

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.