



Board Report

File #: 2025-0419, File Type: Motion / Motion Response

Agenda Number: 17.

PLANNING AND PROGRAMMING COMMITTEE MAY 14, 2025

Motion by:

DIRECTORS SOLIS, BASS, HAHN and YAROSLAVSKY

Southeast Gateway Line Phase 2 - Creating Housing and Opportunity Through Transportation and Partnership Motion

Metro's Southeast Gateway Line (SGL) is a transformative light rail transit (LRT) project that will connect the cities and communities of southeast Los Angeles County to Downtown Los Angeles. It will also provide connections to other Metro bus and rail lines and expand access to transit across the region.

In January 2022, the Metro Board of Directors selected the Project's locally preferred alternative (LPA), a 14.5-mile LRT alignment between the City of Artesia and the Slauson/A Line Station. At that time, the Board also selected Los Angeles Union Station (LAUS) as the northern terminus of the project, completing the transit corridor and approved a motion from Directors Hahn, Solis, Garcetti, Mitchell, and Dutra (2022-0023) that adopts, as policy, that the entire Project be declared complete once it provides a single-seat ride via rail from the City of Artesia to LAUS. The motion also directed staff to identify concepts that would lower the project capital cost, make it competitive for "New Starts" Grant Funding, and reengage the community to best define a project (including station design and locations) to meet the changing mobility needs of Little Tokyo, Arts District, LAUS and the surrounding area. Metro staff is in the final stages of analyzing the LAUS study.

The final segment of the Project traverses through equity-focused communities. It could generate substantial economic benefits for the residents of those communities by incentivizing new housing development and creating thousands of good-paying jobs. The Project is consistent with the City of Los Angeles Downtown 2040 Community Plan. Undergrounding the final segment of the SGL Project, specifically its alignment through Downtown Los Angeles north of the I-10 freeway, would create an opportunity to support transit-oriented housing, foster equitable economic growth, and encourage multi-modal transit opportunities. It's reassuring to note that community stakeholders have primarily supported undergrounding the SGL line through Downtown Los Angeles.

Solutions Alameda Coalition (SAC), a community-led organization, has been studying whether an Enhanced Infrastructure Financing District (EIFD), as authorized by state law after the dissolution of redevelopment agencies in California, could help raise funds both for the light-rail line and additional investment along the Northern Alameda Corridor, such as support for affordable housing, additional

public infrastructure upgrades along the corridor, and resources for Skid Row, which is adjacent to the Corridor, that are consistent with the County of Los Angeles' Skid Row Action Plan and other City of Los Angeles Skid Row priorities. Initial analysis has demonstrated immense potential to generate substantial funds for these purposes, but only if Concept 1 (the underground alignment north of the 10-fwy) is pursued. SAC's initial studies anticipate that an EIFD could generate as much as \$2,500,000,000 in additional City and County tax increment funding to provide Metro with the additional capital to fund this project.

Additionally, on September 22, 2024, the Governor signed Assembly Bill (AB) 761, introduced by Senator Laura Friedman (D-Glendale) and supported by Metro. The bill extended the lifespan of an EIFD for passenger rail projects in Los Angeles County from 45 to 75 years, aligning it with TIFIA loan terms. Currently, the TIFIA program provides federal credit assistance, including loans and guarantees, to support major transportation projects. This federal loan program, amongst others, is a potential funding source for the project that Metro should be considering.

SUBJECT: SOUTHEAST GATEWAY LINE PHASE 2 - CREATING HOUSING AND OPPORTUNITY THROUGH TRANSPORTATION AND PARTNERSHIP MOTION

RECOMMENDATION

APPROVE Motion By Solis, Bass, Hahn and Yaroslavsky that the Board adopts a position supporting the City of Los Angeles and the County of Los Angeles in their efforts to establish an Enhanced Infrastructure Financing District (EIFD) along portions of the project's alignment.

WE FURTHER MOVE that the Board directs the CEO to:

- A. At the commencement of the environmental review for the project direct staff to:
1. Prioritize investigations for the LAUS segment that includes an underground alignment through downtown Los Angeles north of the 1-10 freeway;
 2. Ensure that persons staying in the Skid Row area, and other housing-insecure residents living along the alignment, have access to housing and supportive services during project construction;
- B. Direct staff to coordinate with the City of Los Angeles and the County of Los Angeles in their efforts to establish an EIFD to:
1. Provide an additional funding source for the LAUS through Downtown Los Angeles segment, either as a repayment source for Metro's financing or to offset project costs; and
 2. Through a framework that is centered on community benefits, discuss and collaborate on all future potential transit-oriented developments, first/last mile planning and implementations, and affordable housing and joint development opportunities.