



West Santa Ana Branch City Manager Technical Advisory Committee

Thursday, September 15, 2022, 2:00 PM – 3:30 PM

In-Person Meeting to be held at
Clearwater Building
16401 Paramount Boulevard
Paramount, CA 90723

AGENDA

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|-------------|---|--------------------|
| | 1. Welcome and Approval of Minutes | John Moreno, Chair |
| | 2. Chair's Remarks | John Moreno, Chair |
| | A. In-person City Manager Meeting organized by Director Dutra with Metro CEO Wiggins on Friday, September 23 from 9:00-10:30 am in the Clearwater Building. | |
| 45-60 mins. | 3. Overview of CM TAC Value Capture/Funding Support Efforts | |
| | A. Overview of Study | Matt McCleary, WTS |
| | • Emerging Themes & Shared Challenges | |
| | • Experience with Existing Value Capture Tools | |
| | • Available Options & Implementation Roadmap | |
| | B. City Manager Questions and Discussion | |
| 20-30 mins. | 4. Landbanking Pilot Program Discussion | |
| | A. Response to Landbanking Proposal | John Moreno, All |
| | • CM TAC Letter with Agreed Upon Requests | |
| | • Meeting with Metro CEO on September 23 | |
| | • Further Actions | |
| | 5. City Manager General Discussion | |
| | 6. Next CM TAC Meeting | |
| | Thursday, October 13, 2022, 2:00-3:30 PM Via ZOOM | |
| | 7. Adjournment | |



1. Approval of Minutes

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

West Santa Ana Branch City Manager Technical Advisory Committee

July 14, 2022

ZOOM Meeting

PRESENT: Chair, John Moreno, *City of Paramount*
Mike Egan, *City of Artesia*
Jeff Stewart, *City of Bellflower*
Art Gallucci, *City of Cerritos*
Alfonzo Noyola, *City of Cudahy*
Vaniah De Rojas, *City of Downey*
Raul Alvarez, *City of Huntington Park*
Elaine Kunitake, *County of Los Angeles*
Andrew Ross, *County of Los Angeles*
Jennifer Vasquez, *City of Maywood*
Chris Jeffers, *City of South Gate*

ABSENT: Michael Antwine, *City of Bell*
Michael O’Kelly, *City of Bell Gardens*
Daniel Wall, *City of Vernon*

ALSO PRESENT: **Electeds:** Luke Klipp, Viviana Gomez, *Office of Supervisor Hahn*.
County: Robert Moran, *Chief Executive Office*.
Cities: Len Gorecki, *City of Bellflower*; Crystal Landavazo, *City of Downey*.
Metro: Sharon Gookin, Meghna Khanna, Frank Ching, Craig Hoshijima, Wells Lawson, Nicholas Saponara, Mark Dierking, Adela Felix, Shannon Hamelin, *Metro Staff*. Joe Dieguez, Kosmont & Associates, *Metro Consultant*.
Eco-Rapid Transit: Michael Kodama, Lillian Burkenheim, Allyn Rifkin.
Gateway Cities COG: Nancy Michali, Melani Smith, Norm Emerson, Ana Pantoja, Kekoa Anderson, *GCCOG staff*. Matt McCleary, Jaqueline Talsky, WT Partnership, *COG/WSAB CM TAC Consultant*.
Other: Rafael Casillas, *Wildan*; Bill Stracker, *J.M. Diaz*.

Chairperson John Moreno called the meeting to order at 2:05 pm. He welcomed everyone to the meeting, and welcomed two new city managers to the WSAB CM TAC: Michael Egan, for the City of Artesia, and Michael Antwine, for the City of Bell. Mr. Moreno said goodbye to Elaine Kunitake, the representative for the County of Los Angeles, who has received a promotion to a new position. He asked Ms. Kunitake to introduce her replacement – Andrew Ross. She introduced Mr. Ross as a default city manager due to his responsibilities for traffic, safety and mobility issues for Districts 1, 2 and 4. He is very familiar with the WSAB project corridor and its cities. Mr. Moreno welcomed him and said he sounded like a great addition to the WSAB CM TAC.

Mr. Moreno said it was good news that several cities that have not yet approved their Master Cooperative Agreements (MCAs) are moving ahead with completing the approval process. He thanked the CMs for

moving forward, and thanked Metro Director Dutra for inspiring them to do so. The WSAB Project faces hurdles in securing federal and state funding, and their actions will help move the WSAB Project forward by showing public support for the project.

Moving on, the CM TAC had a well-attended initial work session for our Value Capture study efforts. We heard many questions and concerns from all of you about future funding needs and possible tax increment financing opportunities. All of your comments were captured in a two-page list that will be shared with Metro staff and used by our consultant to guide him in identifying funding challenges and preparing funding plans and strategies for our cities. Today, we are going to hear further discussion of the funding issue with a presentation from Bob Moran who leads EIFD efforts for the County of Los Angeles. We are joined by Craig Hoshijima from Metro, and Bob Dieguez from Kosmont & Associates who are working on Metro's Value Capture efforts. They are available to answer any of your value capture questions or concerns.

Item 2. Approval of Minutes

Mr. Moreno asked for approval of the minutes for the previous WSAB City Manager TAC meeting held on May 19, 2022. Len Gorecki, City of Bellflower, moved to approve, and Jennifer Vasquez, City of Maywood, seconded the motion, and the minutes were approved.

Item 3. WSAB Project Update

Mr. Moreno said that Metro staff were first up on the agenda. Meghana Khanna, Metro WSAB Project Planning Lead, will first introduce Metro's new Deputy CEO, and then provide a project update and introduce Frank Ching to provide an overview of Metro's Parking Program. He welcomed Meghna Khanna, and turned the meeting over to her.

Introduction of New Metro Deputy CEO

Ms. Khanna introduced Sharon Gookin who has been serving as Metro's Deputy CEO since May. Ms. Gookin has led construction efforts for many major transportation projects, including the LAX People Mover Project, now under construction.

Ms. Gookin introduced herself by saying she brings over 30 years of private sector experience in building major projects. She is excited to be heading Metro's ambitious project management program. Stephanie Wiggins, Metro CEO, has directed her to ensure that the WSAB Project is at the top of her list. Her priority is to work to ensure the WSAB Project is expeditiously completed. The efforts by the Corridor's cities to finalize MCA execution efforts are vital to the project, and will remove a hurdle to moving the Project forward quickly. Ms. Gookin thanked the cities for approving their MCAs. She is working closely with Ms. Khanna on the planning side, and June Susilo, WSAB Project Program Management Lead, on the construction side of the project. Their efforts are focused on addressing the upcoming challenges:

- Completing the environmental document
- Controlling project costs.

It is a top priority of Stephanie Wiggins, Metro CEO, and for her, to work closely with the Project's cities. Mr. Moreno said thank you, and it's a pleasure to have you on-board, we look forward to working you.

WSAB Project Update

Ms. Khanna provided a Project Update. Completion of the environmental document (Final EIS/EIR) is vitally important. In the future, with the Metro Board certification of the document. It is then forwarded to the Federal Transit Administration (FTA) for their approval and action – awarding of a Record of

Decision (ROD). The issuance of a ROD is required for Metro to initiate project construction. At this point in the project process, it is vitally important to finalize the project design. This will allow Metro to complete the environmental document process and demonstrate that the project is shovel-ready. Metro staff is working towards a “design freeze” by Fall 2022.

The support of the Union Pacific Railroad (UP) and the Ports of Long Beach and Los Angeles is required to move the project forward and to ensure a successful design freeze by addressing their issues. The UP has conveyed their acceptance of sharing the freight rail right-of-way (ROW) with future light rail transit (LRT) operations. UP staff continues to work diligently with Metro on design issues. In a major design issue, UP has agreed to a twenty foot separation between the freight and light rail operations (which is important to alignment segments with a limited ROW width). The UP and the Ports submitted additional environmental comments and design requests related to the use of the San Pedro Subdivision on June 28, 2022. These comments and design requests will require additional conceptual studies to enable Metro to make informed responses. One question raised by UP and the Ports is “why can’t the LRT project be entirely grade-separated – designed to operate above the freight ROW?” It is their intention to add new main (freight) line operations at an undetermined time in the future. They have requested that Metro consider grade-separating both the light rail line, as well as adjacent streets, over the freight line. UP and the Ports have raised many other questions and requested project design changes. A second Ports and UP tour of the project alignment with Metro staff was held on July 12, 2022. This tour focused on real estate acquisition and easements, utilities, and future stations location issues.

Metro staff has met with all of the cities to address their address their environmental document comments – all of which will impact the environmental document and project design. Metro staff is undertaking the following efforts:

- Preparing a cut-and-cover analysis study, addressing locations in the cities of Huntington Park, South Gate, Paramount, Bellflower and Artesia. This study will be completed in August 2022 for internal staff review and then released to the cities/the public.
- Completing a parking reevaluation related to new city work, traffic zones and parking lands resulting in new conditions.
- Evaluating possible street closures and what the traffic impacts may be.
- Preparing a noise analysis, including evaluating sound wall design and height for alignment segments adjacent to residential neighborhoods, and due to the potential shifting of the freight bridge crossing the I-105 Freeway.
- Shifting of the freight bridge over the I-105 has required consultation with Caltrans and the State Historic Preservation Officer (due the I-105 Historic District).
- Working with California Public Utilities Commission (CPUC) to address unmitigated noise and vibration impact at intersections as identified in the Draft EIS/EIR.
- Working with the US Army Corps of Engineers (USACE) as the agency has become a Cooperating Agency for the Final EIS/EIR document due to the project’s several river crossings. Involvement of the USACE requires revisions to the environmental document, and requires another level of review and approval.

Chair Moreno asked if the USACE has jurisdiction over the Los Angeles River? Ms. Khanna replied: yes, it does, as well as the Rio Hondo and San Gabriel River, which may be impacted by the WSAB Project.

Ms. Khanna provided a brief update on the northern WSAB Project segment running north from the Slauson/A Line Station through Downtown Los Angeles to Union Station. Metro is evaluating ways to

reduce the segment's cost, such as by changing the all underground alignment to a combination of at-grade, aerial and trench operations. At a stakeholder working group meeting held in June, Little Tokyo community members repeated their demand for underground construction only. The northern segment study efforts are planned to be completed by Winter 2023.

Ms. Khanna is working with two cities to complete the MCA process: the City of South Gate plans on approving their MCA next week, and the City of Cudahy is working on the last steps of the approval process.

Chair Moreno asked if there any questions for Ms. Khanna on her presentation. He requested city managers to please hold their landbanking program questions and concerns until Item 5. City Manager Discussion. He also requested holding of any questions on parking until after the next presentation.

Mike Egan, City of Artesia, spoke to his concerns about the landbanking proposal and the impacts of the County and/or Metro purchasing property in Artesia. Property acquisition by the County or Metro, without city input, will significantly impact the city's future economic development opportunities related to the rail project. The city and community have worked together to develop a future vision of downtown Artesia with new buildings with mixed-use development. Keep city and community visions and images in mind when landbanking is discussed.

Chris Jeffers, City of South Gate, said thank you to Ms. Khanna for her help in completing the city's MCA process. He will hold his comments on the proposed land banking plan to a later point.

Chair Moreno asked if there were any further comments or questions for Ms. Khanna. Hearing none, he thanked Ms. Khanna for her great job. He asked Ms. Khanna to introduce the next agenda item.

Metro Parking Program

Ms. Khanna introduced Frank Ching, head of Metro's Parking Program. Mr. Ching provided a detailed overview of Metro's Parking approach related to rail transit projects.

Parking Program Overview

- Today, Metro operates more than 23,200 spaces at 59 rail stations. These spaces are used annually by more than four million cars (pre-COVID). This number will grow to 31,500 spaces at 72 Metro stations by 2029.
- In 2014, Metro established a Parking Management team to handle planning and operating of Metro parking facilities.
- in 2018, the Metro Board adopted the *Supportive Transit Parking Program Master Plan* that his team is implementing.

Supportive Transit Parking Program

- Goal: to ensure parking resources for transit patrons using a fee-based model and innovative solutions to manage parking demand.
- Key Objectives: to ensure transit parking results in no increases to commute time and no impacts to transit ridership, and to prioritize parking for transit riders.
- Program team handles parking operations, enforcement, planning, design and capital programs.

Technology, Enforcement & Operations

- Parking Program operations include the use of innovative technologies, such as parking guidance and mobile payment solutions, and frictionless license plate recognition systems.

- Enforcement is based on a customer service approach rather than on revenue generation. Enforcement efforts include a consistent presence in transit parking facilities to increase safety and security, and to eliminate abuse of space and parking regulations.

Parking Planning & Design

- Planning includes evaluating surrounding parking programs and markets, neighborhood impacts, parking management alternatives, and First/Last Mile Connections.
- Planning efforts include making decisions on: use of structures vs. surface lots; circulation and ingress/egress design; use of innovative solutions and equipment; and the location of future mixed-use development.

Metro Parking Demand Model is based on the following data sources:

- Base data, station typology assignment (7 types), demand ratios and elasticity curves.
- Base data includes: parking occupancy data, rail weekday boardings per hour, and TAP card activity.

Mr. Ching talked about the Sierra Madre Villa Station Parking Garage. It was designed to provide parking at an interim Gold Line terminus station. The structure was built with 965 total parking spaces, but today only 45% of the spaces are occupied (pre-COVID). The garage's structural design precludes future reuse.

Parking Management Alternatives, or Station Area Considerations to reduce transit parking impacts

- Consistent residential permit parking program in station area with active enforcement.
- Parking time limits to discourage transit parking in neighborhoods and active enforcement.
- Way-finding signage to direct patrons to transit parking, discourage parking in neighborhoods..
- Implement alternative transit system access modes, such as First/Last Mile improvements, Micro-Mobility, Rideshare and other multi-modal connections.

Chair Moreno asked if there were any questions for Mr. Ching.

Mr. Egan, City of Artesia, said he worked with Mr. Ching on the Green Line terminus station in Norwalk. The station was drastically overparked and spill-over parking was impacting adjacent residential and commercial areas. Now, you can park at the station and spill-over parking doesn't appear to be an issue. Mr. Ching said the parking situation was improved by posting and enforcing transit-only parking at the station, and posting/enforcing a four-hour time limit on adjacent city streets.

Mr. Jeffers, City of South Gate, worked with Mr. Ching on the Foothill Gold Line on Metro's new parking standards. It would be interesting to reach out to the newer Gold Line station to see how the parking recommendations have worked out. The Metro standards conflicted with city residential and commercial parking restrictions and mixed-use development concepts. Mr. Ching said the cities of Pasadena and Santa Monica implemented preventative parking methods before the LRT lines began operations. As a result, there are no parking problems today. He would be happy to organize a parking tour. Chair Moreno said that the tour was a good idea and to invite the city managers on a tour. He requested that the tour be added to the CM TAC agenda, and to ask Mr. Jeffers who to invite from a staff perspective. Mr. Ching concluded that Metro's view is to reduce abuse by non-transit riders and provide more spaces where needed.

Chairperson Moreno thanked Mr. Ching for his presentation and asked if there were any further questions for him. Hearing none, he moved on to the next agenda item.

Item 4. Overview of County EIFD Policy and Efforts

Chair Moreno introduced Bob Moran from the County of Los Angeles Executive Office to provide an “EIFD 101” overview of the County’s EIFD process and plans completed-to-date. He thanked Mr. Moran for returning to make his presentation. Craig Hoshijima of Metro and Joe Dieguez of Kosmont & Associates are available to answer any Metro or city-specific questions. Wells Lawson, who leads Metro’s Joint Development efforts, is also available to answer questions and concerns.

An overview of one of the County’s tax increment financing (TIF) tools – the EIFD (Enhanced Infrastructure Financing District) – was provided by Robert Moran, Principal Analyst, who leads EIFD efforts for the County of Los Angeles. Mr. Moran has experience in EIFD formation from efforts for three cities: La Verne – an EIFD district in a new Gold Line station area; West Carson; and Palmdale.

Mr. Moran started with an overview of what an EIFD is. Under California Policy:

- Tax Increment Financing (TIF) allows local governments to finance public projects using future property tax revenue generated from new development.
- TIF financing requires no new or increased taxes. The increase in property value drives growth in tax revenue. Construction of projects incentivized by EIFD-funded improvements support development.
- EIFDs are a limited tax increment financing district tool created in 2014 after the dissolution of redevelopment agencies in 2012.
- The City and County agree to contribute a portion of future tax increment to the EIFD to fund an agreed-upon list of infrastructure projects.
- Bonds are issued for the projects based on future growth in tax revenue.
- County TIF efforts have focused on EIFDs; currently negotiating a fourth EIFD district with the City of Carson. No CRIAs have been adopted in the state due to major implementation challenges.

EIFD Fundamentals

- Formation of tax increment financing districts is by voluntary participation.
- School/college districts do not participate in revenue sharing; they typically take 50%± of tax revenue.
- Eligible projects must have a useful life of 15+ years, and be of communitywide significance.
- District term is 45 years from issuance of first bond.
- Governance is by a Public Financing Authority led by city or county; Authority implements the Infrastructure Financing Plan.
- Approvals – no public vote to create district; no blight test required.
- District boundaries do not need to be contiguous.

There is a list of Minimum Requirements identified in a policy adopted by the County Board of Supervisors, including a requirement that a proposed EIFD Project must align with established Board priorities in one or more of the following areas: 1) affordable housing; 2) homeless prevention; 3) workforce development; or 4) sustainability.

Mr. Moran provided an overview of the La Verne EIFD Project Area located in a future Gold Line station area. The city developed a TOD plan and required infrastructure improvements to support future development:

- Expansion of existing utilities – sewer, storm drain and water.
- Improved connectivity between station area destinations to be provided by a pedestrian bridge connecting the Gold Line station to commercial development on Fairview Avenue on the other side of the rail right-of-way.
- Improved streetscape.

The estimated cost for the utility improvements was \$21.2 million and \$11.8 million was identified for the connectivity and streetscape improvements for a total of \$33.0 million to be financed. The intent of the planned public improvements was to attract a developer to implement the city's station area TOD plan. Lesson learned was that estimating future development that will come in and build the development plan is tricky due to changing market conditions and other factors.

Chair Moreno thanked Mr. Moran for his presentation, asked the CM TAC members for questions or comments on this item.

Mr. Jeffers asked if the Carson deal point package was available, including any restrictions on the developer? Mr. Moran said yes, he could provide the agreement. Typically, within city limits, development agreements are bound by city restrictions. City support and approval is required, but the County asks cities to look at building affordable housing as part of EIFDs.

Chair Moreno asked what about cities with no/low property tax revenue. These cities will need to closely look at whether it is worth going through cost and effort of forming EIFD. Mr. Moran answered that EIFDs are becoming more popular than we thought. Both the cities of Carson and Palmdale are low tax cities and they pursued EIFDs. He asked Mr. Dieguez if he knew what the property tax rates were for the two cities? Mr. Dieguez responded that they were approximately 6-7%. He pointed out that it was possible to change the tax equity allocation by the County, and that the County can match a city's allocated portion of motor vehicle tax revenue. Each city has a range of tax revenues, and which tax revenue source to use can be matched to city-specific needs. Tax revenues include standard tax, tax equity and vehicle license tax.

Chair Moreno asked if an EIFD viability evaluation can be done at some initial level? Mr. Moran replied yes an initial evaluation can be done, but the heavy lift of forming the district is the city's responsibility. Mr. Dieguez said WSAB Corridor cities could ask Metro for financial help on EIFD formation efforts. Mr. Hoshijima said that yes, Metro will be making funding available for cities to look at possible boundaries and perform initial calculations. These efforts will be funded through a TOD grant application that Metro is submitting to the US Department of Transportation (DOT) to support value capture efforts on which Joe and he are working. He will be requesting support letters from the cities.

Chair Moreno asked for final questions of Mr. Moran, Mr. Hoshijima or Mr. Dieguez. Hearing none, he invited the three to be part of the CM TAC's September Value Capture work session.

Item 5. City Manager Discussion

Chair Moreno asked if there were any further issues or items for the good of the order? He broached the issue of Metro Board's recommendation to study landbanking property in our cities. It is a shock to hear this and very concerning. We are not against low-income housing, but the efforts to build housing in our cities should be under local control and based on city zoning efforts.

Mr. Egan agreed that it came as a shock – it raises a major trust issue. That the Metro Board is thinking of getting into land use control is very problematic. Housing is a city issue. We all are under significant pressure from the state to provide housing, and we don't need Metro to be involved in this issue as well. He is drafting a response letter to Metro. The lack of trust issue throws completion of the MCAs into question. Excess Metro land in station areas should be sold to the cities to develop, or it will become surplus land available for low-income housing.

Ms. Khanna introduced Wells Lawson to address what the Metro Board directive means. Mr. Lawson stated that through the Metro Transit Oriented Communities (TOC) efforts, Metro leads the First/Last Mile planning efforts and station design/construction, and then Metro partners with and provides support for city-led efforts. Metro respects the local control issue. We do joint development only where we own property, and we partner with cities to develop plans for its use. The County-sponsored landbanking motion was a surprise to us. We had one 20-minute meeting where County staff presented the concept to us, and then it became a County-sponsored Metro Board motion. It was presented as a *Los Angeles River Master Plan*-related landbanking effort based on where there were gentrification impacts from LA River improvements. Metro is planning further and more detailed discussions with the County on this issue. Chair Moreno thanked Mr. Lawson for his information.

Mr. Jeffers stated that as an alternate CM TAC representative to ERT, he knows that ERT has prepared a letter that was approved by the ERT Board. He can share the letter with the cities. We need to send similar letters emphasizing:

- Surprise at the County's motion and Metro Board directive.
- Local control of land use issues, not by the County or Metro.
- Cities have spent time in developing station area plans and related zoning efforts with their communities.
- Need to get on record – oppose the County and Metro motions. There is not a lot of meat in the motions, and the devil is in the details.

The cities need to get on record as opposed to landbanking with Metro and the County. It appears that the Board of Supervisors is pushing this landbanking effort and motion more than Metro.

Luke Klipp, Transportation Deputy for Supervisor Hahn, spoke in reference to the “not moving ahead on the MCAs.” The MCAs address the permitting process related to the rail project construction process and refining the costs to move construction of the WSAB Project ahead. He does not see the nexus between not signing the MCAs and landbanking concerns.

Mr. Egan replied that it was a trust issue. The Metro team has been gracious to work with on our MCA concerns, and we are close to reaching closure on our MCA. We see the rail project as spurring economic development, but not just housing. Mr. Klipp said he understood the trust issue and strongly stated that land use control will stay with the cities.

Mr. Egan said that he did not understand how Metro land banking was possible. Under state law, excess land must be offered for low-income housing first. Mr. Wells responded that excess Metro land is subject to the state surplus land act, but there is room for working with the cities on this issue.

Alfonzo Noyola, City of Cudahy, stated that landbanking would destroy his city's potential for any future development. We need to understand the consequences of these actions to the cities – intended or not – before moving forward.

Ms. Khanna returned to the issue of not moving forward on the MCAs. She said that she knows the cities are concerned about land banking, but from the economic perspective, the light rail project is the critical element. The MCAs are just tied to the transit project and stations, nothing else. Metro is seeking help from the cities on permitting issues and establishing a way to reimburse the cities for their project-related efforts. The MCA is not tied to any other project issues.

Mr. Egan said he understood that the MCAs and landbanking are separate issues, but is concerned about the trust that goes into building the project – not housing.

Mr. Noyola reiterated his concern that landbanking will take away development opportunities in his city. Metro is exempt from city plans and zoning.

Mr. Jeffers stated that we should engage with the County. The County is driving this issue, but Metro will partner with them.

Nancy Michali, WSAB CM TAC consultant, said writing a letter to make our position clear is important to getting on record. Currently, there is not enough information to respond in a thoughtful way and to negotiate possible options. We need to talk further with County and Metro staff. How far has this proposal moved forward? What are the next steps? Where is the funding coming from?

Mr. Klipp recommended that we talk further at the next CM TAC meeting – we will be clear on what was asked of Metro staff. The Metro Board report is expected back in October. It is his understanding that the motion was intended to direct staff to explore how to make a pilot program happen. The cities have provided input on the idea today, and we need to talk further when we have more information.

Mr. Wells said yes, when there is a nexus with the WSAB Project, there will be an opportunity for the cities to provide input.

Chair Moreno ended the discussion with the commitment to be in touch with everyone, including Luke and Viviana. We'll have more details to share and talk further at our next meeting in September..

Item 6. Next CM TAC Meeting

The next CM TAC meeting is in the process of being scheduled. We will notify you of the date once it is confirmed.

Item 7. Adjournment

Chair Moreno asked if there were any further issues for the good of the order. Hearing none, he adjourned the meeting.