



Board Report

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REVISED
AD HOC SUSTAINABILITY COMMITTEE
FEBRUARY 15, 2017

SUBJECT: AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM STRATEGY AND POLICY FRAMEWORK

ACTION: APPROVE UPDATES TO THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM STRATEGY AND POLICY FRAMEWORK

RECOMMENDATION

APPROVE updates to the Affordable Housing and Sustainable Communities (AHSC) Program Strategy and Policy Framework, as shown in Attachment A

ISSUE

Metro has actively participated in the first two program years for the AHSC funding program, part of the larger portfolio of “cap-and-trade” programs made available by the State of California. The recommended action would better align Metro’s efforts and resources with objectives for the program, while continuing to support projects that advance Metro and locally identified priorities.

DISCUSSION

In January 2016, the Metro Board of Directors approved the AHSC Program Strategy and Policy Framework. That strategy was intended to align and direct Metro’s efforts around the AHSC Cap-and-Trade funding program, and to achieve the following objectives:

- Improve competitive standing of Los Angeles County projects;
- Inspire high quality, high impact project applications; and
- Secure funding for Metro Board programs, notably First/Last mile

Current Results

As reported to the Ad Hoc Sustainability Committee, Metro staff has worked extensively to position successful projects from Los Angeles County for the AHSC program through the 2015 and 2016 program years. These efforts have resulted in 17 successful project applicants from the county, including two projects with sub-awards coming to Metro to augment the downtown Los Angeles bike share pilot. These successful projects equate to 30% of total projects awarded.

As a whole, the program is still a work in progress, especially in terms of Metro's key objective of seeking meaningful, strategic investment in transportation infrastructure. The Strategic Growth Council made several adjustments to the program guidelines between year one and year two, which incentivized and enabled many projects to fund improvements to transportation infrastructure with a broad public benefit.

Nevertheless, substantial issues remain with the program, notably the continued complexity and time commitment of structuring competitive projects and forming partnerships. To that end, Metro continues to be concerned that only large jurisdictions are able to successfully compete for AHSC dollars. Of the 17 awards in Los Angeles County, 16 have been within the City of Los Angeles (the other to Signal Hill). At the same time, implementation of Metro's AHSC Policy and Strategy Framework also requires substantial ongoing effort to help achieve these results.

The current status of the AHSC program is somewhat up in the air. The schedule for 2017 has been delayed and is pending both a potential round of guideline revisions as well as further certainty on the overall status of the cap-and-trade portfolio and fund availability. We do expect that the program will proceed with an application process in the summer of 2017, subject to future updates.

Key Policy Provisions

The Metro AHSC Strategy and Policy Framework contains the following key provisions:

Menu of transportation components. Metro publishes a listing of potential Metro infrastructure investments that can be included in project applications, as conditions permit

Technical Assistance and Capacity Building. Metro collaborates with other entities in Los Angeles County, including LA Thrives, LA n Sync, Enterprise Community Partners, and SCAG to provide technical assistance to jurisdictions and developer applicants.

Ability to Partner/Requirement for local resolution showing policy consistency. Metro has made itself available to partner with applicants/developers, as well as to participate or provide material support to applications in a broad range of circumstances. As noted, developing project applications is a labor intensive process, with success often determined by factors beyond Metro's control. The current policy requires the local jurisdiction where a project is located to adopt a resolution supporting and acknowledging Metro's priorities. In 2016, only the City of Los Angeles adopted a resolution.

Suggested Adjustments

At this time Metro remains committed to facilitating success of the program within Los Angeles County. At the same time, we have dedicated substantial staff resources to other initiatives including implementing Measure M projects and pursuing first/last mile activities directed by the Board. As such, staff recommends recasting our AHSC activities as follows:

- Consider partnership/participation in project applications with a clear benefit to Metro (policies, i.e., First/Last Mile, Complete Streets, Transit Oriented Communities) but do not broadly commit participation to multiple projects. Metro staff will direct its efforts toward proposals with

clear Board policy alignment, local commitment and engagement, and viability within the AHSC Guidelines;

- Strongly encourage the adoption of a local resolution prior to Metro participation, but do not require it as this may create an additional barrier for participation among smaller jurisdictions;
- Continue to participate in technical assistance efforts along with partnering entities as described. Collaborative technical assistance for AHSC efforts are augmented by Metro's newly available capacity building and technical assistance programs, notably First/Last Mile Training begun in January 2017 and Complete Streets Training begun in December 2016. These trainings are geared to local agencies and prompt the development of local plans consistent with Metro policies and that align with AHSC eligible components. Further, Metro's on-going grant technical assistance efforts will be augmented by recent Board direction on First/Last Mile Implementation (Motion 14.1 - May 2016). These resources can also be directed toward AHSC project applications particularly, noting that substantial AHSC related grant technical assistance is already provided through other entities; and
- Other updates and adjustments to reflect current activities.

Attachment A shows recommended revisions to the AHSC Strategy and Policy Framework in a markup format.

FINANCIAL IMPACT

Staff time for participation in the AHSC program is included in the FY17 adopted budget in Cost Center 4340, Sustainability Policy and Programs, Project 450009, Sustainability Transportation Demo. Budgeted staff time has not been adequate to cover actual participation in prior years. The recommended adjustment would bring our activities more in line with budgeted and available resources.

Impact to Budget

The sources of funds are Propositions A, C and TDA Administration which is not eligible for bus and rail operating and capital expenses.

ALTERNATIVES CONSIDERED

Metro may decide to continue with its previously adopted strategy without adjustments. This is not recommended due to available resources to adequately participate in the program, as well as the potential for smaller jurisdictions to benefit from Metro's efforts.

NEXT STEPS

As noted, the schedule for the 2017 program year is to be determined by the state. Metro will provide further updates to the Committee as the program is finalized and will proceed with activities to facilitate Los Angeles County projects as described.

ATTACHMENTS

Attachment A - Strategy and Policy Framework Proposed Revisions - February 2017

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