

Metro

Los Angeles County
Metropolitan Transportation
Authority
One Gateway Plaza
3rd Floor Board Room
Los Angeles, CA



Board Report

File #: 2016-0067, File Type: Motion / Motion Response

Agenda Number: 59.

**REGULAR BOARD MEETING
JANUARY 28, 2016**

SUBJECT: MOTION BY BONIN AND KUEHL (DIVISION 6 JOINT DEVELOPMENT STRATEGY)

Motion by:

Directors Bonin and Kuehl

January 28, 2016

Division 6 Joint Development Strategy

Metro Operations has completed deactivation of Division 6 concurrent with the phased opening/activation of Division 13. The Division 6 site is a 3.5 acre property located at 100 Sunset Avenue in Venice. The Site has been in operation as a transit facility for more than 60 years, thus an environmental assessment will be required prior to any decision is made about the future use of the site.

The Site is a significant opportunity to achieve Metro's goals for community-led development and transit-oriented communities. The Site is not encumbered by federal requirements to dispose of the property as surplus and operations staff have determined that the Site will not be needed for existing or future transportation needs. Venice's natural and economic assets and thriving economy make balancing competing demands for scarce land in this area essential. Venice's popularity has led to rising land values in both the commercial and residential real estate sectors, driving a need for affordable housing and mechanisms to preserve the economic diversity of Venice for small and local businesses.

Taking an active role in the development of the Site would provide the opportunity to address these pressing concerns, while creating a project that is fully compatible with the surrounding community and reflects the needs and desires of the neighborhood. In September 2015, the Metro Board approved revised Joint Development Policies and Processes ("JD Policy") and the updated policy calls for a robust community engagement process that actively engages community members at every development stage and would ensure this real estate opportunity delivers ongoing economic and community benefits.

In addition, Metro's Joint Development Program seeks to facilitate construction of affordable housing. The updated Policy requires 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 Policy also provides that Metro may discount ground leases below fair market value in

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order to incentivize affordable housing in its Joint Development projects.

Using the Joint Development program for the redevelopment of the Site would allow Metro to ensure that the agency looks broadly at its ability to have positive impact on creating transit supportive communities and increasing transit ridership. The Site fits within Metro's desired transit-oriented community (TOC) profile, due to the broad range of uses within walking distance of the Site, the presence of pedestrian- and bike-friendly infrastructure and proximity to transit. The Site is served by several high-ridership bus lines, including one of Metro's busiest Rapid lines, the 733, with 10-minute headways in peak hours.

Given the competing demands for land use in Venice and the high-profile location of this property, as well as Metro's commitment to supporting TOCs, using the Joint Development program to manage the redevelopment of this site would allow Metro to be a good neighbor and give back to the community that has hosted it for so many years.

APPROVE Motion by Directors Bonin and Kuehl that, upon completion of an environmental assessment, the CEO dedicate staff and resources to pursue re-use of the Site through Metro's Joint Development program. In doing so, Metro shall pro-actively engage with the Venice community in developing design guidelines for the Site and shall require the selected developer to create a community engagement plan that provides for ongoing community and economic benefits for the Venice community.