

**Board Report**

---

**File #:** 2021-0409, **File Type:** Agreement**Agenda Number:** 31.

---

**EXECUTIVE MANAGEMENT COMMITTEE  
JULY 15, 2021****SUBJECT: PARTNERSHIP FOR HOUSING ACCELERATION****ACTION: APPROVE RECOMMENDATION****RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to execute a Memorandum of Understanding between the Southern California Association of Governments and Metro for reimbursement of up to \$1,600,000 for work associated with the implementation of the updated Joint Development Policy, the proposed Housing Lab, and accelerating the production of housing through the Joint Development program.

**ISSUE**

The Board of Directors adopted an updated Joint Development (JD) Policy in June 2021 in order to streamline JD projects, bolster Metro's commitment to affordable housing, and encourage innovation around housing and equity. Housing affordability is a state-wide issue, and the Southern California Area of Governments (SCAG) is funding regional partners to complete planning activities that will accelerate housing production with funds made available by the State of California. The opportunity is well-timed to expedite the implementation of the JD Policy. To that end, SCAG and Metro have negotiated a scope of work in which SCAG will reimburse Metro for up to \$1,600,000 for work associated with the implementation of the updated JD Policy, the proposed Housing Lab, and other work associated with accelerating the production of housing.

**BACKGROUND**

The JD Policy was updated in June 2021 in order to address the worsening issues of housing undersupply, affordability and homelessness in LA County. The new JD Policy proposes a Housing Lab to encourage innovation around housing and equity, a new methodology for ensuring neighborhood stabilization and housing alignment, and a system of metrics for measuring policy outcomes.

The State of California 2019-20 Budget Act, also known as Assembly Bill (AB) 101, appropriated a new one-time program to fund planning activities that enable regions and jurisdictions to accelerate housing production and meet housing needs established by the Regional Housing Needs Assessment (RHNA). Under the Regional Early Action Planning (REAP) Program, SCAG and other designated councils of governments design their program frameworks for implementation of eligible REAP planning activities supporting regional policy objectives to accelerate housing production.

## **DISCUSSION**

Metro and SCAG staff have developed a scope of work aimed at expediting implementation of key elements of the JD Policy including strategic planning, advanced feasibility studies, community outreach, surveys and metrics, and the Housing Lab. A Memorandum of Understanding (MOU) is required to authorize the formal partnership and scope of work between SCAG and Metro and to facilitate the transfer of grant funds. The grant will pay for two temporary fellowship positions as well as consultant costs to complete the following scope of work:

- A Strategic Plan will identify Metro's JD priorities for the next five to ten years and identify the resources and steps required to accelerate equitable development.
- A Parking and Station Access Strategy will evaluate station access along a transit corridor as a whole, allocating parking holistically to unlock more Metro land for housing
- Advanced Feasibility Studies for specific JD sites will provide additional analysis on market conditions and zoning requirements at the time of site selection.
- Asset Mapping to help Metro better understand opportunities to build on existing community resources in JD projects.
- Neighborhood AMI Methodology will analyze incomes and prevailing market rents for neighborhoods in which projects are proposed, with the goal of delivering units that would be affordable to people who live in the neighborhood.
- A System of Metrics and Housing Dashboard will help to measure the true benefit of transit-oriented housing through an annual tenant survey that would enable JD to track metrics such as transit use, demographic data (as allowed/feasible), and empirical data on the effectiveness of the JD program.
- The Housing Lab will explore housing innovations on a pilot basis to test new methods for achieving outcomes faster, more efficiently, and more equitably. Strategies may include land banking, community land trusts, partnerships to finance preservation or construction of moderate-income housing, modular/ prefab technologies, and alternate typologies such as micro-units and co-housing.

The period of performance under the grant is from the date of execution to June 30, 2023. The MOU requires quarterly and annual reporting along with a project close-out report.

## **DETERMINATION OF SAFETY IMPACT**

The recommended action will not have any direct impact on safety.

## **FINANCIAL IMPACT**

The recommended action has been budgeted in the 2022 Fiscal Year and will be reimbursed by the SCAG REAP Program. Since this is a multiyear program, the Chief Planning Manager, Project Manager, and Cost Center Manager will be responsible and accountable for budgeting the remaining program funds in subsequent fiscal years. The 2022 Fiscal Year funds will be programmed in the Joint Development Cost Center, 2210, in Project 610011. A new Task Number will be created to track the programmed funds.

### Impact to Budget

The source of funds for the Housing Lab are provided by SCAG through the REAP Program and are not eligible for bus/rail operations or capital expenses. The recommended action will have no impact on the 2022 Fiscal Year budget.

### EQUITY PLATFORM

One of the most powerful ways Metro can improve Angelenos' access to opportunity is by leveraging Metro property for housing and other community benefits. Funding through the SCAG grant will accelerate Metro's delivery of housing and community benefits under the updated Joint Development Policy.

The Partnership for Housing Acceleration aims to accelerate delivery of income-restricted housing throughout LA County as means to alleviating the structural inequities that are exacerbated by the regional housing shortage. The strategic planning efforts will also prioritize the needs of historically underserved communities by prioritizing the JD work program according to equity focus communities, communities at risk of gentrification, and areas with greater access to opportunity. Consistent with the JD Policy, projects that are prioritized through the strategic planning effort will be carefully considered and designed in partnership with the surrounding community, to elevate projects that will uplift and enhance communities and, as much as possible, reduce historic burdens or harm.

Community outreach and asset mapping will be prioritized in the work, with the goal to proactively avoid any potential negative consequences to communities. The Neighborhood AMI methodology, introduced in the adopted Joint Development Policy, combined with this Partnership strategic planning will facilitate, prioritize low-income communities and communities of color and seek to providing housing units that are accessible to the pre-existing communities in which projects are built and to stabilize rather than gentrify neighborhoods. Data collection and reporting will verify the impacts of the work and allow for iterative changes to focus benefits for marginalized groups.

### IMPLEMENTATION OF STRATEGIC PLAN GOALS

The partnership for housing acceleration is fulfilling Strategic Plan Goal 3.2 by seeking to catalyze TOCs with affordable housing and stabilize neighborhoods, and Goal 3.4 by playing a leadership role in addressing homelessness.

### NEXT STEPS

Staff will finalize and negotiate the attached form of MOU, set up accounting and reporting procedures consistent with the MOU requirements, and seek to fill the fellowship positions.

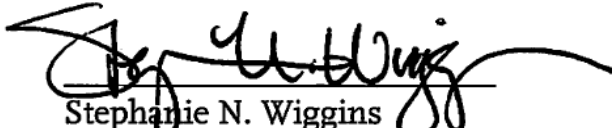
### ATTACHMENTS

Attachment A - REAP Funding Memorandum of Understanding

Prepared by: Marie Sullivan, Manager, Countywide Planning & Development, (213) 922-2556  
Wells Lawson, DEO, Countywide Planning & Development, (213) 922-7217

Nick Saponara, EO, Countywide Planning & Development, (213) 922-4313  
Holly Rockwell, SEO - Real Estate, Transit Oriented Communities and Transportation  
Demand Management, (213) 922-5585

Reviewed by: James de la Loza, Chief Planning Officer, (213) 922-2920



Stephanie N. Wiggins  
Chief Executive Officer