

**MINUTES OF THE MEETING OF THE
GATEWAY CITIES COUNCIL OF GOVERNMENTS**

West Santa Ana Branch City Manager Technical Advisory Committee

Teleconference Meeting Via ZOOM

Tuesday, June 9, 2020

PRESENT: Chair, John Moreno, City of Paramount
Karen Lee, City of Artesia
Manuel Acosta, City of Bell
Sabrina Chan, City of Cerritos
Sal Lopez, City of Cudahy
Aldo Schindler, City of Downey
Raul Alvarez, City of Huntington Park
Jennifer Vasquez, City of Maywood
Elaine Kunitake, Los Angeles County

ABSENT: Jim DellaLonga, City of Bellflower
Michael O’Kelly, City of Bell Gardens
Michael Flad, City of South Gate
Carlos Fandino, City of Vernon

ALSO PRESENT: **Electeds/County/Cities** Jocelyn Rivera Olivas, Rachel Roque, *Office of Supervisor Hahn*; Edel Vizcarra, *Los Angeles County*; Cesar Roldan, *City of Huntington Park*.
Metro: Sharon Weissman, *Metro Director Mayor Garcia*; Meghna Khanna, Elizabeth Carvajal, Wells Lawson, Craig Hoshijima, Ashad Hamideh, Mark Dierking, *Metro Staff*.
Eco-Rapid Transit: Allyn Rifkin.
Gateway Cities COG: Nancy Michali, Karen Heit, Joel Arevalos.

Chairperson John Moreno called the meeting to order at 2:07 pm. Mr. Moreno asked for approval of the May 12 City Manager TAC meeting minutes. Aldo Schindler, City of Downey, moved to approve, Jennifer Vasquez, City of Maywood, seconded the motion and CM TAC members approved the minutes. Chair Moreno introduced Meghna Khanna, Metro WSAB Project Manager.

Update on Metro Budget

Chair Moreno introduced the item discussing Metro’s approach to estimating and addressing the revenue impacts to sales tax receipts and the approximately \$150 million per month deficit currently being accrued by Metro. He introduced Meghna Khanna, Senior Director, Countywide Planning and Development.

Ms. Khanna updated the CM TAC on Metro’s budget process given the significant loss of sales tax and ridership revenue due to the pandemic. Metro staff currently is performing a financial reassessment including evaluating project budgets for all of Metro’s under construction and planned transit and other

projects. Under guidance provided by Phil Washington, Metro CEO, projects have been placed in two “funding buckets” for budgeting purposes and further consideration:

- Bucket 1 – projects under construction; and
- Bucket 2 – projects currently in the planning and design phase, such as the WSAB Project.

Bucket 1 projects will continue to be funded to move construction efforts forward, while Bucket 2 projects are being assessed in more detail. Metro CEO Washington will be clarifying the full view of funding impacts, funding priorities and next steps for Bucket 2 projects at the Metro Board’s July meeting. The WSAB project will continue to move forward on its Measure M schedule with completion of the Draft EIS/EIR document scheduled for public review and comment in early 2021. WSAB Project third party work efforts also will continue to move forward as scheduled.

Update on WSAB Master Cooperative Agreement Efforts

MS. Khanna stated that the Master Cooperative Agreement (MCA) work sessions held with individual cities have been very productive. She is working on scheduling meetings with the remaining cities of Artesia, Cerritos and Cudahy.

Chair Moreno thanked Supervisors Hahn and Solis for their WSAB Project support at the Metro Board May meeting, which discussed the Metro budget and project priorities. He emphasized the importance of the cities moving forward in a timely manner on completion of the MCAs.

Sharon Weissman, Transportation Deputy for Metro Director Mayor Garcia, related that the Mayor has been a strong WSAB Project advocate in Metro Board discussions. Chair Moreno thanked him for his support.

Ms. Khanna said she will continue to meet with cities to discuss and resolve MCA concerns. She thanked the cities for the very productive work sessions, and reiterated that she is open to additional meetings as requested with cities and as part of CM TAC meetings.

Chair Moreno asked for confirmation of when the MCAs need to be sent to the Metro Board for approval. Ms. Khanna replied that the MCAs need to be completed and submitted to the Metro Board during the October to December window – MCAs will be submitted to the Board as completed with December as the final deadline. Chair Moreno emphasized that the cities have from now until October to resolve MCA issues and submit the MCAs to their city councils for approval prior to sending them on to the Metro Board.

Overview of Metro TOD Tools and Efforts

Ms. Khanna introduced the overview of Metro’s Transit Oriented Development (TOD) efforts by speaking about how she worked with Melani Smith, a Metro consultant, for over two years to develop the WSAB-related TOD plans. She introduced Elizabeth Carvajal, LA Metro Senior Director, Transit Oriented Communities (TOC) who is taking over the WSAB TOD efforts with Ms. Smith’s departure. Ms. Carvajal provided an overview of Metro TOD efforts to date: the *WSAB TOD Strategic Implementation Plan* completed in 2019; the WSAB TOD Strategic Implementation Program providing on-going funding and grant writing support; and the on-going Transit Oriented Communities effort.

Ms. Carvajal started her presentation with an overview of the 20-mile WSAB Corridor with 12 stations with many located in multiple jurisdictions. The TOD planning efforts are intended to prepare the

Corridor cities for the land use evolution to come with the introduction of a rail line. There is an unprecedented opportunity to plan both for the WSAB Corridor and each distinct community. While the transit line will provide physical and economic mobility, many of the Corridor communities are vulnerable, high need communities with a compelling need to plan for the residents who will remain in the Corridor.

WSAB Transit Oriented Development Strategic Implementation Plan

Ms. Carvajal first discussed the WSAB TOD Strategic Implementation Plan released to the public in May 2019 and approved by the Metro Board in October 2019. The Plan was based on studying existing demographic, land use and economic conditions along with input from station area communities. These efforts resulted in a **shared vision for the WSAB Corridor** and emphasized that the sum of the corridor efforts is larger than just the individual parts. **Implementation strategies were developed for: Land Use, Economic Development and Active Transportation goals and projects.**

The Plan identifies **six implementation strategy types**: Governance; Equitable Development & Community Preservation; Transit Supportive Planning; Placemaking; Mobility, Access & Connectivity; and Sustainability & Resilience. A supporting *WSAB TOD SIP Economic Development Report* was prepared to provide the basis of an **Economic Development Strategy** incorporating Corridor Strategies and Typology Based Strategies (five station area typologies). Ten priority objectives were identified for Economic Development, including development of affordable housing, creation of jobs, support for local businesses and attracting and leveraging private investment.

Ms. Carvajal then spoke about each of the six implementation strategies, including providing an overview of the desired outcome of the strategy, priority objectives and implementation steps. The priority objectives for each strategy are as follows.

1. **Governance** – Establish a corridor-wide government entity to: facilitate multi-jurisdictional improvements; guide the corridor vision; balance inequities; and establish corridor-wide consensus on critical issues. This could be done through formation of either a Joint Powers Authority (JPA) or an Economic Development Corporation (EDC).
2. **Financing** – The two recommended strategies to fund public improvements and better position corridor communities to be more competitive for infrastructure and housing funding were:
 - Explore and implement a Corridor-wide tax increment financing or assessment mechanism.
 - Explore additional Corridor-wide funding strategies.
3. **Land Banking** – Support a land banking strategy to encourage affordable housing development, redevelopment and reduce displacement risk.
4. **Coordinated Housing Policy** – Develop corridor-wide housing policies to: encourage affordable housing preservation and development; and reduce displacement risk.
5. **Community Benefits** – Create a community benefits framework to attract/leverage private investment, build/preserve affordable housing and remediate contamination.
6. **Economic Development** – The two recommended economic development strategies were:
 - Attract Corridor-wide investment to encourage redevelopment and support local business.
 - Offer business support services to attract new businesses and support existing businesses.

Ms. Carvajal then discussed the five station area typology-based strategies, all of which have a focus on equitable station area development and community preservation.

1. **Main Street Adjacent** – including future Pacific/Randolph, Bellflower and Pioneer stations. Focus on: existing/new business services and expansion; affordable housing and anti-displacement efforts; land banking; and protection/preservation of cultural resources.
2. **Large Scale Redevelopment** – including future Firestone, Gardendale and Paramount/Rosecrans stations. Focus on creation of a community benefits framework/equity screen; support for community empowerment, wealth creation and workforce development; and affordable housing and anti-displacement efforts.
3. **Residential Arterial Infill** – including future Florence/Salt Lake station. Focus on engaging the community/CBOs; existing/new business services and expansion; and affordable housing and anti-displacement efforts.
4. **Industrial Hybrid Infill** – including future Slauson and I-105/Green Line stations. Focus on mitigating existing environmental impacts; setting Green Building/Green Communities Standards; encouraging sustainable infrastructure development; and enhancing access to parks and open space.
5. **High-density Walkable Mixed-Use** – including future South Park/Fashion District, Little Tokyo and Arts District South stations. Focus on engaging community/Community Based Organizations (CBOs); create community benefits/equity screen; support for community empowerment, wealth creation and workforce development; and support for affordable housing and anti-displacement efforts.

WSAB Transit Oriented Development Strategic Implementation Program (TOD SIP)

In October 2019, the Metro Board approved the WSAB TOD Strategic Implementation Plan and provided up to \$1 million in funding through the WSAB TOD Strategic Implementation Program, known as TOD SIP. The approved funding provides resources to WSAB Corridor cities for the following three TOD-related activities, all of which must be related to one or more TOD SIP Categories (previously discussed as Implementation Strategies):

- A. **Grant Writing Assistance** for Planning Studies or Capital Projects.
- B. **TOD SIP Implementation Program Funding** for local jurisdictions-initiated planning studies.
- C. **Local Grant Matching Funds** needed for existing or future planning or capital project grant funding.

The application due date for the first round of funding applications is now August 31, 2020.

Transit Oriented Communities (TOC) Implementation Plan

Ms. Carvajal reviewed the background for the TOC Policy. It began with the Vision 2028 Strategic Plan which was adopted in 2018. The TOC Policy was created in 2016 based on widespread public and agency participation. The Metro Board adopted the TOC Policy in an effort to partner with the county's 88 cities and unincorporated areas in LA County to support "TOC activities." The TOC Policy was further strengthened with the Equity Platform in 2018.

She explained that the TOC Policy identifies what TOCs are and defines when Metro leads and when Metro partners, and that TOC activities can be financed through city-controlled Local Return Funds (LRFs). The TOC approach identifies Metro's roles and responsibilities as follows:

- **Metro leads on** providing mobility services; plans, designs and builds mobility lines/services; and protects and leverages real estate assets.
- **Metro supports on** encouraging community development; incentivizes land use planning and policies; and provides grant writing assistance.

Ms. Carvajal discussed the five TOC Policy goals that are intended to link local projects to Metro's regional transit investments:

1. Increase transportation ridership and choice.
2. Stabilize and enhance communities surrounding transit.
3. Engage organizations, jurisdictions, and the public.
4. Distribute transit benefits to all.
5. Capture value created by transit.

The **TOC Implementation Plan** is the action plan for the Metro Board-adopted TOC Policy. It was developed based on a stakeholder engagement process including: a TOC Policy Working Group; focus group meetings with LA County municipalities; and coordination with Metro staff leading related planning efforts, such as the Long Range Transportations Plan (LRTP), the Sustainability Plan and the Community Based Organization (CBO) Partnering Strategy.

She explained that the Implementation Plan effort included identification of **Equity Focused Communities** which were defined based on census tract threshold information: 40% Low Income, 80% Non-white Population; and 10% Zero Car Households. The information was used to identify equity focused communities based on two combinations: Non-white and Low Income, and Low Income and Zero Car (households). There are many Equity Focused Communities identified in the WSAB Corridor.

The TOC is implemented by four Initiatives:

1. Complete TOC Corridor Baseline Assessments for each Measure M corridor.
2. Continually Improve LA Metro TOC Programs.
3. Improve Metro's Internal Coordination.
4. Strengthen coordination and collaboration with Metro's partners.

Ms. Carvajal explained that the efforts for Initiative 1 – Baseline Assessments are defined by: Measure M Transit Corridor Projects and Partnerships with municipalities with stakeholder engagement. Baselines are further defined by:

- Data assessment and stakeholder engagement to ground-truth findings
- An inventory and assessment of existing policies that are integral to TOC realization
- Recommended strategies and partnership opportunities for municipalities to leverage the transit infrastructure for equitable TOCs

Efforts for Initiative 2 – Continually improve Metro's TOC Programmatic areas are:

- Implement Metro TOC Programmatic Areas programs and tools in alignment with Policy Goals
- Improve effectiveness of existing TOC programmatic areas and respective programs and tools.

Efforts for Initiative 3 – Improve Metro’s Internal Coordination include:

- Integrate TOC planning into MM Corridor delivery process.
- Increase equitable partnership opportunities with CBOs.
- Improve accessibility of Metro resources and provide funding information for partners.
- Expand Metro staff training in TOC topic areas.

Efforts for Initiative 4 – Strengthen coordination and collaboration with Metro’s partners focus on providing benefits to cities including:

- Providing grants writing and technical assistance.
- Improve education.
- Support TOC supportive policy and funding legislation at the state level.
- Collaborate with partners to elevate corridor assessment to support TOC implementation in Measure M corridors.
- Encourage municipal partners to pursue TOC outcomes.

The TOC Plan is a living document and requires annual reports with adjustments and improvements, with a comprehensive update planned at the end of the five-year period. The upcoming TOC efforts in the Summer/Fall of 2020 include: a meeting of the TOC Policy Working Group and consideration of the TOC Policy by the Metro Board.

Chairperson Moreno called for questions. Aldo Schindler, City of Downey, asked about tax increments for TIFs – which will be discussed in the next presentation. Karen Lee, City of Artesia, asked about Pioneer Boulevard parking and whether the typologies identified are appropriate for this future station area. Ms. Carvajal and Ms. Khanna indicated that they need to look at the plans for station to be able to respond. Ms. Lee asked about the use of Local Return Funds (LRF) for TOC and when the amount of LRF might be forthcoming. The use of LRF is allowed for TOC and identification of the amount of LRF funds will be part of the on-going Metro budget discussion process.

Chair Moreno asked about city versus corridor-wide TOD planning and whether there might be a conflict. Ms. Carvajal responded that there should not be conflicts if the TOD principles are followed. A question was asked whether an economic development entity has been formed for any other rail line in Los Angeles County. No, this would be the first time such an entity would be developed. Chair Moreno expressed concerns about being the guinea pig. Karen Lee asked about whether the Eco-Rapid Transit JPA could do a grant on behalf of all of the cities to develop a corridor-wide plan and governance entity.

Update on Value Capture Study

Ms. Khanna introduced Wells Lawson from LA Metro’s Strategic Financing Planning to start the value capture presentation – and stated that successful implementation of Measure M requires creation of value capture opportunities.

Definition of Value Capture

Mr. Lawson started the presentation with an explanation of what value capture is, and when and how it should take place – preferably before the transit line is running. Value capture is intended to capture and reinvest the value created by public transportation and land use investments. Land Value Capture is

a policy approach that enables communities to recover and reinvest land value increases that result from public investment and other government actions. He discussed the various value capture tools:

- Housing mechanisms
 - Housing & Sustainability District (HSD)
 - Affordable Housing Authorities (AHA)
 - Workforce Housing Opportunity Zone (WHZOZ)
- Tax Increment financing tools
 - Enhanced Infrastructure Financing Districts (EIFDs)
 - Community Revitalization & Investment Authority (CRIA)
 - Neighborhood Infill Finance & Transit Improvements Act (NIFTI)
 - Annexation Development Plan (ADP)
- Private Investment
 - Developer Linkage Fees
 - Joint Development
- District-related Financing Tools
 - Business Improvement District (BID)
 - Community Facilities District (CFD)
 - Special Benefit Assessment District (BAD)

Value capture assessments are based on station area typologies which will create varied land use and financing opportunities. The Value Capture related to rail transit typically includes a four step process:

1. Initial Investment is made with public investment in new transit.
2. Value is created by a rise in surrounding property values.
3. Value is recovered through an implemented mechanism to capture value created.
4. Reinvestment value created reinvested in transit-related projects (or community/station area projects).

Metro Value Capture Study

Craig Hoshijima, LA Metro Deputy Executive Officer, Strategic Financial Planning presented an overview of Metro's Systemwide Value Capture Study. Metro's Value Capture Strategy Objectives are:

- Help Metro, municipalities and stakeholders identify opportunities to fund betterments, project acceleration and/or enhancements to existing and new transit infrastructure.
- Fund the local agency contribution for transit projects (the "3% contribution").
- Advance transit oriented communities, including potential support for affordable housing and local businesses.

Key considerations for Metro's study are:

- The Value Capture Assessment is a starting point.
- Metro will not itself form tax increment finance (TIF) districts –
 - There will be compatible and competing demands for funds.
 - Formation of TIFs requires broad participation and partnerships among municipal and community stakeholders
 - Equity impacts are central to the process.

Metro’s Value Capture assessment process:

1. Create station typology – using Center for Transit Oriented Development Typology.
2. Study representative stations.
3. Extrapolate for systemwide assessment.
4. Calculate maximum station area values over time.
5. Estimate city and county shares and remaining Value Capture potential.
6. Identify locations for further study.

SCAG Value Capture Study

Ashad Hamideh from SCAG presented an overview of SCAG’s WSAB Value Capture Assessment Study. The study goal is to assess potential and feasibility of value capture tools and strategies to assist financing transit supporting infrastructure, affordable housing and other community development activities. The study schedule, including stakeholder engagement, is as follows:

Data Collection and Preliminary Analysis	On-going
Detailed Financial Analysis	July-October 2020
Identify Potential Projects	November-December 2020

Chair Moreno asked for comments and questions. Aldo Schindler, City of Downey, asked about formation of an TIF or EIFD – what were the pitfalls with tax-sharing entities related to losing taxes (school district, the county). Mr. Wells replied that Metro is in an ideal position – the County Supervisors are part of the Metro Board and are aware of the trade-offs, benefits and challenges. They have started the conversation with the County and the cities will be reached out to next. The tax revenue shortfall due to the virus may negatively impact discussions. Mr. Hoshijima clarified that EIFDs do not allow for deferral of school taxes, even increases. Formation of an EIFD must demonstrate a positive revenue benefit for the county. He provided the example of the approved Redondo Beach EIFD – it provides additional funding for both the city and the county. EIFDs are not used often – CFDs and Mello Roos Districts are used must more frequently.

Chair Moreno asked for any comments and questions, and hearing none, thanked everyone for their excellent presentations.

Project Updates/Discussion Items

Ms. Khanna informed the CM TAC that Metro will be doing all meetings via ZOOM through the end of July. Future outreach and meetings plans are under discussion at Metro.

The next WSAB City Manager TAC meeting is scheduled via ZOOM for Tuesday, July 14 starting at 2:00 pm. The meeting will focus on the WSAB Urban Design Guide including elements of continuity and variability, such as art and landscaping.

Chair Moreno called for final comments and questions, and hearing none adjourned the meeting at 3:30 pm.

Next TAC Meeting

The next CM TAC meeting is scheduled for July 14th and will focus on an overview of Metro Design Tools and Efforts.

Chairperson Moreno made a final call for comments and hearing none, adjourned the meeting.