County Transportation Authority.

DEOD SUMMARY

**I-405 EXPRESSLANES SEPULVEDA PASS PHASE I INVESTMENT GRADE
TRAFFIC AND REVENUE STUDY/PS67379000**

A. Small Business Participation (PS67379000)

The Diversity and Economic Opportunity Department (DEOD) established a 12% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. CDM Smith exceeded the goal by making a 21.09% SBE and 3.02% DVBE commitment.

Small Business Goal	12% SBE 3% DVBE	Small Business Commitment	21.09% SBE 3.02% DVBE
----------------------------	----------------------------	----------------------------------	----------------------------------

	SBE Subcontractors	% Committed
1.	Economic & Planning Systems	6.72%
2.	Redhill Group	12.72%
3.	Wiltec	1.65%
	Total Commitment	21.09%

	DVBE Subcontractors	% Committed
1.	SourceOne Communications	3.02%
	Total Commitment	3.02%

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

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

PROCUREMENT SUMMARY

I-10 EXPRESSLANES EXTENSION INVESTMENT GRADE TRAFFIC AND REVENUE
STUDY/PS67450000

1.	Contract Number: PS67450000	
2.	Recommended Vendor: CDM Smith, Inc.	
3.	Type of Procurement (check one): <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.	Procurement Dates:	
	A. Issued : 1/28/2020	
	B. Advertised/Publicized: 1/24/2020	
	C. Pre-Proposal Conference: 2/5/2020	
	D. Proposals Due: 2/28/2020	
	E. Pre-Qualification Completed: 3/12/2020	
	F. Conflict of Interest Form Submitted to Ethics: 8/3/2021	
	G. Protest Period End Date: 10/25/2021	
5.	Solicitations Picked-up/ Downloaded: 33	Proposals Received: 1
6.	Contract Administrator: Andrew Conriquez	Telephone Number: 213-922-3528
7.	Project Manager: Daniel Tran	Telephone Number: 213-922-2313

A. Procurement Background

This Board Action is to approve the award of Contract No. PS67450000 with CDM Smith, issued to perform the I-10 ExpressLanes Extension Investment Grade Traffic and Revenue Study. Board approval of contract awards are subject to the resolution of any properly submitted protest(s).

On January 28, 2020 staff released Request for Proposals (RFP) PS67450 in accordance with Metro's Acquisition Policy and the contract type is firm fixed price.

No amendments were issued during the solicitation phase of this RFP.

A pre-proposal conference was held on February 5, 2020 and was attended by 14 participants representing eight companies. There were 7 questions asked and responses were released prior to the proposal due date. A total of 53 firms downloaded the RFP and were registered on the planholders list.

On February 28, 2020, one proposal was received from CDM Smith, Inc. Staff conducted a market survey to determine why no other proposals were received. Responses included such reasons as "the work required was not in their area of expertise", and "lack of resources and time to submit a proposal".

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro Congestion Reduction Department was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights that were published in the RFP:

- Proposed Team’s Qualifications and Experience 30 percent
- Firm’s Technical Approach 25 percent
- Team’s Management Approach 25 percent
- Partnering with Small Businesses 10 percent
- Cost 10 percent

The evaluation criteria are appropriate and consistent with criteria developed for other similar procurements in the past. Several factors were considered when developing these weights, giving the greatest importance to Proposed Team’s Qualifications and Experience.

On September 16, 2021, the PET completed its independent evaluation of the proposal and determined CDM Smith’s proposal to be responsible and responsive to the requirements of the RFP.

Due to the COVID-19 pandemic impacts experienced in 2020, including a reduction in traffic volumes on local freeways, this procurement was placed on hold until now.

Qualifications Summary of Recommended Firm:

CDM Smith, Inc.

CDM Smith, Inc., is a nationally recognized expert in traffic and revenue studies, supporting the feasibility assessment of pricing, revenue estimating, transportation operations, and congestion pricing.

The CDM Smith team has over five decades of toll facility support and their depth of tolling experience and successful delivery of traffic and revenue analyses in the industry. CDM Smith, Inc. has supported two similar studies in nature and complexity for Los Angeles County Metropolitan Transportation Authority.

Below is a summary of the firm’s score:

	Firm	Weighted Average Score	Factor Weight	Average Score	Rank
1	CDM Smith, Inc.				

2	Proposed Team's Qualifications and Experience	86.67	30.00%	26.00	
3	Firms Technical Approach	89.33	25.00%	22.33	
4	Teams Management Approach	84.60	25.00%	21.15	
5	Partnering with Small Businesses	86.67	10.00%	8.67	
6	Cost	100.00	10.00%	10.00	
7	Total		100.00%	88.15	1

C. Cost Analysis

The recommended price has been determined to be fair and reasonable based upon an independent cost estimate (ICE), cost analysis, technical analysis, and fact finding. The recommended price exceeds the original proposal amount and ICE for two reasons. First, additional effort is needed to assess the impacts of COVID-19 on traffic volume. This will be done by collecting additional historical data and comparing that with traffic data that will be collected as part of the EIR. In addition, the stated preference survey area will be expanded to include Equity Focus Communities identified along the 10 corridor.

Proposer Name	Proposal Amount	Metro ICE	Negotiated Amount
CDM Smith, Inc.	\$1,080,354	\$1,281,116	\$1,363,452

D. Background on Recommended Contractor

The recommended firm, CDM Smith, Inc., is a professional consultancy firm that is nationally recognized in traffic and revenue studies. CDM Smith, Inc., has conducted hundreds of T&R studies that have supported over \$120 billion in toll financing for transportation infrastructure. In addition, they have supported more than 40 percent of the recent investment grade studies for toll financed projects in the U.S. since 2010 and have supported the assessment of express/managed lane projects around the country, including 27 express lane projects currently operating in the United States.

The proposed project manager has 20 years of experience in managing toll feasibility analyses and travel demand modeling projects for both private and public agencies. His areas of specialization include toll diversion modeling and financial analysis; urban, intercity, and statewide regional travel demand forecasting; AET feasibility analysis; new mode modeling and analysis; traveler's behavioral theory; discrete choice models; stated preference and revealed preference survey design and implementation; and software interface development.

Key personnel have over 21 years of project experience that include I-605 Express lanes Revenue Study, I-105 Express lanes investment Grade Traffic and Revenue Study for LACMTA, I-10 and I-15 Express Lanes Investment Grade Traffic and Revenue Study for the San Bernardino County Transportation Authority, and 91 Express Lanes Traffic and Revenue Study for Orange County Transportation Authority.

DEOD SUMMARY

I-10 EXPRESSLANES EXTENSION INVESTMENT GRADE TRAFFIC AND REVENUE STUDY/PS67450000

A. Small Business Participation (PS67450000)

The Diversity and Economic Opportunity Department (DEOD) established a 12% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this solicitation. CDM Smith exceeded the goal by making a 14.02% SBE and 3.01% DVBE commitment.

Small Business Goal	12% SBE 3% DVBE	Small Business Commitment	14.02% SBE 3.01% DVBE
----------------------------	----------------------------	----------------------------------	----------------------------------

	SBE Subcontractors	% Committed
1.	Economic & Planning Systems	8.17%
2.	Redhill Group	3.85%
3.	Wiltec	2.00%
	Total Commitment	14.02%

	DVBE Subcontractors	% Committed
1.	SourceOne Communications	3.01%
	Total Commitment	3.01%

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

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

**Board Report**

File #: 2021-0587, **File Type:** Policy**Agenda Number:** 9.

**PLANNING AND PROGRAMMING COMMITTEE
OCTOBER 20, 2021****SUBJECT: STATE ACTIVE TRANSPORTATION PROGRAM****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

APPROVE the:

- A. State Active Transportation Program (ATP) Cycle 6 Grant Assistance Priorities in Attachment A; and
- B. Regional ATP Point Assignment Method as described in Attachment B.

ISSUE

Cycle 6 of the ATP will award \$445 million over Fiscal Years (FY) 2024-2027. Policies for the provision of grant assistance as well as the assignment of the 10 points for the Large Metropolitan Planning Organization (MPO) competition need to be balanced to advance a group of competitive projects likely to be a good fit for the Statewide ATP selection criteria. Metro seeks to give local agencies an effective incentive to pursue projects that implement Metro plans and policies, ultimately maximizing the amount of funds awarded to Los Angeles County to invest in ATP projects.

BACKGROUND

The ATP is a competitive funding program created by Senate Bill 99 and Assembly Bill 101 in 2013 to encourage increased use of active modes of transportation such as bicycling and walking. The California Transportation Commission (CTC) administers the ATP in sequential Statewide, Small Urban and Rural, and Large MPO Competitions. All Los Angeles County candidate projects not awarded funding through the Statewide Competition, which allocates 50% of available funding, are then considered solely in the Large MPO Competition, which allocates 40% of available funding. For the Large MPO Competition, Senate Bill 99 requires the Southern California Association of Governments (SCAG) to select projects in consultation with its member counties, which is accomplished by Metro's assignment of up to 10 points to be added to each project's Statewide Competition score. The CTC has administered five ATP cycles to date, awarding approximately \$585 million for Los Angeles County projects between Statewide and Large MPO Competitions combined.

DISCUSSION

As the ATP is a rigorous and competitive program, Metro has provided grant-writing services to Metro project managers and local agencies for the past five cycles to support the development of strong applications that increase the likelihood of Los Angeles County's collective success. Of the \$585 million awarded to Los Angeles County, \$308 million, or 53% was awarded to Metro-assisted applications. Cycle 6 represents an opportunity to continue and fine-tune priorities and policies to incentivize the delivery of projects that align with ATP criteria and priorities, as well as Metro plans and priorities.

Grant Assistance Priorities

For ATP Cycle 6 Metro staff proposes to continue applying the framework approved by the Board in October 2019 (File ID 2019-0671) with a few modifications to ensure the selection of projects are likely to fit well with the state ATP selection criteria and contribute to the implementation of Metro plans and priorities. The existing framework calls for the following:

- 75% of overall grant assistance to be directed to first/last mile projects sponsored by Metro and other local jurisdictions
- 25% of overall grant assistance to be directed to other state ATP-eligible projects including but not limited to Call for Projects, LA River Path, Rail to River, Regional Bike Share, and the I-710 Active Transportation Corridor - each of which helps implement the Metro Active Transportation Strategic Plan
- The use of the following prioritization protocol if requests for grant writing assistance exceed available resources:
 - Priority will first be assigned to project sponsors that can clearly demonstrate resource/technical limitations that would hinder submission of a complete and competitive grant application.
 - Second priority will be assigned to projects sponsors that are in compliance with Metro's Complete Streets Policy (e.g. have an adopted Complete Streets Policy, an adopted City/County Resolution supporting Complete Streets, or an adopted General Plan consistent with the California Complete Streets Act of 2008).

Last cycle, Metro staff introduced a community engagement screening as part of the grant assistance project selection process. The purpose was to assess the extent and quality of community outreach performed in support of the project. Metro staff will continue this assessment as part of the grant assistance project selection process.

For ATP Cycle 6, some degree of modification is needed to the existing framework priorities to reflect updated Metro Board priorities and strengthen implementation of Metro's Complete Streets Policy. The changes are as follows:

- Metro Equity Focus Communities. If requests for grant writing assistance exceed available

resources, priority will first be assigned to projects located within Metro Equity Focus Communities (EFCs), as defined in the Long Range Transportation Plan. This proposed change will shift the focus of the grant assistance selection process from the technical abilities of local jurisdictions to the potential for projects to serve high-need, low-resourced communities. Using the EFCs will ensure that the process to select projects for grant assistance is informed by a tool developed with equitable outcomes in mind, therefore directing resources to projects that can help increase access to opportunity in EFCs. The current first priority - that project sponsors can demonstrate resource/technical limitations - will now become the second priority, applicable only if requests for grant writing assistance for projects within EFCs exceed available grant assistance resources.

- Compliance with Metro's Complete Streets Policy. Compliance with Metro's Complete Streets Policy of 2014 will be required of all local agencies seeking Metro grant assistance. For the previous cycle of grant assistance, the intent of including compliance with Metro's Complete Streets Policy as the second priority rather than a requirement was to: 1) signal to local agencies that the Complete Streets policy that applies to the Call for Projects and other Metro funding opportunities would also apply to Metro grant assistance for the ATP, and 2) allow local agencies without Complete Streets policies or qualifying documents time to come into compliance and remain eligible for Metro grant assistance in the future. Metro staff hold an annual Complete Streets Policy training opportunity to assist local agencies that are non-compliant. Metro staff also make themselves available for individual meetings with local agencies to provide maximum scheduling flexibility. At this time Metro has provided local agencies with sufficient time and resources to come into compliance, resulting in a nearly two-thirds compliance rate for local jurisdictions. Requiring compliance with Metro's Complete Streets Policy will continue to allow many agencies the opportunity to be considered for Metro grant assistance and create an incentive for them to come into compliance.
- Potential Project Impacts. Staff proposes to improve the evaluation process for grant assistance project selection by considering a project's potential benefits, harms, and mitigations. As part of the existing application process for grant assistance, local agencies are asked to describe expected project benefits, particularly for projects located in Disadvantaged Communities as defined by the ATP. Requesting applicants to also describe potential project harms and mitigations will encourage them to fully consider how a proposed project will impact the local community.

The proposed updated policy is in Attachment A, Grant Assistance Priorities.

Point Assignment Policy

Senate Bill 99 requires SCAG to select projects in consultation with its member counties. SCAG accomplishes this requirement by combining up to 20 points assigned by member counties with up to 100 points from the Statewide Competition score for each ATP project application to generate an updated project score. Each member county receives a population-based share of SCAG's MPO Competition funds and determines how projects are funded through adoption of a point assignment methodology. For Los Angeles County, Metro elects to use a methodology that is based on only 10 points in order to maintain a balance between state and Metro priorities.

The existing point assignment method provides up to three out of 10 points to projects that are located within Disadvantaged Communities, as defined by the ATP. Staff proposes to assign these three points to projects that are located within EFCs instead. Staff at this time do not propose any changes to the methodology for assigning the other seven out of 10 points, which are assigned based on consistency with local and regional plans, demonstration of community engagement, and implementation of first/last mile improvements.

The proposed updated policy is in Attachment B, Point Assignment Method.

DETERMINATION OF SAFETY IMPACT

The recommendations in this report will provide policies to facilitate the seeking of funds to improve safety, comfort, and convenience to the 75 to 88 percent of Metro customers accessing major transit facilities via active transportation.

FINANCIAL IMPACT

Impact to Budget

Approving the staff recommendations will have no impact on the FY 2022 Budget. Funds for grant assistance have already been budgeted in the FY 2022 Budget for Cost Center 4420 under Project 405510, Task 05.05.01. Funds obtained for first/last mile projects will offset the need for resources to implement the Countywide First/Last Mile Priority Network.

EQUITY PLATFORM

Overall, the changes to the ATP Grant Assistance Priorities Framework and 10 Point Policy seek to build upon and refine the ways the existing policies prioritize equity in the selection of projects for technical assistance and ATP funds from the MPO Competition.

By prioritizing and giving preferential points for projects located within EFCs, the policies aim to direct resources to projects that will improve safety for people walking, rolling, and riding transit; improve/create alternatives to driving; and support improved health outcomes in high-need communities. Further, by utilizing the countywide EFC definition, rather than the statewide DAC ranking, high-need communities will be more accurately captured within Los Angeles County. By requiring Complete Streets compliance, the policies aim to encourage local agencies to adopt policies that will set the stage for future actions that consider the mobility of all users of the road, including those who walk or roll.

However, Metro staff recognizes that active transportation projects are not always inclusively planned and implemented in EFCs, sometimes leading to stakeholder concerns about the project. The implication is that although the policies prioritize projects located in EFCs, the projects themselves may not have been developed or ultimately implemented in ways that center equity or community voice. To mitigate the potential for harm, Metro staff will require that grant assistance applicants provide documentation of past or planned community engagement and potential project impacts to

the community. Metro staff also recognizes that not all jurisdictions are currently in compliance with the Complete Streets Policy, and some non-compliant jurisdictions may include EFCs. The implication is that projects from those jurisdictions will be barred from receiving grant assistance and additional points from the MPO Competition. To mitigate the potential for harm, Metro staff will identify non-compliant jurisdictions that include EFCs and provide targeted support and resources to help them come into compliance. This will be similar to the way Metro staff targeted non-compliant cities for training during ATP Cycle 5 so that they could come into compliance and be eligible for points from the MPO Competition. Metro staff regularly provides updates on the ATP to the Metro Technical Advisory Committee and Streets and Freeways Subcommittee, and through this process, introduced these ATP policy changes. Additionally, Metro staff developed these policies with an eye toward creating consistency with other Metro programs and state ATP requirements that were developed through series of public community meetings.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This report seeks approval of policies that will support Vision 2028 Goal 1, Initiative 1.1: To expand the transportation network and increase mobility for all users, Metro will target infrastructure and service investments toward those with the greatest mobility needs. The proposed policies incorporate equity platform practices into decision-making that will help direct active transportation investments to communities with the highest needs.

ALTERNATIVES CONSIDERED

The Board could elect not to adopt a grant assistance framework for Cycle 6. Staff does not recommend this alternative, as policies would default to Cycle 5 policies which do not include a requirement for Complete Streets Policy compliance, nor priority for projects located within EFCs. The Board could elect not to adopt the Point Assignment Method at this time. Metro staff does not recommend this alternative as the policy should be adopted timely to allow Los Angeles County project sponsors time to identify and develop projects for the ATP with Metro point assignment policies in mind.

NEXT STEPS

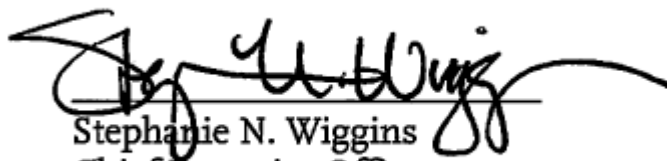
Upon approval, staff will release a solicitation for Letters of Interest for grant assistance. Metro staff will select grant assistance recipients by February 2022 and the grant-writing process will begin in March 2022. Metro staff anticipates that ATP applications will be due to the state in summer 2022, with Statewide Competition awards adopted by the CTC in late 2022. At that time Metro staff will work with SCAG to select projects for the Large MPO Competition by assigning up to 10 points to the remaining unfunded projects according to the proposed point assignment policy. Metro staff will report back to the Board on the results of the Statewide and Large MPO Competitions.

ATTACHMENTS

Attachment A - Grant Assistance Priorities
Attachment B - Point Assignment Method

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Stephanie N. Wiggins
Chief Executive Officer

Grant Assistance Priorities

In October 2019, the Metro Board adopted the ATP Cycle 5 Priorities Framework to guide the allocation of Metro's grant-writing assistance (File ID). This existing framework calls for the following:

- 75% of overall grant assistance to be directed to first/last mile projects sponsored by Metro and other local jurisdictions
- 25% of overall grant assistance to be directed to other state ATP-eligible projects including but not limited to Call for Projects, LA River Path, Rail to River, Regional Bike Share, and the I-710 Active Transportation Corridor—each of which helps implement the Metro Active Transportation Strategic Plan
- In all cases, if requests for grant writing assistance exceed available resources, first priority will be assigned to project sponsors that can clearly demonstrate resource/technical limitations that would hinder submission of a complete and competitive grant application and second priority will be assigned to project sponsors who are in compliance with Metro's Complete Streets Policy (i.e. have an adopted Complete Streets Policy, an adopted City/County Resolution supporting Complete Streets, or an adopted General Plan consistent with the California Complete Streets Act of 2008)

For ATP Cycle 5, Metro staff introduced a community engagement screening as part of the grant assistance project selection process. The purpose was to assess the extent and quality of community outreach performed in support of the project. Metro staff will continue this assessment as part of the grant assistance project selection process.

For ATP Cycle 6 Metro staff proposes to continue applying the approved framework to ensure the selection of projects which are likely to fit well with the State ATP selection criteria and contribute to implementing Metro plans and priorities. However, staff recognizes that modification is needed to reflect updated board priorities and strengthen implementation of Metro's Complete Streets Policy of 2014. The modifications proposed are as follows:

- Since ATP Cycle 5, the Metro Board adopted the Equity Focus Communities (EFCs) as a tool to help identify high-need, low-resourced communities. Metro staff proposes using EFCs as a first prioritization tool and making the current Cycle 5 priority method of evaluating the resource/technical limitations of local jurisdictions as the second priority. This change will shift the focus of the grant assistance selection process from local jurisdictions' staff/technical abilities to potential for projects to serve high-need communities. Using the EFCs will ensure that the process to select projects for grant assistance is informed by a tool developed with equitable outcomes in mind and will direct resources to projects that can help increase access to opportunity in high-need communities.

- The Metro Complete Streets Policy of 2014 requires that cities and the County of Los Angeles have an adopted local Complete Streets policy, an adopted City Council Resolution in support of Complete Streets, or an adopted General Plan consistent with the state's Complete Streets Act of 2008 in order to apply for Metro capital grant funding programs. Metro staff proposes to elevate Complete Streets compliance from a secondary priority to a requirement for grant assistance consideration. At the time the Board adopted the Grant Assistance Priorities Framework for ATP Cycle 5, staff stated the intent to make compliance with Metro's Complete Streets Policy a requirement for ATP Cycle 6 and future cycles. Deferring the requirement until ATP Cycle 6 was intended to allow all local jurisdictions the opportunity to adopt required policies or qualify documents. Metro staff hold an annual Complete Streets Policy training opportunity to assist local agencies who are non-compliant. Metro staff also make themselves available for individual meetings with local agencies to provide maximum scheduling flexibility. Nearly two thirds of local jurisdictions are complying currently. Grant assistance can serve as an incentive for noncompliant jurisdictions to become compliant. Staff will identify noncompliant agencies and target assistance and resources to help them come into compliance.
- Active transportation projects have the potential to have positive and negative, even unintentionally, impacts on communities. Staff proposes to encourage these considerations among local agencies by integrating descriptions of a project's potential benefits, harms, and mitigations into the evaluation process for grant assistance project selection. As part of the existing application process for grant assistance, local agencies are asked to describe expected project benefits, particularly for projects located in Disadvantaged Communities as defined by the ATP. Requesting applicants to also describe potential project harms and mitigations will encourage them to fully consider how a proposed project will impact the local community.

Table 1 summarizes the proposed framework for selecting projects for grant assistance for ATP Cycle 6.

Table 1: ATP Cycle 6 Grant Assistance Priorities

Requirement: Project sponsor must have an adopted Complete Streets Policy or other qualifying document in order to be considered for grant assistance.

- 75% of overall grant assistance directed to first/last mile projects sponsored by Metro and other local jurisdictions
- 25% of overall grant assistance to other state ATP-eligible projects that help implement the Metro Active Transportation Strategic Plan
- Should requests for grant writing assistance exceed available resources, priority will first be assigned to projects located within Metro Equity Focus Communities
- Should the number of projects located within Equity Focus Communities continue to exceed available resources or resources remain for projects that are not located within Equity Focus Communities, then Metro will apply a second priority to projects that are sponsored by agencies that can clearly demonstrate resource/technical limitations that would hinder submission of a complete and competitive grant application

ATP Cycle 6 Point Assignment Method

Following the Statewide Competition, applications from within large MPO areas that are not funded are considered in the MPO Competition. Senate Bill 99 requires SCAG to select projects in consultation with its member counties, and to select projects that are consistent with local and regional plans. SCAG accomplishes this by combining points assigned by Metro and the other counties along with points from the Statewide Competition score for each ATP project application.

For ATP Cycle 5, Metro staff used the following method to assign the additional 10 points to Los Angeles County projects:

- Complete Streets Compliance – required to be considered for any points
- Disadvantaged Communities – three points assigned to help ensure Metro’s scoring supports the goals of the Metro Equity Platform.
- Consistency with Local and Regional Plans – one point assigned to recognize board priorities, such as First/Last Mile, leveraging Measure M projects, board-adopted projects, Metro Active Transport Program-prioritized projects, and implementation of the Active Transportation Strategic Plan; one point assigned to ensure projects have community support and potential for successful delivery
- Bonus for First/Last Mile Strategic Plan – five bonus points assigned to projects which support the implementation of the First/Last Mile Strategic Plan and First/Last Mile Board Action 14.1 of May 2016 (File ID 2016-0442).

For ATP Cycle 6, Metro staff proposes modifying the point assignment policy to ensure the policy helps direct resources to Metro-identified high-need communities using the Equity Focus Communities (EFCs) tool. The existing policy supports the goals of the Equity Platform but uses the state’s definitions of high-need communities, Disadvantaged Communities. The Statewide Competition score which Metro augments through this point assignment policy already includes points assigned for projects that provide benefits to and/or are located within Disadvantaged Communities. Assigning three of 10 points based on location within EFCs rather than within Disadvantaged Communities will help advance Metro’s Equity Platform further and reduce duplication of points.

The proposed scoring method for ATP Cycle 6 is shown in Table 1.

Table 1: ATP Cycle 6 Point Assignment Method	Points
Project sponsor must have an adopted Complete Streets Policy or other qualifying document in order to be considered for any points.	
A. Equity Focus Communities	3
B. <ul style="list-style-type: none"> a. Consistency with Local/Regional Plans – Regional Plans <ul style="list-style-type: none"> • Leverages Measure M • Implements the Active Transportation Strategic Plan b. Consistency with Local/Regional Plans – project has robust community support 	1 and/or 1
C. Bonus for First/Last Mile	5
Total (Up to)	10



Board Report

File #: 2021-0548, **File Type:** Informational Report

Agenda Number: 10.

PLANNING AND PROGRAMMING COMMITTEE OCTOBER 20, 2021

SUBJECT: LINK UNION STATION (LINK US) PROJECT

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING Addendum No.1 to the California Environmental Quality Act (CEQA) Final Environmental Impact Report (FEIR); and
- B. ADOPTING a Revised Mitigation Monitoring and Reporting Plan (MMRP) (Attachment A).

ISSUE

On July 1, 2020, new CEQA Guidelines have been implemented statewide pursuant to the requirements of Senate Bill (SB) 743, which requires assessment of transportation impacts using a Vehicle Miles Traveled (VMT) analysis approach. An updated transportation analysis for the Link US Project was prepared using the VMT analysis approach with applicable revisions to the Mitigation Monitoring Report Program (MMRP). Staff is requesting approval of Addendum No. 1 to the CEQA FEIR with a new VMT analysis along with design modifications to the FEIR Project resulting in no new impacts and no significant impacts other than those previously documented in the Link US Project FEIR, which was certified by the Metro Board of Directors in June 2019.

BACKGROUND

The Link US Project will transform how the commuter and intercity rail operates in Southern California with run-through capability at Los Angeles Union Station (LAUS) providing one-seat rides from San Luis Obispo to San Diego, increasing commuter and intercity rail services, and accommodating future high-speed rail service.

The Link US Project is planned to be implemented in two phases:

- Phase A would include constructing the full viaduct structure over the US-101 freeway that accommodates up to nine (9) new run-through tracks, track, signal, and communication work in the throat area, run through platform, quiet zone ready improvements at Main Street grade crossing and active transportation improvements.

-
- Phase B would include raising of the rail yard up to 15 feet for the run-through track viaduct structure, new platforms, a new expanded passageway with retail and passenger amenities, escalators and elevators to all platforms, optimization of the throat with a new lead track and opportunity for a world-class transit station.

DISCUSSION

The Metro Board of Directors certified the Link US FEIR in June 2019 with a transportation analysis based on a level of service (LOS) approach. Since then, new CEQA Guidelines were adopted pursuant to the requirements of Senate Bill (SB) 743 which was signed into law in 2013. SB 743 changed how lead agencies are required to evaluate transportation impacts under CEQA with the goal of better measuring the actual transportation-related environmental impacts of any given project. Traffic impacts are now measured in California pursuant to the requirements of SB 743 to better promote the state's goals of reducing greenhouse gas emissions and traffic-related air pollution, promoting the development of a multi-modal transportation system and providing clean, efficient access to destinations. The new CEQA guidelines call for the use of a broader measure called Vehicle Miles Traveled (VMT), which measures the total amount of driving over a given area. On July 1, 2020, new CEQA Guidelines requiring a VMT Analysis in CEQA documents became mandatory statewide. California SB 743 was designed for projects such as the Link US Project which is centered on increasing regional rail capacity by up to 60 percent for LAUS, the largest multi-modal transit and rail terminal in Southern California.

Pursuant to the requirements of SB 743, staff replaced the LOS-based transportation analysis included in the Link US Project FEIR with a new VMT-based transportation analysis. This new transportation analysis was completed based on the current City of Los Angeles Transportation Assessment Guidelines (TAG) which was also updated to account for the SB 743 and the new CEQA requirements.

Staff recommends the approval of Addendum No.1 to the FEIR, available for viewing and download via <https://www.dropbox.com/s/7vtjqtymgb9gy0/Link-US-CEQA-Addendum-No.1.pdf?dl=0> <<https://gcc02.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.dropbox.com%2Fs%2F7vtjqtymgb9gy0%2FLink-US-CEQA-Addendum-No.1.pdf%3Fdl%3D0&data=04%7C01%7CChioM%40metro.net%7C7b56a45519da4f1fd50508d9882708ba%7C%7C%7C637690523500031786%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6IjEkaWwiLCJXVCI6Mn0%3D%7C1000&sdata=sZcZuLD6yOn8N3XapNVwm%2F4JGfvc0nwDMq9kPHxUVgU%3D&reserved=0>>, which includes:

- an updated transportation analysis using VMT analysis approach completed based on the new SB 743 CEQA requirements and the applicable revision to one mitigation measure under the topic of Transportation and Traffic;
- revisions to four (4) other mitigation measures included in the previously approved MMRP; and,
- minor design modifications to the FEIR Project.

Updated Transportation Analysis

A new CEQA transportation analysis with VMT analysis was prepared based on LADOT's updated TAG that includes new guidelines and methodology requirements based on a VMT analysis approach. The updated transportation analysis concluded the following:

1. Project improvements are consistent with the City of Los Angeles' adopted plans, programs, ordinances, and policies that focus on the on the safety and performance of the transportation system, including transit, roadways, bicycle, and pedestrian facilities (LADOTs updated TAG Threshold T-1);
2. The proposed Project would not cause any substantial VMT impacts associated with the land use development (retail/office/commercial space) proposed at LAUS (LADOTs updated TAG Threshold T-2.1);
3. The proposed Project would not substantially induce additional automobile travel (LADOTs updated TAG Threshold T-2.2);
4. The proposed Project would not substantially increase hazards due to a geometric design feature or incompatible use (LADOTs updated TAG Threshold T-3).

Based on the updated CEQA transportation analysis results summarized above, no new significant impacts beyond those previously identified in the Final EIR would occur. The updated transportation analysis was coordinated with and reviewed by staff at City of Los Angeles Planning Department, LADOT and Caltrans.

In addition, pursuant to SB 743 and Public Resources Code section 21099(b)(2), unsatisfactory LOS causing delay is no longer considered a significant impact under CEQA. Therefore, Mitigation Measure TR-2, "Install Traffic Signal: Metro shall install a new traffic signal at the intersection of Center Street and Commercial Street," in the approved MMRP dated June 2019 is no longer required and has been removed in the revised MMRP (Attachment A). Implementation of a traffic signal at the stop-controlled intersection of Center Street and Commercial Street could also result in higher vehicle speeds on Center Street and would not be consistent with the current efforts by City of Los Angeles and Metro to encourage walking and biking on Center Street as part of a larger plan to improve active transportation connections between LAUS and the surrounding communities.

Revised MMRP

A Revised Mitigation Monitoring and Reporting Plan (MMRP) (Attachment A) was included in Addendum No.1 to include the removal of Mitigation Measure TR-2, as well as required corrections and clarifications to four (4) other mitigation measures: HIST-1a, HIST-1c, HIST-4, HWQ-1. In addition, refinements to the implementation provisions of Mitigation Measures HIST-1d, HIST-2, and HIST-3 are also required to establish Metro as the enforcement agency during the compliance monitoring and reporting phase.

Design Refinements to FEIR Project

Per the Link US FEIR, Platforms 2 and 3 at LAUS and their associated vertical circulation elements (VCEs) including elevators, escalators and stairs would need to be raised and modified after the completion of the Link US Project in the future (after year 2033) to accommodate High-Speed Rail (HSR) trains. This is due to different floor heights between Metrolink/Amtrak trains and future HSR trains (15-inches versus 51-inches from floor to top of rail elevations) and level-boarding

requirements for future HSR operations.

Through continued coordination with CHSRA, Southern California Regional Rail Authority (SCRRA) and California State Transportation Agency (CalSTA), Metro has refined the design approach for Platforms 2 and 3 and the adjacent tracks to allow for those platforms to be constructed to their ultimate planned elevation, so that Platforms 2 and 3 would be 36-inches or 3 feet higher than Platforms 4, 5, 6 and 7. The approach would require future lowering of the electrified tracks (Tracks 3, 4, 5, and 6) serving Platforms 2 and 3 to meet the level boarding requirements and constructing additional retaining walls in the station platform area. This approach will result in cost savings and reduced impacts to train operations and service interruptions since Platforms 2 and 3 and the associated VCEs would do not need to be modified in the future for HSR operations.

Addendum No. 1

Staff is recommending approval of Addendum No.1 to the FEIR focused on the updated transportation analysis, changes to the FEIR MMRP and minor design refinements as with changes to the following applicable environmental topics addressed in the FEIR:

- Land Use and Planning
- Transportation and Traffic
- Aesthetics
- Air Quality and Global Climate Change
- Cultural Resources

Addendum No. 1 concludes that the updated transportation analysis, changes to the FEIR MMRP and minor design refinements will not result in any new significant impacts, or a substantial increase in the severity of impacts previously considered and addressed in the FEIR.

DETERMINATION OF SAFETY IMPACT

The Link US project is being planned and designed in accordance with Metro and SCCRA standards, CHSRA, state and federal requirements. Approval of the Link US project will improve safety since the improvements will upgrade LAUS platforms and passageway to meet current fire and life safety standards, improve accessibility and circulation, and improve rail safety with modern signal equipment.

FINANCIAL IMPACT

Approval of the Addendum No.1 to the FEIR and the revised MMRP would have no financial impact to the agency.

Impact to Budget

There is no impact to the FY22 budget. The sources of funds secured to date for the Link US Project includes the State's TIRCP grant funds, High-Speed Rail funds, and previously approved and programmed Measure R 3% Commuter Rail funds.

EQUITY PLATFORM

Addendum No.1 to the Link US FEIR, which includes a new Vehicles Miles Traveled (VMT) analysis pursuant to SB 743, helps promote the state's goals of reducing greenhouse gas emissions and traffic-related air pollution, promoting the development of a multi-modal transportation system and providing clean, efficient access to destinations for all users of the transportation system, all of which align with the goals and objectives of the Link US Project.

The Link US Project will improve equity outcomes by:

1. Foster livable and healthy communities by increasing access to transit and reducing reliance on automobiles, resulting in a reduction in greenhouse gas emissions and other harmful air pollutants. In addition, the Link US run-through tracks will reduce the times that Metrolink and Amtrak trains idle at LAUS, resulting in fewer emissions from Diesel locomotives. To communicate the expected outcomes and benefits of the Link US Project to the populations with limited English proficiency (LEP), project fact sheets, frequently asked questions (FAQs) and the Executive Summary of the FEIR were provided in other languages including Spanish, Japanese, Chinese, Vietnamese and Korean.
2. Improve access to opportunities by providing multi-modal transit options and increasing connectivity for transit-dependent populations. The Link US Project will enable more frequent Metrolink and Amtrak services and accommodate future high-speed rail services, all of which expand access to jobs and services from other parts of the Southern California region and beyond for LA County residents.
3. Improve quality of life for low-income residents including those at the William Mead Homes, the first affordable housing project in the City of Los Angeles constructed in the 1950s and located within the Metro Equity Focused Areas, by:
 - a. A new sound wall that will be designed to reduce noise from both existing train operations and future increase in train operations; and,
 - b. Quiet-zone ready safety improvements at the railroad crossing on N. Main Street. A quiet-zone would significantly reduce the train horn noise in the area.
4. Improve accessibility and user experience for passengers at LAUS by:
 - a. Replacing all ramps between the passageway and the train platforms with ADA-compliant elevators and modern escalators;
 - b. Including additional transit amenities including restrooms, waiting areas, retail, etc.;
 - c. Improving wayfinding to allow more seamless transfer of transportation services by including new static and modern dynamic signage installations within the Project limits to be designed in English and Spanish and other accommodations to assist those with hearing and/or visual impairments.

Since the majority of the Census Tracts within the project study area contains minority and low-income populations and are located within Metro Equity Focus Communities accommodations were provided during and after the EIR process, including door-to-door canvassing to notify residents and business tenants about the various ways to provide input and to encourage participation, virtual meetings with simultaneous translation for Spanish, and multiple options for submitting comments via project website, postal mail, and/or telephone hotline.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Link US project supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The proposed run-through tracks would increase regional and intercity rail capacity and reduce train idling at Los Angeles Union Station (LAUS), enable one-seat rides from Santa Barbara County to San Diego County through LAUS, and accommodate a new high-quality transportation option such as HSR in Southern California.

The project also supports Strategic Goal 2: Deliver outstanding trip experiences for all transportation system users. The proposed new passenger concourse and the new outdoor plaza (West Plaza) would improve customer experience and satisfaction by enhancing transit and retail amenities at LAUS, and improving access to train platforms with new escalators and elevators.

Lastly, the project supports Strategic Goal 4: Transform LA County through regional collaboration and national leadership. The project requires close collaboration with many local, regional, State and Federal partners including City of Los Angeles, SCRRA, LOSSAN Authority, Caltrans, CHSRA, CalSTA, FRA and Amtrak.

ALTERNATIVES CONSIDERED

The Board may elect not to approve the Addendum No.1 to the Link US Project FEIR and the revised MMRP. This is not recommended because the transportation analysis in the FEIR does not include a VMT analysis required in all CEQA documents statewide effective July 1, 2020 pursuant to SB 743.

NEXT STEPS

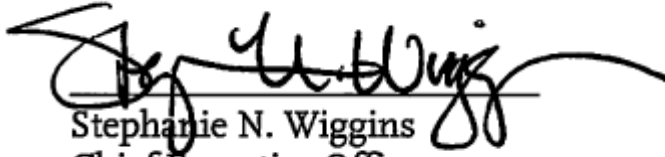
Approval of this action would allow the Link US project to be updated to the new CEQA standards. Staff will return to the Board for approval of the CM/GC preconstruction services and Final Design contract modification in early Spring.

ATTACHMENTS

Attachment A - Revised MMRP

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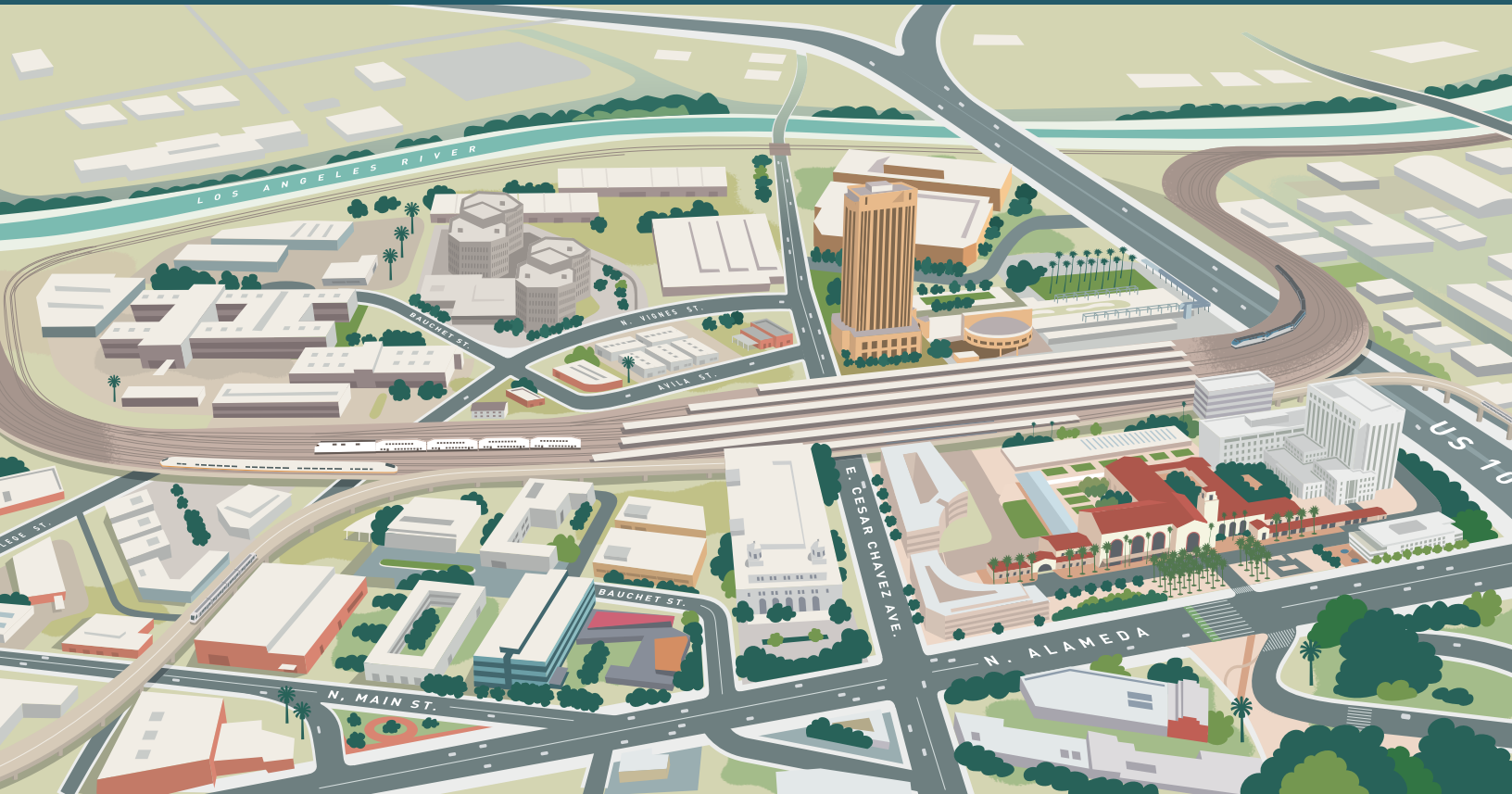


Stephanie N. Wiggins
Chief Executive Officer

Link Union Station

Mitigation Monitoring and Reporting Program

June 2019 October 2021



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CONTENTS

1.0 Introduction..... 1

TABLES

Table 1. Mitigation Monitoring and Reporting Program 3

ACRONYMS

AB	Assembly Bill
BMP	best management practice
Caltrans	California Department of Transportation
CARB	California Air Resources Board
CBC	California Building Code
CCR	California Code of Regulations
CEQA	California Environmental Quality Act
CFR	Code of Federal Regulations
CGP	construction general permit
CHC	Cultural Heritage Commission
CHSRA	California High-Speed Rail Authority
CRMMP	Cultural Resource Mitigation and Management Plan
DTSC	Department of Toxic Substance Control
EIR	environmental impact report
ESA	environmental site assessment
FTA	Federal Transit Administration
HABS	Historic American Buildings Survey
HACLA	Housing Authority of the City of Los Angeles
HCM	Historic-Cultural Monument
HMMP	Hazardous materials management plan
HSR	High-Speed Rail
IGP	industrial general permit
LA	Los Angeles
LABOE	Los Angeles Bureau of Engineering
LADOT	City of Los Angeles Department of Transportation
LAHCM	Los Angeles Historic-Cultural Monument
LAUS	Los Angeles Union Station
LID	low impact development
LOSSAN	Los Angeles-San Diego-San Luis Obispo
LUC	Land Use Covenant
MBTA	Migratory Bird Treaty Act
Metro	Los Angeles County Metropolitan Transportation Authority
MMRP	Mitigation Monitoring and Reporting Program
MOU	memorandum of understanding
NAHC	Native American Heritage Commission
NPDES	National Pollutant Discharge Elimination System
OHR	Office of Historic Resources
OSHA	Occupational Safety and Health Administration
PAH	polynuclear aromatic hydrocarbon
PMP	Paleontological Mitigation Plan
PRC	Public Resources Code
RIO	River Improvement Overlay District
ROW	right-of-way;
RWQCB	Regional Water Quality Control Board
SCAQMD	South Coast Air Quality Management District; SCORE=Southern California Optimized Rail Expansion
SCRRA	Southern California Regional Rail Authority
SWRCB	State Water Resources Control Board

SWPPP	stormwater pollution prevention plan
TMP	traffic management plan
TPH	total petroleum hydrocarbons
VOC	volatile organic compound
WEAP	worker environmental awareness program

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1.0 Introduction

Section 21081.6 of the Public Resources Code requires a lead agency to adopt a “reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment” (Section 15097 of the California Environmental Quality Act (CEQA) Guidelines provides additional direction on mitigation monitoring or reporting). As lead agency for the Proposed Project, Metro is responsible for administering and implementing the Mitigation Monitoring and Reporting Program (MMRP). The decision makers must define specific monitoring requirements to be enforced during project implementation prior to final approval of the Proposed Project. The primary purpose of the MMRP is to ensure that the mitigation measures identified in the Draft and Final Environmental Impact Report (EIR) and any subsequent addenda are implemented, effectively minimizing the identified environmental effects.

Table 1 has been prepared to ensure compliance with all the mitigation measures identified in the Draft EIR ~~and this~~, the Final EIR, and CEQA Addendum No. 1 which would ~~lessen~~ reduce or avoid potentially significant adverse environmental impacts resulting from the implementation of the Proposed Project. Each mitigation measure is identified in Table 1 and is categorized by topic and corresponding number, with identification of:

- Compliance Action/Deliverable – The criteria that would determine when the measure has been accomplished and/or the monitoring actions to be undertaken to ensure the measure has been implemented.
- Responsible Party – The entity accountable for implementing the action/deliverable.
- Enforcement Agency – The entity accountable for overseeing the implementation of mitigation.
- Implementation Phase (A or B) – The phase of the project when implementation would occur.
- Monitoring/Compliance Schedule – The compliance/monitoring schedule depends upon the progression of the overall project. Therefore, specific dates are not used within the “Schedule” column. Instead, schedule describes a logical succession of events (e.g., prior to construction, construction).
- Verification of Compliance – The monitor verifies completion of the particular mitigation measure by initialing and dating this column. Conclusion of the monitoring program concludes when all required signatures are obtained in the Verification of Compliance column.

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Table 1. Mitigation Monitoring and Reporting Program								
Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance		
						Initial	Date	
Land Use and Planning								
LU-1 Enhance Neighborhood Connectivity: Consistent with the Los Angeles River Revitalization Master Plan, RIO Overlay District guidelines, LAUS Sustainable Neighborhood Assessment, City of Los Angeles Mobility Plan, Metro's LA River Path Project, and Metro's Los Angeles Union Station Forecourt and Esplanade Improvements Project, to mitigate the identified significant impact, Metro, in coordination with the City of Los Angeles, shall implement either Class II or IV type bike lanes that consist of only pavement striping and bollards (no additional right-of-way and no raised median will be required) along Commercial Street from Alameda Street to Center Street, enhancing neighborhood connectivity south of US-101. If additional funding is identified, a dedicated bicycle/pedestrian bridge over US-101 could be constructed in addition to the new bicycle lanes described above.	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A or B	During Final Design of these specific improvements	—	—	
	Prepare infrastructure plans for review and approval by the City of Los Angeles	Metro	City of Los Angeles	Phase A or B	During Final Design of these specific improvements	—	—	
	Implement either Class II or IV type bike lanes along Commercial Street from Alameda Street to Center Street	Contractor	City of Los Angeles	Phase A or B	Construction	—	—	
Transportation and Traffic								
TR-1 Prepare a Construction TMP: During the final engineering phase and at least 30 days prior to construction, a construction TMP shall be prepared by the contractor and reviewed and approved by Metro, LADOT, and Caltrans, where applicable. The street closure schedules in the construction TMP shall be coordinated between the construction contractor, LADOT, Caltrans (if ramps are involved), private businesses, public transit and bus operators, emergency service providers, and residents to minimize construction-related vehicular traffic impacts during the peak-hour. During planned closures, traffic shall be re-routed to adjacent streets via clearly marked detours and notice shall be provided in advance to applicable parties (nearby residences, emergency service providers, public transit and bus operators, the bicycle community, businesses, and organizers of special events). The TMP shall identify proposed closure schedules and detour routes, as well as construction traffic routes, including haul truck routes, and preferred delivery/haul-out locations and hours so as to avoid heavily congested areas during peak hours, where feasible. The following provisions shall be included in the TMP: <ul style="list-style-type: none"> Traffic flow shall be maintained, particularly during peak hours, to the degree feasible. Access to adjacent businesses shall be maintained during business hours via existing or temporary driveways, and residences at all times, as feasible. Metro or the contractor shall post advance notice signs prior to construction in areas where access to local businesses could be affected. Metro shall provide signage to indicate new ways to access businesses and community facilities, if affected by construction. 	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—	
	Prepare TMP	Contractor	Metro/City of Los Angeles/Caltrans	Phase A and B	Prior to Construction	—	—	
	Implement TMP during construction	Contractor	Metro/City of Los Angeles/Caltrans	Phase A and B	Construction	—	—	

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<ul style="list-style-type: none"> Metro shall notify LADOT and Caltrans in advance of street closures, detours, or temporary lane reductions. Metro shall coordinate with LADOT and Caltrans to adjust the signal timing at affected intersections and on- or off-ramps to mitigate detoured traffic volumes. Closed-circuit television cameras shall be installed at some of the impacted intersections (as approved by LADOT) to monitor traffic in real-time by the Automated Traffic Surveillance and Control department of LADOT during construction. This will allow the city to alleviate congestion by manually changing signal timing parameters, such as allowing more green time to congested movements. Contractor shall avoid concurrent closures of Cesar Chavez Avenue and Vignes Street north of LAUS. 							
<p>TR-2 Install Traffic Signal: Metro shall install a new traffic signal at the intersection of Center Street and Commercial Street.</p>	<p>Incorporate contractor responsibilities into applicable construction documents (plans and specifications)</p>	<p>Metro</p>	<p>Metro</p>	<p>Phase B</p>	<p>During Final Design</p>	<p>—</p>	<p>—</p>
	<p>Install traffic signal</p>	<p>Contractor</p>	<p>City of Los Angeles</p>		<p>During Construction</p>	<p>—</p>	<p>—</p>
<p>TR-3 Prepare Rail Operations Temporary Construction Staging Plan: During final engineering design and prior to construction, Metro shall prepare a memorandum of understanding (MOU) with each current rail operator, including, but not limited to SCRRA, LOSSAN, and Amtrak, to outline mutually agreed upon on-time performance goals to be achieved throughout construction, and how construction sequencing and railroad operational protocols would be incorporated into applicable construction documents (plans and specifications).</p> <p>Prior to construction, Metro and the construction contractor shall prepare detailed temporary construction staging plans for each phase of construction that the contractor would implement to maintain mutually agreed upon on-time performance goals while minimizing impacts on pedestrians and passengers at LAUS. Prior to construction, Metro and the construction contractor shall also coordinate with current rail operators to ensure that any rail-to-bus or rail-to-rail connections are uninterrupted throughout construction. Detailed temporary construction staging plans shall be deemed acceptable by the current rail operators prior to commencement of construction activities that could reduce on-time performance.</p> <p>Throughout the duration of construction, SCRRA shall participate in weekly construction coordination meetings to ensure that the mutually agreed upon on-time performance is met.</p>	<p>Prepare MOUs</p>	<p>Metro</p>	<p>Current Rail Operators (SCRRA, LOSSAN, Amtrak)</p>	<p>Phase A and B</p>	<p>Prior to Construction</p>	<p>—</p>	<p>—</p>
	<p>Incorporate contractor responsibilities into applicable construction documents (plans and specifications)</p>	<p>Metro</p>	<p>Metro</p>	<p>Phase A and B</p>	<p>During Final Design</p>	<p>—</p>	<p>—</p>
	<p>Prepare temporary construction service plans</p>	<p>Metro/Contractor</p>	<p>Metro and Current Rail Operators (SCRRA, LOSSAN, Amtrak)</p>	<p>Phase A and B</p>	<p>Prior to Construction</p>		
	<p>Participate in weekly construction coordination meetings</p>	<p>Metro, in coordination with SCRRA, Amtrak and LOSSAN Rail Corridor Agency</p>	<p>Metro</p>	<p>Phase A and B</p>	<p>During Construction</p>	<p>—</p>	<p>—</p>

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Aesthetics							
AES-1 Aesthetic Treatments: Retaining walls in Segments 1 and 2 and the sound wall in Segment 1 shall be designed in consideration of the scale and architectural style of the adjacent William Mead Homes and Mozaic Apartments. Based on feedback received during project development from residents of the William Mead Homes property, Metro shall coordinate with HACLA regarding aesthetic enhancements to the retaining wall/sound wall at that location. Materials, color, murals, landscaping, and/or other aesthetic treatments shall be integrated into the design of the retaining wall/sound wall to minimize the dominance and scale of the retaining wall/sound wall.	Coordinate with HACLA on aesthetic enhancements	Metro	Metro	Phase B	During Final Design	—	—
	Incorporate aesthetic treatments into applicable construction documents (plans and specifications)	Metro	Metro		During Final Design	—	—
	Apply aesthetic treatments	Contractor	City of Los Angeles (HACLA)		During Construction	—	—
AES-2 Minimize Nighttime Work and Screen Direct Lighting: Nighttime construction activities near residential areas shall be avoided to the extent feasible. If nighttime work is required, the construction contractor shall install temporary lighting in a manner that directs light toward the construction area and shall install temporary shields as necessary so that light does not spill over into residential areas.	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	Prior to Construction	—	—
	Direct light toward the construction area and install temporary shields (as needed)	Contractor	Metro		During Construction	—	—
AES-3 Screen Direct Lighting and Glare: During final design, all new or replacement lighting shall comply with maximum allowable CALGreen glare ratings (California Building Standards Code 2013 – Title 24, Part 11) and shall be designed to be directed away from residential units. Screening elements, including landscaping, shall also be incorporated into the design, where feasible. Low-reflective glass and materials shall also be incorporated into the design of the new canopies to reduce daytime glare impacts.	Incorporate lighting, screening, and glare requirements into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Install permanent lighting that meets CalGreen requirements directed away from residences and install screening elements as needed.	Contractor	Metro		During Construction	—	—
Air Quality and Global Climate Change							
AQ-1 Fugitive Dust Control: In compliance with SCAQMD Rule 403, during clearing, grading, earthmoving, or excavation operations, fugitive dust emissions shall be controlled by regular watering or other dust preventive measures using the following procedures, as specified in SCAQMD Rule 403: <ul style="list-style-type: none"> Minimize land disturbed by clearing, grading, and earth moving, or excavation operations to prevent excessive amounts of dust Provide an operational water truck on site at all times; use watering trucks to minimize dust; watering should be sufficient to confine dust plumes to the project work areas; watering shall occur at least twice daily with complete coverage, preferably in the late morning and after work is done 	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Implement dust control measures	Contractor	Metro		During Construction	—	—

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<ul style="list-style-type: none"> Suspend grading and earth moving when wind gusts exceed 25 miles per hour unless the soil is wet enough to prevent dust plumes Securely cover trucks when hauling materials on or off site Stabilize the surface of dirt piles if not removed immediately Limit vehicular paths and limit speeds to 15 miles per hour on unpaved surfaces and stabilize any temporary roads Minimize unnecessary vehicular and machinery activities Sweep paved streets at least once per day where there is evidence of dirt that has been carried on to the roadway Revegetate or stabilize disturbed land, including vehicular paths created during construction to avoid future off-road vehicular activities <p>The following measures shall also be implemented to reduce construction emissions:</p> <ul style="list-style-type: none"> Prepare a comprehensive inventory list of all heavy-duty off-road (portable and mobile) equipment (50 horsepower and greater) (i.e., make, model, engine year, horsepower, emission rates) that could be used an aggregate of 40 or more hours throughout the duration of construction to demonstrate how the construction fleet is consistent with the requirements of Metro's Green Construction Policy Ensure that all construction equipment is properly tuned and maintained Minimize idling time to 5 minutes, whenever feasible, which saves fuel and reduces emissions Utilize existing power sources (e.g., power poles) or clean fuel generators rather than temporary power generators, whenever feasible Arrange for appropriate consultations with CARB or SCAQMD to determine registration and permitting requirements prior to equipment operation at the site and obtain CARB Portable Equipment Registration with the state or a local district permit for portable engines and portable engine-driven equipment units used at the project work site, with the exception of on-road and off-road motor vehicles, as applicable <p>These control techniques shall be included in project specifications and shall be implemented by the construction contractor.</p>							
AQ-2 Compliance with U.S. EPA's Tier 4 Exhaust Emission Standards and Renewable Diesel Fuel for Off-Road Equipment: In compliance with Metro's Green Construction Policy, all off-road diesel powered construction equipment greater than 50 horsepower shall comply with U.S. EPA's Tier 4 final exhaust emission standards (40 CFR Part 1039). In addition, if not already supplied with a factory-equipped diesel particulate filter, all	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Use construction equipment that meets Tier 4 exhaust emissions standards.	Contractor	Metro		During Construction	—	—

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<p>construction equipment shall be outfitted with best available control technology devices certified by the CARB. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 3 diesel emissions control strategy for a similarly sized engine, as defined by CARB regulations.</p> <p>In addition to the use of Tier 4 equipment, all off-road construction equipment shall be fueled using 100 percent renewable diesel.</p>							
<p>AQ-3 Adaptive Air Quality Mitigation Plan: Prior to implementation of regional/intercity rail run-through service, an Adaptive Air Quality Mitigation Plan shall be prepared by Metro, in coordination with the SCRRA, as the operator of the commuter rail service in Southern California and the program manager and grant recipient of the SCORE Program, Amtrak, and the LOSSAN Rail Corridor Agency. The Plan shall identify the methodology and requirements for annual emission inventories to be prepared by Metro, based on actual/current train movements and corresponding pollutant concentrations through the Year 2040.</p> <p>Mitigation Plan Requirements: Upon implementation of regional/intercity run-through service, and on an annual basis, Metro shall compile and summarize the current Metrolink, Pacific Surfliner, and Amtrak long-distance train schedules to determine the actual level of daily and peak-period train movements (including non-revenue train movements) that operate through LAUS.</p> <p>On an annual basis, Metro shall retain the services of an air quality specialist to conduct an annual emissions inventory to determine if actual train movements through LAUS are forecasted to increase criteria pollutant emissions to a level that would exceed the SCAQMD significance thresholds or diesel pollutant concentrations to a level that would exceed the SCAQMD's 10 in a million threshold at any residential land use in the project study area. An annual report shall be prepared by Metro that summarizes the quantitative results of pollutant emissions and diesel pollutant concentrations in the project study area. If pollutant emissions and diesel pollutant concentrations are projected to exceed the SCAQMD thresholds, the regional and intercity rail operators in coordination with Metro and California State Transportation Agency, shall either implement rail fleet emerging technologies consistent with 2018 California State Rail Plan Goal 6: Practice Environmental Stewardship, Policy 4: Transform to a Clean and Energy Efficient Transportation System (Caltrans 2018a, pg. 10 and 110), or reduce the train movements through LAUS to lower the criteria pollutant emissions below the SCAQMD significance thresholds and the diesel pollutant concentrations below the SCAQMD thresholds in the project study area.</p> <p>After implementation of emerging technologies, Metro shall continue to prepare an emissions inventory in coordination with SCRRA, Amtrak, and the LOSSAN Rail Corridor Agency annually to report the quantitative results of criteria pollutant emissions and diesel pollutant concentrations in</p>	Prepare an Adaptive Air Quality Mitigation Plan	Metro, in coordination with SCRRA, Amtrak and LOSSAN Rail Corridor Agency	Metro, in coordination with SCAQMD	Phase A and B	Prior to implementation of run-through service	—	—
	Compile current train schedules/Determine actual train movements	Metro	Metro		Annually by November 1 through 2040	—	—
	Retain air quality specialist to conduct annual emissions inventory	Metro	Metro		Annually by November 1 through 2040	—	—
	Prepare Annual Report	Metro	Metro		Annually by December 31 through 2040	—	—
	Incorporate rail fleet emerging technology requirements into existing and/or future funding and/or operating agreements with provisions that require regional and intercity rail operators to replace, retrofit, or supplement some or all of their existing fleet with zero or low-emission features or reduce train movements through LAUS (only if Annual Report identifies an increase in health risks associated with diesel pollutant concentrations that would exceed SCAQMD thresholds)	Metro, in coordination with SCRRA, Amtrak and LOSSAN Rail Corridor Agency	Metro, in coordination with SCAQMD		Within 60 days of completing Annual Report (if SCAQMD thresholds are anticipated to be exceeded)	—	—

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<p>the project study area. The annual report shall include an analysis of the actual (current) and proposed changes in train schedules relative to criteria pollutant emissions and diesel pollutant concentration levels in the project study area. The report shall be prepared annually by December 31 of each year, beginning the calendar year after implementation of regional/intercity rail run-through service through 2040 and shall include results of the emissions inventory and effectiveness of the measures implemented.</p> <p>Rail Fleet Emerging Technologies: To achieve a reduction of criteria pollutant emissions below the SCAQMD thresholds and diesel pollutant concentrations below a level that would not exceed SCAQMD thresholds, the regional and intercity rail operators may replace, retrofit, or supplement some or all of their existing fleet with zero or low-emission features. The types of emerging technologies that can be implemented, include, but are not limited to the following:</p> <ul style="list-style-type: none"> • Electric multiple unit systems • Diesel multiple units • Battery-hybrid multiple units • Renewable diesel and other alternative fuels <p>Metro shall coordinate with regional rail/intercity rail operators to incorporate these emerging technologies into existing and/or future funding and/or operating agreements to reduce locomotive exhaust emissions in the project study area.</p>							
Noise and Vibration							
NV-1 Construct Sound Wall: Prior to reaching the forecasted maximum daily regional/intercity train movements through LAUS in 2031 (770 trains), Metro shall construct a sound wall up to 22 feet in height to reduce operational noise impacts at William Mead Homes. The sound wall shall be constructed of materials that achieve similar reductions or insertion loss at impacted receptors and shall have a surface density of at least 4 pounds per square foot. Metro may construct the sound wall earlier than 2031 to reduce construction-related noise impacts and/or moderate operational noise impacts from increased train movements that may occur as early as 2026.	Incorporate design requirements into sound wall	Metro	Metro	Phase B	During Final Design	—	—
	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro		During Final Design	—	—
	Construct sound wall	Contractor	Metro		During Construction	—	—
NV-2 Employ Noise- and Vibration-Reducing Measures during Construction: The construction contractor shall employ measures to minimize and reduce construction noise and vibration. Noise and vibration reduction measures that would be implemented include, but are not limited to, the following: <ul style="list-style-type: none"> • Design considerations and project layout: 	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Implement noise and vibration reduction measures	Contractor	Metro		During Construction	—	—
	Monitor noise and vibration levels at William Mead Homes and Mozaic	Metro	Metro		During Construction	—	—

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<ul style="list-style-type: none"> o Construct temporary noise walls, such as temporary walls or piles of excavated material, between noisy activities and noise-sensitive receivers o Reroute truck traffic away from residential streets, if possible, and select streets with fewest residences if no alternatives are available o Site equipment on the construction site as far away from noise-sensitive sites as possible o Construct walled enclosures around especially noisy activities or clusters of noisy equipment (i.e., shields can be used around pavement breakers and loaded vinyl curtains can be draped under elevated structures) • Sequence of operations: <ul style="list-style-type: none"> o Restrict pile driving to daytime periods o Combine noisy operations to occur in the same time period <ul style="list-style-type: none"> ▪ The total noise level produced would not be significantly greater than the level produced if the operations were performed separately o Avoid nighttime activities to the maximum extent feasible <ul style="list-style-type: none"> ▪ Sensitivity to noise increases during the nighttime hours in residential neighborhoods • Alternative construction methods: <ul style="list-style-type: none"> o Avoid use of an impact pile driver in noise and/or vibration-sensitive areas, where possible <ul style="list-style-type: none"> ▪ Drilled piles or the use of a sonic or vibratory pile driver are quieter alternatives where the geological conditions permit their use o Use specially-quieted equipment, such as quieted and enclosed air compressors and properly-working mufflers on all engines o Select quieter demolition methods, where possible (e.g., sawing bridge decks into sections that can be loaded onto trucks results in lower cumulative noise levels than impact demolition by pavement breakers) <p>In an effort to keep construction noise levels below FTA's construction noise or vibration criteria, Metro shall monitor noise and vibration during the loudest and most vibration intensive types of construction activities. Continuous construction noise and vibration monitoring shall be conducted at the first row of residences at William Mead Homes and Mozaic Apartments, within 300 feet of construction activities, approximately). Monitors shall be deployed closest to the construction activity because demonstration of compliance with the construction thresholds at the nearest locations guarantees compliance further away. If FTA's</p>	<p>Apartments during the loudest/most vibration intensive activities and notify Metro if FTA criteria is exceeded</p>						
	<p>Implement additional noise reduction methods (if FTA's construction noise and vibration criteria are exceeded)</p>	Contractor	Metro			During Construction	—

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construction noise or vibration criteria are exceeded, the contractor shall be alerted and directed by Metro to incorporate additional noise and vibration reduction methods (examples above).							
NV-3 Prepare a Community Notification Plan for Project Construction: To proactively address community concerns related to construction noise and vibration, prior to construction, Metro and/or the construction contractor shall prepare and maintain a community notification plan. Components of the plan shall include initial information packets prepared and mailed to all residences within a 500-foot radius of project construction. Updates to the plan shall be prepared as necessary to indicate changes to the construction schedule or other processes. Metro shall identify a project liaison to be available to respond to questions from the community or other interested groups.	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Prepare community notification plan/Identify project liaison	Contractor	Metro		Prior to Construction	—	—
	Mail information packets to all residences within 500 feet of construction area	Contractor	Metro		During Construction	—	—
Biological Resources							
BIO-1 Bats: Preconstruction surveys for roosting special-status bats (including western mastiff bats and western yellow bats) and other native bat species shall be conducted by a Metro-approved qualified bat biologist within 2 weeks prior to construction. Surveys shall be conducted where suitable habitat and/or bridge structures that will be removed or that will have modifications to the substructure are present. All locations with suitable roosting habitat (including potential maternity roosts) shall be surveyed using an appropriate combination of structure inspection, exit counts, acoustic surveys, or other suitable methods. Surveys shall be conducted during the appropriate season and time of day/night to ensure detection of day- and night-roosting bats (i.e., preferably one daytime and one nighttime survey shall be conducted at each location with suitable roosting habitat during the maternity season, May 1 through August 31). If no roosts are detected, trees that provide suitable roosting habitat may be removed under the guidance of the qualified bat biologist. If a roost is detected, passive exclusion shall include monitoring the roost for 3 days to determine if the roost is active. If the roost is determined to support a reproductive female with young, the roost shall be avoided until it is no longer active. If the roost remains active during the 3 monitoring days and observations confirm it is not a maternity colony, a temporary bat exclusion device shall be installed under the supervision of a Metro-approved qualified bat biologist. At the discretion of the biologist, based on his or her expertise, an alternative roosting structure(s) may be constructed and installed prior to the installation of exclusion devices. Exclusion shall be conducted during the fall (September or October) to avoid trapping flightless young inside during the summer months or torpid (overwintering) individuals during the winter. If it cannot be determined whether an active roost site supports a maternity colony, the roost site shall not be disturbed, and construction within 300 feet shall be postponed or halted until the roost is vacated and the young are volant (able to fly). Exclusion efforts shall be monitored on a weekly basis and continued for	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Retain a qualified bat biologist	Metro	Metro		Prior to Tree Removal/Bridge Removal	—	—
	Conduct preconstruction bat surveys	Metro	Metro		During Construction	—	—
	Implement avoidance measures and/or temporary bat exclusion devices (only if a roost with active nest is detected)	Metro	Metro		During Construction	—	—

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<p>the duration of project construction activities and removed when no longer necessary.</p> <p>The following avoidance and minimization measures shall be implemented during construction:</p> <ul style="list-style-type: none"> All work conducted on bridges shall occur during the day. If this is not feasible, lighting and noise shall be directed away from night roosting and foraging areas. Combustion equipment (such as generators, pumps, and vehicles) shall not be parked or operated under a bridge. Construction personnel shall not be present directly under a roosting colony. Construction activities shall not severely restrict airspace access to the roosts. Removal of mature trees that provide suitable bat roosting habitat shall be conducted outside of the maternity season (May 1 through August 31); that is, removal shall be conducted between September 1 and April 30. Because bats may be present in a torpid state during the winter, suitable roosting habitat shall be removed before the onset of cold weather (approximately November 1) or as determined by a qualified bat biologist). When removing palm trees, the dead fronds shall be removed first before felling the palm to allow any bats to escape. 							
<p>BIO-2 MBTA Species: Vegetation removal shall be conducted outside of the bird nesting season (February 1 through September 30) to the extent feasible. If vegetation removal cannot be conducted outside of the nesting season, a Metro-approved qualified bird biologist shall conduct preconstruction surveys to locate active nests within 7 days prior to vegetation removal in each area with suitable nesting habitat. If nesting birds are found during preconstruction surveys, an exclusionary buffer (150 feet for passerines and 500 feet for raptors) suitable to prevent nest disturbance shall be established by the biologist. The buffer may be reduced based on species-specific and site-specific conditions as determined by the qualified biologist. This buffer shall be clearly marked in the field by construction personnel under the guidance of the biologist, and construction or vegetation removal shall not be conducted within the buffer until the biologist determines that the young have fledged or the nest is no longer active.</p> <p>Exclusionary devices (hard surface materials, such as plywood or plexiglass, flexible materials, such as vinyl, or a similar mechanism that keeps birds from building nests) shall be installed over suitable nest sites at the bridges that will be removed or that will have modifications to the substructure before the nesting season (February 1 through September 30) to prevent nesting at the bridges by bridge- and crevice-nesting birds (i.e., swifts and swallows). Netting shall not be used as an exclusionary</p>	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Retain a qualified bird biologist	Metro	Metro		Prior to Construction	—	—
	Conduct preconstruction bird surveys	Metro	Metro		Within 7 days prior to vegetation removal	—	—
	Implement/mark exclusionary buffer (only if nesting birds identified during pre-construction surveys)	Contractor	Metro		Prior to vegetation removal until nest is no longer active	—	—
	Install exclusionary devices (only if suitable nests are identified during preconstruction surveys)	Contractor	Metro	Phase B	Prior to February 1 (before bridge modifications at Vignes Street and Cesar Chavez Avenue)	—	—
	Remove bird nests	Contractor	Metro	Phase B	Prior to February 1 (before bridge modifications at Vignes Street and Cesar Chavez Avenue)	—	—

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						Initial	Date
<p>material because it can injure or kill birds, which would be in violation of the MBTA.</p> <p>In addition, if work on existing bridges with potential nest sites that will be removed or will have modifications to the substructure is to be conducted between February 1 and September 30, all bird nests shall be removed prior to February 1. Immediately prior to nest removal, a qualified biologist shall inspect each nest for the presence of torpid bats, which are known to use old swallow nests. Nest removal shall be conducted under the guidance and observation of a qualified biologist. Removal of swallow nests on bridges that are under construction shall be repeated as frequently as necessary to prevent nest completion unless a nest exclusion device has already been installed. Nest removal and exclusion device installation shall be monitored by a qualified biologist. Such exclusion efforts shall be continued to keep the structures free of swallows until October or the completion of construction.</p>							
<p>BIO-3 Protected Trees: Preconstruction surveys for protected trees (native trees 4 inches or more in cumulative diameter, as measured at 4.5 feet above the ground level, that are subject to protection under Ordinance No. 177404, Preservation of Protected Trees of the City of Los Angeles' municipal code, including oaks, southern California black walnut, western sycamore, and California bay), shall be conducted by a registered consulting arborist with the American Society of Consulting Arborists at least 120 days prior to construction. The locations and sizes of all protected trees shall be identified prior to construction and overlaid on project footprint maps to determine which trees may be protected in accordance with Ordinance No. 177404. The registered consulting arborist shall prepare a Protected Tree Report and shall submit three copies to the City of Los Angeles Department of Public Works. Any protected trees that must be removed due to project construction shall be replaced at a 2:1 ratio (or up to a 4:1 ratio for protected trees on private property) except when the protected tree is relocated on the same property, the City of Los Angeles has approved the tree for removal, and the relocation is economically reasonable and favorable to the survival of the tree. Each replacement tree shall be at least a 15-gallon specimen, measuring 1 inch or more in diameter, 1 foot above the base, and shall be at least 7 feet in height measured from the base.</p>	Retain a registered arborist to conduct preconstruction surveys and prepare a Protected Tree Report	Metro	Metro	Phase A and B	180 days prior to Construction	—	—
	Conduct preconstruction protected tree surveys	Metro	Metro		120 days prior to Construction	—	—
	Prepare Protected Tree Report	Metro	Metro		Prior to Construction	—	—
	Replace and/or relocate protected trees (as needed)	Metro	Metro		Within one year of removal of protected trees	—	—
Hydrology and Water Quality							
<p>HWQ-1 Prepare and Implement a SWPPP: During construction, Metro shall comply with the provisions of the NPDES General Permit for Stormwater Discharges Associated with Construction and Land Disturbance Activities (CGP) (Order No. 2009-0009-DWQ, NPDES No. CAS000002), and any subsequent amendments (Order No. 2010-0014-DWQ and Order No. 2012-0006-DWQ), as they relate to project construction activities. Construction activities shall not commence until a waste discharger</p>	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Prepare and submit Notice of Intent	Contractor/Metro	SWRCB		Prior to Construction		
	Prepare SWPPP/	Contractor	Metro/RWQCB		Prior to Construction	—	—

Table 1. Mitigation Monitoring and Reporting Program							
Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
						Initial	Date
identification number is received from the Stormwater Multiple Application and Report Tracking System. The contractor shall implement all required aspects of the SWPPP during project construction. Metro shall comply with the Risk Level 42 sampling and reporting requirements of the CGP. A rain event action plan shall be prepared and implemented by a qualified SWPPP developer within 48 hours prior to a rain event of 50 percent or greater probability of precipitation according to the National Oceanic and Atmospheric Administration. A Notice of Termination shall be submitted to SWRCB within 90 days of completion of construction and stabilization of the site.	Implement SWPPP (including preparation of rain event action plans)	Contractor	RWQCB		During Construction	—	—
	Prepare and submit Notice of Termination	Contractor/Metro	SWRCB		90 days prior to completion of construction	—	—
HWQ-2 Final Water Quality BMP Selection (Caltrans ROW): Metro shall comply with the provisions of the Caltrans Statewide NPDES Permit (Order No. 2012-0011-DWQ, NPDES No. CAS000003), effective July 1, 2013 (known as the Caltrans MS4 permit). This post-construction requirement would only apply to the US-101 overhead viaduct improvements. Metro shall prepare a stormwater data report for the plans, specifications, and estimate phase that will address post-construction BMPs for the US-101 overhead viaduct in accordance with the Caltrans Project Planning and Design Guide (latest edition).	Incorporate applicable NPDES requirements (for the portions of project within Caltrans ROW) into applicable construction documents (plans and specifications)	Metro	Caltrans	Phase A and B	Final Design	—	—
	Prepare a stormwater data report	Metro	Caltrans		Final Design	—	—
HWQ-3 Final Water Quality BMP Selection (Railroad ROW): For the portion of the project outside Caltrans ROW, Metro shall comply with the NPDES General Permit for Waste Discharge Requirements for Stormwater Discharges from Small MS4 (Order No. 2013-0001-DWQ, NPDES No. CAS000004), effective July 1, 2013 (known as the Phase II permit).	Incorporate applicable NPDES requirements into plans into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	Final Design	—	—
HWQ-4 Final Water Quality BMP Selection (City of Los Angeles): Metro shall comply with the NPDES Waste Discharge Requirements for MS4 Discharges within the Coastal Watersheds of Los Angeles County, Except Those Discharges Originating from the City of Long Beach MS4 (Order No. 2012-0175, NPDES No. CAS004001), effective December 28, 2012 (known as the Phase I Permit). This post-construction requirement shall apply to the entire project except for those portions under the jurisdiction of the Caltrans MS4 Permit and the Phase II Permit. Metro shall prepare a final LID report in accordance with the City of Los Angeles <i>Planning and Land Development Handbook for Low Impact Development</i> (LID Manual), May 9, 2016. This document shall identify the required BMPs to be in place prior to project operation and maintenance.	Incorporate applicable NPDES requirements (project wide) into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	Final Design	—	—
	Prepare a final LID report	Metro	City of Los Angeles		Final Design	—	—
HWQ-5 Comply with Local Dewatering Requirements: The contractor shall comply with the provisions of the General Waste Discharge Requirements for Discharges of Groundwater from Construction and Project Dewatering to Surface Waters in Coastal Watersheds of Los Angeles and Ventura Counties (Order No. R4-2013-0095, NPDES Permit No. CAG994004), effective July 6, 2013 (known as the Dewatering Permit), as they relate to discharge of non-stormwater dewatering wastes. The two options to	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Obtain Dewatering Permits (as needed)	Contractor	RWQCB/City of Los Angeles		Prior to Construction (Dewatering Activities)	—	—

Table 1. Mitigation Monitoring and Reporting Program							
Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
						Initial	Date
discharge shall be to the local storm drain system and/or to the sanitary sewer system, and the contractor shall obtain a permit from the RWQCB and/or the City of Los Angeles, respectively.							
HWQ-6 Comply with Local Dewatering Requirements for Contaminated Sites: The contractor shall comply with the provisions of the General Waste Discharge Requirements for Discharges of Treated Groundwater from Investigation and/or Cleanup of Volatile Organic Compounds-Contaminated Sites to Surface Waters in Coastal Watersheds of Los Angeles and Ventura Counties (Order No. R4-2013-0043, NPDES Permit No. CAG914001), effective April 7, 2013 (known as the Dewatering Permit for contaminated sites), for discharge of non-stormwater dewatering wastes from contaminated sites affected during construction. The two options to discharge shall be to the local storm drain system and/or to the sanitary sewer system, and the contractor shall require a permit from the RWQCB and/or the City of Los Angeles, respectively.	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Obtain Dewatering Permits for Contaminated Sites (as needed)	Contractor	RWQCB/City of Los Angeles		Prior to Construction (Dewatering Activities on Contaminated Sites)	—	—
HWQ-7 Prepare and Implement Industrial SWPPP for Relocated, Regulated Industrial Uses: Metro shall comply with the NPDES General Permit for Stormwater Discharges Associated with Industrial Activities (IGP; Order No. 2014-0057-DWQ, NPDES No. CAS000001) for demolished, relocated, or new industrial-related properties impacted by the project. This shall include preparation of industrial SWPPP(s), as applicable.	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Prepare Industrial SWPPP for relocated, regulated industrial uses	Contractor	RWQCB		Prior to Construction (on Industrial Sites)	—	—
Geology and Soils							
GEO-1 Prepare Final Geotechnical Report: During final design, a final geotechnical report shall be prepared by a licensed geotechnical engineer (to be retained by Metro). The final geotechnical report shall address and include site-specific design recommendations on the following: <ul style="list-style-type: none"> • Site preparation • Soil bearing capacity • Appropriate sources and types of fill • Liquefaction • Lateral spreading • Corrosive soils • Structural foundations • Grading practices The recommendations shall be prepared to mitigate the risk of seismic ground shaking and ground failure, including liquefaction. In addition to the recommendations for the conditions listed above, the report shall include results of subsurface testing of soil and groundwater conditions, and shall provide recommendations as to the appropriate foundation designs that	Prepare final geotechnical report	Metro	Metro	Phase A and B	During Final Design	—	—
	Incorporate site-specific recommendations of the final geotechnical report into applicable construction documents (plans and specifications)	Metro	Metro		During Final Design	—	—
	Construct infrastructure per the site-specific geotechnical recommendations	Contractor	Metro		During Construction	—	—

Table 1. Mitigation Monitoring and Reporting Program							
Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
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are consistent with the latest version of the CBC, as applicable at the time building and grading permits are pursued. Additional recommendations shall be included in that report to provide guidance for design of project-related infrastructure in accordance with Metro Rail Design Criteria, Manual for Railway Engineering, California High-Speed Train Project Design Criteria, California Amendments to the American Association of State Highway and Transportation Officials Load and Resistance Factor Design Bridge Design Specifications, and applicable local city codes (Appendix L of this EIR). The project shall be designed and constructed to comply with the site-specific recommendations as provided in the final geotechnical report to be prepared.							
Hazards and Hazardous Materials							
HAZ-1 Prepare a Construction Hazardous Materials Management Plan: Prior to construction, an HMMP shall be prepared by Metro that outlines provisions for safe storage, containment, and disposal of chemicals and hazardous materials, contaminated soils, and contaminated groundwater used or exposed during construction, including the proper locations for disposal. The HMMP shall be prepared to address the area of the project footprint, and would include, but shall not be limited to, the following: <ul style="list-style-type: none"> A description of hazardous materials and hazardous wastes used (29 CFR 1910.1200) A description of handling, transport, treatment, and disposal procedures, as relevant for each hazardous material or hazardous waste (29 CFR 1910.120) Preparedness, prevention, contingency, and emergency procedures, including emergency contact information (29 CFR 1910.38) A description of personnel training including, but not limited to: (1) recognition of existing or potential hazards resulting from accidental spills or other releases; (2) implementation of evacuation, notification, and other emergency response procedures; (3) management, awareness, and handling of hazardous materials and hazardous wastes, as required by their level of responsibility (29 CFR 1910) Instructions on keeping Safety Data Sheets on site for each on-site hazardous chemical (29 CFR 1910.1200) Identification of the locations of hazardous material storage areas, including temporary storage areas, which shall be equipped with secondary containment sufficient in size to contain the volume of the largest container or tank (29 CFR 1910.120). 	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	Prior to Construction	—	—
	Prepare Hazardous Materials Management Plan	Contractor	Metro		Prior to Construction	—	—
	Implement Hazardous Materials Management Plan	Contractor	Metro		During Construction	—	—
		Prepare Phase II ESA Investigation	Metro	Metro	Phase A and B	Prior to Final Design	—

Table 1. Mitigation Monitoring and Reporting Program							
Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
						Initial	Date
HAZ-2 Prepare Project-wide Phase II ESA (based on completed Phase I ESA): Prior to final design, a Phase II Environmental Site Investigation shall be prepared to focus on likely sources of contamination (based on completed Phase I ESA) for properties within the project footprint that would be affected by excavation. Phase II activities shall consist of: <ul style="list-style-type: none"> Collection of soil, groundwater, and soil vapor samples from borings, for geologic analysis and collection/submittal of samples to an environmental laboratory for implementation of an analytical program. Sampling shall be based on the findings of the Phase I ESA for the project area. Laboratory analysis of samples for contaminants of concern, which vary by location, but may include: VOCs, PAHs, TPHs, and California Title 22 metals. A Phase II ESA Report shall be prepared that summarizes the results of the drilling and sampling activities, and provides recommendations based on the investigation's findings. Metro shall implement the Phase II ESA findings. The Phase II ESA shall be conducted under the direct supervision of a Professional Geologist, licensed in the State of California, with expertise in environmental site assessments and evaluation of contaminated sites.	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro		Prior to Construction	—	—
	Implement Phase II recommendations/findings	Contractor	Metro		During Construction	—	—
HAZ-3 Prepare a General Construction Soil Management Plan: Prior to construction, Metro shall prepare a General Construction Soil Management Plan that includes general provisions for how soils will be managed within the project footprint for the duration of construction. Any soil imported to the project site for backfill shall be certified clean prior to use. General soil management controls to be implemented by the contractor and the following topics shall be addressed within the Soil Management Plan: <ul style="list-style-type: none"> General worker health and safety procedures Dust control Management of soil stockpiles Traffic control Stormwater erosion control using BMPs 	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Prepare Construction Soil Management Plan (project wide)	Contractor	Metro		Prior to Construction	—	—
	Implement Construction Soil Management Plan (project wide)	Contractor	Metro		During Construction	—	—
	Provide proof of certified clean imported soil	Contractor	Metro		During Construction	—	—
HAZ-4 Prepare Parcel-Specific Soil Management Plans and Health and Safety Plans: Prior to construction, Metro shall prepare parcel-specific Soil Management Plans for known contaminated sites and LUC-adjudicated sites for submittal and approval by DTSC. The plans shall include specific hazards and provisions for how soils will be managed for known contaminated sites and LUC-adjudicated sites. The nature and extent of contamination varies widely across the project footprint, and the	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Prepare parcel specific soil management plans (for known contaminated sites/LUC-adjudicated sites)	Metro/Contractor	DTSC		Prior to Construction	—	—

Table 1. Mitigation Monitoring and Reporting Program							
Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
						Initial	Date
<p>parcel-specific Soil Management Plan shall provide parcel-specific requirements addressing the following:</p> <ul style="list-style-type: none"> Soil disposal protocols Protocols governing the discovery of unknown contaminants Management of soil on properties within the project footprint with LUCs or known contaminants <p>Prior to construction on individual properties with LUCs or known contaminants, a parcel-specific HASPs shall also be prepared for submittal and approval by DTSC. The HASPs shall be prepared to meet OSHA requirements, Title 29 of the CFR 1910.120 and CCR Title 8, Section 5192, and all applicable federal, state and local regulations and agency ordinances related to the proposed management, transport, and disposal of contaminated media during implementation of work and field activities. The HASPs shall be signed and sealed by a Certified Industrial Hygienist, licensed by the American Board of Industrial Hygiene. In addition to general construction soil management plan provisions, the following parcel-specific HASPs provisions shall also be implemented:</p> <ul style="list-style-type: none"> Training requirements for site workers who may be handling contaminated material Chemical exposure hazards in soil, groundwater, or soil vapor that are known to be present on a property Mitigation and monitoring measures that are protective of site worker and public health and safety <p>Prior to construction, Metro shall coordinate proposed soil management measures and reporting activities with stakeholders and regulatory agencies with jurisdiction, to establish an appropriate monitoring and reporting program that meets all federal, state, and local laws for the project, and each of the contaminated sites.</p>	Retain a Certified Industrial Hygienist to prepare parcel specific health and safety plans (for known contaminated sites/LUC-adjudicated sites)	Metro	Metro		Prior to Construction	—	—
	Prepare a parcel specific health and safety plans (for known contaminated sites/LUC-adjudicated sites)	Metro/Contractor	DTSC		Prior to Construction	—	—
	Coordinate proposed soil management measures and reporting activities with appropriate agencies including but not limited to SCRRRA, City of Los Angeles, RWQCB	Metro	Metro		Prior to Construction	—	—
HAZ-5 Land Use Covenant Sites and Coordination with the DTSC: Prior to construction on properties with a LUC, Metro shall coordinate with the DTSC regarding any plans specified in HAZ-4, construction activities, and/or public outreach activities needed to verify that construction activities on properties with LUCs would be managed in a manner protective of public health and the environment.	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—
	Coordinate with DTSC on LUC sites	Metro/Contractor	DTSC		Prior to Construction (on LUC sites)	—	—
HAZ-6 Halt Construction Work if Potentially Hazardous Materials/Abandoned Oil Wells are Encountered: Contractors shall follow all applicable local, state, and federal regulations regarding discovery, notification, response, disposal, and remediation for hazardous materials and/or abandoned oil wells encountered during the construction process.	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	Prior to Construction	—	—
	Halt work if potentially hazardous materials/abandoned wells are encountered	Contractor	Metro		During Construction	—	—

Table 1. Mitigation Monitoring and Reporting Program								
Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance		
						Initial	Date	
HAZ-7 Compliance with the City of Los Angeles Building Code Methane Regulations: Prior to final design, Metro shall verify that the design of infrastructure improvements located within Methane Buffer Zones (as defined by LABOE) comply with the City of Los Angeles Building Code regulations set forth in Ordinances 175790 and 180619. The ordinances require evaluation of methane hazards and mitigation of a methane hazard, if one exists, depending on the severity of the hazard.	Verify compliance with City of Los Angeles Building Code Methane Regulations	Metro	City of Los Angeles	Phase A and B	During Final Design	—	—	
HAZ-8 Pre-Demolition Investigation: Prior to the demolition of any structures constructed prior to the 1970s, a survey shall be conducted for the presence of hazardous building materials, such as asbestos-containing materials, lead-based paints, and other materials falling under the Universal Waste requirements. The results of this survey shall be submitted to Metro, and applicable stakeholders as deemed appropriate by Metro. If any hazardous building materials are discovered, prior to demolition of any structures, a plan for proper removal shall be prepared in accordance with applicable OSHA and the Los Angeles County Department of Public Health requirements. The contractor performing the work shall be required to implement the removal plan and shall be required to have a C-21 license in the State of California, and possess an A or B classification. If asbestos-related work is required, the contractor or their subcontractor shall be required to possess a California Contractor License (Asbestos Certification). Prior to any demolition activities, the contractor shall be required to secure the site and ensure the disconnection of utilities.	Incorporate contractor responsibilities into applicable construction documents (plans and specifications)	Metro	Metro	Phase A and B	During Final Design	—	—	
	Conduct pre-demolition survey (for buildings constructed prior to 1970 that require demolition)	Contractor	Metro		Prior to Building Demolition	—	—	
	Prepare Removal Plan (only if hazardous building materials are discovered during the pre-demolition survey)	Contractor	OSHA/Los Angeles County Department of Public Health		Prior to Building Demolition	—	—	
	Provide proof of appropriate licenses and certifications	Contractor	Metro		Prior to Building Demolition	—	—	
	Secure the site and disconnect utilities	Contractor	Metro		Prior to Building Demolition	—	—	
	Implement Removal Plan	Contractor	Metro		During Building Demolition	—	—	
Cultural Resources								
HIST-1a LAUS City of Los Angeles CHC Review and Consultation: Metro shall comply with the applicable Cultural Heritage Ordinance sections for LAUS as a Historic Cultural Monument by obtaining a Permit for Substantial Alteration and/or Permit for the Demolition or Relocation of a Site, Building or Structure Designated a Monument. Per Article 1, Section 22.171.14 of the City Cultural Heritage Ordinance, no person, owner or other entity shall demolish, alter, rehabilitate, develop, construct, restore, remove, or change the appearance of any Designated HCM without first having applied for and been granted a permit. The Director of Planning may refer a permit to the CHC when there is potential discrepancy between the proposal and the standards. The CHC may vote to object or not object to the issuance of a permit, for up to 180 days, with an additional 180-day extension to the objection period upon a vote of the City Council. Based on LAUS being identified as City of Los Angeles Historic-Cultural Monument #101, Metro shall consult with the City of Los Angeles Office of Historic Resources (OHR) and CHC during early design phases of the project to discuss the character-defining features of LAUS that would be altered or demolished	<u>Consult on alterations or demolition of character-defining features of LAUS with the City of Los Angeles CHC and OHR. Obtain permit for substantial alteration, demolition, or removal of site, building, or structure.</u>	Metro	<u>Metro-City of Los Angeles Cultural Heritage Commission/Department of City Planning/Department of Building and Safety</u>	Phase A and B	Prior to Construction (at LAUS)	—	—	

Table 1. Mitigation Monitoring and Reporting Program							
Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
						Initial	Date
	<u>by the project. Metro shall take into consideration the feedback received from the OHR and CHC in progressing the design to completion.</u>						
HIST-1b LAUS HABS-Like Documentation: Historic Resource Recordation: Impacts resulting from the demolition or alteration of character-defining features of LAUS shall be minimized through archival documentation of as-built and as-found condition. Prior to initiation of construction work at LAUS, Metro shall ensure that documentation of the character-defining features proposed for demolition is completed in a manner similar to a HABS, Level I survey documentation. The further documentation of LAUS shall include large-format photographic recordation, detailed historic narrative report, and compilation of historic research. The documentation shall be completed by a qualified architectural historian or historian who meets the Secretary of the Interior's professional qualification standards for history and/or architectural history. The archival documentation shall be donated to a suitable repository, such as the City of Los Angeles Public Library. At a minimum, but not limited to, the following character-defining features shall be included in this documentation: <ul style="list-style-type: none"> • Pedestrian passageway • Ramps • Railings • Platforms • Butterfly shed canopies • South retaining wall • Terminal Tower • Car Supply/Maintenance Building • Cesar Chavez Avenue Undercrossing • Vignes Street Undercrossing (this bridge, which was constructed as part of LAUS, does not require additional individual HABS documentation) 	Retain qualified architectural historian or historian who meets the Secretary of the Interior's professional qualification standards for history and/or architectural history	Metro	Metro	Phase A and B	Prior to Construction (at LAUS)	—	—
	Conduct HABS-Like documentation and further documentation for all character defining features at LAUS	Metro	Metro		Prior to Construction (at LAUS)	—	—
	Donate archival documentation to a suitable repository	Metro	Metro		Prior to Operation of New Modified Expanded Passageway (at LAUS)	—	—
HIST-1c LAUS Restoration of the Existing Passenger Concourse (west of pedestrian passageway): To ensure compatibility with the architecturally significant buildings that are part of LAUS and to mitigate the demolition or alteration of character-defining features at LAUS, the original passenger concourse shall be restored, where feasible, from an engineering and constructability standpoint, to its 1939 appearance in accordance with the Secretary of the Interior's Standards for Restoration. The original passenger concourse is a distinct transitional space between the waiting hall and the pedestrian passageway, having a low and flat ceiling with chamfered, rectangular columns with flared capitals. The original	Incorporate restoration design elements into applicable construction documents (plans and specifications)	Metro	Metro	Phase B	During Final Design	—	—
	Submit restoration design plans to the City of Los Angeles CHC and OHR.	Metro	Metro City of Los Angeles CHC and OHR		During Final Design	—	—
	Implement the restoration design as approved	Contractor	Metro City of Los Angeles CHC and OHR		During Construction	—	—

Table 1. Mitigation Monitoring and Reporting Program							
Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
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passenger concourse presently contains multiple retail spaces, restrooms, Amtrak ticketing and baggage handling, and the entrance to the subterranean Red and Purple subway lines. This includes possible redesign of the entrance to the Metro Red Line Subway to be more compatible with the historic LAUS design. Metro shall design and implement the restoration in consultation with and with approval from the City of Los Angeles CHC and OHR prior to finalizing design.							
HIST-1d LAUS Educational Exhibit: Because the passenger interface (i.e., the pedestrian passageway, ramps, railings, and butterfly shed canopies) between the trains and the architecturally significant buildings at LAUS would be demolished and replaced by a new design, an educational display shall be created by Metro and installed at LAUS that could be viewed by the public and would demonstrate the history of LAUS and how it was used by past railroad passengers. Metro shall design and implement the educational display in consultation with the City of Los Angeles CHC and OHR prior to finalizing design.	Incorporate educational display into applicable construction documents (plans and specifications)	Metro	Metro	Phase B	During Final Design	—	—
	Submit educational display design plans to the City of Los Angeles CHC and OHR	Metro	Metro City of Los Angeles CHC and OHR		During Final Design	—	—
	Implement the educational display as approved	Metro	Metro City of Los Angeles CHC and OHR		During Construction	—	—
HIST-2 William Mead Homes Consultation: Mitigation Measure AES-1 (described in Section 3.4, Aesthetics) requires coordination with HACLA on the aesthetic treatments for the proposed retaining wall and sound wall. Metro shall send copies of pertinent consultation documentation regarding proposed retaining wall and sound wall design and/or aesthetic treatments including plans, specifications, and other documentation to the City of Los Angeles OHR to keep them apprised of the consultation process.	Submit sound wall and aesthetic treatment design plans to the City of Los Angeles OHR	Metro	Metro City of Los Angeles OHR	Phase B	During Final Design	—	—
	Implement the aesthetic treatments as approved	Metro	Metro City of Los Angeles OHR		During Construction	—	—
HIST-3 Friedman Bag Company: Textile Division Building-City of Los Angeles Office of Historical Resources Review and Consultation and HABS-Like Documentation: Prior to demolition, the character-defining features of the historical resource shall be photographed in a manner similar to HABS standards, submitted to OHR for review and approval, and the archival documentation shall be donated to a suitable repository, such as the City of Los Angeles Public Library.	Conduct HABS-like documentation of the Friedman Bag Company building	Metro	Metro City of Los Angeles OHR	Phase A	Prior to Building Demolition (Friedman-Bay Company building)	—	—
	Submit documentation to OHR for review and approval	Metro	Metro		Prior to Building Demolition (Friedman-Bay Company building)	—	—
	Donate archival documentation to a suitable repository	Metro	Metro		Prior to Operation of Run-Through Service	—	—
HIST-4 North Main Street Bridge City of Los Angeles Cultural Heritage Commission Review and Consultation: Metro shall ensure that prior to construction, work proposed on all elements and character-defining features of the North Main Street Bridge, including, but not limited to, its sidewalks, decking, and wingwalls, shall follow the Secretary of Interior's Standards for the Treatment of Historic Properties, <u>to the extent feasible</u> . <u>Based on the North Main Street Bridge being identified as City of Los</u>	<u>Ensure that work proposed on North Main Street Bridge follows the Secretary of Interior's Standards for the Treatment of Historic Properties, to the extent feasible</u>	Metro	Metro City of Los Angeles Cultural Heritage Commission/Department of City Planning/Department of Building and Safety	Phase A and B	Prior to Construction (at North Main Street Bridge)	—	—

Table 1. Mitigation Monitoring and Reporting Program							
Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
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<p><u>Angeles Historic-Cultural Monument #901. Metro shall consult with the City of Los Angeles Office of Historic Resources (OHR) and Cultural Heritage Commission (CHC) during early design phases of the Project to discuss the character-defining features of the North Main Street Bridge that would be altered by the Project. Metro shall take into consideration the feedback received from the OHR and CHC in progressing the design to completion. The North Main Street Bridge is designated a LAHCM (#901). Pursuant to Article 1, Section 22.171.14 of the City Cultural Heritage Ordinance, no person, owner or other entity shall demolish, alter, rehabilitate, develop, construct, restore, remove, or change the appearance of the North Main Street Bridge without first having applied for and been granted a permit by the City of Los Angeles. The Director of Planning may refer a permit to the CHC when there is a potential discrepancy between the proposal and the standards. The commission may vote to object or not object to the issuance of a permit, for up to 180 days, with an additional 180 day extension to the objection period upon a vote of the City Council.</u></p>	<p>Obtain permit for any substantial alteration.</p>						
	<p><u>Consult on alterations to character-defining features of the North Main Street Bridge with the City of Los Angeles CHC and OHR</u></p>	Metro	Metro	Phase A and B	Prior to Construction (at North Main Street Bridge)	=	=
<p>HIST-5 Archaeological Site CA-LAN-1575/H: Preparation of a Cultural Resources Mitigation and Management Plan: Prior to construction, Metro's qualified archaeologist, herein defined as a person who meets the Secretary of Interior's Professional Qualification Standards in Archaeology and experienced in analysis and evaluation of the types of material anticipated to be encountered, shall develop a CRMMP that includes the treatment and management for known historical resources, determines thresholds of significance for each of the feature types that may be encountered, and the process for treating unanticipated discoveries. The CRMMP shall contain a robust research design, a data recovery plan, a monitoring plan for sensitive areas, and a plan for the analysis and long-term curation of archaeological materials recovered during construction. The CRMMP shall detail the discovery protocol if human remains and/or funerary objects, sacred objects, and objects of cultural patrimony are encountered and shall include a plan for reburial in an appropriate location. The CRMMP shall be consistent with the Secretary of Interior's Standards and Guidelines for Archaeological Documentation and the California Office of Historic Preservation's Archaeological Resources Management Reports: Recommended Contents and Format.</p> <p>Consulting Tribes under AB 52 for the project shall have the opportunity to review and comment on the Draft CRMMP. Provisions within the CRMMP may include arrangements with tribal representatives, for example, to respectfully reinter tribal resources on site if practicable.</p> <p>Caltrans shall have the opportunity to review and comment on the Draft CRMMP.</p> <p>The CRMMP shall include, at a minimum, the following:</p> <ul style="list-style-type: none"> Efforts to Preserve and Protect in Place: The CRMMP, per CEQA Guidelines 15162.4(b)(3), shall attempt to avoid impacts on Archaeological Site CA-LAN-1575/H and preserve in place any areas 	<p>Retain qualified archaeologist who meets the Secretary of the Interior's Professional Qualification Standards in Archaeology</p>	Metro	Metro	Phase A and B	Prior to Construction	—	—
	<p>Prepare CRMMP to meet minimum requirements of Mitigation Measure HIST-5</p>	Metro	Metro/Caltrans		Prior to Construction	—	—
	<p>Provide Draft CRMMP to AB52 consulting Tribes for review and comment</p>	Metro	Metro		Prior to completion of the CRMMP	—	—
	<p>Implement the CRMMP, including WEAP training, monitoring, and reporting requirements</p>	Contractor	Metro		During Construction	—	—

Table 1. Mitigation Monitoring and Reporting Program

Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
						Initial	Date
<p>where significant components of Archaeological Site CA-LAN-1575/H are known to exist, if feasible.</p> <ul style="list-style-type: none"> Development of a Preconstruction Site-Specific Sensitivity Model: Final design feature location and the respective level and depth of ground disturbance shall serve as the basis for impacts on known locations of previously recorded archaeological features. Comparison of final design feature location with “as-built plans” especially as they relate to US-101 and historic maps for the area shall identify specific site features buried within the project study area, if any. Further, specific geotechnical boring results and past archaeological reports that identify depth of fill shall determine the level of sensitivity to encounter archaeological remains for each construction component. A three-dimensional model or other relatable graphic depiction shall be created to assist Metro with the interpretation of potential archaeological impacts. Phasing of Feature Testing in Advance of Construction, Excavation, and Recovery: The CRMMP shall contain very specific methodology regarding testing of known features identified through the development of the sensitivity model. Due to the extreme constraints posed by the project area location (affecting public transportation through closure of roads, etc.), testing shall occur as part of the preconstruction activities. This CRMMP shall also contain specific methodology regarding feature evaluation, data recovery, and analysis for reporting. Archaeological Monitoring: The CRMMP shall identify monitoring locations and protocols based on the final design and potential impacts. Metro shall retain archaeological monitors who will be supervised by a qualified archaeologist. All archaeological monitors shall be trained in the types of materials they may encounter. The CRMMP shall rely on an Occupational Safety and Health Administration-qualified determinations in regard to the safety of monitoring locations and the potential for contaminated soils or other hazards. Native American Monitoring: The CRMMP shall identify Native American monitoring locations and protocols based on the final design and potential impacts. Metro shall retain Native American monitors consistent with the requirements detailed in Mitigation Measure TCR-1. The CRMMP shall rely on Occupational Safety and Health Administration-qualified determinations in regard to the safety of monitoring locations and the potential for contaminated soils or other hazards. WEAP Training: A qualified archaeologist shall be retained to prepare a cultural resource-focused WEAP training that shall be given to all ground-disturbing construction personnel to minimize harm to Archaeological Site CA-LAN-1575/H and any previously undiscovered archaeological resources. Topics to be included for WEAP training shall be identified in the CRMMP. All site workers shall be required to complete WEAP Training, with a focus on cultural resources, including 							

Table 1. Mitigation Monitoring and Reporting Program

Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
						Initial	Date
<p>education on the consequences of unauthorized collection of artifacts, and a review of discovery protocol. WEAP training shall also explain the requirements of mitigation measures that must be implemented during ground-disturbing construction activities in archaeologically sensitive areas.</p> <ul style="list-style-type: none"> Archaeological Reporting: All archaeological reports shall meet the requirements set forth for reporting in the CRMMP and be submitted to Metro. <ul style="list-style-type: none"> Evaluation and Data Recovery Reports: Where archaeological evaluation and data recovery are required, the results shall be documented in an evaluation and data recovery report. This document shall summarize the evaluation efforts and data recovery results. For each site or feature that undergoes data recovery, the report shall be prepared in accordance with the guidelines established by the Secretary of the Interior's Standards for Archaeological Documentation and the OHP's Archaeological Resource Management Reports: Recommended Contents and Format. Archaeological Monitoring Report: Metro's qualified archaeologist shall prepare a yearly written report detailing monitoring activities performed at Archaeological Site CA-LAN-1575/H and at any other previously undiscovered archaeological site. A final monitoring report shall be written by Metro's qualified archaeologist upon completion of grading and excavation activities within cultural bearing soils. The yearly report shall include the results of the fieldwork for the time period and all appropriate laboratory and analytical studies that were performed in conjunction with excavations. Curation of Archaeological Collections: Archaeological collections are comprised of several components, including but not limited to artifacts, environmental and dating samples, field documentation, laboratory documentation, photographic records, related historical documents, and reports. All artifacts, notes, photographs, and other materials recovered during the monitoring program related to Archaeological Site CA-LAN-1575/H, and any historical resource encountered during construction shall be curated or reburied by Metro, following the specific guidelines presented in the CRMMP. 							
<p>HIST-6 Development of a Public Participation or Outreach Plan for P-19-001575 (Archeological Site CA-LAN-1575/H): Prior to construction, Metro shall develop a public outreach and educational plan that includes continued consultation and input from Native American Tribes consulting under AB 52; cultural resource professionals, including but not limited to, qualified archaeologists, historians, and/or architectural historians, and other potential stakeholders, such as local historic societies. The plan may include visual/educational exhibits or murals within LAUS, the development of an educational telephone application, or other published or digital educational material that may be used to inform the public regarding the</p>	Prepare public outreach and educational plan	Metro	Metro	Phase A and B	Prior to Construction (at LAUS)	—	—

Table 1. Mitigation Monitoring and Reporting Program							
Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
						Initial	Date
significance of Historic Chinatown or earlier use and sacredness of the area as it relates to Native Americans.							
<p>PAL-1 Prepare a PMP: It is anticipated that Quaternary older alluvium or Puente Formation, which have a high sensitivity level, would be impacted during construction. A PMP shall be prepared by Metro’s qualified Paleontologist using final excavation plans to determine where these geologic units would be impacted, and Metro shall implement the PMP prior to the start of any ground-disturbing construction activities. The PMP shall include site-specific impact mitigation recommendations and specific procedures for construction monitoring and fossil discovery.</p> <p>The PMP shall include a requirement for full-time paleontological monitoring if excavations would occur within native Quaternary older alluvium and/or Puente Formation, with the exception of pile-driving activities. While pile-driving activities for foundation construction may impact paleontologically sensitive sediments due to the need for foundations to be within firm strata, this activity is not conducive to paleontological monitoring, as fossils would be destroyed by the construction process. Monitoring is not recommended for excavations that only impact artificial fill and Quaternary alluvium.</p> <p>The PMP shall detail a discovery protocol in the event potentially significant paleontological resources are encountered during construction. For example, the contractor shall halt surface disturbing activities in the immediate area (within a 25-foot radius of the discovery), and a qualified paleontologist shall make an immediate evaluation of the significance and appropriate treatment of the encountered paleontological resources in accordance with the PMP. If necessary, appropriate salvage measures and mitigation measures shall be developed in conformance with state guidelines and best practices. Construction activities may continue on other areas of the project site while evaluation and treatment of the discovered paleontological resources take place. Work may not resume in the discovery area until it has been authorized by a qualified paleontologist.</p>	Retain qualified paleontologist to prepare a PMP	Metro	Metro	Phase A and B	Prior to Construction	—	—
	Prepare PMP	Metro	Metro		Prior to Construction	—	—
	Implement PMP including full-time paleontological monitoring, discovery protocols, salvage measures, and evaluation and treatment of discovered paleontological resources	Metro	Metro		During Construction	—	—
<p>PAL-2 WEAP Training: Metro’s qualified paleontologist shall prepare a paleontological resource-focused WEAP training that shall be given to all ground-disturbing construction personnel. All site workers shall be required to complete WEAP training with a focus on paleontological resources, including a review of what to do in the case of an unanticipated fossil discovery, as identified in the PMP.</p>	Prepare a paleontological resource-focused WEAP Training.	Metro	Metro	Phase A and B	Prior to Construction	—	—
	Provide WEAP training to all ground-disturbing construction personnel	Contractor	Metro		Prior to Construction and during construction as new personnel join the project	—	—
<p>PAL-3 Curation: Significant fossils recovered during construction shall be curated by Metro in perpetuity at an accredited repository, such as the Natural History Museum of Los Angeles County. These fossils shall be prepared, identified, and catalogued for curation (but not prepared for a level of exhibition of any salvaged specimens) by Metro’s qualified paleontologist. This includes removal of all or most of the enclosing sediment to reduce</p>	Prepare, identify, and catalogue significant fossils recovered for curation	Metro	Metro	Phase A and B	During Construction	—	—
	Provide significant fossils recovered field notes, photographs, stratigraphic	Metro	Metro		Post Construction	—	—

Table 1. Mitigation Monitoring and Reporting Program

Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
						Initial	Date
the specimen volume, increase surface area for the application of consolidants or preservatives, provide repairs and stabilization of fragile or damaged areas on a specimen, and allow identification of the fossils. All field notes, photographs, stratigraphic sections, and other data associated with the recovery of the specimens shall be deposited with the institution receiving the specimens.	sections, and other data associated with the recovery of the specimens to an accredited repository for curation						
HR-1 Human Remains: In the event that any human remains or related resources are discovered during construction, such resources shall be treated in accordance with applicable state and local regulations and guidelines for disclosure, recovery, relocation, and preservation, as appropriate. All construction affecting the discovery site shall immediately cease until the County Coroner is contacted (within 24 hours of the discovery of potential human remains, as required by CEQA Guidelines, Section 15064.5[e]), and the human remains are evaluated by the County Coroner for the nature of the remains and cause of death. The County Coroner must determine within 2 working days of being notified if the remains are subject to their authority. PRC Section 5097.98 requires that the immediate vicinity where the discovery occurred be subject to no further disturbances and be adequately protected according to generally accepted cultural and archaeological standards, and that further activities take into account the possibility of multiple burials. If the remains are determined to be of Native American origin, the coroner shall contact the NAHC by phone within 24 hours, and the NAHC shall be asked to determine the most likely descendants who are to be notified or, if the remains are unidentifiable, to establish the procedures for burial within 48 hours of notification. All parties involved shall ensure that any such remains are treated in a respectful manner and that all applicable local, state, and federal laws are followed. This discovery protocol shall be included in the CRMMP.	Incorporate discovery protocol in the CRMMP (see Mitigation Measure HIST-5 above)	Metro	Metro	Phase A and B	Prior to Construction	—	—
TCR-1 Native American Monitoring: To ensure TCRs are treated with culturally appropriate dignity, Metro shall retain a Native American monitor to be present at all phases of work with the potential to impact Archaeological Site CA-LAN-1575/H. A Native American monitor shall also be present at all phases of work with the potential to impact other previously undiscovered archaeological resources related to ethnohistoric or prehistoric archaeological deposits. The Native American monitor shall be selected from a tribal group with ancestral ties to this location, to be present alongside the archaeological monitor. The CRMMP shall guide Native American monitoring and shall include details on the potential discovery of previously undiscovered ethnographic and prehistoric archaeological deposits, human remains, and other sensitive resources.	Retain Native American Monitor for all phases of work with potential to impact Archaeological Site CA LAN 1575/H <u>or other previously undiscovered archaeological resources related to ethnohistoric or prehistoric archaeological deposits</u>	Metro	Metro	Phase A and B	Prior to Construction	—	—
	Incorporate Native American monitor requirements into CRMMP (see Mitigation Measure HIST-5 above)	Metro	Metro		During Construction (at LAUS)	—	—

Notes:
 AB=Assembly Bill; BMP=best management practice; Caltrans=California Department of Transportation; CARB=California Air Resources Board; CBC=California Building Code; CCR=California Code of Regulations; CEQA=California Environmental Quality Act; CFR=Code of Federal Regulations; CGP=construction general permit; CHC=Cultural Heritage Commission; CHSRA=California High-Speed Rail Authority; CRMMP=Cultural Resource Mitigation and Management Plan; DTSC=Department of Toxic Substance Control; EIR=environmental impact report; ESA=environmental site assessment; FTA=Federal Transit Administration; HABS=Historic American Buildings Survey; HACLA=Housing Authority of the City of Los Angeles; HCM=Historic-Cultural Monument; HMMP=Hazardous materials management plan; HSR=High-Speed Rail; IGP=industrial general permit; LA=Los Angeles; LABOE=Los Angeles Bureau of Engineering; LADOT=City of Los Angeles Department of Transportation; LAHCM=Los Angeles Historic-Cultural Monument; LAUS=Los Angeles Union Station; LID=low impact development;

Table 1. Mitigation Monitoring and Reporting Program

Mitigation Measures	Compliance Action/Deliverable	Responsible Party	Enforcement Agency	Implementation Phase (A or B)	Monitoring/Compliance Schedule	Verification of Compliance	
						Initial	Date

LOSSAN=Los Angeles-San Diego-San Luis Obispo; LUC=Land Use Covenant; MBTA=Migratory Bird Treaty Act; Metro=Los Angeles County Metropolitan Transportation Authority; MOU=memorandum of understanding; NAHC=Native American Heritage Commission; NPDES=National Pollutant Discharge Elimination System; OHR=Office of Historic Resources; OSHA=Occupational Safety and Health Administration; PAH=polynuclear aromatic hydrocarbon; PMP=Paleontological Mitigation Plan; PRC=Public Resources Code; RIO=River Improvement Overlay District; ROW=right-of-way; RWQCB=Regional Water Quality Control Board; SCAQMD=South Coast Air Quality Management District; SCORE=Southern California Optimized Rail Expansion; SCRRA=Southern California Regional Rail Authority; SWRCB=State Water Resources Control Board; SWPPP=stormwater pollution prevention plan; TMP=traffic management plan; TPH=total petroleum hydrocarbons; VOC=volatile organic compound; WEAP=worker environmental awareness program



Board Report

File #: 2021-0518, File Type: Agreement

Agenda Number: 12.

FINANCE, BUDGET AND AUDIT COMMITTEE OCTOBER 20, 2021

SUBJECT: EIGHTH AMENDMENT TO LEASE AGREEMENT WITH DOWNTOWN PROPERTIES, LLC FOR THE OFFICE OF INSPECTOR GENERAL

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer or their designee to execute a 65-month (5 years, 5 months) lease amendment commencing March 1, 2022 with Downtown Properties, LLC (“Lessor”), for the Office of the Inspector General (“OIG”) located at 818 West 7th Street in Los Angeles at a rate of \$38,736 per month with 3% annual escalations for a total of \$2,486,730 over the 65-month term.

ISSUE

The current lease term pursuant to the Seventh Amendment to Lease, will expire on February 28, 2022 unless the term is extended. The Office of the Inspector General (“OIG”) has a continued need for space at 818 West 7th Street in Los Angeles (“OIG Office”) to provide ongoing oversight duties. OIG continues to need offices separate from Gateway Headquarters in order to maintain oversight independence and avoid outside influence.

BACKGROUND

The OIG has occupied office space at 818 West 7th Street in Los Angeles since 1998. The original lease was for 55,560 square feet (SF), but has been reduced 77% over time to the current size of 12,912 SF. The space is used by OIG staff and OIG consultants. It is strategically located directly across from the Metro 7th Street subway station. The lease term under the current amendment covers the use of 12,912 SF for a term of five (5) years and was extended commencing March 1, 2017 and will expire on February 28, 2022. Real Estate staff has negotiated new lease terms effective March 1, 2022, which included a new rental rate lower than the previous rate, upgrades including a security system and CAT6 cabling with the Lessor reimbursing Metro for all costs incurred and five months of free rent.

DISCUSSION

Findings

The current OIG Office location has adequately served the needs of the OIG since 1998. It is ideal to continue operations at the OIG Office to provide the least interruption to OIG services. The Lessor has shown a willingness to work with Metro to reduce costs. For example, in 2020, the Inspector General negotiated a temporary rent reduction of 30% for four months. This laid the groundwork for current negotiations. The Lessor has now agreed to further concessions accepting a rental rate of \$36 per SF (\$33 effective rate after taking into consideration free rent) which is below the average fair market rental rate of \$41.59 per SF based on a survey of recent activity in 21 other similar Downtown Los Angeles office buildings. Metro's new rental rate represents an almost 20% savings from the current rental rate, which does not take into consideration the additional savings from avoiding moving costs (i.e. new furniture, fixtures and IT installation and phone equipment) and service interruption by extending the current lease.

Considerations

The OIG Office required some upgrades to restore functionality and comfort for optimal working conditions. Real Estate staff was able to negotiate with the Lessor to make needed improvements while also providing a substantial reduction in the rental rate. This was the optimal outcome and will allow Metro to reevaluate the market again in five years at the expiration of the proposed term.

DETERMINATION OF SAFETY IMPACT

This Board Action will not have an impact on safety standards for Metro operations.

FINANCIAL IMPACT

The proposed rent for FY22 lease obligations is \$116,206 (\$38,736 per month for three months April 1, 2022- June 30, 2022 with March 2022 rent-free) which is currently budgeted in 0651.100002.01.51201 Rent Property/Facilities. The total cost of this lease amendment is \$2,486,730 over the 65-month term. Future lease obligations will be included in annual budget preparation by Real Estate staff.

Impact to Budget

The funding for the proposed lease is the general fund, right of way. The funding source is eligible for bus & rail operations and capital projects.

EQUITY PLATFORM

There are no anticipated equity impacts identified as a result of this action.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports the following Metro strategic plan goals:

5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

If the Board chooses not to extend the term, the time and resources required to select another downtown office location, negotiate a favorable lease rate, construct tenant improvements, communications facilities and relocate the OIG staff from the existing space would far exceed the rental payment required to remain in the existing location. This alternative is not cost effective or recommended.

There is no available space at Gateway Headquarters that would insure complete and separate operations of the OIG.

NEXT STEPS

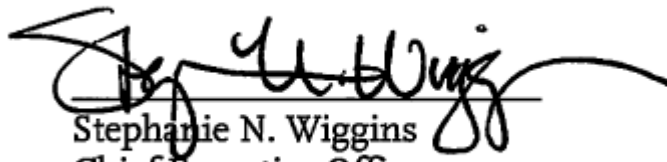
Execute the Eighth Amendment to Lease Agreement with Downtown Properties, LLC for the Office of Inspector General located at 818 West 7th Street in Los Angeles as reviewed and approved by County Counsel.

ATTACHMENTS

Attachment A - Location Map
Attachment B - Deal Points
Attachment C - Rent Comparison

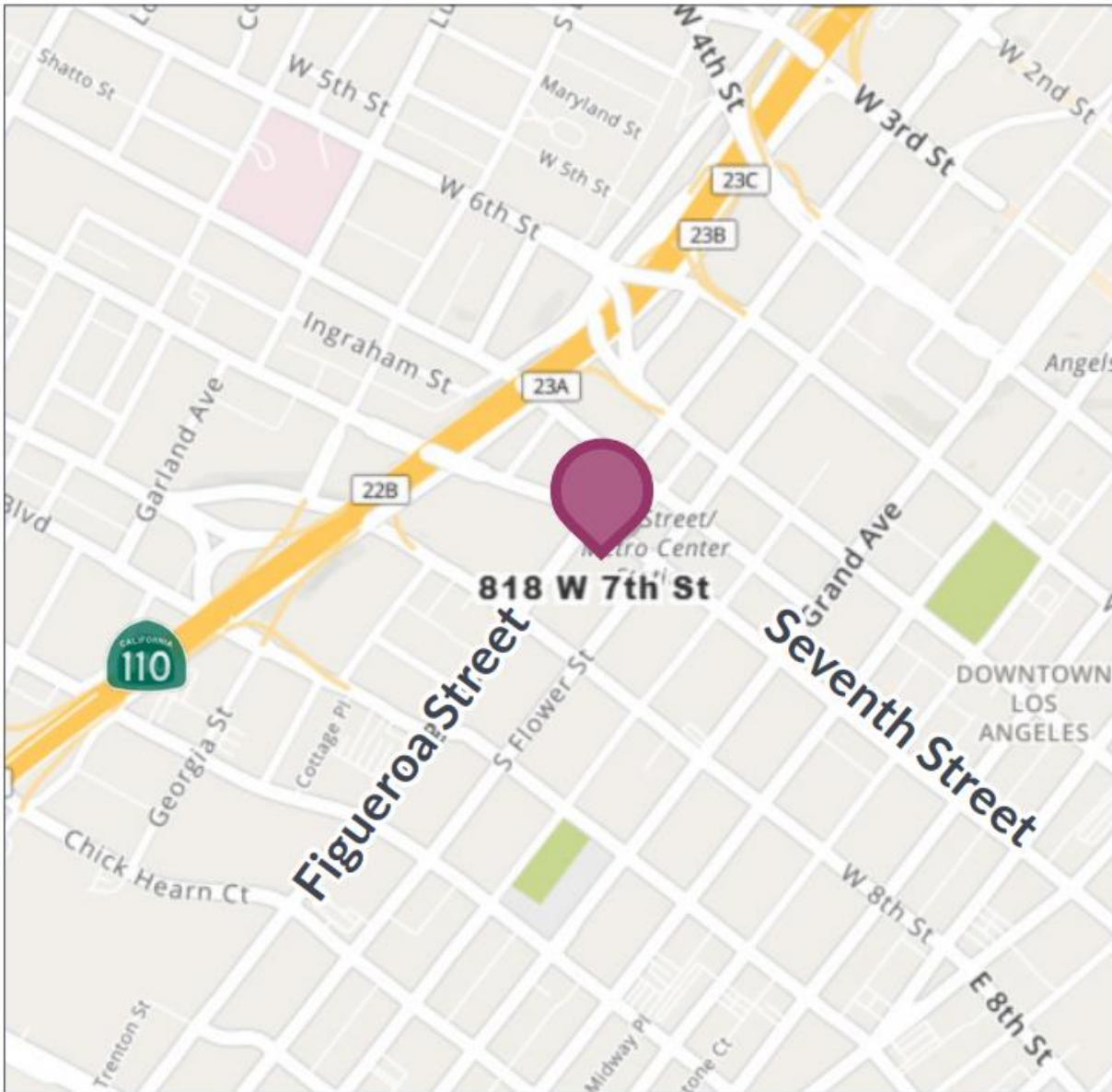
Prepared by: John Beck, Principal Real Estate Officer, Countywide Planning & Development, (213) 922-4435
John Potts, Executive Officer, Countywide Planning & Development, (213) 928-3397
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Karen Gorman, Inspector General, (213) 922-2975


Stephanie N. Wiggins
Chief Executive Officer

Attachment A –Lease Location

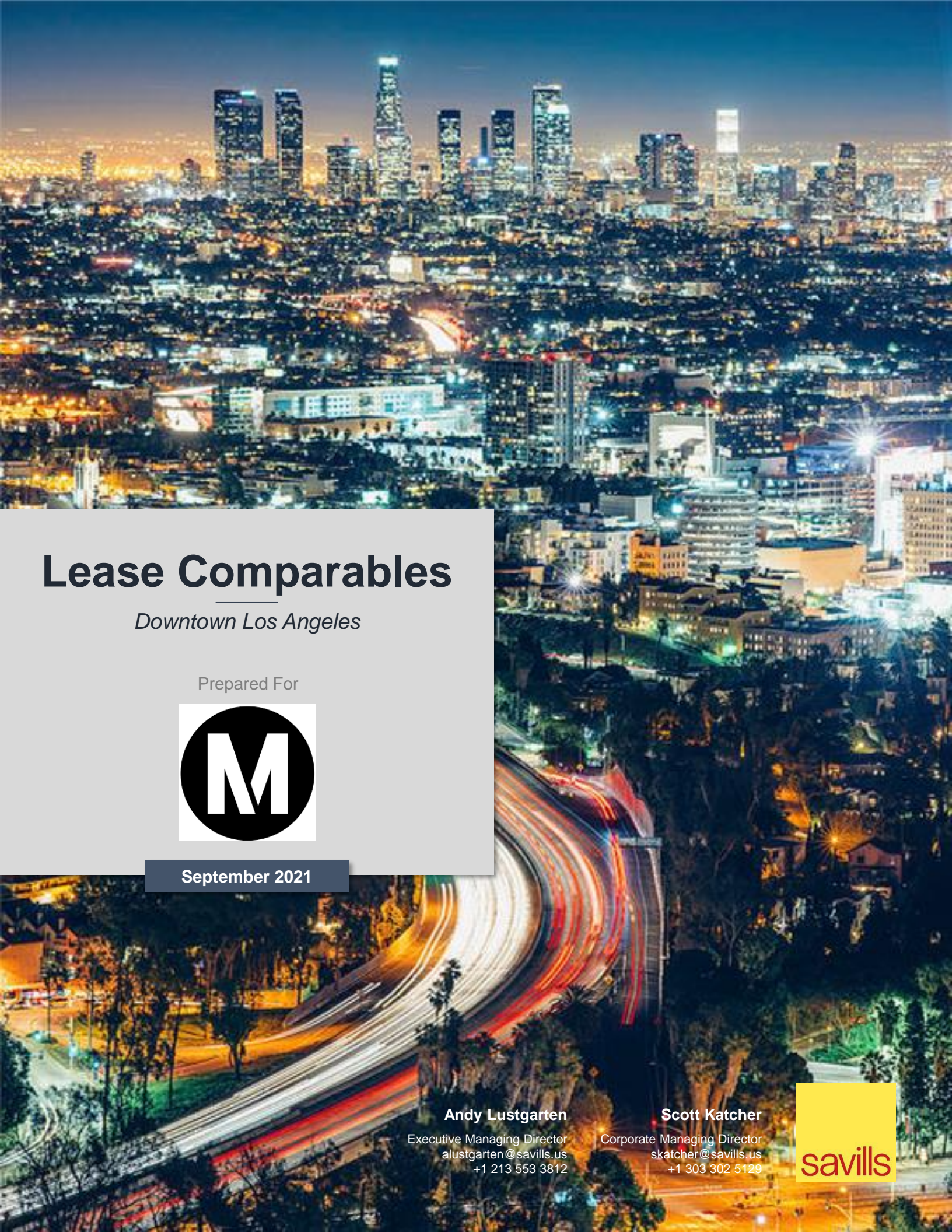
Location Map



818 W. 7th Street, Suite 500, Los Angeles

Attachment B – Deal Points

New or renewal	Eighth Amendment to Lease
Landlord/Owner	Downtown Properties, LLC
Location	818 W. 7th Street, Los Angeles
Premises	12,912 square feet of office space
Purpose	Office of the Inspector General.
Commencement and Duration (note any extensions)	65 months commencing March 1, 2022.
Total Cost	The total lease value is \$2,486,730 over the 65-month term.
Early Termination Clauses	None.
Determination of Lease Value	Professional real estate brokerage Savills.
Background with this Landlord	This will be the eighth transaction with the landlord at this location.
Special Provisions	Five months of free rent (March of each year).



Lease Comparables

Downtown Los Angeles

Prepared For



September 2021

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SAVILLS
DTLA Office Lease Comparables
January 2020 - Present

Lease Date	Building Photo	Tenant	Building Address	Building Class	Submarket	Transaction Type	Lease Size (SF)	Lease Term (Months)	Lease Start Rate	Lease Rate Type	Escalations
Aug-21		Webcor Builders	333 S Grand Ave	A	Bunker Hill	New Lease	14,172	144	\$49.50	FSG	4.0%
Jul-21		LACMTA	818 W 7th Street	B	Financial District	Renewal	12,912	65	\$36.00	FSG	3.0%
Jun-21		Anderson McPharlin	707 Wilshire Blvd	B	Financial District	Renewal	18,738	53	\$45.00	FSG	3.5%
May-21		Buro Happold Consulting Engineers	800 Wilshire Blvd	B	Financial District	Renewal	12,500	39	\$42.00	FSG	3.0%
Apr-21		Freeman & Mills	626 Wilshire Blvd	B	Financial District	New Lease	3,421	72	\$38.50	FSG	3.0%
Apr-21		Ignition Creative	1201 W 5th St	B	City West	New Lease	5,000	60	\$38.16	FSG	3.0%
Mar-21		Fidelity National Law	601 S Figueroa St	A	Financial District	New Lease	16,222	65	\$51.50	FSG	4.0%
Mar-21		DBS Bank	300 S Grand Ave	A	Bunker Hill	New Lease	11,314	120	\$46.00	FSG	3.5%
Mar-21		Israel Discount Bank	888 S Figueroa St	B	Financial District	Renewal	8,371	65	\$38.75	FSG	3.0%
Feb-21		Syska Hennessy	444 S Flower St	A	Financial District	New Lease	13,750	180	\$44.50	FSG	4.0%
Jan-21		Broad Foundation	300 S Grand Ave	A	Bunker Hill	New Lease	13,082	91	\$46.00	FSG	4.0%
Dec-20		Custodio & Dubey LLP	445 S Figueroa St	B	Financial District	New Lease	4,464	70	\$42.96	FSG	3.0%
Oct-20		Klawiter & Associates	626 Wilshire Blvd	B	Financial District	Renewal	3,909	13	\$38.00	FSG	Flat
Sep-20		James G Elliott Company	626 Wilshire Blvd	B	Financial District	Renewal	1,815	60	\$42.00	FSG	3.0%
Aug-20		Alvarez Law	445 S Figueroa St	B	Financial District	Renewal	1,359	60	\$44.00	FSG	3.0%
May-20		Michael Baker International	801 S Grand Ave	B	Financial District	Expansion	4,946	26	\$39.00	FSG	3.0%
Apr-20		Borton Petriani Law	626 Wilshire Blvd	B	Financial District	Renewal	5,836	39	\$38.00	FSG	3.0%
Mar-20		City of Los Angeles	350 S Figueroa St	B	Financial District	New Lease	15,601	96	\$39.00	FSG	4.0%
Mar-20		City of Los Angeles	350 S Figueroa St	B	Financial District	New Lease	25,854	96	\$39.00	FSG	4.0%
Feb-20		Clean Power Alliance	801 S Grand Ave	B	Financial District	New Lease	11,241	96	\$38.50	FSG	3.0%
Jan-20		Atkins North America	801 S Grand Ave	B	Financial District	New Lease	4,098	38	\$37.00	FSG	3.0%



Board Report

File #: 2021-0619, File Type: Agreement

Agenda Number: 13.

FINANCE, BUDGET AND AUDIT COMMITTEE OCTOBER 20, 2021

SUBJECT: FIRST LEASE AMENDMENT AGREEMENT WITH THE STATE OF CALIFORNIA

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer (CEO), or their designee, to execute a five (5) year First Lease Amendment commencing October 1, 2021 with the State of California, (“Lessor”) for the Division 2 Employee Parking Lot (“Location 403”) located at 17th Street and Griffith Avenue in Los Angeles at a rate of \$13,447.00 per month with annual increases of three percent (3%) for a total of \$858,192.00 over the five (5) year term.

ISSUE

Metro leases Location 403, a parking lot for Division 2 employee parking, which expired on September 30, 2021. It is necessary to renew this lease for the continued use by employees or there will be not be a permanent parking option, which will limit the ability of Metro employees to park near their assigned work location.

BACKGROUND

Metro has leased Location 403 from the State of California since 1999. The current five (5) year lease commenced on October 1, 2016 and expired on September 30, 2021 at a monthly rental rate of \$13,055. This site is located under the Santa Monica Freeway at the intersection of 17th Street and Griffith Avenue and consists of approximately 72,825 square feet (200 parking spaces) of secure parking for Metro employees.

DISCUSSION

Findings

The lease expired on September 30, 2021 and is currently in a month-to-month holdover. The State of California cannot sell this property because it is airspace under the freeway. This First Lease Amendment will extend the lease so employees will continue to have a place to park their vehicles. After reviewing seven comparable properties provided by Metro Transportation Demand Management Programs, it was determined that the new rental rate for the subject lease is

reasonable.

Considerations

The parking lot is located next to Division 2 and provides the most convenient and safe option for employee parking at a highly economical rate.

DETERMINATION OF SAFETY IMPACT

This Board Action will not have an impact on safety standards for Metro operations.

FINANCIAL IMPACT

The proposed rent for FY22 is \$121,023 (\$13,447 monthly), which is currently budgeted in 0651.306006.01.001.51201 Rent Property/Facilities. Future lease obligations will be included in annual budget preparation by Real Estate staff.

Impact to Budget

The funding for the proposed lease will come from Federal, State and Local sources that are eligible for Operating projects.

EQUITY PLATFORM

This lease amendment will not have any direct equity impacts. This agreement will continue to provide parking for Metro employees at Division 2.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports strategic plan goals

2: Deliver outstanding trip experiences for all users of the transportation system.

5: Provide responsive, accountable, and trustworthy governance with the Metro organization.

ALTERNATIVES CONSIDERED

The alternative is for the Board to not approve the First Lease Amendment. This alternative is not recommended because Location 403 provides employee parking for staff at Division 2. The location is paved and fenced. In addition, there are no available properties in the area that could replace this location without implementing a shuttle service to and from an alternative location resulting in an increase to operating expenses for a transport shuttle.

NEXT STEPS

Execute the First Lease Amendment with the State of California subject to County Counsel approval as to form.

ATTACHMENTS

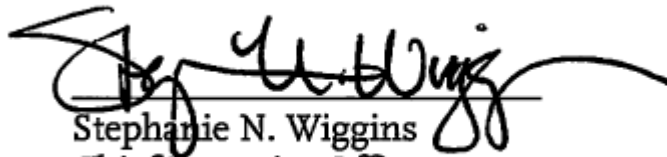
Attachment A - Plot Plan for Location 403

Attachment B - Deal Points

Prepared by: John Beck, Principal Real Estate Officer, Countywide Planning & Development, (213) 922-4435

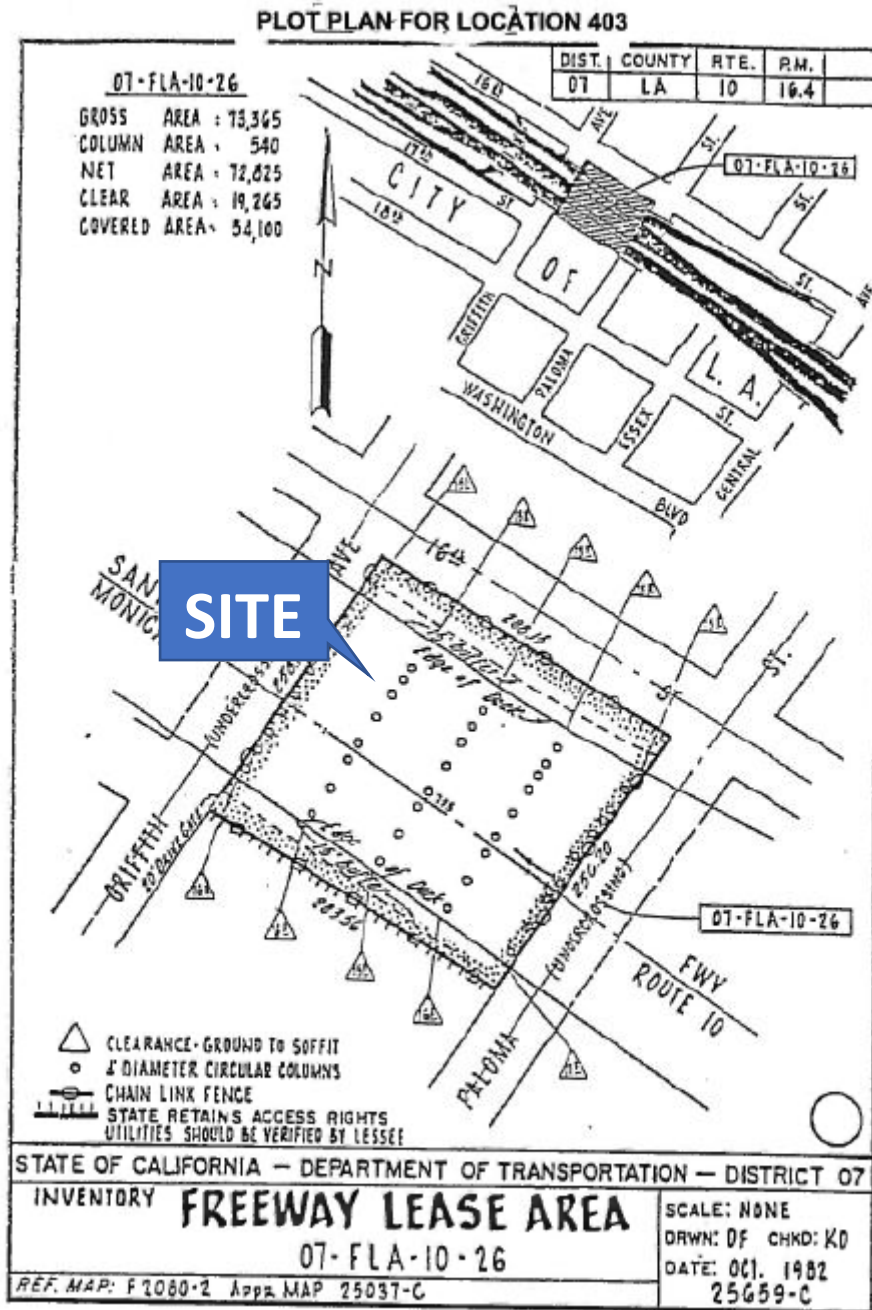
John Potts, Executive Officer, Countywide Planning & Development, (213) 928-3397
Holly Rockwell, SEO - Real Estate, Transit Oriented Communities and Transportation
Demand Management, (213) 922-5585

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



Stephanie N. Wiggins
Chief Executive Officer

Attachment A



Location 403

Attachment B – Deal Points

New or renewal	First Amendment to Lease
Landlord/Owner	State of California (Caltrans)
Location	Intersection of 17th Street and Griffith Avenue, Los Angeles
Premises	Approximately 72,825 square feet of land
Purpose	Employee parking for Division 2
Commencement and Duration (note any extensions)	5-years commencing October 1, 2021.
Total Cost	The total lease value is \$858,192 over the five (5)-year term.
Early Termination Clauses	Either party can terminate with 90 days written notice.
Determination of Lease Value	Broker Opinion of Value.
Background with this Landlord	This will be the second transaction with the landlord at this location.
Special Provisions	None.



Board Report

File #: 2021-0579, File Type: Informational Report

Agenda Number: 14.

FINANCE, BUDGET AND AUDIT COMMITTEE OCTOBER 20, 2021

SUBJECT: CALIFORNIA SB1 STATE OF GOOD REPAIR PROGRAM

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

APPROVE the Resolution in Attachment A to:

- A. AUTHORIZE the Chief Executive Officer (CEO) or designee to claim \$30,484,780 in fiscal year (FY) 2021-22 State of Good Repair Program (SGR) grant funds as the Regional Entity for Los Angeles County for this program;
- B. APPROVE the regional SGR Project List for FY2021-22; and
- C. CERTIFY that Metro will comply with all conditions and requirements set forth in the SGR Certification and Assurances document and applicable statutes, regulations and guidelines.

ISSUE

As the Regional Entity for the SGR program in Los Angeles County, Metro is required to submit a combined SGR project list to Caltrans in September, 2021 to claim funding for FY2021-22. The submittal package must include an adopted Board resolution approving the Project List and certifying that Metro will comply with all conditions and requirements set forth in the certifications and assurances documents.

BACKGROUND

The SGR Program Guidelines state that eligible transit operators shall provide a proposed list of projects to Caltrans and their Regional Entity, as defined by Public Utilities Code (PUC) Sections 99313 and 99314. The Regional Entity is required to approve the list of projects and agree to comply with the program requirements. For Los Angeles County, Metro is the Regional Entity. Since the required documentation was not ready until September, Caltrans has accepted a draft resolution with the project list submittal pending receipt of a Board-adopted resolution. Therefore, staff is seeking Board approval of the resolution contained in Attachment A.

DISCUSSION

As defined in The Road Repair and Accountability Act of 2017, commonly known as Senate Bill 1 (SB1), the SGR Program provides approximately \$105 million annually to transit operators in California for eligible transit maintenance, rehabilitation and capital projects to help keep transit systems in a state of good repair. Pursuant to PUC Section 99312.1, the funds are distributed to eligible agencies using the State Transit Assistance Program (STA) formula. This formula distributes half of the funds according to population and half according to transit operator revenues. Similar to STA, within Los Angeles County, the revenue portion will be distributed according to the Metro Board-adopted FAP.

Metro and the Municipal Operators select projects individually, work with Caltrans to ensure eligibility and apply directly to Caltrans. As the Regional Entity, Metro reviews the applications and prepares a resolution with the list of projects for Board adoption. These new investments will lead to cleaner transit vehicle fleets, increased reliability and safety, and reduced greenhouse gas emissions throughout Los Angeles County.

DETERMINATION OF SAFETY IMPACT

The requested actions will have no impact on the safety of our customers or employees.

FINANCIAL IMPACT

Adoption of the SGR resolution would positively impact the region by making an estimated \$30.5 million available to support state of good repair efforts for Metro and the Municipal Operators. The actual amount is dependent upon SB1 revenues received during the year.

Impact to Budget

Claiming SGR funds will have a positive impact to the FY22 budget, as Metro is one of the regional recipients of these funds.

EQUITY PLATFORM

This program helps fund preventive maintenance and state of good repair activities for Metro and the Municipal Operators throughout Los Angeles County. By providing additional resources for transit service, this program will benefit existing and potential Metro riders. There are no equity concerns anticipated as a result of this action.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The recommendations support Metro Vision 2028 Strategic Goal 1.2: Optimize the speed, reliability and performance of the existing system by revitalizing and upgrading Metro's transit assets.

ALTERNATIVES CONSIDERED

The Board may choose not to approve the resolution in Attachment A. Staff does not recommend this alternative because it would risk the loss of the region's FY21-22 SGR fund allocation.

NEXT STEPS

October 2021: Metro submits Board-adopted Resolution to Caltrans.

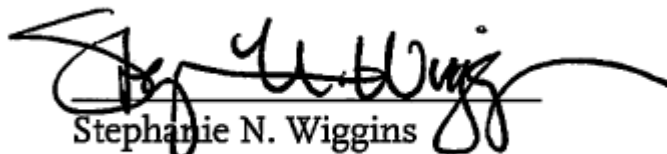
ATTACHMENTS

Attachment A - Resolution to Accept and Distribute Los Angeles County SGR Funds

Attachment B - Submitted Project Listing From Metro and Municipal Operators

Prepared by: Timothy Mengle, Deputy Executive Officer, Finance, (213) 922-7665

Reviewed by: Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A
RESOLUTION TO ACCEPT AND DISTRIBUTE LOS ANGELES COUNTY SGR FUNDS

RESOLUTION # _____

APPROVING THE PROJECT LIST FOR FY 2021-22
FOR THE CALIFORNIA STATE OF GOOD REPAIR PROGRAM

WHEREAS, Senate Bill 1 (SB1), the Road Repair and Accountability Act 2017, establishing the State of Good Repair (SGR) program to fund eligible transit maintenance, rehabilitation and capital project activities that maintain the public transit system in a state of good repair; and

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (Metro) is an eligible project sponsor and may receive and distribute State Transit Assistance – State of Good Repair funds to eligible project sponsors (local agencies) for eligible transit capital projects;

WHEREAS, Metro will be distributing SGR funds to eligible project sponsors (local agencies) under its regional jurisdiction; and

WHEREAS, Metro concurs with and approves the attached project list for the State of Good Repair Program funds:

NOW, THEREFORE, BE IT RESOLVED, that Metro hereby approves the SB1 State of Good Repair Project List for FY 2021-22; and

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of Metro that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances document and applicable statutes, regulations and guidelines for all SGR funded transit capital projects.

NOW, THEREFORE, BE IT RESOLVED, that the CEO is hereby authorized to submit a request for Scheduled Allocation of the SB1 State of Good Repair funds and to execute the related grant applications, forms and agreements.

AGENCY BOARD DESIGNEE:

BY: _____

Attachment B

**Submitted Project Listing From Metro and Municipal Operators
SB1 State of Good Repair Program, Fiscal Year 2021-22 Cycle**

Agency	Project Title	Project Description	Estimated 99313 Costs	Estimated 99314 Costs	Total Project Costs
Antelope Valley Transit Authority	Purchase Replacement Commuter Buses	Funds toward the purchase 2 replacement commuter buses. Size – 45 foot commuter, Passenger count – 53 sitting + 10 standing, Accessibility – ADA, Fuel type = battery electric	\$ -	\$ 247,889	\$ 752,259
City of Arcadia	Purchase Ten Replacement Transit Vehicles	Purchase ten CNG powered cutaway vehicles to replace the existing aging gasoline-powered vehicles. The new vehicles will be wheelchair accessible and ADA equipped.		\$ 13,307	\$ 27,466
City of Commerce	Tire Replacement Transit Fleet	The SGR Funds shall be used to replace bus tires within the City's transit fleet, up to 20 vehicles.		\$ 15,212	\$ 15,212
City of Culver City	FY21-22 Transit Vehicle Repair	Repair of heavy-duty transit bus vehicle fleet. Does not include oil changes and other activities associated with the standard preventive maintenance checklist.		\$ 206,082	\$ 422,605
City of Gardena	Capital Bus Components and facility equipment	Replacement bus components and facility equipment		\$ 206,082	\$ 206,082
City of Los Angeles	Electrification of LADOT Commercial Street Bus Maintenance Facility	LADOT will use funds to purchase and install the necessary infrastructure to charge battery electric buses at the Commercial Street bus yard. This proposal fulfills the Mayor's and City Council's mandate to have a fully electric transit fleet by 2028 for the LA Green New Deal.		\$ 487,016	\$ 487,016
City of Montebello	Transportation Facility Improvements	Including but not limited to workspace furniture, lighting, carpeting, and other long-term maintenance designed to extend the life of the facility.		\$ 200,000	\$ 559,478
City of Montebello	Money Room Rehabilitation	The Money Room Rehabilitation will include upgrades to financial equipment, HVAC upgrade and any additional materials required to improve operational use of facility.		\$ 114,214	\$ 114,214
City of Norwalk	Revenue Vehicle Purchase	Revenue Vehicle Purchase Norwalk Transit System (NTS) will purchase four (4) CNG buses to replace vehicles that have reached the end of their useful life. The SGR funds will be used as a match source for the federal funds also being used to fulfill this purchase.	\$ -	\$ 123,216	\$ 2,565,876
City of Redondo Beach	Transit Operations Facility Improvements	Transit Operations facility improvements that may include interior improvements to the general office space, bathroom, and storage space for use by Transit Operations. The project may also include exterior improvements to the facility.		\$ 28,820	\$ 157,878
City of Santa Clarita	Transit Maintenance Facility Hydrogen Fueling Station	Replace and/or upgrade the existing fueling station to accommodate Hydrogen fuel to meet the California 100% Zero Emission Bus (ZEB) rule.		\$ 217,512	\$ 4,465,538
City of Santa Monica	Bus Replacement	Purchase Zero-Emission Vehicles to replace CNG buses that have reached it's useful life of 12 years.		\$ 769,336	\$ 4,241,406
City of Torrance	Torrance Transit SB1 State of Good Repair Rehab & Repair Vehicles FY2020	Repair and maintenance of the vehicles, including ZEB, after an accident or through wear and tear during prolonged service. Funds will also be used to maintain the physical exterior of the buses such as decals, paint, molding, etc. to ensure protection from the elements and maximum usage during the vehicles expected useful operating life.		\$ 243,430	\$ 825,943
Foothill Transit	Bus Repair and Rehabilitation	Activities, supplies, materials, labor, services, and associated costs required to repair and rehabilitate the rolling stock to preserve or extend the functionality and serviceability of the buses.		\$ 1,068,407	\$ 1,068,407
Long Beach Public Transportation Company	Bus Replacement	Replace buses that have met their useful life. Request funding to support the purchase of up to one 40 ft. Battery-electric buses that are fully ADA compliant with a passenger count of up to 38 passengers.		\$ 463,084	\$ 3,495,676
Long Beach Public Transportation Company	LBT1 Facility Rehabilitation	The project will support the rehabilitation of LBT's operating and maintenance facility (LBT1) in support of the agency's transitioning facility needs as it grows to be a zero-emissions hub. LBT's recent facility assessment identified inefficiencies at the LBT1 property that makes it difficult to increase the zero-emission bus fleet and infrastructure. The 50-year old facility needs a full rehabilitation as it currently holds equipment that is over 20 years old. LBT will accrue funds over 4 yrs.		\$ 435,000	\$ 1,459,004
Los Angeles County	Charter Oak - Arrow Highway Bus Stop Improvments	Replace bus shelter, bench, trash receptacle, and illumination		\$ 65,143	\$ 65,143
Los Angeles County Metropolitan Transportation Authority	Metro Rail Vehicle and Wayside Rehabilitation and Repair	Rehabilitation and repair expenses of Metro Light and Heavy Rail rolling stock and wayside facilities. This is non-routine maintenance to maintain safety and reliability of the system.	\$ 14,950,689		\$ 43,202,178
Los Angeles County Metropolitan Transportation Authority	Metro Bus Vehicle Repair and Rehabilitation	Repair and Rehabilitation expenses at all Metro Bus Operating Divisions and the Central Maintenance Facility. *Formerly Preventive Maintenance*		\$ 10,630,341	\$ 22,634,812
Total			\$ 14,950,689	\$ 15,534,091	\$ 86,766,193
Total SB1 SGR funding requested in FY2021-22 Cycle			\$	30,484,780	



Board Report

File #: 2021-0594, File Type: Contract

Agenda Number: 15.

FINANCE, BUDGET, AND AUDIT COMMITTEE OCTOBER 20, 2021

SUBJECT: AUDIT SERVICES BENCH AMENDMENT

ACTION: APPROVE CONTRACT MODIFICATION

RECOMMENDATION

CONSIDER:

- A. AUTHORIZING the Chief Executive Officer to execute Modification No. 4 to Contract Nos. PS36627000 through PS36627004, PS36627006, PS36627008, PS36627009, PS36627011 through PS36627018 to exercise the second, one-year option, extending the contract term from January 1, 2022 to December 31, 2022; and increasing the total authorized not-to-exceed amount by \$2,288,000 from \$9,152,000 to \$11,440,000; and
- B. AWARDING AND EXECUTING task orders for an aggregate not-to-exceed amount of \$11,440,000.

ISSUE

In May 2017, Metro Board of Directors (Board) approved the establishment of Audit Services Bench contracts (Bench) for a combined total amount not-to-exceed \$11,440,000 for a 3-year base term, plus two, one-year options. The Bench provides Management Audit Services (MAS) with consulting and assurance services relating to a broad range of audits and reviews including staffing augmentation support as-needed; and provides supports for specialized audits.

Board authorization is requested to exercise the second one-year option to continue to provide specialized expertise and augmented audit services.

DISCUSSION

MAS is required to comply with Generally Accepted Government Auditing Standards (GAGAS). GAGAS has a due professional care standard which requires MAS to bring in outside experts to supplement staff when the area being audited requires technical or specialized skills that are not available within the department. Co-sourcing is typically used to supplement staff expertise with highly specialized audits which exceeds internal capacity and/or resources. Outsourcing is used depending on the complexity of the audit or if the specialized skillsets and/or capacity is not available

in-house. Specialized audits that generally fall under this requirement include information technology projects, including construction or operations projects, programs and/or processes. Other areas of work outsourced or co-sourced to expert firms include Call-for-Projects closeout audits, grant audits such as State Transportation Improvement Program including financial, compliance and external audits of subrecipients, Metro, and others.

To date, a total of 66 task orders have been issued against the Bench, for a cumulative total value of \$6,636,575.04, or 72.5% of the total not to exceed amount of \$9,152,000 for the initial 3-year base term and first year option. Currently, 11 of the 16 firms on the Bench are certified as disadvantage business enterprises (DBE) and small business enterprises (SBE) and task orders have been awarded to the firms in a cumulative amount of \$4,873,075.50 or 73.4% of the total awarded value. A list of the awarded task orders is provided as Attachment D.

DETERMINATION OF SAFETY IMPACT

The recommendation does not impact the safety of Metro employees, passengers and/or customers.

EQUITY PLATFORM

Metro is committed to small business successes and strives to provide a direct route for small businesses to work and grow with Metro. The Bench contract consists of 16 firms, 11 of which are SBEs, which supports Metro's Small Business (SB) Prime Program by providing opportunities for small businesses to perform work with Metro.

Work under the bench is authorized through the issuance of individual task orders. Task orders are competed among firms under the bench subject to the Small Business (SB) Prime (Set-Aside) Program requirements.

To date, sixty-six (66) Task Orders have been awarded to ten (10) out of the 16 primes on the bench. Sixty-one (61) of the Task Orders were awarded to self-performing SB Primes (Set-Aside). Task orders have been primarily awarded to the DBE and SBE firms. Each bench participant exceeded the 27% SBE and 30% DBE commitment (currently 70.2% SBE and 89.1% DBE participation). Please refer to Attachment E for additional details

FINANCIAL IMPACT

Funding for FY22 is included in the department cost center budgets. Each task order awarded to a Contractor will be funded with the source of funds identified for the specific project. Recognizing the Bench option will continue into FY2023, the cost center manager(s) will be accountable for budgeting future costs.

Impact to Budget

The funding for the task orders is dependent upon the specific project.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Approval of this item supports Metro Vision 2028 Goal #5: Provide responsive, accountable, and trustworthy governance within the Metro organization.

ALTERNATIVES CONSIDERED

Two alternatives were considered. One alternative would be to hire additional full-time staff to perform the specialized audits. However, this alternative is not considered cost effective, because the volume of work is constantly changing making this activity subject to peak periods alternating with periods of low activity. Furthermore, some projects require various technical or specialized skills that are not available since it is not practical to hire staff for each of the particular skillsets. Another alternative would be to obtain the audit services as separate procurements. This also is not recommended, as this would prolong the procurement process making it difficult to complete time-sensitive audits within the planned timeframe.

NEXT STEPS

Upon approval by the Board, staff will execute Contract Modification No. 4 to the Audit Service Bench contracts and continue to award individual task orders for audit services.

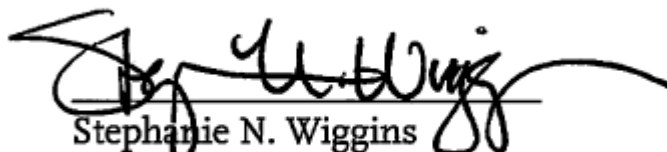
ATTACHMENT

- A. Procurement Summary
- B. Contract Modification/Change Order Log
- C. Firms on Audit Services Bench
- D. List of Task Orders and Values
- E. DEOD Summary

Prepared by: Monica Del Toro, Audit Support Manager, (213) 922-7494

Reviewed by: Shalonda Baldwin, Executive Officer, Administration, (213) 418-3265

Debra Avila, Chief Vendor/Contract Management Officer, (213) 418-3051



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

**AUDIT SERVICES BENCH FY2018 TO FY2022/PS36627000 through PS36627004,
PS36627006, PS36627008, PS36627009, PS36627011 through PS36627018**

1.	Contract Number: PS36627000 through PS36627004, PS36627006, PS36627008, PS36627009, PS36627011 through PS36627018		
2.	Contractor: See Attachment C		
3.	Mod. Work Description: Exercise the second, one-year option		
4.	Contract Work Description: To provide audit services		
5.	The following data is current as of: 9/1/21		
6.	Contract Completion Status		Financial Status
	Contract Awarded:	5/17/17	Contract Award Amount: \$6,864,000
	Notice to Proceed (NTP):	N/A	Total of Modifications Approved: \$2,288,000
	Original Complete Date:	6/30/20	Pending Modifications (including this action): \$2,288,000
	Current Est. Complete Date:	12/31/21	Current Contract Value (with this action): \$11,440,000
7.	Contract Administrator: Antonio Monreal		Telephone Number: (213) 922-4679
8.	Project Manager: Monica Del Toro		Telephone Number: (213) 922-7494

A. Procurement Background

This Board Action is to approve Contract Modification No. 4 to the Audit Services Bench Contract Numbers PS36627000 through PS36627004, PS36627006, PS36627008, PS36627009, and PS36627011 through PS36627018 to exercise the second, one-year option to continue to perform audit services, which increases the total cumulative not-to-exceed amount by \$2,288,000 and extends the contract term to December 31, 2022.

This Contract Modification and future Task Orders will be processed in accordance with Metro's Acquisition Policy and the contract type is task order based, firm fixed unit rate.

On May 17, 2017, the Board of Directors authorized the Chief Executive Officer to award audit bench contracts to the firms listed in Attachment C to provide audit support services to Management Audit Services for a period of three years with two, one-year options. The current Audit Services Bench contracts will expire on December 31, 2021.

Refer to Attachment B – Contract Modification/Change Order Log.

B. Cost/Price Analysis

All future task orders and modifications will be determined to be fair and reasonable in accordance with Metro's Acquisition Policy at the time of issuance and award.

CONTRACT MODIFICATION/CHANGE ORDER LOG

AUDIT SERVICES BENCH FY2018 TO FY2022/PS36627000 through PS36627004,
PS36627006, PS36627008, PS36627009, PS36627011 through PS36627018

Mod. No.	Description	Status (approved or pending)	Date	\$ Amount
1	Add the Disadvantaged Business Enterprise (DBE) Participation requirement of 30%	Approved	10/31/2018	\$0
2	Extended the contract base period of performance by six months from July 1, 2020 through December 31, 2020	Approved	6/17/2020	\$0
3	Exercise Option 1	Approved	10/22/2020	\$2,288,000
4	Exercise Option 2	Pending	Pending	\$2,288,000
	Modification Total:			\$4,576,000
	Original Contract:			\$6,864,000
	Total:			\$11,440,000

ATTACHMENT C – FIRMS ON THE AUDIT SERVICES BENCH

Contract No.	Consultant	Certifications
PS36627000	BCA Watson Rice, LLP	SBE
PS36627001	Choi Hong Lee & Kang, LLP	NONE
PS36627002	Chung & Chung Accountancy Corporation, CPAS	DBE / SBE
PS36627003	Conrad, LLP	SBE
PS36627004	CPC Financial Services, Inc.	SBE
PS36627006	KNL Support Services	DBE / SBE
PS36627008	Lopez and Company, LLP	DBE / SBE
PS36627009	MACIAS, Gini & Co.	NONE
PS36627011	Qiu Accountancy Corp.	SBE
PS36627012	RTJ CPA, P.C.	SBE
PS36627013	Simpson & Simpson CPAS	NONE
PS36627014	Susan Hum, CPA	DBE / SBE
PS36627015	Talson Solutions, LLC.	DBE / SBE
PS36627016	David M. Lewis Company, LLC.	NONE
PS36627017	Tap International, Inc.	SBE
PS36627018	Vasquez and Company, LLP.	NONE

ATTACHMENT D – LIST OF TASK ORDERS AND VALUES

DBE / SBE Awards (Table 1 of 2)			
Contract No.	Company Name	Task Orders Awarded to Date	Task Order Award Amount
PS36627000	BCA Watson Rice, LLP	24	\$1,877,046
PS36627002	Chung & Chung Accountancy Corporation, CPAS	0	\$0
PS36627003	Conrad, LLP	0	\$0
PS36627004	CPC Financial Services, Inc.	16	\$850,920.00
PS36627006	KNL Support Services	2	\$191,965.68
PS36627008	Lopez and Company, LLP	10	\$1,286,008.82
PS36627011	Qiu Accountancy Corp.	3	\$112,080
PS36627012	RTJ CPA, P.C.	0	\$0
PS36627014	Susan Hum, CPA	1	\$71,808
PS36627015	Talson Solutions, LLC.	4	\$463,247
PS36627017	Tap International, Inc.	1	\$20,000
Total Awarded Task Order Subtotal		61	\$4,873,075.50
Total Task Order Value			

Non-DBE / SBE Awards (Table 2 of 2)			
Contract No.	Company Name	Task Orders Awarded to Date	Task Order Award Amount
PS36627001	Choi Hong Lee & Kang, LLP	0	\$0
PS36627009	MACIAS, Gini & Co.	0	\$0
PS36627013	Simpson & Simpson CPAS	4	\$1,734,840
PS36627016	David M. Lewis Company, LLC.	0	\$0
PS36627018	Vasquez and Company, LLP.	1	\$28,659.54
Total Awarded Task Order Subtotal		5	\$1,763,499.54
Total Task Order Value			

Total Task Orders Awarded (Tables 1 and 2)	66	Amount Awarded
DBE / SBE Task Order Value (Table 1)		\$4,873,075.50
Non DBE / SBE Task Order Value (Table 2)		\$1,763,499.54
Total Task Order Value		\$6,636,575.04

DEOD SUMMARY

AUDIT SERVICES BENCH FY2018 TO FY2022/PS36627000 through PS36627004, PS36627006, PS36627008, PS36627009, PS36627011 through PS36627018

A. Small Business Participation

Each bench participant committed to meet or exceed the 27% SBE / 3% DVBE or 30% DBE goals for the project. The Audit Services Bench is subject to the Small Business (SB) Prime (Set-Aside) Program requirements. Eleven of the sixteen bench participants are SBE primes. The overall SBE/DVBE/DBE participation is based on the aggregate of all Task Orders awarded through the bench.

To date, sixty-six (66) Task Orders have been awarded to ten (10) primes on the bench. Sixty (60) Task Orders that were non-federally funded fell within the set-aside threshold, and given there were at least 3 (three) certified SBEs on the bench, were awarded to self-performing SBE Primes. One (1) Task Order was a federally funded set-aside and awarded to an SB Prime that is also DBE certified. In compliance with the Board-approved SB Prime (Set-Aside) Program policy, Task Orders that are set-aside shall not be subject to the SBE/DVBE Program. Five (5) non-federally funded Task Orders were awarded to non-certified primes that did not make an SBE/DVBE commitment. Based on payments to-date, the contract is 76.14% complete and the current level of participation is 70.15% SBE, 89.11% DBE and 0% DVBE.

Metro Project Managers and Contract Administrators will continue to work in conjunction with DEOD to monitor SBE/DVBE and DBE commitments via the web-based tracking system to ensure that they are met or exceeded by Task Order completion.

Small Business Commitment	27% SBE 3% DVBE 30% DBE	Small Business Participation	70.15% SBE 0% DVBE 89.11% DBE
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DBE/SBE Primes & Subcontractors		Current Participation		
		DBE	SBE	DVBE
1	BCA Watson Rice (SBE Prime)	-	100%	-
Total		-	100%	-
2	CPC Financial Services, Inc. (SBE Prime)	-	100%	-
Total		-	100%	-

3	KNL Support Services (SBE Prime)	-	100%	-
Total		-	100%	-
4	Lopez.and Associates, LLC (SBE Prime)	-	96.98%	-
Total		-	96.98%	-
5	Qiu Accountancy Corporation (SBE Prime)	-	100%	-
Total		-	100%	-
6	Simpson and Simpson, LLP	-	0.00%	0.00%
Total		-	0.00%	0.00%
7	Susan Hum, CPA (SBE Prime)	-	100%	-
Total		-	100%	-
8	Talson Solutions, LLP (DBE/SBE Prime)	89.11%	97.55%	-
Total		89.11%	97.55%	-
9	TAP International, Inc. (SBE Prime)	-	100%	-
Total		-	100%	-
10	Vasquez and Company, LLP	-	0.00%	0.00%
Total		-	0.00%	0.00%

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

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



Board Report

File #: 2021-0592, **File Type:** Contract

Agenda Number: 19.

**OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE
OCTOBER 21, 2021**

SUBJECT: AUTOMATED STORAGE AND RETRIEVAL SYSTEM (ASRS) UPGRADE

ACTION: APPROVE CONTRACT AWARD

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a single source, 24-month, firm fixed price Contract No. PS76506000 to Dematic Corporation, for a total amount of \$3,396,686, inclusive of sales tax subject to resolution of protest(s), if any.

ISSUE

This procurement will upgrade the Automated Storage and Retrieval System (ASRS) and replace obsolete components that are at the end of their useful life.. The upgraded ASRS will mitigate against the interruption of material and supply flow from the Central Warehouse and Distribution Center to Bus and Rail Storerooms and support Metro’s State of Good Repair for on time Metro bus and rail operations.

BACKGROUND

ASRS automates pick up, move, store, and retrieve inventory at the Central Warehouse and Distribution Center. This system consists of Unit Load (pallet sized) and Mini-Load (bin sized) storage and retrieval machines with access to over 42,000 cubicles of storage space. Each storage and retrieval machine has a chassis and a rigid mast with an elevating platform. A shuttle extends in and out of the storage rack opening to pick up or deposit loads on each platform. Along with automated pallet conveyors, these machines automate storage and retrieval of bus and rail parts and supplies, supporting the flow of material from the Central Maintenance Facility to Bus and Rail Storerooms across Metro.

The ASRS system was commissioned in 1986 by HK Systems Incorporated, which Dematic acquired in 2010. Within the last 35 years, ASRS went through several upgrades (2006, 2007, 2013 and 2015) to replace the original components and perform system updates.

ASRS has been successfully maintained and serviced by the OEM and more recently by Metro personnel to achieve 98% uptime. Unfortunately, Unit Load Storage and Retrieval Machine Direct Current (DC) Drives and Motors are no longer manufactured and supported by the OEM, and there

are limited spares for replacements. Shuttles on the Storage and Retrieval machines as well as the pallet conveyors are currently over 35 years old and have never been replaced. As these components are at the end of useful life, any failure would cause a significant risk to Metro.

Operational Impacts in Current State

- Increased maintenance costs for end-of-life ASRS components
- Increased maintenance time for Facilities Maintenance technicians

Foreseeable Risks in Current State

- Inability to efficiently deliver parts to bus and rail facilities
- Inability for bus and rail maintenance technicians to perform preventative maintenance and unplanned maintenance required to keep bus/rail fleet at targeted operational levels
- Loss of inventory control and increased working capital needs agency-wide

DISCUSSION

The ASRS upgrade project will eliminate obsolete parts from the Storage and Retrieval machines and modernize the system for sustainable operation. This project will be executed in multiple phases to minimize cost and transit service impacts.

Phase 1 - Storage and Retrieval Machine (SRM) Control System and Ethernet

Communications - To upgrade the obsolete DC motors and drives in the Unit Load Storage and Retrieval Machines to Alternating Current (AC) Drives and Motors. The Programmable Logic Control (PLC) will work with the new AC motors and drives. The new upgraded ethernet communications will enable remote monitor and troubleshoot the storage and retrieval machines.

Phase 2 - Replacement Shuttles for the six Unit Load Storage and Retrieval Machine - The vendor will design, fabricate, install, and test replacement shuttles for the Unit Load Storage and Retrieval Machines.

Phase 3 - Pallet Conveyor Replacement and Pick-Up and Delivery Stand Photo Eyes - The vendor will replace 19 conveyors that support shipping & receiving and the Mini-Load Storage and Retrieval Machines. Additionally, 75 obsolete photo eyes will be replaced by photo sensors.

Phase 4 - Spare Parts/Accessories Analysis - The vendor will develop a recommended Spare Parts List for the specific scope integrated in phase I, II and III, which will be provided to Metro during the project for future parts consideration.

Dematic is the original equipment manufacturer (OEM) for Metro's ASRS system. They are also responsible for ongoing support and warranty to Metro for this system. The ASRS utilizes Dematic's proprietary components, communication protocol, controls and interface logic between the server and the system components, only the OEM can perform the equipment upgrade and software support; there is no third party option available.

Metro requested the vendor to propose the best overall solutions in the Scope of Work (SOW). Dematic identified the new technology components to replace the items listed on the SOW and provided options on the proposal. Spare Parts Analysis option will replace the phase 4 in SOW to analyze Metro's current spare parts inventory compared to the existing and soon-to-be-upgraded systems in each phase to avoid delay and save time.

DETERMINATION OF SAFETY IMPACT

Unless the system is brought up to current operational standards, the Central Warehouse and Distribution Center may experience long periods of downtime (stoppage of robots and cranes used to retrieve inventory) requiring that the retrieval and storage of parts be performed by staff. Many of these areas have limited access and require extensive climbing and reaching. Prolonged exposure to these conditions could increase the likelihood of injury.

FINANCIAL IMPACT

Funding of \$1,339,133 for phase 1 of this action is included in the Adopted FY22 Budget. This procurement is included within the Life-of-Project budget of \$3,865,000 for the "ASRS Upgrade" (Capital Project 209073). Since this is a multi-year contract, the Cost Center Manager and Executive Officer will be accountable for budgeting the cost in future years, including any option exercised.

Impact to Budget

The source of funds for project is from Transportation Development Act - Article 4. No other sources of funds were considered as these funds have been identified for this project. These funds are available for use on bus and rail operating and capital projects.

EQUITY PLATFORM

The ASRS upgrade project will benefit Metro Transit riders. The project will upgrade the ASRS system using the state-of-the-art technology and bring the system to meet the demand of expanded ridership. The upgraded system will enable on time parts receiving/delivery and accurate inventory control to Metro divisions for timely Buses/Rail cars repair and maintenance. Reliable bus/rail service will ensure riders, have dependable transportation for their daily essential activities. This project will improve Metro bus and rail reliability, reduce unexpected service interruption, and provide better rider experiences. There are no potential harm and barriers anticipated as a result of the proposed action. The project provides a state-of-the-art transit experience for our riders, most of whom are BIPOC and low-income.

A Small Business Enterprise (SBE) goal was not recommended for this non-competitive proprietary

system upgrade project based on the lack of subcontracting opportunities. Dematic Corporation owns the proprietary intellectual property behind the ASRS system, and is the only firm that can perform work on this system.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Improved Customer Information supports Metro Vision 2028 Strategic:

Metro Vision 2028 Plan Goals	Relationship to Project
1. Provide high quality mobility options that enable people to spend less time traveling	1.2 - Optimize the existing system's speed, reliability, and performance by revitalizing and upgrading Metro's transit assets.
5. Provide responsive, accountable and trustworthy governance	5.2 - Metro will exercise good public policy judgment and sound fiscal stewardship

ALTERNATIVES CONSIDERED

Metro does not possess the technical knowledge and/or documentation to support the in-house replacement of components or performing upgrades. The system integrates with Metro's enterprise applications and is considered complex with its own proprietary functions/logic. Any alternative(s) to engage other competitors would require levels of reverse engineering for both the hardware and software interfaces adding significant time to the schedule, the introduction of warranty/performance issues, and unknown additional costs associated with the engineering to be performed. Dematic is the Original Equipment Manufacturer (OEM) and only Dematic is authorized to perform the necessary upgrades effectively and in a timely manner. Introducing a competitor would put Metro at significant risk of project failure and system downtime if the system and processes do not properly function as required, or ultimately fail.

Another alternative is to consider replacing the entire system; however, this will also add significant time to the project, presenting a significant learning curve and training costs, and add considerable financial impact as a new similar system is estimated to be in the \$30 million range.

NEXT STEPS

Upon approval by the Board, staff will execute the contract and the ASRS Upgrade will occur over a twenty-four month period following award.

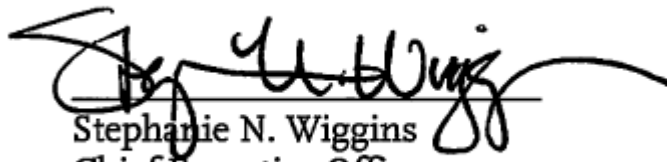
ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Shuyen Lin, Senior Manager, Vendor/Contract Mgt. (213) 418-3180
Michael Gonzales, Executive Officer, Vendor/Contract Mgt. (213) 418-3106

Reviewed by:
Debra Avila, Chief Vendor/Contract Mgt. Officer, (213) 418-3051



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

AUTOMATED STORAGE AND RETRIEVAL SYSTEM (ASRS) UPGRADE

1.	Contract Number: PS76506000	
2.	Recommended Vendor: Dematic Corporation	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input checked="" type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: 05/31/2021	
	B. Advertised/Publicized: N/A	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: 07/09/2021	
	E. Pre-Qualification Completed: 08/18/2021	
	F. Conflict of Interest Form Submitted to Ethics: 07/09/2021	
	G. Protest Period End Date: N/A	
5.	Solicitations Picked up/Downloaded: 1	Bids/Proposals Received: 1
6.	Contract Administrator: Annie Duong	Telephone Number: (213) 418-3048
7.	Project Manager: Shuyen Lin	Telephone Number: (213) 418-3180

A. Procurement Background

This Board Action is to award a sole source contract to replace the obsolete and end of the useful life components, as well as upgrading the ASRS systems to incorporate the state of art technologies. On May 31, 2021, Metro issued a single source, non-competitive solicitation to Dematic Corporation because of its proprietary system and received a proposal on July 09, 2021.

This sole source procurement was issued in accordance with Metro's Acquisition Policy and the contract type is a Firm Fixed Price.

B. Evaluations of Proposals

This is a single source, non- competitive procurement. A Proposal Evaluation Team (PET) consisting of staff from Metro's Logistics, Transit Operation Systems, and Administrative Business Department conducted a comprehensive technical evaluation of the proposal received. The technical evaluation consisted of reviews of the firm's proposed labor hours, proposed assigned technical personnel and labor categories, and proposed material items and spares. The proposal was found to be technically acceptable.

C. Cost/Price Analysis

The recommended contractor’s price proposal was evaluated in compliance with Metro’s Acquisition Policies and Procedures. Staff conducted a comprehensive evaluation to determine that the final firm fixed price is fair and reasonable based on cost analysis, technical evaluation, fact-finding, clarifications, and negotiations. The contract administrator requested price information from the contractor on its other projects with other government customers. The contractor was able to demonstrate the rate proposed for Metro is the same rate used with other government agencies. Hence, the proposed price is considered fair and reasonable. The final negotiated price is \$3,396,686, inclusive of tax.

	Proposer Name	Proposal Amount	Metro ICE	Negotiated Amount
1.	Dematic Corporation	\$3,398,005	\$3,120,818	\$3,396,686

D. Background on Recommended Contractor

Dematic Corporation, formally HK Systems, Inc. is the original equipment manufacturer of Metro’s Automated Storage and Retrieval System (ASRS) located at Central Maintenance Facility (CMF). Dematic Corporation is a global engineering company that designs, builds, and life cycle supports logistics solutions that optimize material and information flow from receiving to shipping, within the four walls of the factory, warehouse, or distribution center.

Dematic Corporation is one brand under the KION Group of companies and has engineering offices in Asia, Europe, North and South America. The company has manufacturing facilities in USA, Australia, Germany, Italy, and China. During the past 50 years, Dematic has installed 10,000 systems and currently has global revenue of \$1.3 billion. Its clients include JC Penney, Wal-Mart, Anheuser-Bush, and Wells Dairy.

Headquartered in Atlanta, Georgia, Dematic Corporation has been in the business for over 200 years. Dematic Corporation has provided satisfactory work for Metro in the past.

DEOD SUMMARY**AUTOMATED STORAGE AND RETRIEVAL SYSTEM (ASRS) UPGRADE /
PS76506000****A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) did not establish a Small Business Enterprise (SBE) or Disabled Veteran Business Enterprise (DVBE) goal for this solicitation due to the lack of subcontracting opportunities. Dematic Corporation owns the proprietary intellectual property behind the ASRS system and is the only firm that can perform work on this system.

Although an SBE/DVBE goal was not established for this project, Metro will continue to encourage bidders/proposers to outreach to and utilize SBE/DVBE firms, should potential subcontract opportunities become available. Pursuant to the SBE/DVBE Program, if the Prime Contractor utilizes the services of subcontractors, they are expected to afford equal opportunities to SBE/DVBE firms in all subcontracting and supply service areas.

B. Living Wage and Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

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



Board Report

File #: 2021-0576, **File Type:** Contract

Agenda Number: 20.

OPERATIONS, SAFETY, AND CUSTOMER EXPERIENCE COMMITTEE OCTOBER 21, 2021

SUBJECT: PURCHASE OF SAFETY VESTS

ACTION: AWARD CONTRACT

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to award a two-year, Indefinite Delivery/Indefinite Quantity (IDIQ) Contract No. MA75908000 for reflective safety vests with Safety Vibe Inc. The Contract one-year base amount is \$577,649 inclusive of sales tax, and the one-year option amount is \$595,869 , inclusive of sales tax, for a total contract amount of \$1,173,518, subject to resolution of any properly submitted protest(s).

ISSUE

This procurement is for the acquisition of reflective safety vests that are required to improve the visibility and maintain the safety of Metro employees. Award of this contract will ensure an adequate inventory of reflective safety vests for bus and rail operators, maintenance employees, and administrative staff.

BACKGROUND

Metro stocks both general duty and high hazardous style safety vests to protect and ensure the safety of bus and rail operators, maintenance employees, and administrative staff working in safety sensitive areas. The component usage reports from Material Management revealed that approximately 12,774 general duty and 3,989 high hazard reflective safety vest were issued over a 12-month period throughout the various departments at Metro. Transportation and maintenance personnel working at operating and support facilities, layover zones, and other safety sensitive areas must wear reflective safety vests in accordance with department rules and procedures. In addition, personnel engaged in construction activities or accident investigations must wear reflective safety vests.

The main user of these vest is the Operations Department with over 8,700 staff members. The staff that consumes the majority of these vest are the Bus/Rail operators, mechanics and facilities maintainers. Vest are worn on a daily basis and are issued to each employee as part of their uniform wear.

Safety Vibe Inc, located in Monterey Park CA., is the lowest responsive and responsible bidder and was found to be in full compliance in meeting the bid and technical requirements of the invitation for Bid (IFB). Safety Vibe Inc. has demonstrated its ability to serve their customers, other agencies in Southern California as well as being a subcontractor on the Metro Purple West Side Extensions 1 through 3.

DISCUSSION

The contract to be awarded is a IDIQ agreement in which we commit to order only from the awardee, up to the specified quantity for a specific duration of time, but there is no obligation or commitment for us to order any specific quantity of the various styles and/or sizes of the reflective safety vests that may currently be anticipated. The bid quantities are estimates only, with deliveries to be ordered and released as required.

The reflective safety vests will be purchased and maintained in inventory and managed by Material Management. As the reflective safety vests are issued, the appropriate budget project numbers and accounts will be charged.

DETERMINATION OF SAFETY IMPACT

Award of contract will ensure that all operating divisions and the Central Maintenance Facility have an adequate inventory of safety vests to wear in safety sensitive areas in accordance with department rules and procedures.

FINANCIAL IMPACT

Funding in the amount of \$577,649 for the reflective safety vests is included in the FY22 budget under account 50441, Parts - Revenue Vehicle in multiple bus and rail division operating cost centers under Operations bus projects 306002 and rail projects 300022, 300044, 300066, 300055, 300033.

Since this is a multi-year contract, the cost center manager and Chief Operations Officer will be accountable for budgeting the cost in future fiscal years.

Impact to Budget

The current source of funds will come from Federal and local funds including fares that are eligible for Bus and Rail Operating Projects. The use of these funding sources maximizes established funding provisions and guidelines.

EQUITY PLATFORM

There are no anticipated equity impacts from this proposed action.

The Diversity and Economic Opportunity Department (DEOD) documented a sixty percent (60%) SBE commitment by Safety Vibe Inc. and verified that they are meeting the Small Business Prime Set-Aside requirements established for this procurement. Safety Vibe, Inc. is also a Small Business Enterprise (SBE) Prime.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The procurement of reflective safety vests supports Strategic Goal 1: Provide high-quality mobility options that enable people to spend less time traveling. The new reflective safety vests will ensure the safety of employees assigned to operate and maintain the bus and rail fleet, which is important in ensuring that our customers are able to arrive at their destinations without interruption and in accordance with the scheduled service intervals.

ALTERNATIVES CONSIDERED

The alternative is not to award the contract and procure reflective safety vests on the open market on an as-needed basis. This approach is not recommended since it does not provide a commitment from the supplier to ensure availability and price stability.

NEXT STEPS

Metro's requirements for reflective safety vests will be fulfilled under the provisions of the contract.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

Prepared by: Harold Torres Sr. Director Central Maintenance (213) 922-5714
Tanya Allen Procurement Planning Administrator (213) 922-1018

Reviewed by: Debra Avila, Chief, Vendor/Contract Management (213) 922-6383
James T. Gallagher, Chief Operations Officer (213) 922-4424



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY
PURCHASE OF SAFETY VEST
CONTRACT NO. MA75908000

1.	Contract Number: MA75908000	
2.	Recommended Vendor: Safety Vibe Inc., 2530 Corporate Place A105, Monterey Park, CA 91754	
3.	Type of Procurement (check one): <input checked="" type="checkbox"/> IFB <input type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: April 27, 2021	
	B. Advertised/Publicized: May 1, 2021	
	C. Pre-proposal/Pre-Bid Conference: N/A	
	D. Proposals/Bids Due: June 22, 2021	
	E. Pre-Qualification Completed: September 24, 2021	
	F. Conflict of Interest Form Submitted to Ethics: August 12, 2021	
	G. Protest Period End Date: October 23, 2021	
5.	Solicitations Picked up/Downloaded: 28	Bids/Proposals Received: 3
6.	Contract Administrator: Tanya Allen	Telephone Number: 213/922-1018
7.	Project Manager: Jim Pachan	Telephone Number: 213/922-5804

A. Procurement Background

This Board Action is to approve Contract No. MA75908000 issued for the procurement of Safety Vests. Board approval of contract award is subject to resolution of any properly submitted protest.

The Invitation for Bid (IFB) Number MA75908 was issued in accordance with Metro's Acquisition Policy and the contract type is Indefinite Delivery, Indefinite Quantity (IDIQ).

One amendment was issued during the solicitation phase of this IFB.

A total of three (3) bids were received on June 22, 2021 and are listed below in alphabetical order:

1. KNS Industrial Supply
2. Paramount Safety Supply
3. Safety Vibe

B. Evaluation of Bids

This procurement was conducted in accordance and complies with LACMTA's Acquisition Policy for a two-step competitive sealed bid. There were three bids that were deemed responsive and responsible to the IFB requirements.

The recommended firm, Safety Vibe Inc., the lowest responsive and responsible bidder was found to be in full compliance in meeting the bid and technical requirements of the IFB.

C. Price Analysis

The recommended bid price from Safety Vibe Inc. has been determined to be fair and reasonable based upon adequate price competition and selection of the lowest Responsive and Responsible bidder with a savings \$57,294.00 from historical purchases.

Low Bidder Name	Bid Amount	Metro ICE
Safety Vibe	\$1,173,578	\$1,255,943
Paramount Safety Supply	\$1,304,562	
KNS Industrial Supply	\$1,307,610	

D. Background on Recommended Contractor

The recommended firm, Safety Vibe Inc. is located in Monterey Park, CA has been in business for seventeen years (17). Safety Vibe Inc. has provided similar products for other agencies including Skanska Traylor Shea, Los Angeles Tutor Perini, Los Angeles, Frontier Kemper, Los Angeles and Los Angeles Unified School District (LAUSD). Safety Vibe Inc. has no previous experience with Metro, but has satisfactory performance working as subcontractor on the Metro Purple Westside Extensions 1 through 3.

DEOD SUMMARY

PURCHASE OF SAFETY VESTS / MA75908000

A. Small Business Participation

Effective June 2, 2014, per Metro's Board-approved policy, competitive acquisitions with three or more Small Business Enterprise (SBE) certified firms within the specified North American Industry Classification System (NAICS) as identified for the project scope shall constitute a Small Business Set-Aside procurement. Accordingly, the Contract Administrator advanced the solicitation, including posting the solicitation on Metro's website, advertising, and notifying certified small businesses as identified by NAICS code(s) that this solicitation was open to **SBE Certified Small Businesses Only**.

SafetyVibe, Inc., an SBE Prime Supplier, made a 60% SBE commitment. While the SBE Prime Supplier is performing 100% of the work with their own workforce, only 60% of the cost of materials and supplies can be credited towards its commitment.

SMALL BUSINESS SET-ASIDE

	SBE Prime Contractor	SBE % Committed
1.	SafetyVibe, Inc.	60%
	Total Commitment	60%

B. Living Wage / Service Contract Worker Retention Policy Applicability

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

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

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



Board Report

File #: 2021-0550, File Type: Contract

Agenda Number: 24.

REVISED
OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE
OCTOBER 21, 2021

**SUBJECT: CONTRACT MODIFICATION - LA COUNTY DEPARTMENT OF HEALTH SERVICES
C3 HOMELESS OUTREACH TEAMS HOME AT LAST (HAL) SHELTER BED PILOT
EXTENSION**

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZING the Chief Executive Officer to execute Amendment No. 4 to the Letter of Agreement for Multidisciplinary Street-Based Engagement Services (Contract No. MO136727000-32385), to include extending the homeless shelter bed program (Home At Last (HAL)) through ~~June 30~~ January 31, 2022, for outreach team enhancements and capabilities ~~consistent with Board Motion 26.2 (File #:2021-0190)~~, in an amount not-to-exceed ~~\$3,708,000~~ \$1,250,000, increasing the total cost from \$26,200,000, to ~~\$29,908,000~~ \$27,450,000, inclusive of administrative fees and other pilot initiatives.

ISSUE

In response to the broader LA County homeless crisis, the C3 homeless outreach teams provide coordinated and responsive outreach services to Metro riders who need refuge and shelter and then ultimately link them to interim and permanent housing. In order to provide the C3 homeless outreach teams with additional shelter bed resources, Amendment No. 4 is required. Staff intends to aggressively provide greater homeless outreach services with this initiative, which will provide wrap-around shelter resources system-wide in efforts to enhance the customer experience for Metro patrons. Shelter space is limited and competitive as outreach teams throughout the city and county utilize DHS-approved shelters. ~~Board Motion 26.2 supports funding in the amount of \$2 million for short-term shelter, and~~ The Metro Customer Experience Plan supports ~~\$4.75~~ 1.25 million for the ~~same~~ this effort. Consequentially, Metro engaged in a four (4) month homeless shelter bed pilot program effective March 1, 2021 - June 30, 2021, which showed preliminary positive results. Subsequently, Amendment No. 3 extended the shelter bed pilot program only through August 31, 2021, due to limited funding with the intent to gather more data on the effectiveness of this initiative while providing essential housing. As data continues to become available to assess the pilot program's effectiveness, Amendment No. 4 seeks to extend the shelter bed pilot program through ~~April 30~~ January 31, 2022, until a longer-term determination can be made. Preliminary data indicates that the extension of this HAL-centered shelter bed pilot program contributes to enhancing the

customer experience. and prevents the eviction of current residents placed who may return to Metro for shelter.

If Metro's pilot with HAL is concluded by April 30, 2022, based on the results of the program's evaluation, remaining (60) sixty days will be utilized to transition the residents into other housing options in coordination with the DHS. In the event that Metro determines to continue the HAL program, the sixty days will be used to prepare for FY23 funding support without evicting the residents. As such, the pilot ends April 30, 2022, but the Amendment is effective until June 30, 2022.

If Metro determines to end the HAL Bed Program, Metro staff will coordinate with HAL to provide a 30-day notification to shelter residents and aide in seeking relocation opportunities if available by January 31, 2022, to prevent a recurrence of homelessness conditions of the residents.

..Background
BACKGROUND

Metro has pivoted to respond to impacts from COVID-19 and the growing homelessness crisis. According to the January 2020 Greater Los Angeles Point-in-Time Count, the County of Los Angeles saw a rise to 66,436 people experiencing homelessness, a 12.7% increase from 2019. The City of Los Angeles saw a rise to 41,290, a 16.1% increase from 2019. At the onset of COVID-19, in April 2020, Metro implemented Operation "Shelter the Unsheltered" at five stations to address increased numbers of homeless persons using trains for shelter. The Operation is a collaborative outreach engagement effort among Metro partners: Metro Transit Security, Metro contracted Law Enforcement partners, the LA County Department of Health Services, The Dream Center, and LA DOOR outreach teams. The Operation has proven to be successful, and as a result, the total number of individuals housed from April 1, 2020, through August 9, 2021, was 885. Prior to COVID-19, there was a lack of available shelter space and 24-hour operating shelters county-wide. The lack of available shelter space persists and is exacerbated due to required COVID-19 testing, quarantines, and social distancing protocols implemented within shelters.

DISCUSSION

Daily, the PATH (C3) teams survey the people coming off trains at off-boarding sites and track the number of people experiencing homelessness who are willing to accept a shelter bed if one is available. Please note that PATH's person-centered approach results in some sites being rejected because of where the shelter is located. For example, some people experiencing homelessness may have had traumatic experiences in certain neighborhoods and will not take a bed in those neighborhoods. As a result, this amounts to a caring and logistical reality that determines housing options only if a bed were available in an area the person is willing/able to accept and conveniently travel to gain access. Strategically, PATH will leverage HAL as a resource to address this challenge and continue working with the HAL team and DHS to ensure that HAL guests are receiving appropriate case management support levels. Further, this coordination will result in freeing the PATH teams to concentrate on targeted areas at Metro sites, maximizing outreach to those still on the system, which has a direct benefit to the customer experience. Notably, PATH has significantly increased the number of persons being sheltered at a rate that far exceeds their ability prior to the HAL pilot. For example, PATH & HAL teams filled the 80 beds in less than two weeks, and the

expectation is that this level of support will continue into the fall and winter months. Overall, preliminary research indicates that the availability of HAL beds serves as a force multiplier resource aid to the PATH teams in fulfilling their mission to help provide needed services throughout LA Metro's transit system.

The Home at Last table below is data reported for the pilot shelter bed program which began March 1, 2021. The forty persons (20%) that transitioned to other resources were also linked to income/benefit resources such as General Relief, SSI, Cal Fresh, SSDI, Medi-Cal, Medicare, and LA Care. The current occupancy as of the date of this report is sixty-seven residents, and the average length of stay is thirty-one days. See Attachment "A"- Home At Last Table.

Metro staff will share the report of the evaluation of the HAL bed program with either a recommendation to continue the program for the remainder of the fiscal year or cease its implementation in the January 2022 Board cycle. Metro staff is further taking action to consult with PSAC members advising of this pilot initiation for their consideration

DETERMINATION OF SAFETY IMPACT

The authorization of the amendments to the Letter of Agreement for Home At Last shelter beds will provide funding to extend the shelter bed program. This will also significantly improve the responsiveness of PATH teams to continue services while HAL provides the wrap-around services that would otherwise demand PATH outreach time away from the Metro system, reducing their total effectiveness.

FINANCIAL IMPACT

The increase of ~~\$3,408,000~~ \$1,250,000 is included in the FY2022 budget for these services and programs. Funding for the contract increase will come from federal, state, and local sources, including sales taxes and fares that are eligible for bus and rail capital and operating projects.

The FY22 Adopted Budget includes \$1,250,000 funds from the Customer Experience Department/Office of the CEO Cost Center 2010, Account 50316, Project 306001, and will be transferred to the SSLE's Homeless Outreach & Strategic Planning cost center 2614, Account 50316, Project 306001.

The FY22 Adopted Budget includes support for Board motion 26.2 Section 2(b), which identified \$5,000,000 for increased shelter services, of which \$2,458,000 will be apportioned in support of this agreement and will be transferred to the SSLE's Homeless Outreach & Strategic Planning cost center 2614, Account 50316, Project 306001.

EQUITY PLATFORM

The purpose of this Action is to advance Metro's interests in homeless outreach and engagement to impact the lives of marginalized persons experiencing homelessness on the Metro system. The two-month extension of the shelter bed pilot program will provide the PATH outreach teams with an additional shelter option to house single men, women, and transgender people experiencing

homelessness, and provide additional data to determine the impact of the pilot shelter bed program. The outcome of this initiative will support opportunities consistent with Metro's Equity Goals related to housing and employment benefiting marginalized groups. There is no assessed harm or burden by this decision to any marginalized group.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The program described supports goals 2.3 and 3.4 of Metro's Vision 2028 Strategic Plan. and Board Motions 26.2 and 37 (File #:2020-0429; (B) (6)). Goal 2.3 improves customer satisfaction at all customer touchpoints, and goal 3.4 of playing a strong leadership role in efforts to address homelessness in LA County.

ALTERNATIVES CONSIDERED

The Board may decline to approve the amendments. This alternative is not recommended as it will reduce shelter beds available to our C3 teams aiding clients off the Metro System in need of transitional housing.

NEXT STEPS

Upon Board approval, staff anticipates executing the Amendment to the Letter of Agreement for Home At Last shelter beds with the Los Angeles County Department of Health Services and continues providing homeless outreach services system-wide in tandem with C3 homeless outreach teams.

ATTACHMENTS

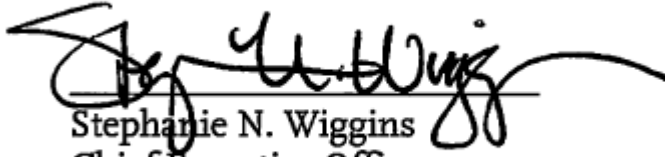
Attachment A - Home At Last Table

Attachment B - Rapid Equity Assessment

Attachment C – Board Motion 26.2

Prepared by: Joyce Burrell Garcia, Project Manager Homeless Outreach & Strategic Planning, System Security and Law Enforcement, (213) 922-5551

Reviewed by: Judy Gerhardt, Chief System Security and Law Enforcement Officer, (213) 922-4811



Stephanie N. Wiggins
Chief Executive Officer

ATTACHMENT A

Home At Last (HAL) Metrics		
March 1, 2021 - August 31, 2021		
Total Enrollments:	204	Percentage
Total Exits: *	102	50%
Transition to other Resources: **	40	20%
<i>Exits: * Terminated, missing in action, left voluntarily, deceased, incarcerated. Transition to other Resources: ** Family reunification, other interim housing, permanent housing, higher level of care, medical.</i>		

Metro believes that access to opportunity should be at the center of decision-making around public investments and services. This Rapid Equity Assessment tool is a set of questions to assist Metro staff in identifying and prioritizing equity opportunities. An “Equity Opportunity” is a decision that is designed to enhance positive impacts or reduce negative impacts for historically marginalized communities or others facing disparities in access to opportunities.

How should you use the Assessment? All questions should be answered to the best extent possible before a decision is made. If you answer “no” to Question one or cannot identify burdens under Question three, please contact your Department’s Equity Liaison immediately for assistance. The Assessment should be completed by a diverse group within the project team, including staff with a variety of experiences, knowledge, backgrounds, and skillsets. **This form is available on Metro’s SharePoint under “Equity and Race.” Whenever possible, staff should complete and submit the online version of the Rapid Equity Assessment. The answer to Question seven should be included in any report, including a board report, or other document explaining the decision or recommendation.** It is recommended that the REA is completed early to ensure sufficient time for completion as well as review and feedback by the *Office of Equity and Race*. Email your Department’s Equity Liaison for assistance in using the tool.

What is “Equity”? Equity is both an outcome and a process to address racial, socioeconomic, and gender disparities, to ensure fair and just access – with respect to where you begin and your capacity to improve from that starting point – to opportunities, including jobs, housing, education, mobility options, and healthier communities. It is achieved when one’s outcomes in life are not predetermined, in a statistical or experiential sense, on their racial, economic, or social identities. It requires community informed and needs-based provision, implementation, and impact of services, programs, and policies that reduce and ultimately prevent disparities.

Equity means that Metro’s service delivery, project delivery, policymaking, and distribution of resources account for the different histories, challenges, and needs of communities across Los Angeles County; it is what we are striving towards.

Department and Equity Liaison Imelda Hernandez
Don’t know your Equity Liaison? Click [here](#).

Legistar File ID (if applicable): Click or tap here to enter text.

Team Members (Lead and Support): Aston T. Greene & Joyce Burrell Garcia

Proposed Action Title: C3 PATH Shelter the Unsheltered Extension
Proposed Action Summary

Approve Funding Increase to Support Shelter Beds



Los Angeles County
Metropolitan Transportation Authority

Metro

Rapid Equity Assessment

1. Will the decision being made impact any of the following groups?

Will these impacts be employee or public facing? Employee Public

- | | |
|---|---|
| <input checked="" type="checkbox"/> Black, Indigenous, and/or People of Color | <input checked="" type="checkbox"/> Other marginalized communities or communities facing disparities (Limited English Proficiency, LGBTQ+, women, Older Adults, etc.) |
| <input checked="" type="checkbox"/> Low Income Households (Avg. income < \$35K) | <input checked="" type="checkbox"/> Minority or Women Owned Businesses, Disadvantaged Business Enterprises, or Disabled Veterans Business Enterprise |
| <input checked="" type="checkbox"/> People with disabilities | |
| <input checked="" type="checkbox"/> Equity Focus Communities (See page 4) | |

2. Who will benefit from this decision? Are there barriers that will prevent some people from benefiting from this decision? (Ex: physical ability, affordability, etc.) Also explain the benefits of the decision.

The people that will benefit from this decision directly will be single male, women and transgender people experiencing homelessness on metro's system. Employees and the public will benefit indirectly.

3. Who may be harmed or burdened by this decision, even if unintentionally? (Ex: certain users of the service, people living along the project area, etc.)

No foreseeable harm or burden to any marginalized or vulnerable groups.

4. How will this improve equity outcomes? Are there any positive impacts for marginalized or vulnerable groups? Will this reduce negative impacts?

The Home at Last shelter bed program will provide a positive impact to employees and the public in a manner of allowing Metro's outreach partners (PATH) the ability to have dedicated beds to place people experiencing homelessness on the Metro system in to shelter.

Yes, it will reduce negative impacts by removing barriers for marginalized or vulnerable groups to obtain permanent housing.

Rapid Equity Assessment

5. What are your strategies to mitigate any potential negative consequences of this decision?

Please include specific examples related to community engagement, messaging, outreach, etc. If unknown now, revisit this tool if unintended negative consequences occur.

Metro has established a homeless outreach & engagement unit/team to monitor the impacts of this program. For example: regular meetings and KPIs are reviewed by the project management staff.

6. What community engagement and data informed your REA and how will you proceed to ensure equitable outcomes? Discuss how community members, including those more vulnerable to negative impacts, were and will continue to be engaged, and how you will track impacts to impacted people over time.

In addition to Metro's homeless outreach count, we also collaborate with the Department of Mental Health, PATH, LA Door, Dream Center and other community based organizations.

7. Summarize the impacts of your action, including potential benefits (Q2) and burdens (Q3) to marginalized or vulnerable groups, ability to improve equity outcomes (Q4), mitigation strategies, if needed, (Q5), and data and community engagement considerations (Q6).

Use this summary for any report, including a board report, or other document explaining the decision or recommendation.

The impact is consistent with the goals of Metro's Homeless Action Plan which includes Research, Education, Coordination, Outreach to enhance ridership, improve public safety, and provide supportive services to unsheltered passengers. [See LOA # 4 Board Report]

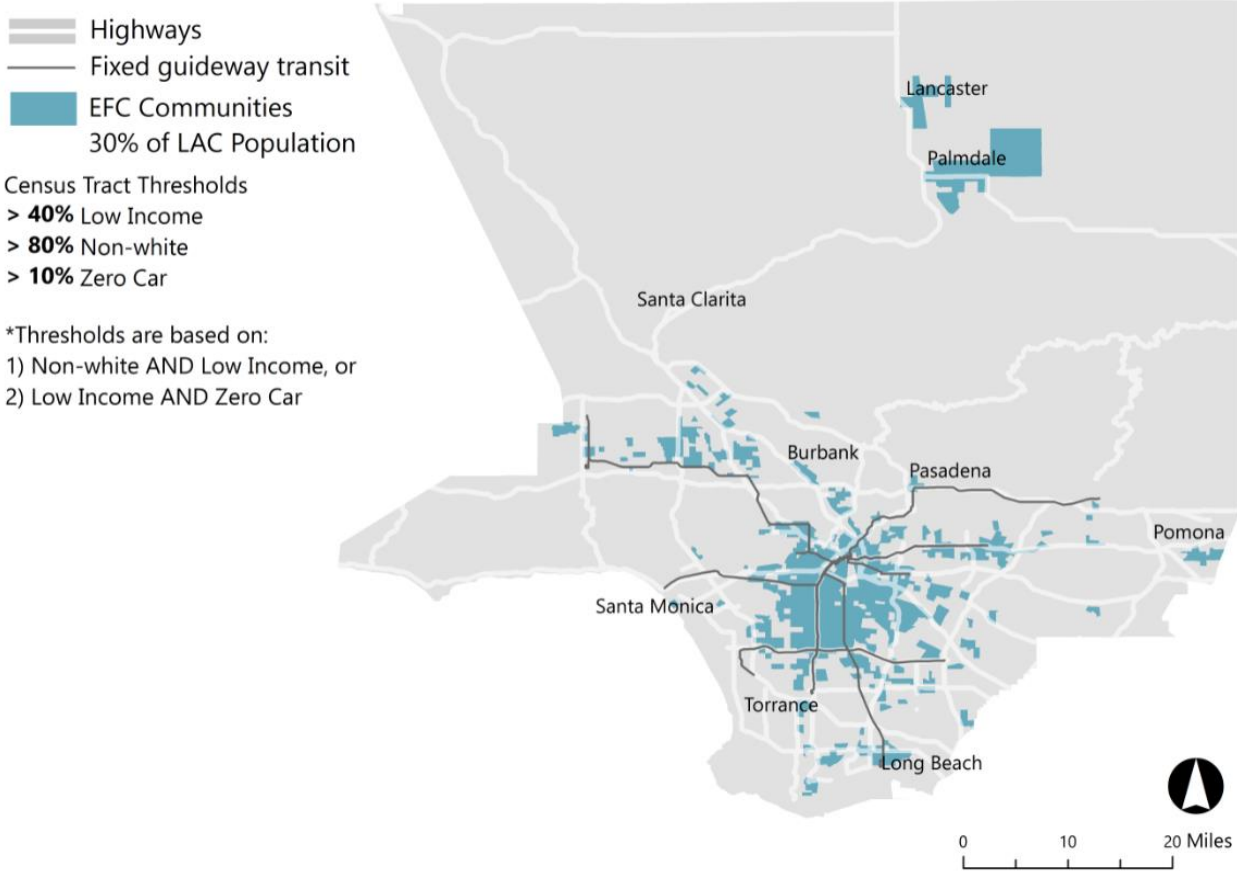
Rapid Equity Assessment

For internal purposes only.

	Status	Comment
<input type="checkbox"/>	Reviewed, no concerns	
<input type="checkbox"/>	Reviewed, need more information.	
<input type="checkbox"/>	Reviewed, pull for further discussion.	

Rapid Equity Assessment

Equity Focus Communities Map



Acknowledgements: This tool was developed with inspiration and borrowing from the “COVID-19 Equity Framework and Rapid Response Tool” from the City of San Antonio Office of Equity and the “EOC Equity Framework” from the City of Denver.



Board Report

File #: 2021-0572, **File Type:** Contract

Agenda Number: 30.

**CONSTRUCTION COMMITTEE
OCTOBER 21, 2021**

SUBJECT: CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR CAPITAL PROJECTS

**ACTION: AWARD AND EXECUTE CONTRACT FOR CONSTRUCTION MANAGEMENT
SUPPORT SERVICES**

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. AWARD AND EXECUTE a three-year cost plus fixed fee contract, Contract No. AE76301MC081 with Zephyr Rail, to provide Construction Management Support Services for Capital Projects, in an amount not-to-exceed \$3,519,211.94 for the three-year base period, plus two (2) one-year options if deemed appropriate, subject to resolution of any properly submitted protest(s); and
- B. EXECUTE individual Task Orders within the Board approved not-to-exceed amount.

ISSUE

The Los Angeles County Metropolitan Transportation Authority (Metro) requires professional services from a qualified Construction Management Support Services (CMSS) firm to support the design review, construction management, and administration of construction contracts for various Metro capital projects and adjacent/joint development projects to ensure compliance with Metro’s safety and security policies, contract requirements, and government regulations.

Construction management support services will be provided for final design, pre-construction activities, administration of construction, and contract close out. In general, projects supported by this CMSS will include smaller construction projects at bus and rail facilities, Metro right-of-way, and adjacent/joint development projects. A few examples of Metro projects this contract may support are: small capital project construction oversight / safety inspections at Metro Operating Divisions such as repair/replacement of bus washes, bus bays or replacement of large equipment; and adjacent project inspection and safety for construction related activities adjacent to the alignment that may have an impact on operations such as work on private property that is within a certain distance from our OCS Lines along the L (Gold) Line. Additionally, this contract supports constructability and pre-construction activities for projects in the planning phase that are in the process of transitioning to Program Management.

BACKGROUND

Metro's construction management support services philosophy envisions that the primary role of the CMSS is to provide highly skilled and qualified individuals to assist and support Metro in the construction management and administration of construction projects. This role also entails ensuring that the construction of projects is completed with a high level of quality and safety. The CMSS staff are fully integrated into the construction project team with Metro staff. CMSS staff have the specialized technical and administrative expertise to assist and support project delivery and implementation and to perform the necessary project reporting requirements and control procedures established by Metro. In the performance of work, CMSS staff adhere to and comply with all Metro policies and procedures.

DISCUSSION

On June 2, 2021, requests for proposals were issued for CMSS services to assist Metro in managing the construction of capital projects and adjacent/joint development projects. The CMSS contract is a cost-plus fixed fee contract for a term of three (3) years with two one-year options. If the Board approves staff to exercise the additional option years in the CMSS contract, rates for the option years will be negotiated prior to the end of the base contract period. Option 1 will be to extend the CMSS services and option 2 will be for contract closeout.

Since the CMSS contract is a cost-plus fixed fee contract, consultant services will be performed using Annual Work Plans (AWP). Each AWP will include negotiated direct labor, overhead rates, general and administrative expenses, fee, and negotiated hours for the level of effort to match the work. The AWPs will be funded from the existing project budgets and take into consideration all information available at the time of planning plus applicable time constraints on the performance of the work.

Metro shall ensure that strict project controls are in place prior to approving each AWP to closely monitor the CMSS's budget and AWP schedules. No funds will be obligated until the AWP is approved against each particular capital project or adjacent/joint development project.

Metro staff will begin onboarding of CMSS consultants immediately following contract execution.

DETERMINATION OF SAFETY IMPACT

This Board action will not have an adverse impact on safety standards for Metro.

FINANCIAL IMPACT

The funding for this contract is included under various capital project or adjacent/joint development project numbers within cost center 8510, Construction Management. AWP's under this contract will be funded within life of-project (LOP) budgets or the approved annual budgets for each individual capital project or adjacent/joint development project. As such, approval of this action will not increase

the LOP budgets or approved annual budgets of any individual capital project or adjacent/joint development project. Since this is a multi-year contract, respective project managers, the cost center manager, and Chief Program Management Officer will be accountable for budgeting the contract cost in future years, including any options exercised.

Impact to Budget

There are no impacts to the FY22 budget. All action under this contract will be funded within the LOP budget or the approved annual budget for each individual capital project or adjacent/joint development project

EQUITY PLATFORM

Proper safety and inspection construction management support services reduce the potential impact for interruption to service which would negatively affect our ridership. Further, this contract is being awarded to a company that qualifies as a Small Business within the Small Business Enterprise Program. To ensure maximum opportunity for participation on this contract, Metro staff performed extensive outreach to the small business community, including those within the Disadvantaged Veterans Business Enterprise and the Small Business Enterprise programs. The solicitation was advertised through periodicals of general circulation, posted on Metro's Vendor Portal, and an e-mail notice to small businesses with applicable NAICS codes. The Construction Management Team presented at TBAC and attended meetings with the Small Business Community to further define the experience and background for this solicitation. The Proposal Evaluation Team was comprised of department personnel that were age, race, and gender diverse. DEOD established a goal of 27% SBE and 3% DVBE. The selected firm committed to achieving a 69% SBE goal and 5% DVBE (Attachment B). f

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Project is consistent with the following Metro Vision 2028 Goals and Objectives:

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

Goal 3: Enhance communities and lives through mobility and access to opportunity.

Goal 4: Transform LA County through regional collaboration and national leadership.

ALTERNATIVES CONSIDERED

The Board may reject the recommendations. Staff does not recommend this, as rejection will require an extensive hiring effort to provide permanent staff to fill the required positions, several of which are anticipated to be temporary. This would not be cost effective and could cause delays, since many of the CMSS staff are only required on a periodic basis for peak workloads and specific tasks over the life of the project.

NEXT STEPS

After Board approval of this CMSS Contract, the Contracting Officer will award Contract No. AE76301MC081 in accordance with Metro Procurement Policies and Procedures.

ATTACHMENTS

Attachment A - Procurement Summary

Attachment B - DEOD Summary

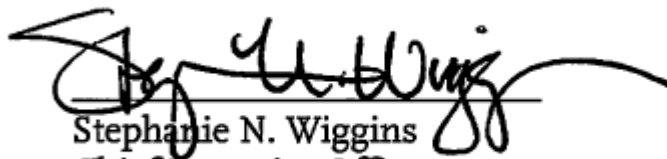
Prepared by:

Brad Owen, Executive Officer Program Management, (213) 418-3143

Reviewed by:

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

Nalini Ahuja, Chief Financial Officer, (213) 922-3088



Stephanie N. Wiggins
Chief Executive Officer

PROCUREMENT SUMMARY

**CONSTRUCTION MANAGEMENT SUPPORT SERVICES - CAPITAL PROJECTS
CONTRACT NUMBER AE76301MC081**

1.	Contract Number: RFP No. AE76301MC081	
2.	Recommended Vendor: Zephyr Rail	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input type="checkbox"/> RFP <input checked="" type="checkbox"/> RFP-A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: June 2, 2021	
	B. Advertised/Publicized: June 2, 2021	
	C. Pre-Proposal Conference: June 16, 2021	
	D. Proposals Due: July 9, 2021	
	E. Pre-Qualification Completed: August 20, 2021	
	F. Conflict of Interest Form Submitted to Ethics: July 22, 2021	
	G. Protest Period End Date: October 25, 2021	
5.	Solicitations Picked up/Downloaded: 244	Proposals Received: 6
6.	Contract Administrator: Wonder Van Twist	Telephone Number: 213-922-7325
7.	Project Manager: Brad Owen	Telephone Number: 213-418-3143

A. Procurement Background

This Board Action is to approve the award of Contract No. AE76301MC081, Construction Management Support Services- Capital Projects, that will support Metro in the performance of Metro's responsibilities for multiple Capital Projects; subject to the resolution of protest(s), if any. The resultant Contract, will be state/locally funded and is subject to fiscal year funding.

The Scope of Services (SOS) of the Construction Management Support Services is to support the design reviews, construction management, and administration of the construction contract(s) and to ensure that the construction of various projects are administered and completed in compliance with contract requirements and government regulations. Additionally, this contract supports constructability and pre-construction activities for projects in the planning phase that are in the process of transitioning to Program Management.

The Request for Proposals (RFP) was an Architecture and Engineer (A&E), qualifications-based procurement process performed in accordance with Los Angeles County Metropolitan Transportation Authority (Metro) Procurement Policies and Procedures, and California Government Code §4525-4529.5 for Architectural and Engineering services. The contract type is a Cost-Plus Fixed Fee (CPFF) for a term of three (3) years plus two (2) one (1)- year options. A virtual pre-proposal conference was held on June 16, 2021 in accordance with the California Governor Executive Order N-33-20 related to COVID-19. Two hundred forty-four (244) individuals from various firms picked up or downloaded the RFP Package.

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

- Amendment No. 1, issued on June 10, 2021, revised the Letter of Invitation, added titles to 1.2 Proposal Content, 1.3 Proposal Forms, 1.4 Certification Forms, 1.5 SBE/DVBE Forms, & 1.6 Other Requirements of the Submittal Requirements, and revised the weighting percentages of the Evaluation Criteria.
- Amendment No. 2, issued on June 24, 2021, added details to 1.1 General Format and 1.2 Proposal Forms of the Submittal Requirements.
- Amendment No. 3, issued on July 8, 2021, revised 1.2 Proposal Content of the Submittal Requirements, Special Provision (SP-05), Insurance Requirements and Exhibit 5- Proposal Letter

A total of six (6) proposals were received on July 9, 2021, from the following firms, in alphabetical order:

1. D R Consultants & Designers, Inc.
2. MARRS Services, Inc.
3. RT Engineering & Associates, Inc.
4. SRL Enterprises, LLC.
5. Vanir Construction Management, Inc.
6. Zephyr UAS, Inc. dba Zephyr Rail

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro Program Management was convened and conducted a comprehensive evaluation of the proposals received.

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

- Experience and Capabilities of Firms on the Team..... (15%)
- Experience and Capabilities of the Key Personnel (25%)
- Effectiveness of Management Plan..... (25%)
- Project Understanding and Approach..... (35%)

Total 100%

The evaluation criteria are appropriate and consistent with criteria developed for other A&E procurements. Several factors were considered when developing the

weightings, giving the greatest importance to the Project Understanding and Approach.

This is an A&E, qualifications-based procurement; therefore, price cannot be used as an evaluation factor pursuant to state and federal law.

During the month of July 2021, the PET evaluated the six (6) written proposals. Of the six (6) proposals received, two were determined to be non-responsive, therefore, both were excluded from further consideration. From July 27, 2021 through July 30, 2021, Metro held a virtual Oral Presentations with the following four (4) proposing firms.

1. D R Consultants & Designers, Inc.
2. MARRS Services, Inc.
3. RT Engineering & Associates, Inc.
4. Zephyr Rail

The proposing firms had the opportunity to present their key personnel as well as respond to the PET’s questions. In general, each proposer’s presentation addressed the requirements of the RFP, experience with all aspects of the required and anticipated tasks and stressed each proposer’s commitment to the success of the contract. Each proposing team was asked questions relative to each firm’s previous experience performing work of a similar nature to the SOS presented in the RFP. Sealed cost proposals were received from the four (4) proposers at the time of oral presentations.

The Proposal Evaluation Team (PET) ranked the four (4) proposals and assessed the major strengths, weaknesses and associated risks of each of the proposers to determine the most qualified firm. The final scoring was based on evaluation of the written proposals, as supported by oral presentations, and clarifications received from the Proposers. The results of the final scoring are shown below:

Firm	Average Score	Factor Weight	Weighted Average Score	Rank
Zephyr Rail				
Experience and Capabilities of Firms on the Team	91.13	15%	13.67	
Experience and Capabilities of the Key Personnel	90.32	25%	22.58	

Effectiveness of Management Plan	91.68	25%	22.92	
Project Understanding and Approach	89.71	35%	31.40	
Total		100.00%	90.57	1
MARRS Services, Inc.				
Experience and Capabilities of Firms on the Team	87.80	15%	13.17	
Experience and Capabilities of the Key Personnel	87.68	25%	21.92	
Effectiveness of Management Plan	83.68	25%	20.92	
Project Understanding and Approach	83.51	35%	29.23	
Total		100.00%	85.24	2
RT Engineering & Associates, Inc.				
Experience and Capabilities of Firms on the Team	81.13	15%	12.17	
Experience and Capabilities of the Key Personnel	82.00	25%	20.50	
Effectiveness of Management Plan	76.00	25%	19.00	
Project Understanding and Approach	79.63	35%	27.87	

Total		100.00%	79.54	3
D R Consultants & Designers, Inc.				
Experience and Capabilities of Firms on the Team	72.20	15%	10.83	
Experience and Capabilities of the Key Personnel	78.00	25%	19.50	
Effectiveness of Management Plan	78.32	25%	19.58	
Project Understanding and Approach	69.57	35%	24.35	
Total		100.00%	74.26	4

* Weighted scores are rounded to the nearest second decimal point.

C. Cost/Price Analysis

Metro completed negotiations and determined that the recommended estimated costs are fair and reasonable based on a cost analysis of labor rates, indirect rates and other direct costs in accordance with Metro's Procurement Policies and Procedures. Metro completed negotiations and established indirect cost rates and as appropriate provisional indirect (overhead) rates, plus a fixed fee factor to establish a fixed fee amount based on the total estimated cost for contract work orders / task orders, during the contract term to compensate the consultant.

Proposer: Zephyr Rail			
Contract Duration	Proposal Amount	Metro ICE	NTE Funding Amount
Base Period – 3 Years	\$3,519,211.94 ⁽¹⁾	\$3,457,200.00 ⁽²⁾	\$3,519,211.94
Option Year 1 and 2			

(1) The proposal amount is based on the Metro established staffing plan. The Consultant's overall costs include direct labor, overhead, other direct costs, subconsultant costs and fixed fees.

(2) The amount \$3,457,200.00 is the Independent Cost Estimate (ICE) for 3-year base Period of the Contract. Cost proposals were based on the Proposers' rates for the provided level of effort of 18,718 hours in the Staffing Plan.

The CMSS Staffing plan was established based on the SOS developed for the Contract. The estimated costs are based on the anticipated level of effort developed

for each year that will be required to perform the SOS by the Consultant and sub-consultants.

D. Background on Recommended Contractor

The recommended firm, Zephyr Rail, is located in the city of Orange, California and was established in 2015. They hold certifications as a certified Disadvantaged Business Enterprise (DBE) and Small Business Enterprises (SBE). Zephyr Rail's staff has an excellent understanding of the Los Angeles and local cities, agencies and Metro requirements, personnel and practices. They have extensive experience and skills in construction management and engineering design services and are performing similar scope of services as a subconsultant for ongoing Metro projects on the Division 20 Portal Widening Turnback, East San Fernando Valley LRT Project and the Antelope Valley Line Improvements Environmental Assessment and Technical Studies.

DEOD SUMMARY

**CONSTRUCTION MANAGEMENT SUPPORT SERVICES FOR CAPITAL
PROJECTS / AE76301MC081**

A. Small Business Participation

The Diversity and Economic Opportunity Department (DEOD) established a 27% Small Business Enterprise (SBE) and 3% Disabled Veteran Business Enterprise (DVBE) goal for this Task Order Contract. Zephyr Rail, an SBE Prime, exceeded the goal by making a 69% SBE commitment and a 5% DVBE commitment.

In response to a specific Task Order request with a defined scope of work, the prime consultant will be required to identify SBE/DVBE subcontractor(s) to perform work activity and the actual dollar value commitments for that Task Order. Overall SBE/DVBE achievement in meeting the commitments will be determined based on cumulative SBE/DVBE participation of all Task Orders awarded.

Small Business Goal	27% SBE 3% DVBE	Small Business Commitment	69% SBE 5% DVBE
----------------------------	----------------------------	----------------------------------	----------------------------

	SBE Subcontractors	% Committed
1.	Zephyr Rail (SBE Prime)	TBD
2.	AIX Consulting, Inc.	TBD
3.	GCM Consulting, Inc.	TBD
4.	Ramos Consulting Services	TBD
Total SBE Commitment		69%

	DVBE Subcontractors	% Committed
1.	Conaway Geomatics, Inc.	TBD
2.	NSI Engineering, Inc.	TBD
Total DVBE Commitment		5%

B. Living Wage and Service Contract Worker Retention Policy Applicability

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable to the contract.

C. Prevailing Wage Applicability

Prevailing wage is not applicable to this contract.

D. Project Labor Agreement/Construction Careers Policy

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



Board Report

File #: 2021-0679, **File Type:** Policy

Agenda Number: 35.

**EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 21, 2021**

SUBJECT: FARE POLICY CHANGE

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

APPROVE:

- A. The results of the Fare Equity analysis for changing free fares to 5 years and under.
- B. Changing the fare policy to raise the maximum age of free fare from under age 5 to under age 6.

ISSUE

On September 23, 2021, the Board approved implementation of Phase 1 of the Fareless Systems Initiative (FSI) for participating K-12 districts and community colleges. In ongoing outreach for FSI, it became clear that not all 5-year-olds qualify for kindergarten to participate in FSI. Therefore, this action is recommended to eliminate the gap between 4-year-olds who ride for free and 5-year-olds who have not started school yet.

BACKGROUND

According to Metro's current Fare Policy, "Two children under age 5 may travel free with each fare-paying adult on bus or rail." Under the newly implemented FSI Phase 1, children at participating school districts may obtain a TAP card from their school to travel without paying fares on Metro and participating local and regional transit operators. However, the State of California limits Kindergarten enrollment to children who turn 5 on or before August 31st. Consequently, some 5-year-olds do not qualify to enter kindergarten and cannot travel for free under either program.

DISCUSSION

Based on public feedback from the outreach process, staff recommends raising the maximum age for free rides on Metro from “under age 5” to “under age 6”.

Service and Fare Equity (SAFE) Analysis Requirement

According to Federal Transit Administration (FTA) Title VI guidance, “a fare equity analysis requirement applies to all fare changes regardless of the amount of increase or decrease. As with the service equity analysis, FTA requires transit providers to evaluate the effects of fare changes on low-income populations in addition to Title VI-protected populations.”

FTA Circular 4702.1B Chapter IV

Title VI of the Civil Rights Act of 1964 provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Chapter IV of the FTA’s Circular 4702.1B further describes the requirements that FTA recipients must follow to ensure that the programs, policies, and activities comply with the Title VI requirements.

Title 49 CFR Section 21.5 (b)(2) specifies that a recipient shall not utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program with respect to individuals of a particular race, color, or national origin.

Section 21.5 (b)(2) requires recipients to take affirmative action to assure that no person is excluded from participation in or denied the benefits of the program or activity on the grounds of race, color, or national origin.

A detailed Fare Equity Analysis has been completed (see Attachment A). The analysis compares the percentages of minority and low-income K-12 student riders against to the total minority and low-income percentages for all Metro riders. The Minority Ridership Total below is based on data from the Fall 2019 Metro Customer Survey and includes: Latino/a, African American, Asian/Pacific Islander, Native American, and Other.

The analysis determined that, although the absolute difference on the number of minority and low-income K-12 students impacted is more than 5% of the total minority and low-income riders, since the proposal is to remove fares from this group, the net impact on these groups is positive.

The results of the SAFE Analysis must be reviewed and approved by the Metro Board prior to any permanent fare change being implemented.

Fare Change Recommendation

Because the results of the SAFE analysis demonstrate a positive impact, staff recommends a permanent fare change to the Metro’s Fare Policy.

In addition, research from Metro's How Women Travel Study and Metro's Gender Action plan currently under development shows that women, in particular, often travel with multiple children, who could be under the age of 6. So, staff recommends removing the restriction on the number of children that can travel free with each adult.

Therefore the revised rule would read:

"Children under age 6 may travel free with a fare-paying adult on bus or rail."

FINANCIAL IMPACT

There is no financial impact in FY21 or FY22 since all K-12 fare revenue losses were assumed for FSI Phase 1. Due to low ridership among five year olds, there is no material impact to fare revenues beyond the pilot period.

DETERMINATION OF SAFETY IMPACT

This program does not affect the incidence of injuries or healthful conditions for patrons or employees. Therefore, approval of this request will have no impact on safety.

EQUITY PLATFORM

At its core, the goal of the FSI Pilot Program is to achieve greater equity through reducing barriers and improving access to transit for all communities. As part of the FSI implementation, changing the maximum age of free fares on Metro from 4-years-old to 5-years-old will benefit families with children under six who do not qualify for kindergarten, by reducing their transportation costs.

NEXT STEPS

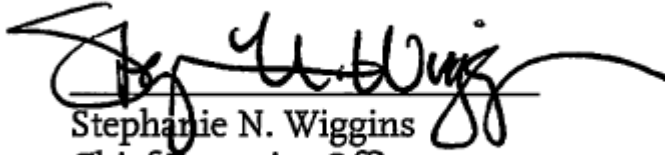
Once the fare analysis and fare change have been approved by the Board of Directors, all fare policy documents, and public-facing information will be updated to reflect this change.

ATTACHMENTS

Attachment A - Fare Equity Analysis

Prepared by: Devon Deming, Interim Deputy Executive Officer, FSI (213) 922-7957
Aida Berduo Berry, Sr. Manager, Civil Rights Programs (213) 922-2748

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



Stephanie N. Wiggins
Chief Executive Officer



Fare Equity Analysis

Changing Free Fares to Five Years-Old and Under

Los Angeles County Metropolitan Transportation Authority

FTA Recipient ID: 5566

FARE EQUITY ANALYSIS for CHANGING FREE FARES TO FIVE YEARS AND UNDER

Overview

The Los Angeles County Metropolitan Transportation Authority (Metro) serves as transportation planner and coordinator, designer, builder, and operator for one of the country's largest, most populous counties. More than 10.1 million people live and work within the 1,479-square-mile service area. Figure 1 (MAP) provides an overview of the Metro Service Area.

Over the coming decades, Metro will greatly expand the fixed-guideway rail and bus network throughout Los Angeles County due to the passage of the Measure M ballot initiative in November 2016. The half-cent sales tax increase is expected to provide upwards of \$130 billion for the development of new transit lines and other transportation capital investments throughout Los Angeles County.

Figure 1: METRO SYSTEM MAP



Purpose

Title VI of the Civil Rights Act of 1964 is a Federal statute and provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. The Federal Transit Administration (FTA) is responsible for ensuring that recipients of Federal funds follow Federal statutory and administrative requirements. In 2012, FTA issued Circular 4702.1B, which provides recipients of FTA financial assistance with guidance and instructions necessary to carry out the United States Department of Transportation Title VI requirements.

Metro operates its service without regard to race, color, or national origin in accordance with Title VI of the Civil Rights Act of 1964, as amended. The purpose of this report is to analyze any potential impact of changing the maximum age to ride free on minority and low-income riders in our service area.

Regulatory Setting

FTA Circular 4702.1B Chapter IV

Title VI of the Civil Rights Act of 1964 provides that no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Chapter IV of the FTA's Circular 4702.1B further describes the requirements that FTA recipients must follow to ensure that the programs, policies, and activities comply with the Title VI requirements.

Title 49 CFR Section 21.5 (b)(2) specifies that a recipient shall not utilize criteria or methods of administration which have the effect of subjecting persons to discrimination because of their race, color, or national origin, or have the effect of defeating or substantially impairing accomplishment of the objectives of the program with respect to individuals of a particular race, color, or national origin.

Section 21.5 (b)(2) requires recipients to take affirmative action to assure that no person is excluded from participation in or denied the benefits of the program or activity on the grounds of race, color, or national origin.

Transit providers that operate 50 or more fixed-route vehicles in peak service and are located in an urbanized area (UZA) of 200,000 or more in population are required to meet all requirements of Chapter IV including setting service standards and policies, collecting and reporting data, monitoring transit service, and evaluating service and fare changes.

Metro Title VI Program Update

In October 2019, Metro prepared the Title VI Program Update in compliance with Title 49 CFR Section 21.9 (b) and with the FTA Circular 4702.1B "Title VI Requirements and Guidelines for Federal Transit Administration Recipients," issued in October 2012. The purpose of the Title VI Program Update is to

document the steps Metro has taken and will take to ensure Metro provides services without excluding or discriminating against individuals on the basis of race, color, and national origin.

The Title VI Program Update provides an outline of Metro's Title VI policies including what constitutes a service or fare change, the disparate impact, and disproportionate burden policy. Metro staff recommended that the absolute difference be considered when evaluating service and fare changes.

Metro's Title VI Policies

Disparate Impact

Disparate impact refers to a facially neutral policy or practice that disproportionately affects members of a group identified by race, color or national origin and the policy lacks a substantial legitimate justification, including one or more alternatives that would serve the same legitimate objectives but with less disproportionate effects on the basis of race, color or national origin. This policy defines the threshold Metro will utilize when analyzing the impacts to minority riders. For fare changes, a disparate impact will be deemed to have occurred **if the absolute difference between the percentage of minority riders adversely affected and the overall percentage of minority riders is at least five percent** per Metro's Title VI Program which was updated and approved by Metro's Board in October 2019.

Disproportionate Burden

Disproportionate burden refers to a neutral policy or practice that disproportionately affects low-income riders more than non-low-income riders. Metro defines low-income riders at **\$41,500**, which represents the median income of a three-person household in Los Angeles County. A finding of disproportionate burden for major service and fare changes requires Metro to evaluate alternatives and mitigate burdens where practicable. For fare changes, a disproportionate burden will be deemed to exist **if an absolute difference between percentage of low-income adversely affected by the service change and the overall percentage of low-income persons is at least five percent** per Metro's Title VI Program which was updated and approved by Metro's Board in October 2019.

Disparate Impact Analysis Methodology

In order to assess whether the change will have a disparate impact on minority riders, this report evaluates the ethnicity demographic data of the riders that would receive the new fare discount. The data is then compared to the ethnicity demographic data of the Metro Service Area. If the absolute difference between the minority percentage along the alternatives and the Metro Service Area percentage is at least five percent, an impact is deemed to have occurred.

This report uses ethnicity data from Metro's Fall 2019 Customer Survey data to represent the current Metro ridership demographics and impacts.

Results

Figure 2 includes a comparison of the percentages of minority K-12 student riders compared to the total minority percentage for all Metro riders. The Minority Ridership Total below is based on data from the Fall 2019 Metro Customer Survey and includes: Latino/a, African American, Asian/Pacific Islander, Native American, and Other. Although the absolute difference is more than 5%, since the proposal is to remove fares from this group, the impact is positive.

Figure 2

Minority Riders vs. Total Riders	
Total Riders Surveyed	14,624
Minority Ridership Total	12,971
Minority Share	88.7%
Minority K-12 Student Share	96%
Absolute Difference	7.3%

Disproportionate Burden Analysis Methodology

In order to understand the characteristics of affected riders and assess whether the change will have a disproportionate burden on low-income riders, this report evaluates the income demographic data of riders that would receive the new fare discount. The data is then compared to the income demographic data of all Metro riders. If the absolute difference between the low-income percentage of K-12 student riders and the total Metro ridership is at least five percent, an impact is deemed to have occurred.

This report uses income demographic data from Metro's Fall 2019 Customer Survey data to represent the current Metro ridership demographics and impacts.

Results

Figure 3 includes a comparison of the percentages of low-income K-12 students affected compared to the total low-income percentage for all Metro riders. The Low-Income Riders total below is based on Household Income data from the Fall 2019 Metro Customer Survey. Although the absolute difference is more than 5%, since the proposal is to remove fares from this group, the impact is positive.

Figure 3

Low-Income Riders vs. Total Ridership	
Overall Riders	14,624
Low-Income Riders	11,714
Low-Income Share	80.1%
Student Low-Income Share	86%
Absolute Difference	5.9%

Public Outreach

Metro emphasizes public involvement in the planning process and seeks inclusive and collaborative participation in decision-making. A comprehensive community outreach, public information, and engagement strategy is designed to serve all stakeholders regardless of their gender or age and including Limited English Proficiency (LEP), minority, and low-income populations. The strategies and implementation combine traditional outreach practices with evolving technologies. The development of each specific public participation plan includes the assessment of how best to effectively communicate with technology within LEP, minority, and low-income communities, coupled with outreach methods to engage people with disabilities, hard-to-reach communities, and general population stakeholders. This combined approach provides meaningful and broad access to the public process.

Fareless Systems Initiative Outreach

Metro has conducted proactive outreach for this fare change as part of the Fareless Systems Initiative (FSI) for K-12 Students in compliance with FTA's Circular 4702.1B and will continue to engage in outreach to persons potentially impacted by the proposed changes.

The audience was the general public with targeted advertising to Metro riders and non-riders, each of the seven sub-regions, and in-language advertising to speakers of various languages. The key outreach tools included email distribution to school districts, agency blogs, public meetings. All 87 public school districts in Los Angeles County have received information on the Fareless System Initiative for students and over 50 districts are interested in participating in the program.

All meetings with the community were held virtually and included simultaneous Spanish interpretation and handouts of outreach materials in Spanish. Meetings were held virtually to allow attendees to participate while safely social distancing during the COVID-19 pandemic. Meetings included a presentation about the program followed by a question-and-answer session to allow input and dialogues with project staff and to receive comments directly. Outreach materials were also provided electronically and on Metro's web site at www.metro.net/fareless.

Metro conducted twenty-five (25) public and community meetings and one (1) Metro Employee All Hands meeting on the following dates:

- Eight (8) Metro Board and Committee Meetings (May through September 2021 – No meeting in August 2021)
- Metro Policy Advisory Committee (PAC) – 7/21/21 @ 2:00 PM
- Rio Hondo College Facilitating Alternative Solutions for Student Transportation (FASST) Consortium – 7/29/2021 @ 10:00 AM
- South Los Angeles Transit Empowerment Zone (SLATE-Z) – 8/11/2021 @ 1:00 PM
- Westside Cities Council of Governments – 8/12/2021 @ 12:00 PM
- Gateway Cities Council of Governments Transportation Committee – 9/1/2021 @ 4:00 PM
- San Gabriel Valley Council of Governments Transportation Committee – 9/9/2021 – @ 4:00 PM
- South Bay Council of Governments Transportation Committee – 9/13/2021 @ 10:30 AM
- Metro Policy Advisory Committee (PAC) – 9/14/21 @ 2:00 PM
- Local Transit Systems (LTS) Committee – 9/16/2021 @ 2:00 PM
- San Fernando Valley Council of Governments Transportation Comm. – 9/16/2021 @ 1:30 PM
- San Gabriel Valley Council of Governments Governing Board – 9/16/2021 @ 4:00 PM
- Metro Transportation Career Academy K-12 Partners Meeting – 9/22/2021 @ 10:00 AM
- Metro Employees All Hands Meeting – 9/29/2021 @ 1:00 PM
- Metro College & University External Partner’s Meeting – 10/6/2021 @10 AM
- Gateway Cities Council of Governments – 10/6/2021 @ 6:30 PM
- Metro Aging and Disability Transportation Network (ADTN) – 10/7/2021 @ 2:00 PM
- Arroyo Verdugo Communities Joint Powers Authority – 10/7/2021 @ 4:00 PM
- San Fernando Valley Council of Governments Governing Board – 10/21/2021 @1:30 PM

Based on public feedback from the public outreach meetings, it was determined that maximum age for free fares should be increased to 5 years old to accommodate children who have not yet started school to be eligible for reduced student fares.

Future Outreach

Once the fare change has been approved by the Board of Directors, Metro will launch a robust public education effort, including advertising on our bus and rail vehicles and on our web site, and external advertising in social media and print outlets, including ethnically diverse publications throughout the county.

In addition, a presentation will be given to each of our Service Sectors in the County during the month of November 2021 to allow the public to participate and ask questions.

- Monday, November 1, 2021 at 2:00 PM Gateway Cities Service Council
- Wednesday, November 3, 2021 at 6:30 PM - San Fernando Valley Service Council

- Monday, November 8, 2021 at 5:00 PM - San Gabriel Valley Service Council
- Wednesday, November 10, 2021 at 6:00 PM - Westside/Central Service Council
- Friday, November 12, 2021 at 9:30 AM – South Bay Service Council

Conclusion

This report documents the Title VI Fare Equity Analysis required to support changing free fares for children ages five and under instead of ages four and under. This change is analyzed based on Metro's Title VI thresholds and FTA's Circular 4702.1B to determine whether the proposed removal of fares for 5-year-old riders will have a disparate impact or disproportionate burden on minority and low-income riders relative to non-low-income and non-minority riders. Since the recommendation is to remove fare for these riders, even though the absolute difference between the affected riders and total riders is higher than 5% for minority riders, it is determined that this would result in a positive impact. Furthermore, Metro has also met the legal test as stated in the FTA Title VI Circular 4702.1B "the transit provider has a substantial legitimate justification for the proposed fare change, **and** the transit provider can show that there are no alternatives that would have a less disparate impact on minority riders but would still accomplish the transit provider's legitimate program goals."

In summary, this Title VI Fare Equity Analysis concludes that this change would prove beneficial and would not negatively impact minority or low-income riders.



Board Report

File #: 2021-0634, **File Type:** Policy

Agenda Number: 36.

**EXECUTIVE MANAGEMENT COMMITTEE
OCTOBER 21, 2021**

SUBJECT: TICKETS OR PASSES DISTRIBUTION POLICY

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING the Tickets or Passes Distribution Policy in Attachment A; and
- B. AUTHORIZING the Chief Ethics Officer to amend the policy consistent with any changes in state law or Metro priorities.

ISSUE

Currently, Metro does not have a Tickets or Passes Distribution Policy. The policy provides required standards set by the California Fair Political Practices Commission (“FPPC”) so that the tickets or passes provided to Metro from outside sources, and then appropriately distributed to the Metro Board, Board staff, Metro employees and designated consultants, are not considered gifts under state law.

BACKGROUND

Throughout 2020 and 2021, Metro received offers of tickets or passes during the COVID-19 pandemic from outside sources generally seeking to boost the morale of frontline workers and other agency personnel. Under state law, to properly accept and distribute these tickets or passes without requiring potential disclosure on California Form 700 as gifts, the Metro Board of Directors must adopt a policy consistent with regulations issued by the FPPC.

Dozens of California cities, counties, and other governmental entities (e.g., Los Angeles County and the City of Los Angeles) have adopted similar policies. In adopting the policy, Metro would align with the rest of the state and ensure that all offers of tickets or passes are accepted under the standards set by state law.

DISCUSSION

The FPPC permits the acceptance and distribution of tickets or passes provided to public agencies from outside sources, without considering the tickets or passes as gifts under state law, only if agencies adopt policies consistent with FPPC regulations (currently contained in FPPC Regulation § 18944.1). Once adopted, assuming compliance with the policy, Metro may accept ticket offers and distribute the tickets to agency personnel without requiring individual Form 700 reporting requirements. The policy also sets specific standards for distribution so that outside entities do not earmark tickets for specific Metro employees. It also provides a list of permissible purposes for acceptance and distribution, furthering Metro's goals and serving the public's best interests. Lastly, the policy requires public disclosure on Metro's website, consistent with state requirements.

Given that future ticket offers may be intended for distribution to hundreds of Metro employees, it is necessary that a policy guide the distribution process so that individual employees do not trigger potential reporting requirements. The policy also ensures the public's trust in any Metro ticket distribution to agency personnel by implementing appropriate standards set by the FPPC.

DETERMINATION OF SAFETY IMPACT

There is no safety impact by adopting this policy.

FINANCIAL IMPACT

There is no financial or budgetary impact by adopting this policy.

EQUITY PLATFORM

There is no direct equity impact by adopting this policy. However, Section 2.7 states that "Disproportionate use of tickets or passes by the Agency Board of Directors, Chief Executive Officer or any Agency Department head is prohibited." As policy administrator, the Communications Department will track the tickets to ensure an equitable distribution across all Metro departments.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

Goal 5.2: Metro will exercise good public policy judgment and sound fiscal stewardship.

ALTERNATIVES CONSIDERED

If the Board does not approve the policy, tickets or passes provided to Metro from outside sources and then distributed to Metro officials may be reportable gifts. Metro must then make considerable efforts to track the gifts to ensure compliance with state law and FPPC regulations. Additionally, Metro would not adopt publicly available standards set by the FPPC for ticket acceptance and distribution.

NEXT STEPS

If approved, Metro will engage with outside sources, and distribute any tickets or passes, consistent with the policy.

ATTACHMENTS

Attachment A - Tickets or Passes Distribution Policy

Prepared by: Paul Solis, Chief Ethics Officer, (213) 922-2944.

Reviewed by: Paul Solis, Chief Ethics Officer, (213) 922-2944.



Los Angeles County
Metropolitan Transportation Authority

Metro

Tickets or Passes Distribution Policy

POLICY STATEMENT

Metro receives offers of tickets or passes to a variety of events from various sources. These tickets or passes are distributed pursuant to California Fair Political Practices Commission (FPPC) Regulations.

PURPOSE

The purpose of this policy is to comply with FPPC Regulations, which require that any distribution of tickets or passes by Metro to its Board or employees be made pursuant to a written policy adopted by the Metro Board of Directors.

This policy does not concern tickets, passes or other items of value which may be reportable on California Statements of Economic Interest (Form 700). All tickets or passes distributed under the terms of this policy are not gifts under FPPC Regulations.

APPLICATION

This policy and its procedures shall apply to all represented and non-represented Metro employees, Metro consultants designated as Form 700 filers, Members of the Metro Board of Directors and Board staff.

1.0 DEFINITION OF TERMS

Unless otherwise expressly provided herein, terms in this policy shall have the same meaning as that ascribed to such terms in the California Political Reform Act of 1974 (as amended) and FPPC Regulations (as amended).

For the purposes of this policy, the following definitions will apply:

1. "Agency" means the Los Angeles County Metropolitan Transportation Authority.
2. "Ticket" means anything that provides access, entry, or admission to a specific future event or function and for which similar tickets are sold to the public to view, listen to, or otherwise take advantage of the attraction or activity for which the ticket is sold and includes any benefits that the ticket provides.
3. "Pass" is a ticket that provides repeated access, entry, or admission to a facility or series of events and for which similar passes are sold to the public.
4. "Official" means any represented or non-represented Agency employee, Agency consultant designated as a Form 700 filer, Members of the Agency Board of Directors and Board staff.

2.0 GENERAL

The Communications Department will administer this policy and may create distribution procedures. The Ethics Department will respond to all Agency inquiries regarding application of the policy.

Tickets or passes are distributed pursuant to FPPC Regulations and as follows:

1. The ticket or pass shall not be earmarked by an outside source for use by a specific Agency Official.
2. The Agency shall determine in its sole discretion which Official(s) may use the tickets or passes.
3. Tickets or passes to an Agency Official performing a ceremonial role, as defined by applicable FPPC regulations, shall be governed by those regulations.
4. Distribution of any ticket or pass by the Agency to an Official shall accomplish one of the following public purposes of the Agency:

- a. As part of the Agency's community outreach efforts;
 - b. Representing the Agency at an event to sustain or build relationships with customers, businesses, or local, regional, state or federal agencies;
 - c. Representing the Agency at an event of a non-governmental organization, which will sustain or build relationships with that non-governmental organization in support of the Agency's Mission, Vision, or Strategic Plan;
 - d. The event will provide educational information that will benefit the Agency or Official(s) attending the event;
 - e. The Official's job duties require the Official to appear at the event;
 - f. Attendance of an Official of the Agency at the event will in some other way support the Agency's Mission, Vision or Strategic Plan;
 - g. The event is being attended in an effort to generate business or similar activity in the furtherance of the purposes of the Agency; and
 - h. To support general employee morale, retention or to reward public service (this purpose does not apply to tickets or passes provided to a Member of the Board of Directors, Chief Executive Officer, Agency Department head, or designated consultants).
5. Any ticket or pass distributed pursuant to the policy shall not be transferred to any other person, except to members of the Official's immediate family or no more than one guest solely for their attendance at the event.
 6. No Official who receives a ticket or pass pursuant to this policy shall sell or receive reimbursement for the value of such ticket or pass.
 7. Disproportionate use of tickets or passes by the Agency Board of Directors, Chief Executive Officer or any Agency Department head is prohibited.
 8. The record of the distribution of a ticket or pass pursuant to this policy shall be maintained as a public record and be subject to inspection and copying under California Government Code. In addition, the policy will be posted on the Agency's website no later than 30 days after the adoption.
 9. Within 45 days of distribution of a ticket or pass, the distribution must be reported on an appropriate disclosure form. The form will be posted on the Agency's website.

10. The Agency will not accept offers of tickets or passes from Agency contractors, subcontractors, bidders, proposers, lobbyists, lobbying firms, lobbyist employers, or anyone else doing business with the Agency, unless the Ethics Department determines that acceptance would be permissible under applicable Agency codes and state law.

3.0 PROCEDURE

1. Agency departments receiving offers of tickets or passes must forward the offer(s) to the Communications Department for initial review and assessment.
2. The Communications Department will forward the offer to the Ethics Department to review for compliance with applicable Agency codes and state law.
3. The Ethics Department will then issue an approval or denial. An approval will include a state issued disclosure form to be completed by the Communications Department.
4. The disclosure form will then be forwarded to the Agency's Chief Executive Officer (or designee) for signature.
5. The Agency will post all completed disclosure forms to its website, in compliance with applicable disclosure requirements.

4.0 REFERENCES

FPPC Regulation § 18944.1.

5.0 ATTACHMENTS

California Form 802.

6.0 PROCEDURAL HISTORY

xx/xx/xx Board Adopted