May 15, 2018

To: Supervisor Sheila Kuehl, Chair
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Janice Hahn
Supervisor Kathryn Barger

From: Sachi A. Hamai
Chief Executive Officer

RECOMMENDATIONS FOR A TRANSIT ORIENTED DISTRICT IMPLEMENTATION PLAN (ITEM NO. 5, AGENDA OF FEBRUARY 6, 2018)

BACKGROUND

On February 6, 2018, the Board of Supervisors (Board) adopted a motion introduced by Supervisors Hahn and Solis, directing the Chief Executive Officer (CEO) to work with the Departments of Regional Planning (DRP) and Public Works (DPW), the Community Development Commission (CDC), and LA Metro (Metro) to make recommendations for an implementation plan for future transit rail stations within Transit Oriented District (TOD) boundaries of the unincorporated areas of the County.

OVERVIEW OF CURRENT TOD PLANNING PROCESS

The County General Plan, adopted in 2015, prescribes that all TODs be implemented through a specific plan or a similar mechanism that addresses access and connectivity, pedestrian improvement, safety, design standards, land use regulations, and the unique infrastructure needs of each community. According to the General Plan, TODs include areas in a half-mile radius around major transit stops. The TOD program identifies eleven existing TOD areas in the County Unincorporated Areas.

TOD specific plans are intended to: 1) increase walking, bicycling, and transit ridership, and reduce vehicle miles traveled (VMT); 2) facilitate compact, mixed use development; 3) increase economic activity; 4) facilitate the public investment of infrastructure improvements; and 5) streamline the environmental review process for future infill
development projects. The preparation of TOD specific plans includes intensive preliminary research and analysis to determine existing conditions, and infrastructure supply and demand. Each TOD specific plan also includes stakeholder outreach to ensure that the plan meets the needs of the surrounding community, and is responsive to the local context and culture. Informed by this initial engagement, specific plans are crafted to promote infill opportunities, active transportation, multimodal connections, sustainable transit, and appropriately planned infrastructure improvements. Currently, DRP is in the final stages of preparing the West Carson TOD Specific Plan and the Connect Southwest LA TOD Specific Plan. The Board approved the East Los Angeles 3rd Street Specific Plan in 2014, and the Willowbrook TOD Specific Plan is pending adoption.

OVERVIEW OF MEASURE M

On November 8, 2016, Los Angeles County voters approved the L.A. County Metropolitan Transportation Authority’s Measure M, which authorized a half-cent sales tax for transportation, and extended indefinitely the sales tax authorized in 2008 under Measure R. The Measure M Plan projects $121.4 billion in new revenues between fiscal years 2018-2057, with $860 million in 2018.

It is anticipated that Measure M will potentially fund 10 new rail stations within a half-mile of unincorporated County of Los Angeles jurisdictions, including stations along the following rail line extensions:

- Westside Purple Line (SD 3)
- West Santa Ana Transit Corridor (SD1 and SD4)
- Gold Line Eastside Phase II - SR 60 (SD 1)
- Gold Line Eastside Phase II - Washington Boulevard (SD1 and SD4)

Metro continues to develop new station locations and rail transit alignments, including first-last mile improvements associated with each station.

The County will receive a local return allocation from the Measure M revenues, but there is also a 3 percent local contribution requirement for the total cost of station construction within a half-mile of County unincorporated areas. The contribution can be a cash payment or in-kind work (such as sidewalks, bike lanes, or ADA curb ramps), but those must be included at the time of 30 percent Final Design, as determined by Metro. The 3 percent local match is due by completion of 50 percent of project construction. If a jurisdiction’s Local Return is such that 15 years’ worth is less than its 3 percent transit contribution obligation, Metro is limited to collecting no more than 15 years’ worth of that jurisdiction’s Local Return in lieu of the full 3 percent.
RECOMMENDATIONS FOR IMPLEMENTATION PLAN

The CEO, in concert with DRP, DPW, CDC, and Metro convened a working group to evaluate the County's current TOD planning process to see what improvements could be made to advance infrastructure needed to support TODs and associated higher density. The working group recommends developing an implementation plan for new transit stations located within a half-mile of the unincorporated areas of the County resulting from Measure M, which addresses the following topics:

Strategies to Advance Infrastructure Planning

Through Measure M, $860 million in annual revenue will flow to the Los Angeles region through its half-cent sales tax. This money will be allocated through a 40-year expenditure plan, which will deliver an estimated $120 billion in capital projects and sub-regional programs. While Metro's Long Range Transportation Plan (LRTP) will not be approved until 2020, the following strategies will help prepare the County for the coming increase in transportation investment:

1. Create a working group across County departments to plan for Measure M

The CEO will convene a working group to meet on a regular basis to evaluate TOD strategies in relation to the implementation of new Measure M funded major transit stations. Initial tasks will be to work with Metro to ascertain the specific station locations within a half-mile of County unincorporated areas, and the timeline with respect to station design and construction. The working group will also seek guidance regarding the specific parameters of the required 3 percent local contribution, and prepare an estimate of anticipated County funding requirements.

Since the County owns land within other jurisdictions that may be within a half-mile of new stations, and therefore may be impacted by development of the TOD, the working group will also coordinate with Metro and the appropriate cities to fully understand the impact on the County. The working group will develop specific deliverables for ensuring a successful TOD program, and for implementing the recommendations presented below. Members of the Working Group will include CEO, DRP, and DPW, with assistance provided on an ad hoc basis by the CDC, Departments of Public Health and Parks and Recreation.

2. Secure new funding to complete TOD specific plans already identified

DRP will continue its efforts to identify funding opportunities to draft additional TOD specific plans so that each region is prepared for future transit stations and
accompanying transit oriented development. Completing the TOD specific plans already identified within the General Plan will help make resources available for the development of TOD specific plans associated with Measure M. Such planning is often dependent on the availability and procurement of grant funding.

3. Identify funding for the creation of Capital Improvement Plans

DPW, in coordination with DRP and CEO, will evaluate funding opportunities for the creation of Capital Improvement Plans within TODs identified in the General Plan, as well as proposed TODs around new Metro stations. The General Plan states that a TOD specific plan should include a Capital Improvement Plan and identify specific infrastructure improvements including sewer, transportation, waste management, storm water, public water, and open space improvements. Capital Improvement Plans would evaluate the existing infrastructure of the TOD project areas and identify new infrastructure that would be required to support higher density around a new Metro rail transit station.

The Capital Improvement Plan would also indicate the necessary infrastructure upgrades, and the timing of those upgrades, to accommodate the planned increase in density. Currently, each new development within a TOD is required to conduct its own impact evaluation on existing infrastructure and bear the cost of any upgrades necessary to mitigate project specific impacts. However, a single development within a TOD area doesn’t always necessitate infrastructure upgrades because it is often the cumulative impact of multiple developments that causes the need for improvements. This can result in a single developer paying for the entire cost of infrastructure upgrades that will benefit the entire TOD area. The Capital Improvement Plans would seek to develop a mechanism to share the costs of new infrastructure projects in the TOD.

By preparing comprehensive Capital Improvement Plans, the County can streamline future development by alleviating the need for each project to conduct a cumulative impact analysis, and only requiring a project specific analysis. In addition, under the master planning effort described, each new development in the TOD area can pay for a portion of the known cost for the infrastructure upgrades, rather than the last development needing to upgrade and fund the entire marginal cost. The County would bear certain additional costs for the creation of the initial plan, but would save considerable time in reviewing and monitoring the individual infrastructure strategies of future developers. Further, by streamlining future building efforts, the County would accelerate the receipt of property tax, sales tax, and/or transient occupancy tax that would result from these projects. The County will explore alternatives for funding the comprehensive Capital Improvement Plans.
4. **Work with Metro to anticipate and plan for future rail stations**

DPW will continue to work closely with its partners at Metro to ensure that the County is actively involved in the planning process for future Metro rail stations, particularly those that may be near County unincorporated areas. DPW will work with Metro to identify first-last mile and other County infrastructure improvements to be included in the 30 percent Final Design that the County would be willing to implement in lieu of a cash contribution. It will be in the County’s interest to communicate with Metro early in the process to facilitate an understanding of the 3 percent local funding contribution requirement and specific station locations.

5. **Secure funding for the creation of district-wide parking needs assessments**

Recognizing the need to balance the goals of reducing traffic through public transportation and preserving parking options for current residents and businesses, parking needs assessments should be done on a district-wide basis to reflect the unique parking patterns of each community. Typically, development projects are required to assess project specific needs in accordance with County Code, Title 22 requirements. With the establishment of a TOD, incentives may also be provided to developers that increase density in the District.

Given project adjacencies to public transportation, reductions in the required amount of onsite parking may be included. A parking reduction can allow a developer to utilize more of the land for additional building square-footage, which can help make a project more financially feasible and promote development of housing and jobs in proximity to transit. However, the incentives will need to be measured in accordance with the district-wide parking needs assessment study to ensure community parking needs are not adversely affected.

6. **Establish a long-range capital strategy to meet the 3 percent local contribution**

Once Metro identifies a station location for each new major Metro rail line stop due to Measure M, the County should work to initiate a long-range Capital Improvement Plan for each half-mile station area. This capital plan will identify opportunities to meet 3 percent local contribution through infrastructure funding and in-kind contributions, rather than with County General Fund investment or the use of Measure M local return funds.
Internal Approval Processes for TOD Specific Plans

Currently, DRP works with a consultant to: 1) draft the TOD specific plan and associated environmental documents; 2) distribute the plan to internal County stakeholders, including through the EPIC-LA system; 3) work with County stakeholders to address comments; and then 4) schedules public hearings. For future TOD specific plans, the following steps, many of which are already occurring, are recommended:

- DRP’s project lead notifies DPW’s project coordinator, who will act as the central point of contact on all DPW matters related to the identified TOD specific plan (current process).
- DRP and DPW convene a kick-off meeting to align priorities, infrastructure, and timeframe needed for the TOD specific plan.
- DRP works with DPW to solicit and identify a consultant to draft the TOD specific plan and associated environmental documents.
- Consultant drafts the TOD specific plan, and accompanying environmental documents, based on parameters from DPW and DRP.
- DRP distributes the specific plan and CEQA documents to County internal stakeholder departments via the EPIC-LA system (current process).
- County departments review the documents and provide comments prior to public review and public hearings (current process).
- Once all department comments have been addressed, each department will issue clearance of the documents via the EPIC-LA system. Infrastructure studies (particularly those related to Sewer and Transportation/Traffic) are a prerequisite to DPW’s clearance (current process).
- DRP schedules a public hearing in front of the Regional Planning Commission (RPC) (current process).
- If the RPC recommends approval to the Board, DRP will then proceed to schedule a Board Hearing (current process).

The CEO will work with DRP and DPW to ensure the above referenced steps are taken for future TOD planning efforts.

Coordinated scoping processes related to grants and infrastructure planning

With the establishment of the County's Healthy Design Workgroup (HDW) in 2012, a Grants Subcommittee was established with the goal of providing a venue for better collaboration among County departments in pursuit of grant funding. To augment this
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process, the CEO recommends the following strategies related to pursuing grants for studies and infrastructure planning:

- Build upon the HDW Grants Subcommittee's work to scope opportunities and collaborate on grant applications.
- Foster an integrated transportation planning effort within DPW to scope transportation related projects in concert with other County departments, particularly DRP, to better align project delivery with the goals and policies of the General Plan and needs of the communities.
- Create a centralized list of infrastructure planning studies that require funding so that appropriate grants can be sought.

DRP and DPW will work collaboratively to identify grant opportunities for infrastructure planning. The Departments will prioritize funding for scoping processes that will satisfy the 3 percent in-kind local contribution and support first/last mile investments.

Strategies for Creative Financing

The requirement for local funding in support of Measure M rail line extensions places a priority on evaluating financing strategies that will further the County's TOD priorities. Options that may be available to the County include the formation of Enhanced Infrastructure Financing Districts (EIFDs) specific to County unincorporated areas, which could leverage the local property tax to help meet Metro's required 3 percent local contribution. Another opportunity could be the formation of a benefits assessment district, or the pursuit of a voter-approved financing district. To the extent that external financing sources are not identified, the County could seek to leverage State and Federal programs that support transportation and infrastructure programs.

Community Engagement Strategy

Community engagement for advanced planning efforts are currently occurring at the department level on a case-by-case basis. The CEO recommends the creation of a Countywide database to track community and stakeholder engagement for each project area. This database would include an accounting of each community based organization engaged, comments received, and frequency and type of event conducted. This would serve to improve efficiencies and reduce duplication of efforts across departments. It would also allow for complementary, rather than repetitive outreach.

In alignment with the above recommendations, DPW and DRP recently began developing a shared community engagement calendar. When complete, this shared community engagement calendar will track all forthcoming events, allowing departments
to solicit feedback from communities and stakeholders on multiple topics simultaneously. Other County departments will be invited to join this internal calendar, and its functionality should be updated so that each department can access and edit the calendar.

The hallmarks of a successful TOD community engagement strategy would also include the following:

- Discuss the needs of pedestrians, motorists, bicyclists, and transit user experiences with parking, circulation patterns, transit services/facilities, and future rail stations.
- Work with community stakeholders, community based organizations, faith based organizations, and other advocacy or interest groups.
- Conduct community workshops, charrettes, meetings, and other events to get feedback on issues, needs, aspirations, and preferred amenities and facilities.
- Use online surveys, social mapping, and contests to engage the public.
- Ensure engagement in a culturally competent and linguistically appropriate manner. Provide materials in both English and other predominant languages.
- Use email, social media, news releases, and public service announcements to communicate about the project.
- Attend special events and coordinate around common gathering places, such as churches, Saturday language schools, neighborhood block meetings, homeowners’ association meetings, and neighborhood councils.

The CEO will work with County departments to ensure implementation of the above strategies for TOD areas.

**STAFFING LEVELS**

At the present time, CEO does not recommend including additional positions to effectuate the TOD Implementation Plan. CEO has concluded that improved coordination between departments will facilitate the streamlining of the TOD planning process. Further, given that the implementation of TOD interdepartmental planning is in its initial stages, further analysis is needed in relation to whether additional staffing is warranted, or whether a re-alignment of existing resources is sufficient.

**CONCLUSION**

CEO, DRP, and DPW will form a working group to build upon the recommendations contained in this report and facilitate improvements to TOD planning in coordination with Metro and the implementation of Measure M programs. The CEO will provide an
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update on the working group and the TOD planning process in 90 days. If you have any questions, please contact Doug Baron at (213) 974-8355 or dbaron@ceo.lacounty.gov.

SAH:JJ:DSB  
CMT:RM:acn

c: Executive Office, Board of Supervisors  
Community Development Commission  
County Counsel  
Public Works  
Regional Planning  
LA Metro
RECOMMENDATIONS FOR A TRANSIT ORIENTED DISTRICT IMPLEMENTATION PLAN
(ITEM NO. 5, AGENDA OF FEBRUARY 6, 2018)

BACKGROUND

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UPDATE ON STRATEGIES TO ADVANCE INFRASTRUCTURE PLANNING

Recognizing that Measure M will provide funding for additional rail lines, and that new stations will provide opportunities for TOD projects that can transform communities, the May 15, 2018 report included six strategies to assist the County in preparing for the expected increase in transportation investment. The following is an update on those strategies:

1. Create a working group across County departments to plan for Measure M

The CEO, in connection with DRP, DPW, CDC, and Metro convened a working group to evaluate the County’s current TOD planning process and monitor Measure M. The working group will continue to meet on a quarterly basis, or more frequently if needed. In addition to assisting with communication among County departments regarding TOD planning and Measure M, the working group will facilitate discussion between Metro and County departments. The working group will also provide updates to the Board on proposed enhancements to TOD policy, any significant communications from Metro regarding Measure M, and the launch of new TOD plans.
2. Secure new funding to complete TOD specific plans already identified

The Department of Regional Planning has prepared four TOD Specific Plans to date:

- The East Los Angeles 3rd Street Specific Plan, encompassing four Metro stations, was adopted by the Board in 2014.
- The Willowbrook TOD Specific Plan was considered by the Board on October 24, 2017, and is expected to be adopted later in 2018.
- The West Carson TOD Specific Plan was recommended for approval by the Regional Planning Commission on July 11, 2018, and is soon to be scheduled for a Board hearing.
- Connect Southwest LA: A Specific Plan for West Athens-Westmont has completed the 45-day Environmental Impact Report (EIR) public review period, and is soon to be scheduled for a Regional Planning Commission hearing.

The above TOD specific plans were funded by grants (approximately $500,000 each), with the exception of the East Los Angeles 3rd Street Specific Plan. The preparation of specific plans for the seven TODs that preceded Measure M (Aviation/I-105, Hawthorne, Del Amo, Firestone, Florence, Slauson, and Sierra Madre) will depend largely on the department’s ability to secure grants or sources of funding. New TOD specific plans will also be developed for Measure M stations (see attached map).

3. Identify funding for the creation of Capital Improvement Plans

Capital Improvement Plans would identify the entire infrastructure needs of a TOD. Currently, developers conduct their own impact evaluation of the proposed development on existing infrastructure and bear the cost of any upgrades necessary to mitigate project-specific impacts. A TOD could have multiple developers, however, and the cumulative impact of the total buildout may necessitate numerous infrastructure projects. The working group recently discussed the need for a mechanism that would equitably distribute both infrastructure study and project costs to the developers within the TOD, regardless of when the projects are completed. The working group will continue to explore potential alternatives, such as establishing a fee assessment district, to fund the necessary infrastructure to support the build-out of TODs.

4. Work with Metro to anticipate and plan for future rail stations

Measure M, which authorized a half-cent sales tax for transportation, and extended indefinitely the sales tax authorized in 2008 under Measure R, will potentially fund thirteen (13) new rail stations within a half-mile of County unincorporated areas. The County will receive an annual local return allocation from the Measure M revenues, but there is also a local contribution requirement for 3 percent of the total cost of project construction, as determined at 30 percent of the Final Design, proportionally shared by County unincorporated areas within a half-mile of a new rail station. The working group will partner with Metro on the development of first-last mile plans for each of new station area, and identify County infrastructure improvements to be included in the 30 percent Final Design submittal.
5. **Secure funding for the creation of district-wide parking needs assessments**

Recognizing that each community surrounding a TOD is unique, and that parking and traffic impacts on residents and businesses should be evaluated alongside the goals of increased density, the working group will explore potential funding opportunities for the creation of district-wide parking needs assessments.

6. **Establish a long-range capital strategy to meet the 3 percent local contribution**

The working group has prioritized the need for long-range capital plans that will meet the 3 percent local contribution through infrastructure funding and in-kind contributions. The working group will identify alternatives to funding the cost of Measure M rail projects with County General Fund investment, or Measure M local return funds.

**COMMUNITY ENGAGEMENT**

County departments are actively engaging the community in project development and planning. The working group can assist the departments in establishing a new community engagement calendar, which would include an accounting of each community-based organization engaged, comments received, and frequency and type of event conducted. This would serve to improve efficiencies and reduce duplication of efforts across departments. It would also allow for complementary, rather than redundant outreach, to community groups and individual residents.

**CONCLUSION**

The working group will continue to meet to facilitate the County's TOD planning process, and monitor Measure M policies and regulations as they are adopted by Metro. If you have any questions regarding this memorandum, please contact Doug Baron at (213) 974-8355 or dbaron@ceo.lacounty.gov.

SAH:JJ:DSB
RM:acn

Attachment

c: Executive Office, Board of Supervisors
   County Counsel
   Community Development Commission
   Public Works
   Regional Planning
   LA Metro
Measure M 3% Local Contribution for Unincorporated (L.A. County) - Preliminary