ATTACHMENT E

Metro

Los Angeles County
Metropolitan Transportation Authority

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DECEMBER 9, 2015

TO: BOARD OF DIRECTORS

THROUGH: PHILLIP A. WASHINGTON
CHIEF EXECUTIVE OFFICER

FROM: MARTHA WELBORNE, FAIA
CHIEF PLANNING OFFICER

SUBJECT: REPORT BACK ON ITEM 68.1 ON THE JULY 23, 2015 MEETING OF THE BOARD OF DIRECTORS

ISSUE

At the July 23, 2015 meeting of the Metro Board of Directors, two motions from Directors Solis, Ridley-Thomas, Kuehl, Dupont-Walker, DuBois and Knabe were joined together to adopt actions related to the updated Joint Development Policy. The approved motion contained items 1 – 4. Direction from Item 1 was taken and reported back to the Board in two Board Boxes dated September 17 and 30, 2015. This Board Box provides a report back on Items 2 – 4.

DISCUSSION

Below is a report back on each direction within Item 68.1.

> ***2. After Implementation, further analyze the proposed land discount policy to evaluate whether it can be used as a tool to encourage the development of more very low or extremely low income units and report back to the Board within 120 days with a summary of the potential benefits and consequences to linking the land discount to the percentage of very low or extremely low income units in a project.***

Joint Development (JD) staff is in active negotiations with 4 affordable housing developers, all of whom are considering this newly approved land use discount as a mechanism to address funding gaps. Of these four projects, three have specifically committed to increasing the number of units targeting very low or extremely low income households. While the JD team is still in the implementation phase, and therefore does not have complete information upon which to report, staff can provide some preliminary findings with respect to this item:

Evaluation of the land discount: Abode Communities, a nonprofit affordable housing developer with over 40 years of experience and 34 affordable housing properties developed, provided a preliminary analysis of the cost to change a unit serving a household at 60% area median income (AMI) to a unit to serve a household at 30% area median income (AMI). This analysis assumes the financing structure of a typical 9% Low Income Housing Tax Credit-funded project. In summary: to change a 60% AMI unit to a 30% AMI units requires about $371,000 in additional upfront development subsidies. Such a large additional subsidy amount will result in the maximum property discount funding very few if any additional 30% AMI units.

Increasing the number of 30% AMI units has two effects on the property:

(1) *It creates a funding shortfall in the original development funding.* In terms of the original development funding (upfront), the gap is about $50,000 per unit. In other words, to create one more 30% AMI unit, requires an additional $50,000 in upfront subsidy.

(2) *It creates a shortfall in the annual operating budget/ cash flow (funds remaining after all expenses and mortgages have been paid).* A shortfall in the cash flow means the property will be operating in the red and unable to pay all its expenses. In order to have a viable project, a developer must be able to show at least 30 years of positive cash flow (matching the standard term of a 30-year mortgage). Further magnifying this problem, it is Abode's experience that families earning 30% AMI have more service related needs which actually increases the operating expenses. Thus, the funding shortfall would be even higher.

Abode identified two ways to meet the operating expense shortfall created by increasing the number of units targeting 30% AMI:

- *Obtain operating subsidy:* The only operating subsidy currently available are Project Based Vouchers (PBV), which are highly competitive and available only to homeless, special needs projects. In the last NOFA (Notice of Funding Availability) issued by the County of Los Angeles, 100% of the units receiving vouchers were required to serve homeless households. Additionally, 50% of those units were required to serve individual with special needs (mental/physical/development disability, substance abuse, HIV/AIDS) who were also chronically homeless. While housing for these populations is in high need, this subsidy program does not address the subsidy needs for a typical 30% AMI unit serving a non-special needs or homeless family.

- *Decrease the debt service requirement (permanent loan amount):* This is the only viable option in order to assure the required 30 year positive cash flow. In order to increase the number of 30% AMI units by 1 unit, about $20,000 less per year is available for debt service (in other words, the maximum payment amount towards the mortgage is decreased by $20,000) which results in a decrease of the permanent loan amount of $321,000. Additional up-front subsidies in this amount would be required to cover this gap.

.Potential Benefits:

- *Reflection of Community Income Levels:* Lowering affordability levels may allow an affordable housing project to better reflect the income distribution of the community in which the project is situated. This can garner more support from local stakeholders and allow a project to meet a community's housing needs.

- *Transit Riders are Predominantly Lower Income:* 70% of Metro riders earn less than $25,000 per year. It is in Metro's best interest to ensure that the housing provided at its transit stations serves its riders and promotes transit use.

Potential Disadvantages:

- *The Financing Gap.* Affordable housing projects face a gap in their financing needs. The joint development land discount is seen as a way to partially mitigate that gap. Tying the land discount to deeper affordability requirements creates additional gap rather than filling an existing gap, so at best the requirement has no impact on the original gap, at worst, it could deepen the gap if the discount cannot cover the total cost of lowering the affordability levels.

- *Reflection of Community Income Levels:* While many communities will see that lowering affordability levels allows a project to better match the income make-up of their households, in some communities this will not be the case. Affordable housing projects are more likely to garner support when the income levels targeted match the needs of those of the community where it is situated.

3. A percentage of lease revenue generated from joint development projects support transportation uses including, using a portion of lease revenue income to pursue First/Last Mile projects within ½ mile of station areas, active transportation uses and wayfinding.

The Joint Development Team will work with developers, community stakeholders and internal Metro departments to determine potential application of lease revenues generated by joint development projects for First/Last Mile, active transportation and wayfinding projects within ½ mile of station areas. These assessments will occur on a project by project basis. Staff will negotiate the scope, costs and appropriate application of Metro lease revenues for these improvements during the Exclusive Negotiation phase of a joint development. The final scope and terms for any such use of lease revenues will be brought to the Board for consideration as part of the lease teams for the Joint Development Agreement and Ground Lease for each Joint Development project.

4. Structure the proposed joint development process to ensure that local jurisdictions with land use responsibility collaborate on the community engagement process to ensure that all joint development projects are consistent with local desires and can be approved by the local jurisdiction.

The *Joint Development Program: Policy and Process* document approved by the Metro Board on July 2015 contains explicit reference to the importance of collaboration with local jurisdictions; for community engagement, examination of land use regulations, and even selection of developers for joint development sites. This policy document (updated slightly in September 2015 to reflect direction on affordable housing) is attached, and references to the role of and collaboration with local jurisdictions in the joint development process are highlighted.

Background

The items above are in reference to the updated *Joint Development Program: Policy and Process* document, which was approved by the Metro Board on July 23, 2015.

NEXT STEPS

The Joint Development team is continuing to negotiate the first four (4) affordable housing projects that will be eligible for the land use discount. Upon completion of negotiations, staff will report back on the cost associated with lowering the affordability levels to support households at the very low and extremely low income levels.

Attachments:

A. Item 68.1 July 23 2015 Board Motion
B. Joint Development Program: Policy and Process

Metro

Los Angeles County
Metropolitan Transportation
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Metro

Board Report

File #:2015-1175, File Type:Motion / Motion Response **Agenda Number:68.1**

REGULAR BOARD MEETING
JULY 23, 2015

Motion by:

Supervisor Solis, Ridley-Thomas, Kuehl and Dupont-Walker as combined with Dubois and Knabe Motion

July 23, 2015

File ID 2015-0554, Relating to Item 68: Joint Development Policy

The Metro Joint Development Program is a real property asset development and management program designed to promote catalytic private and/or public sector developments on Metro-owned properties. The Joint Development Policy is being updated to promote the development of affordable housing on Metro properties, given the vital importance of sustaining and growing ridership by facilitating the production of housing that is affordable to lower-income transit-dependent riders. The vast majority of Metro's riders earn less than $25,000 per year, and are therefore considered to be low, very low, and extremely low-income individuals and families. The Metro Joint Development Policy should be designed to expressly encourage the development of housing that would serve those populations.

WE THEREFORE MOVE that the Board of Directors instruct the Chief Executive Officer to take the following actions:

1. Amend the Joint Development Policy to:

    a. Define affordable housing as housing that is covenant-controlled, provided on an income-restricted basis to qualifying tenants earning 60% or less than Area Medium Income as defined by the CA Tax Credit Allocation Committee, and often subsidized by public or non-profit funding sources; and

    b. Include language that promotes the consideration of affordable housing that has deeper affordability, including the creation of new units affordable to very low-income and extremely low-income households; and

2. After implementation, further analyze the proposed land discount policy to evaluate whether it can be used as a tool to encourage the development of more very low or extremely low income units and report back to the Board within 120 days with a summary of the potential

benefits and consequences to linking the land discount to the percentage of very low or extremely low income units in a project.

3. A percentage of lease revenue generated from joint development projects support transportation uses including, using a portion of lease revenue income to pursue First/Last Mile projects within ½ mile of station areas, active transportation uses and wayfinding.

4. Structure the proposed joint development process to ensure that local jurisdictions with land use responsibility collaborate on the community engagement process to ensure that all joint development projects are consistent with local desires and can be approved by the local jurisdiction.

ATTACHMENT B

METRO JOINT DEVELOPMENT PROGRAM: POLICIES AND PROCESS

Updated September 2015

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LIST OF EXHIBITS

I. INTRODUCTION / PURPOSE

The Metro Joint Development Program is a real estate development program for properties owned by the Los Angeles County Metropolitan Transportation Authority (Metro). It is a real property asset development and management program designed to secure the most appropriate private and/or public sector developments for Metro-owned properties.

This document outlines the objectives, policies and process that will guide the Metro Joint Development Program as it develops Metro-owned properties. It 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.

In addition, this document explains how local and federal policies guide Metro joint development, where applicable.

II. OBJECTIVES / GOALS

The Joint Development Program is centered on three main goals:

A. Transit Prioritization:

1. Preserve Properties for Transit Use. Metro will preserve the ability to safely operate and maintain transportation facilities on its properties.

2. Increase Transit Ridership. The Joint Development Program aims to reduce greenhouse gas emissions and increase transit ridership by attracting new riders and increasing the number of transit trips generated from joint development projects.

B. Community Integration, Engagement, Affordable Housing and Design:

Metro's Joint Development Program will seek projects that engage stakeholders and create vibrant, transit-oriented communities that offer a range of housing types, job opportunities, and services centered around public transit facilities.

1. Community Integration. Metro will seek to create projects that are compatible with the surrounding community and reflect the needs and desires of the neighborhood in which they are situated. Like any private development, joint developments are subject to the land use policies and approval processes of the host jurisdiction.

2. Community Engagement. Metro will ensure that the Joint Development Process actively engages community members at every development stage.

3. 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). (The joint development portfolio includes properties for which Metro maintains long term ownership. It does not include surplus land that is sold in fee.) (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.)

4. Design and Placemaking. Metro's Joint Development Program will pursue high quality design that enhances the surrounding community and creates inviting spaces and places around Metro transit facilities.

C. Fiscal Responsibility:

1. 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.

2. Minimize Risk. Projects should minimize financial risk to Metro.

3. Feasibility. Projects should be viable, now and in the future.

III. POLICIES

To achieve its goals, the Joint Development Program shall conform to the following policies:

A. Transit Prioritization and Integration:

1. Preservation of Transit Facilities. Metro shall retain authority over its transit facilities and services, and no development shall negatively impact existing or future public transportation facilities, nor shall any development obligate Metro to any particular operational level of service.

2. Density and Program. Metro will prioritize dense, trip generating uses on joint development sites.

3. Transit Connections. Metro will maximize connections to transit facilities from and through joint developments, where appropriate. Projects are encouraged which provide for increased station access using buses, active transportation, and other alternative modes of travel.

B. Community Outreach:

1. Community Engagement. Metro will pro-actively engage with the communities where the joint development projects occur through a variety of methods, which may include charrettes, focus groups, workshops, email updates, and social media communications. Developers selected for joint development projects shall be required to create a community engagement plan.

2. Local Collaboration. Metro will consult and work cooperatively with local jurisdictions and developers to encourage transit-supportive, high-quality development at stations and surrounding properties. All developments must follow the local laws and policies of the jurisdiction in which they reside. Local land use policies therefore govern for all sites.

3. Design Rigor. Projects shall demonstrate a high quality of design that is both sensitive to community context and enhances the surrounding community.

C. Financial Policies:

1. Risk Minimization. Projects should not require commitment of Metro financial resources, should minimize any investment risk to Metro, and should maximize asset security for Metro.

2. Collaborative Contribution. Projects are encouraged which obtain capital or in-lieu contributions from other public agencies to create greater community economic benefit to Metro-sponsored joint development projects.

3. Ground Lease Preference. Use of a long term ground lease is generally preferred to fee disposition.

D. Federal Policies:

Many joint development properties were purchased with some funding from the federal government. The federal agency for transit funding, the Federal Transit Administration (FTA) therefore must review and approve joint developments on land that was acquired with any federal funds. Additional details on this process are outlined in the Legal Framework section V.B. Federal Regulations

E. Affordable Housing Policies:

A large portion of Metro riders are low-income and transit dependent. Meanwhile, Metro transportation investments have the potential to raise the value of property near Metro transit investments. Thus, it is in Metro's and the community's interest to maintain and grow ridership by promoting the development of affordable housing on appropriate Metro joint development sites. In addition, State and Federal guidance encourages coordination of investments and policies to accommodate affordable housing near transit. 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. Metro will use the following policies to promote affordable housing on joint development sites:

1. Range of Types. Joint development projects with a residential component are encouraged to provide a range of housing types to meet the needs of a diversity of household incomes, sizes, and ages.

2. Land Discounting. 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. Such a land discount may not be greater than 30% of the fair market value.

3. Proportional Land Discounting for 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%. For example, land value for a project that has 20% affordable units could be discounted up to 20%. Land value for a project with 100% affordable housing could be discounted up to 30%. In the case of mixed use projects, the discount will be to the land value attributable to the housing portion of the project.

F. Development Solicitation Policies:

1. Competitive Solicitation. Metro will seek to develop joint development sites via a competitive selection process that is further detailed in the following Process Section. The competitive process will be managed through the Vendor/Contract Management Department and will be consistent with Procurement Policies.

2. Unsolicited Proposals. Metro does not encourage unsolicited proposals. Metro will consider unsolicited proposals in limited cases, including, but not limited to, the instance of small or constrained sites with adjacent landowners whose property could be combined with Metro property to create a suitable development site. Further detail regarding the process for unsolicited proposals is also included in the following Process Section.

G. Acquisition Policies:

1. 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.

2. In the initial planning of a transit corridor project (e.g., during the environmental and preliminary engineering phases), Metro may conduct site analysis, include a preliminary layout of each passenger station site, develop conceptual urban design strategies integrating station sites with adjacent communities, and evaluate proposed station sites for their joint development potential.

IV. PROCESS

A. Inventory and Site Selection:

1. Inventory. Metro maintains an inventory of properties that are potential sites for future joint development. Metro staff will monitor market conditions and communicate with local jurisdictions and stakeholders about development potential.

2. Site Selection. 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.

3. Determination of Financing Requirements. Upon the selection of a site for a joint development project, Metro staff will determine the funding sources that were involved in the acquisition of the selected site. Depending upon the financing that was used, the project may be subject to review by the FTA, the California Department of Transportation (Caltrans), and/or review pertaining to the presence of tax-exempt bonds.

B. Community Outreach and Scoping

1. Community Engagement. 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.

2. 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. Within Metro, the Development Guidelines shall be informed by:

    a. Existing or planned transit stations or stops
    b. Metro Rail Design Criteria
    c. Input from the Metro Operations Department
    d. The First/Last Mile Strategic Plan
    e. The Complete Streets Policy
    f. The Sustainability Policy

g. The Supportive Transit Parking Plan (once completed and adopted)
h. The Public Restroom Policy
i. Other policies and departments as applicable

C. <u>**Competitive Solicitation Process:**</u>

1. <u>Solicitation.</u> After Board approval of the Development Guidelines, Metro will solicit proposals for joint development of the site through a Request for Information and Qualifications (RFIQ) and/or a Request for Proposals (RFP). The standard RFIQ/RFP procedure will be managed through the Vendor/Contract Management Department and will be consistent with Procurement Policies and must conform to FTA circular 7050.1, which governs joint development.

2. <u>Evaluation</u>. Joint development proposals shall be evaluated based on their support of the Joint Development Objectives and conformance with the site-specific Development Guidelines. Staff will assemble an evaluation panel generally consisting of key Metro personnel and a representative of the governing jurisdiction. Additionally, an urban design or development consultant, financial services consultant and/or local jurisdiction technical staff may be used to provide support and advisory services in the evaluation of proposals. The evaluation panel shall evaluate joint development proposals and advise the Metro Chief Executive Officer (CEO) on a developer to be recommended to the Board. The CEO may recommend a developer to the Board or defer joint development if none of the proposals maximize Joint Development Objectives.

3. <u>Unsolicited Proposals.</u> Neither Metro nor the FTA encourages unsolicited proposals. If Metro receives an unsolicited proposal for a joint development site, staff will evaluate the proposal and determine if further action should be taken. Unsolicited proposals shall only be recommended to the Metro Board for consideration under certain limited circumstances, including but not limited to:

   - The Metro property is a small or constrained site and the proposal is from an adjacent landowner(s) (or developer(s) with site control of adjacent properties) that make the Metro site feasible or better able achieve the Joint Development Objectives.
   - The proposal is feasible and meets the Joint Development Policy Objectives.

   In any case, unsolicited proposals on properties with an FTA interest are subject to FTA approval and FTA circular 7050.1. If these, and any other conditions identified during review of the unsolicited proposal are met, staff may recommend that the developer reach out to community stakeholders to seek input and then may recommend the proposal to the Metro Board. Even if these conditions are met, staff may open the site to a competitive solicitation process.

D. Development Phase:

1. Exclusive Negotiation Agreement and Planning Document. Before the CEO recommends the selected developer's proposal to the Metro Board, developer shall negotiate and sign an Exclusive Negotiation Agreement and Planning Document ("ENA"). (The ENA is not executed until both parties have signed.) The ENA will include a project concept, terms and conditions regarding community engagement, general planning and development goals, deposit and fees, design review and a predevelopment schedule agreed to by the proposed developer and Metro staff. Upon approval of a recommended developer and authorization by the Metro Board, the CEO shall execute the ENA with the developer.

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

a. Negotiate in good faith, including such project design and project financing information as necessary for Metro staff to negotiate a transaction.

b. In consideration for entering into the ENA, the developer shall provide Metro a non-refundable fee in an amount determined by the CEO but in no event less than fifty thousand dollars $50,000 or such other consideration as determined by the CEO or designee.

c. In addition to the fee, the developer shall also provide Metro with a deposit in an initial amount determined by the CEO or designee to pay Metro's actual costs to negotiate and evaluate the proposal, including certain Metro in-house and third party costs.

d. Create a robust community engagement plan that will carry throughout the design, entitlement and construction process for the project.

Metro Responsibilities under the ENA:

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

Term of the ENA:

f. 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.

2. Joint Development Agreement.

    a. Before the Metro Board can authorize a JDA for a project, the project must be environmentally cleared through the California Environmental Quality Act (CEQA). Metro is not the lead CEQA agency for joint development projects; the agency with local regulatory land use authority generally serves that function.

    b. Upon satisfactory fulfillment of the development requirements in the ENA, negotiation of acceptable terms, and adoption of CEQA findings by the lead agency, Metro staff will recommend to the Metro Board to (a) adopt the CEQA findings as a responsible party and (b) enter a Joint Development Agreement (JDA) for the implementation of a project. The JDA shall describe the rights and responsibilities of both parties. The recommendations may also include the terms for a Ground Lease, or another form of purchase and sale agreement as appropriate.

3. FTA Concurrence. Before LACMTA may enter into a ground lease, the project must seek and obtain concurrence from the FTA Regional office via a letter. Details on FTA requirements for concurrence are included in the Legal Framework section V.B Federal Guidelines.

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

5. Environmental Compliance. As noted above, Metro shall not approve or be committed to a project until the Metro Board - as a responsible agency under CEQA and/or NEPA - considers and analyzes the environmental impacts of the project. The project must be cleared through CEQA before a JDA or a Ground Lease can be approved by the Board.

V. LEGAL FRAMEWORK

A. Statutory Basis:

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

B. FTA Regulations:

Metro joint development sites which were acquired with assistance from the FTA are subject to FTA joint development policies. Current guidance in FTA Circular 7050.1 on FTA-funded real property for joint development, stipulates that joint developments follow four criteria:

1. Economic Benefit – project must enhance economic benefit or incorporate private investment.
2. Public Transportation Benefit – project must provide physical transit improvement or enhanced connection between modes.
3. Revenue – generally, project must generate a fair share of revenue (at least equal to the amount of original federal investment) and be used for public transportation purposes.
4. Tenant Contributions – tenants pay a fair share of the costs through rental payments or other means.

Metro joint development sites which were acquired with FTA funds are subject to and will follow FTA guidance as it is updated from time to time. Joint development projects will be reviewed individually by the FTA to ensure compliance.

In addition, Metro is responsible to ensure that joint development projects comply with FTA Title VI Civil Rights and Environmental Justice requirements. Compliance with Title VI will be required of developer's selected for joint development projects.

C. Local Jurisdictions:

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

EXHIBIT A: JOINT DEVELOPMENT PROCESS CHART

Metro Joint Development Process

STAGE	Initial Community Outreach	Developer Solicitation/ Selection**	Project Refinement, Joint Development Agreement (JDA) and Ground Lease (GL) Negotiations	Permitting and Construction
ACTIONS	>Community Meetings >Creation of Development Guidelines*	>Issue Request for Information and Qualifications (RFIQ) and/or Request for Proposals (RFP) >Evaluate Proposals >Community update	>Developers progress architectural design >Community outreach and input - several iterations >Entitlements and CEQA process*** >Negotiation of financial terms	>City engineering >Construction documents >City building permits >Seek Concurrence from FTA (for properties with federal interest) >City-related approvals >On-site construction >Occupancy
RESULT	Board approves Development Guidelines	Metro Board authorizes Exclusive Negotiation Agreement (ENA) with recommended developer(s)	Metro Board approves JDA and GL	Completed project
approximate overall time frame: 42 - 60 months				
	6 months	6 months	12 - 24 months	18 - 24 months

*Staff may undertake preliminary market analysis or related studies prior to the drafting of development guidelines.

**Once the RFIQ/RFP is released, Metro is in a "blackout" period. During this period, Metro cannot discuss the specific content of proposals until staff releases their recommendations for a developer. Metro can do general outreach to keep stakeholders appraised of the process and key dates.

***Proposed use requires local jurisdiction approval and may include environmental, zoning, and local plan consistency review and public hearings.

Metro