



Board Report

File #: 2018-0168, File Type: Policy

Agenda Number: 26.

**REVISED
PLANNING AND PROGRAMMING COMMITTEE
JUNE 20, 2018**

SUBJECT: TRANSIT ORIENTED COMMUNITIES POLICY

ACTION: ADOPT THE TRANSIT ORIENTED COMMUNITIES POLICY

RECOMMENDATION

CONSIDER:

- A. ADOPTING the Transit Oriented Communities Policy (Attachment A); and
- B. DIRECTING staff to develop a TOC Implementation Plan including metrics, and report back to the Board with the Implementation Plan in 18 months.

ISSUE

The voter-approved Measure M Ordinance identifies “Transit Oriented Community (TOC) investments” as an eligible transportation-related use of Local Return funds. The inclusion of TOC investments is based on the success of the Metro TOC Demonstration Program. However, a formal policy does not exist. A TOC Policy (Policy) will help ensure compliance with the Measure M Ordinance and related Board-adopted Guidelines by the cities and the county. The Policy also clarifies Metro’s role and commitment to leveraging transit investments to enhance and support complete communities.

The TOC Policy, included as Attachment A, was developed through an iterative review and discussion process with a working group made up of members, alternates, and delegates of the Policy Advisory Council (PAC), representing a diverse group of stakeholders (Working Group). The Policy also reflects feedback from the Board as provided at the May 16 meeting of the Planning and Programming Committee.

DISCUSSION

Background

The concept of Transit Oriented Communities was introduced to Metro in May 2015 by Chief Executive Officer Phillip A. Washington with the development of the TOC Demonstration Program. The aim of the TOC Demonstration Program was to identify ways to look beyond individual transit

oriented developments and identify how Metro could influence, implement and leverage its investments to have broader positive community impacts that increase ridership and improve quality of life. The TOC Policy is the evolution of the TOC Demonstration Program and will formalize Metro's definition of and approach to TOCs, clarifying Metro's role and commitment to leveraging transit investments for enhanced communities. The Local Return section of the Measure M Administrative Guidelines outlines a series of transportation purposes eligible for Local Return funds. The guidelines include "TOC Activities" as eligible transportation purposes, to be defined by the creation of a TOC Policy. Upon adoption by the Metro Board, the activities established in the Policy will be deemed transportation purposes, eligible for Measure M Local Return funds as well as other Metro transportation funds, subject to any specific compliance, requirements or regulations for those funds.

Policy Development and Stakeholder Engagement

The policy development process began at the January 9, 2018 meeting of the PAC. In addition to presenting the Policy, staff participated in a break out session with the PAC and members of the public, which included breaking into groups, brainstorming on key Policy issues to consider and report outs by each group. Following this meeting, the TOC Policy Working Group was established among PAC members, alternates, and delegates, creating a mix of representation across stakeholder groups (consumers, providers and municipalities), with the expectation that these groups collect and reflect feedback from their broader networks. The first Working Group meeting was held on January 22, 2018 and there have since been 9 meetings in total. Before each meeting, a draft section of the Policy was distributed to the Working Group to allow them time to review and engage with key stakeholders in their sectors and bring this feedback to each meeting. This created a collaborative and comprehensive policy development process.

About half-way through the Working Group process, staff returned to the PAC to provide an update on the Policy on March 13, 2018. After additional work with the Working Group, staff presented a draft Policy to the PAC on April 3, 2018. The final proposed Policy was presented at the June 5 PAC meeting.

Internal to Metro, the Policy (and related Nexus document) has been reviewed by County Counsel, the Senior Leadership Team, staff that implements the current Local Return program, and staff working on various workforce development and small business programs. These reviews ensured that language and policy direction is consistent with Metro's existing programs and initiatives and falls within administrative and legal parameters for funding.

Finally, staff participated in a Town Hall meeting hosted by ACT-LA on May 9 and presented the draft Policy to the Planning and Programming Committee at the May 16 meeting. Feedback from these discussions and additional review from the TOC Working Group has been incorporated into the final Policy. In particular, the section below on "Geographic Span" addresses feedback from the Metro Board's Planning and Programming Committee to ensure that TOC Activities have broad impact across Los Angeles County.

TOC Demonstration Program: Lessons Learned

Along with direction and feedback from core stakeholders, the TOC Policy was informed by lessons

learned from the TOC Demonstration Program, launched in October 2015. Focusing on eight (8) targeted sites, programs and projects, the TOC Demonstration Program showcased a more holistic approach to considering Metro's impact on and ability to shape transit supportive communities. Quarterly reports on the Demonstration Program shared progress on the sites/projects and also highlighted other efforts across the agency that demonstrate Metro's expansive approach to considering community. Key lessons from this exercise, which are reflected in the goals and activities in the TOC Policy, include:

1. *Clarity and commitment:* Metro must make clear our priorities in ensuring that our transit investments consider a more holistic approach to community development, and our role in identifying and addressing the positive and sometimes more challenging impacts of our investments;
2. *Deep and meaningful community engagement:* The successes realized during the TOC Demonstration Program were reflective of a commitment to meaningfully engage with stakeholders. This means developing new partnerships with organizations that can facilitate deeper engagement of harder to reach stakeholders and innovative approaches to engagement. In particular, programs such as the Business Interruption Fund, the Joint Development process of creating Development Guidelines and the recently adopted Blue Line First/Last Mile Strategic Plan are examples of a new form of partnership and innovation in community engagement.
3. *Enable and incentivize:* Metro does not have jurisdiction over land use or other community development efforts that support TOC goals, and therefore is not the entity that can enact many of the policies or programs that enable TOCs. The agency must identify ways to leverage its power as planner, builder and operator of the transit system, as well as being a major funding entity in Los Angeles County, to enable and incentivize municipalities to embrace and implement TOC supportive goals, policies and programs.
4. *Partnership and coordination:* Building on the notion of enabling and incentivizing, realizing TOC goals requires direct partnerships and close coordination with municipalities, in particular cities (and Los Angeles County), who hold regulatory land use control and ownership of the public right-of-way. Metro's efforts to achieve transit supportive land uses in station areas and corridors, implement first/last mile improvements, and facilitate joint development on Metro-owned land all require cooperation and ownership, at every stage, with cities and LA County.

These key lessons will be summarized in a final report on the TOC Demonstration Program.

Policy

The Policy defines the concept of TOCs for Metro, develops a set of goals, and establishes TOC Activities which, upon adoption by the Metro Board, will be eligible for Local Return Funds.

Definition of TOC: The Policy defines TOCs as places (such as corridors or neighborhoods) that, by their design, allow people to drive less and access transit more. A transit oriented community maximizes equitable access to a multi-modal transit network as a key organizing principle of land use planning and holistic community development. TOCs differ from Transit Oriented Development (TOD)

in that a TOD is a specific building or development project that is fundamentally shaped by close proximity to transit. TOCs promote equity and sustainable living in a diversity of community contexts by: (a) offering a mix of uses that support transit ridership of all income levels (e.g. housing, jobs, retail, services and recreation); (b) ensuring appropriate building densities, parking policies, and urban design that support accessible neighborhoods connected by multi-modal transit; (c) elevating vulnerable users and their safety in design; and (d) ensuring that transit-related investments provide equitable benefits that serve local, disadvantaged and underrepresented communities.

Goals: The Policy establishes the following set of overarching goals:

1. Increase transportation ridership and choice
2. Stabilize and enhance communities surrounding transit
3. Engage organizations, jurisdictions, and the public
4. Distribute transit benefits to all
5. Capture value created by transit

TOC Activities: The Policy also defines a set of TOC Activities, which are projects, programs, and policies that support, enable and incentivize TOCs. The TOC Activities in this Policy are intended to capture activities that are not otherwise explicitly defined in existing Metro policies or guidelines, but serve a transportation purpose. Eligible activities identified in the Policy include affordable housing, local business assistance, neighborhood amenities, grant assistance, land use planning, community engagement, and public improvements. While the Policy sets forth specific goals, the TOC Activities remain general in order to allow for innovation and for municipalities and partners to identify the appropriate programs and projects to achieve TOC goals. Staff has developed a Transportation Nexus document, included as Attachment B, to demonstrate how the TOC Activities identified serve a transportation purpose.

Geographic Span: The TOC Activities are defined according to 3 geographic areas: (1) “General Activities” which can be funded anywhere in LA County; (2) Within 0-3 miles of a High Quality Transit Stop; and (3) Within 0-1/2 mile of a High Quality Transit Stop. The Policy references the State of California definition of a High Quality Transit Stop (Stop) and notes that stops can be served by any transit operator. There are three factors that drive the use of these radii for determining eligibility of TOC Activities:

- 1) Transportation Nexus: As noted above, Board adoption of this Policy will define TOC Activities as a Transportation Purpose. Staff and our stakeholders referenced over 10 studies on the intersection of transit, land use, affordable housing and community development to develop the Transportation Nexus document (Attachment B). The radii recommendations reflect this research as well as existing Metro Board-adopted policies.
- 2) High Quality Transit Stop areas are broad: The map in Attachment C shows the area captured by the 0-1/2 mile radius around High Quality Transit Stops, for LA County. Review of the map demonstrates that this defined area, which is the most restrictive of the 3 geographic spans in the Policy, is broad and covers every region of LA County,
- 3) Matching Funds: The Measure M Local Return Guidelines require that these funds are

matched with other funding sources. State and Federal funding for transit oriented real estate activities such as affordable housing and small business development generally target a ¼ - ½ mile radius around transit stations. Matching the TOC geographic span to that of available funding sources can facilitate the ability of projects to secure matching funds.

Edits to Draft Policy: After review by the Metro Board, additional stakeholder feedback and a follow up meeting with the TOC Policy Working Group, minor typographical edits were made to the Policy. The only substantive change to the Policy was the addition of a definition for Neighborhood Serving Amenities.

Implementation: All TOC Activities are subject to the requirements of the applicable funding program. Many of the TOC Activities outlined in the Policy will be implemented by municipalities and other eligible partners; some will be directly implemented by Metro through existing programs such as Joint Development, First/Last Mile planning and the TOD Planning Grant, and others Metro will allow, enable and incentivize local partners to fund and implement. Metro staff will ask the following questions to determine which TOC Activities Metro will implement directly versus funding, enabling or incentivizing:

- *Jurisdictional role* - Is the TOC Activity within Metro's functional jurisdiction?
- *Funding sources* - Does Metro have the funds necessary to implement the activity and what governs how those funds are spent? Are the funds committed to other projects and programs?
- *Staffing Resources and Expertise* - Does Metro have sufficient and appropriate staffing resources and technical expertise to carry out the TOC Activity without impacting existing priorities, approved programs, projects and service delivery?

Implementation Plan and Metrics

During the Policy development process, stakeholders were clear in their desire for Metro to build accountability and transparency into its TOC program. Staff recommends that the Board direct development of an Implementation Plan that includes metrics, which, once completed, will be reported on through an annual TOC Report. Development of the Implementation Plan will take place over the next 18 months, concurrent with the development of the Long Range Transportation Plan (LRTP) TOC Policy Framing Paper. The framing document is part of the LRTP process and will provide further clarity on Metro's role in achieving TOC goals over the long term.

DETERMINATION OF SAFETY IMPACT

Adoption of the TOC Policy will not have a direct impact on safety. Implementation of TOC Activities, such as public improvements that lead to Complete Streets and First/Last Mile projects could improve safety for transit patrons, employees and contractors.

FINANCIAL IMPACT

Adoption of the TOC Policy will not have a financial impact to the agency. TOC Activities can be funded by Measure M Local Return funds, which are dedicated to and controlled by local municipalities, as directed in the Measure M ordinance. Other ongoing activities that realize TOC goals (for example Joint Development, First/Last Mile planning, and the TOD Planning Grant) are already part of the FY19 adopted budget.

Since Metro's internal TOC Activities are multi-year, the cost center manager and Chief Planning Officer will be accountable for budgeting the cost in future years.

Impact to Budget

Existing TOC Activities across Metro are broad and funded through a variety of sources, including Local - General Fund ROW lease revenues, as well as various grants and sales taxes. There is no one programmatic source of funds for TOC Activities. Generally, these funds are eligible for bus and rail operating and capital expenses. The adoption of the TOC Policy will not impact ongoing bus and rail operating and capital costs, the Proposition A and C and TDA administration budget or the Measure R administration budget as no additional programs or projects are being recommended.

ALTERNATIVES CONSIDERED

The Board could choose not to adopt the final TOC Policy. This is not recommended, as development of the Policy is a requirement of the adopted Local Return guidelines. In addition, the Policy was developed through a transparent and iterative process with various internal and external stakeholders, with a draft review by the Metro Board.

The Board could chose not to direct staff to develop an Implementation Plan and performance metrics. This is not recommended, as staff received clear indication from stakeholders, including testimony at the May 16th Planning and Programming Committee, that this next step is critical to creating a transparent and accountable TOC program.

NEXT STEPS

With the adoption of the TOC Policy, staff will begin work on a TOC Implementation Plan and metrics, concurrent with the LRTP TOC Topical Framing Paper. The Implementation Plan will be brought to the Board for consideration and will be followed with an annual TOC Report that will be published to ensure accountability and transparency.


The TOC Policy, along with the Implementation Plan, will replace the TOC Demonstration Program as the permanent TOC Program. Staff will prepare a summary document on lessons learned from the TOC Demonstration Program.

ATTACHMENTS

Attachment A - TOC Policy_Final - REVISED
Attachment B - Transportation Nexus
Attachment C - HQT Map

Prepared by: Marie Sullivan, Manager, Transportation Planning, (213) 922-5667
Jenna Hornstock, EO, Transit Oriented Communities (213) 922-7437

Reviewed by: Therese W. McMillan, Chief Planning Officer, (213) 922-7077



Phillip A. Washington
Chief Executive Officer