



**Board Report**

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**File #:** 2021-0377, **File Type:** Ordinance / Administrative Code

**Agenda Number:** 33.

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**EXECUTIVE MANAGEMENT COMMITTEE  
JULY 15, 2021**

**SUBJECT: MEASURE R ORDINANCE AMENDMENT**

**ACTION: APPROVE RECOMMENDATIONS**

**RECOMMENDATION**

CONSIDER:

- A. APPROVING the Measure R Ordinance Amendment (Attachment A);
- B. APPROVING the Measure R Transit Program Guidelines (Attachment B);
- C. PROGRAMMING of projects in the Measure R South Bay Transit Investments program, as shown in Attachment C; and
- D. AUTHORIZING the CEO or their designee to negotiate and execute all necessary agreements and/or amendments for approved projects, including:
  - 1. the potential future reassignment to the Inglewood Transit Connector Joint Exercise of Powers; and
  - 2. advancement of \$1.9 million in working capital funds as part of the funding agreement.

(REQUIRES 2/3 VOTE OF THE FULL BOARD)

**ISSUE**

This Board action approves an amendment to the Measure R Ordinance (the Ordinance) to allow transfers between the highway and transit subfunds and adds a program of transit projects requested by the South Bay subregion.

The added program of projects is for transit uses and would be the first Measure R transit program. This action approves Measure R Transit Guidelines that create a process and eligibility requirements to ensure the requested uses of funds for this program are consistent with the provisions of the Ordinance, existing Board policy, and other statutory requirements.

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Should the Board approve the amendment and guidelines, this item would program \$233.7 million of funding from Fiscal Year (FY) 2021-22 through FY26 for the Inglewood Transit Connector (ITC) project, as a component of the South Bay Transit Investments program. The Board's approval will serve as the basis for Metro to enter into a funding agreement with the implementing agency.

The City of Inglewood intends to transfer the ITC assets, including any grant and funding agreement, to a joint powers authority. Metro's Measure R funding agreements have historically included a provision that the grantee cannot assign it without the approval of the Metro CEO or designee. This Board item gives authorization to allow an assignment to the joint powers authority as a provision in the planned funding agreement.

The City of Inglewood has requested that \$1.9 million is advanced to the city, as opposed to the standard process where Metro reimburses the recipient of Measure R funds for documented expenditures. The city has requested the advance to avoid a loss of interest earnings on city cash balances and or interest cost on any loaned funds.

## **BACKGROUND**

The Metro Board approved the amendment language at the June 2020 Board meeting. The approval started a 365-day notice period to the Los Angeles County representatives in the state legislature. The Ordinance requires that any proposed amendment be presented at a public meeting, which is noticed to the Los Angeles County Board of Supervisors and the city council of each city in Los Angeles County, and reviewed by the Measure R Oversight Committee. The Measure R Oversight Committee reviewed the amendment language and approved a resolution that the amendment furthers the purpose of the Ordinance at its November 2020 meeting.

The Measure R Ordinance can be amended upon two-thirds vote of the Board. However, any amendment to provide for a transfer of moneys between the highway and transit subfunds can only occur every ten years, beginning 2020.

## **DISCUSSION**

The amendment transfers \$400,000,000 of Measure R highway funds to the transit subfund, resulting in funding for a new Measure R transit program. The South Bay subregion was the only entity to request an amendment and asked that \$400,000,000 from the "Interstate 405, I-110, I-105, and SR-91 Ramp and Interchange Improvements (South Bay)" Measure R highway program is transferred to a new "South Bay Transit Investments" program. South Bay identified a list of project names that could potentially be submitted to Metro for funding from the new transit program, and this list is added as a footnote to the Expenditure Plan.

The amendment also allows surplus funds, which exist if less than the amount of funding identified in the Measure R Ordinance Expenditure Plan is spent on a project or program, to be used on either highway or transit. This will allow any surplus from a Measure R highway project, including the "Interstate 5 North Capacity Enhancements from SR-14 to Kern County Line (Truck Lanes)" and "I-5 Capacity Enhancement from SR-134 to SR-170," to be spent on transit uses.

The Board action approves guidelines for requesting and obtaining funding from Metro for the new transit program, to ensure compliance with Ordinance restrictions and Board policies that affect subregional programs. The guidelines give South Bay the opportunity to submit information on requested uses of funds, including a project description, cost estimate, project schedule, and proposed uses of funds. Upon a compliance review by Metro staff, the proposed uses will be presented to the Board. There is no restriction on the annual or total dollar amount requested or programmed to South Bay, up to \$400,000,000, as there were no comparable restrictions on the Measure R Highway Programs.

### South Bay Transit Investments Program

The South Bay subregion is represented by the South Bay Cities Council of Governments (SBCCOG) and includes the cities of Carson, El Segundo, Gardena, Hawthorne, Hermosa Beach, Inglewood, Lawndale, Lomita, Manhattan Beach, Palos Verdes Estates, Rancho Palos Verdes, Redondo Beach, Rolling Hills, Rolling Hills Estates, Torrance, and communities of the City of Los Angeles, and unincorporated areas of the County of Los Angeles. The SBCCOG submitted the required information for the Inglewood Transit Connector project to Metro staff in June 2021, in accordance with the draft guidelines (Attachment B). The SBCCOG will be given the opportunity to submit additional project information to be funded from the South Bay Transit Investments program for Metro Board consideration in September 2021.

### EQUITY PLATFORM

The Measure R amendment affects a funding program where the use of the funds is determined by the South Bay subregion. The amendment will fund and help deliver transit investments in the subregion, which may provide access to opportunity for communities in need and historically underserved, presuming the future ridership reflects the current rider demographics in the regional Los Angeles County transit system. It is unclear whether this amendment helps respond to or address an identified or expressed need from marginalized communities, or there are disparities in access to transit in the South Bay, as public information on the potential uses is limited and has yet to be submitted to Metro, with the exception of the ITC. The list of potential uses includes the cities of Gardena and Carson, which have Equity Focus Communities as identified by Metro. The City of Inglewood has prepared a draft environmental impact report for the ITC and this document does not specifically include information on marginalized communities or disparities in access to transit. However, the report states that the ITC would be consistent with the city's Environmental Justice Element of its general plan, which focuses on issues of equity when planning for future growth and development in the city. Environmental Justice is a prominent issue in the city as residents primarily reside in disadvantaged communities and the City of Inglewood ranks among the top 25 percent in California with the highest pollution burden and socioeconomic vulnerabilities. The ITC project would also be entirely within or adjacent to Equity Focus Communities as identified by Metro.

### FINANCIAL IMPACT

#### Impact to Budget

Funding for the new South Bay Transit Investments program is not included in the FY22 budget.

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Should the Board approve the amendment and guidelines, and South Bay submit acceptable transit uses, the program may need to be funded in FY22. The source of funding would be a transfer of available cash from the Measure R highway subfund.

Multi-Year Financial Impact

The amendment would transfer highway funds to transit and defund ten Measure R highway projects that were approved as part of the Measure R Highway Program, received \$62 million for planning work, but have not yet started construction. If these projects continue to be pursued, a source of funding for the estimated \$412 million (excluding contingency) would be needed to complete construction. If construction is pursued after a delay to any of the projects, this may require that environmental and or design work is redone given the time lapsed.

**IMPLEMENTATION OF STRATEGIC PLAN GOALS**

This item may help provide high-quality mobility options that enable people to spend less time traveling (Goal #1) and provides responsive, accountable, and trustworthy governance within the Metro organization (Goal #5).

**NEXT STEPS**

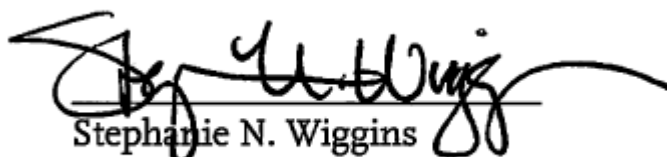
Upon Board adoption, the amendment will take effect in forty-five days. Metro staff will contact the South Bay subregion and solicit any proposes uses for the new Measure R Transit Program.

**ATTACHMENTS**

- Attachment A - Measure R Ordinance Amendment
- Attachment B - Measure R Transit Program Guidelines
- Attachment C - South Bay Transit Investments Project List

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