

**Board Report**

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**REGULAR BOARD MEETING
FEBRUARY 22, 2024****Motion by:****DIRECTORS SOLIS, BASS, DUPONT- WALKER, HORVATH, and SANDOVAL**

Motion Related to Item 12: Empowering Community Through an Inclusive Community Benefits Agreement

In April 2018, the Metropolitan Transportation Authority (Metro) received an Unsolicited Proposal from Aerial Rapid Transit Technologies LLC (ARTT), a private entity, to fund/finance, design, construct, operate, and maintain the Los Angeles Aerial Rapid Transit (LAART or Project), a gondola connecting Union Station and the Dodger Stadium. The following year, Metro and LAART executed a Memorandum of Agreement (MOA) for Metro to be the Lead Agency under the California Environmental Quality Act (CEQA) and for LAART to reimburse Metro for all related expenses (Attachment A). ARTT later transferred the Project to Zero Emissions Transit (ZET), a subsidiary of the climate advocacy non-profit Climate Resolve. As the authority over all public mass transit guideway systems in Los Angeles County, Metro is principally responsible for determining whether to approve the LAART project or not (Cal. Code Regs. tit. 14, § 15367; Cal. Pub. Util. Code § 130252).

Metro released the Final Environmental Impact Report (FEIR) for the Project in December. This came after the release of the Draft Environmental Impact Report (DEIR) for a 90-day public comment period from October 2022 to January 2023, and numerous virtual and in-person community meetings featuring multilingual translation and materials. Now, the Metro Board is being asked to consider approving the Project and certifying the FEIR. While the Project will still require approval and permits from the City of Los Angeles, California Department of Transportation (Caltrans), and California Department of Parks and Recreation (State Parks) and will return to the Metro Board to approve a lease of property at Union Station, this action, the first time the Metro Board has weighed in, represents a major step for the Project.

The proposed gondola, stretching roughly 1.2 miles between Union Station and Dodger Stadium and including an intermediate station near Metro's Chinatown A (Blue) Line Station, would include a maximum capacity of approximately 5,000 people per hour in each direction. In 2023, Dodger Stadium averaged 47,371 fans over the team's 81 home games.

In considering the Project, it is crucial for the Board to prioritize equity, historical context, community concerns, and informed transportation planning decisions.

Historical Context

The neighborhoods principally impacted by the Project - Chinatown and Elysian Park - have a rich culture and heritage. However, these communities have a complicated history of being undermined by infrastructure-related projects. Acknowledging this fact, Metro is currently showcasing an art exhibit at Union Station titled "Where You Stand: Chinatown 1880 to 1939" (Attachment B), which delves into the original Chinatown's demolition for the development of Union Station in the 1930s. The neighborhood, established in the 1800s, was home to Chinese immigrants, many of whom helped build the western portion of the first transcontinental railroad. Despite their contributions to Los Angeles, Chinese Americans faced legalized discrimination, including denial of basic rights like voting, and experiencing racially motivated violence, such as the Los Angeles Chinese Massacre of 1871. Nevertheless, the Chinese American community developed a bustling neighborhood featuring a Chinese opera theater, temples, and unique architecture. To ensure that these events are not forgotten, the City of Los Angeles and El Pueblo de Los Angeles Historical Monument announced in May 2023 a memorial selection to commemorate the massacre.

Then, in the mid-20th century, after rebuilding its community at its current location, the Chinatown community, again, was involuntarily sacrificed for transportation projects. This time, for the construction of our freeway system. The I-110 and US-101 freeways were built in a way that cut through and destroyed much of the community, resulting in the displacement of residents and businesses. For example, the construction of the Hollywood Freeway in the 1950s led to the demolition of homes and businesses in Chinatown. Additionally, the construction of the freeways caused an increase in noise and air pollution, further deteriorating the quality of life for the remaining community occupants. Furthermore, US 101 currently creates a physical and metaphorical barrier between Chinatown and Downtown's economic engine, making it difficult for Chinatown residents to access economic opportunities. Despite the challenges the Chinatown community faces, they have worked tirelessly to preserve their cultural identity and rich history. Today, Chinatown is a thriving center of culture.

The neighborhood of Elysian Park, also known as Chavez Ravine, has a dark history that includes the use of infrastructure against marginalized communities and unfulfilled promises. The community was comprised of three predominantly Mexican-American neighborhoods: Palo Verde, La Loma, and Bishop. Racially discriminatory practices, such as racial covenants and redlining, spurred the neighborhood's growth. As a result, numerous Latino families settled in Elysian Park, where they established their own schools, churches, and culture.

In the 1940s, City officials considered Chavez Ravine a "blight." The Housing Authority of the City of

Los Angeles voted to demolish the existing 1,800-family community and replace it with a massive public housing project using federal funds. However, many residents resisted, leading to a ten-year standoff. By 1959, Los Angeles County Sheriffs forcibly removed and arrested some of the final residents. Reports document numerous instances of systemic processes used against Spanish-speaking residents, who were forced to accept compensation well below the property's fair market value. Many other residents did not own property and, thus, were not compensated at all.

During the 1950s, the public's support for public housing projects declined among both elected officials and the public. At the same time, rumors circulated that the Brooklyn Dodgers were considering relocating to Los Angeles. In 1957, before all the remaining residents of Chavez Ravine had been relocated, the Los Angeles City Council made the decision to transfer ownership of the land to the Dodgers, abandoning the proposed public housing project. In a referendum held that same year, voters narrowly approved the land transfer. Notably, the Voting Rights Act, which protects the voting rights of marginalized communities, was not enacted until 1965, nearly a decade later.

Today, many former neighborhood residents continue to reside in Los Angeles and remain suspicious of public infrastructure investments. The stadium and its surrounding areas are still privately owned, but the memories of the event are still preserved at the current exhibit entitled El Chavez Ravine (Attachment C) by Vincent Valdez and Ry Cooder at the Los Angeles County Museum of Art (LACMA). The memories remain kept alive within the impacted communities.

Chinatown Today

Today, many Chinatown residents are facing displacement and gentrification, as the neighborhood faces a dire need for small business and micro-entrepreneur support. The rapid development of luxury market-rate units, coupled with expiring affordability covenants for many housing units, has put extreme economic pressure on the struggling community. The median income for a two-person household in the community is \$37,794, and almost 50% of low-income households do not have access to affordable rent-restricted housing. Additionally, 65% of households within a half-mile radius of Lot 45, a County-owned parking lot in the heart of Chinatown, fall below the low-income threshold, highlighting the critical need for affordable housing solutions in the area. Furthermore, the community's aging population, with 29% of households having senior residents, adds complexity to the socio-economic landscape, calling for initiatives to support these vulnerable groups.

During the unprecedented challenges posed by the COVID-19 pandemic, the County spearheaded the Care First Village project at 1060 North Vignes Street in Chinatown. Utilizing a 4-acre parcel of land owned by the County originally designated for a jail expansion project, the County built 232 housing units within six months. The development was made possible through Federal Cares Act funding in conjunction with LA County First District discretionary funds. The Care First Village has proven critical, assisting thousands of unhoused neighbors in the vicinity of Chinatown, restoring their dignity, and helping them regain their footing in society.

Lot 45, spanning a 1.7-acre area on Spring Street, is a proposed 300-unit mixed-use 100% affordable housing proposal located near the proposed gondola. Following robust community engagement and outreach, the County released a Request for Proposals (RFP), a call for bids from developers last month. At the community's request, the development will also include creative cultural community space and neighborhood-serving retail.

Addressing Community Concerns

Many Chinatown and Chavez Ravine community members have expressed concerns about the Project. They have voiced their apprehension, and addressing their concerns is important. The Metro Board has taken note of the community's feedback and has expressed a desire to address their concerns. In June 2021, the Metro Board unanimously approved a motion by Directors Solis, Kuehl, Mitchell, Butts, Sandoval, and Garcetti. The motion instructs Metro to analyze its duties and available authority to impose conditions when acting as a lead agency for non-Metro projects regarding environmental clearance. Additionally, the motion requires Metro to develop recommendations for community benefits to be included in the Project's scope. These recommendations include mitigating parking impacts, local job creation, workforce training, small business support and partnerships, affordable housing, and housing and business preservation (Attachment D).

In response to Director Solis's motion (Attachment E), Metro has identified several possible community benefits that can come from the Project. These benefits include mitigating the impact of parking, creating local jobs, offering workforce training, supporting small businesses, and providing affordable housing. Additionally, the report stated the Project sponsor's desire to provide accessible and affordable fares to residents and employees of the businesses in the community and possible pedestrian and active transportation improvements.

However, the Board has received more than 1,000 public comments from various stakeholders who have raised concerns about the proposed Project. Many of these concerns stem from the shameful history of Chinatown and Chavez Ravine, with worries that the Project may exacerbate the past harms. Stakeholders fear that the Project will lead to Chinatown gentrification, cultural loss, and pollution. Others believe that it will result in private development around Dodger Stadium, ending the hope of properly compensating members of the destroyed community or building the promised public housing.

Furthermore, some stakeholders have raised technical concerns related to CEQA. They are wondering if the proposed Project is the best transportation solution for Dodger Stadium event traffic. They question if other alternatives, such as the Sunset Bus Rapid Transit (BRT) or Sunset for All proposals, would more effectively reduce traffic. Some stakeholders are also worried about the financial sustainability of the Project and its ability to operate as a profitable venture. They cite the past failures of privately-operated mass transportation systems like Angels Flight or the streetcar

system.

This Motion

The Metro Board intends to ensure that all mass transit projects in the county promote equity, address historical wrongs, and alleviate community concerns. This proposal is no exception. This motion adopts safeguards and guarantees for the proposed Project to ensure the development includes adequate community benefits.

This motion approves the Project and permits ZET to begin its process with the City. However, to begin construction, ZET must meet the conditions of approval outlined in Directives A, B, and C. Directive A addresses a wide range of community concerns, including, but not limited to, issues of ZET's solvency, ensuring strong labor practices, restricting ZET from benefiting from public funding, instituting a business interruption fund, developing an impact mitigation plan that addresses privacy concerns, park, trash, noise, and other concerns, ensuring ZET provides security, compensates public safety departments for specialty equipment or training necessary for unique gondola safety needs, free and unlimited rides for Chinatown residents, bars the use of eminent domain, and others.

Directive B establishes a new Community Advisory Committee (CAC) composed of representatives of local elected offices, Metro, Caltrans, State Parks, and community members. The CAC will be tasked with negotiating a Community Benefits Agreement (CBA) with ZET that includes, but is not limited to, addressing the needs of the most vulnerable, affordable and senior housing, local small business support, expanding and making permanent the Dodger Stadium Express Program, creating an on-going Chinatown revitalization loan fund, and the creation of stationary and living memorial to the histories of Chinatown and Chavez Ravine, which may include a reparations program for those impacted by the above historical harms. The directive also calls for a CBA that meets the CAC's approval. Over the last two decades, the value of community benefits agreements has dramatically increased. The community benefits agreement for the Staples Center and LA Live Project in 2001, often cited as the first of its kind, was valued at \$150 million on a \$2.5 billion project. The soon-to-be-opened Intuit Dome, the new home of the Clippers basketball team, agreed to provide \$100 million worth of benefits to the local community on a \$1.2 billion project before COVID-era building cost escalations increased the cost.

Directive C requires ZET to conduct the additional studies requested by other jurisdictions during the permitting process for the Project.

Directives D, E, and F are directed towards Metro. These directives require Metro to study alternative transportation solutions to reduce traffic caused by Dodger Stadium events, including a Bus Rapid Transit (BRT) along Sunset Blvd. Metro's November 2020 BRT Vision & Principles Study (Attachment F) found Sunset Blvd. to be one of the top five corridors.

Directive F requires Metro to include a provision in the lease agreement with ZET for property rights at Union Station that automatically terminates the lease if the parking lots around Dodger Stadium are developed without robust, affordable housing. In essence, this ensures that any development on or near Dodgers Stadium parking lots includes robust, affordable housing.

SUBJECT: EMPOWERING COMMUNITY THROUGH AN INCLUSIVE COMMUNITY BENEFITS AGREEMENT MOTION

RECOMMENDATION

APPROVE Motion by Directors Solis, Bass, Dupont-Walker, Horvath, and Sandoval that the Board approve Item 12's staff recommendations (A) through (D) subject to the following conditions of approval, which shall be satisfied before Los Angeles Aerial Rapid Transit (LAART or Project) construction. The conditions of approval are as follows:

- A. Zero Emissions Transit or its affiliates (hereinafter, "ZET") satisfies the following conditions:
1. ZET fully and in perpetuity indemnify, release from liability, and hold harmless Metro and all other relevant public entities, including but not limited to the County of Los Angeles (County), City of Los Angeles (City), California Department of Transportation (Caltrans), and California Department of Parks and Recreation (State Parks), against any and all loss, cost, or damage of any kind arising out of, in full or in part, the negligence or willful misconduct of ZET in the design, planning, permitting, construction, operating, maintenance, dissolution, or other acts done in furtherance of the Project;
 2. ZET establishes a financial arrangement, such as an insurance policy or an escrow fund, ensuring that, in the event that ZET becomes unable to construct or operate the Project or is responsible under Directive A(1) above, there are sufficient funds available to dismantle or operate the Project, as deemed appropriate by the Board and make the indemnified parties whole;
 3. ZET commits to establishing a Project Labor Agreement (PLA), Labor Peace Agreement, a robust apprenticeship program and workforce pipeline program similar to Metro's Room to Work program, local small business procurement, and local and targeted hiring commitments commensurate with or greater than those of Metro projects;
 4. The Project will not benefit from or compete against Metro, the County, City, or any other local jurisdiction within the County for state, federal, or other public funds to design, build, or operate the Project or otherwise fulfill Community Benefits Agreement requirements without the written consent of the competing jurisdiction, the Project will not seek or benefit from direct appropriations, and the Project will not seek or benefit from a bond issuance from Metro, the

County, City, or any other local jurisdiction within the County;

5. ZET adopts and adheres to an advertising display content policy that is consistent with Metro, City, County, Caltrans, and State Park's respective advertisement policy, including any future updates to such policies, and will abide by the pertinent local jurisdiction's digital display and lighting policies for outdoor advertising signs;
6. ZET implements a business interruption fund similar to the ones Metro has implemented (see the East San Fernando Valley Light Rail Project) to compensate local small businesses and community-based organizations impacted by the Project's construction;
7. ZET, in perpetuity, sets aside ten percent (10%) of all LAART marketing opportunities for local Chinatown businesses and community-based organizations and Metro public service announcements and for such marketing opportunities to be offered at cost;
8. ZET, in coordination with and approval from LA Department of Transportation (LADOT), City of Los Angeles Department of Public Works (LADWP), City of Los Angeles Dept of City Planning (DCP), and other relevant jurisdictions, develops and implements a community impact mitigation plan that addresses but is not limited to the following impacts: residential and other privacy concerns, visual and other impacts to parks and greenspaces, visual impacts to Union Station's historic architectural elements, parking, traffic, pedestrian and active transportation safety concerns (including school access improvements), trash, noise and other forms of pollution, and other Project externalities;
9. Post construction, ZET commits to providing sufficient safety and security personnel and resources for the Project and within 1,000 feet of the Project;
10. ZET reimburses any public safety department for specialty equipment or training that is not needed but for such department's need to address the unique safety response needs and hazards presented by an aerial gondola;
11. ZET offers free and unlimited rides for local Chinatown residents and businesses in perpetuity, at all times of operation, which at minimum, includes those residents and businesses within the area bound by the I-110, US-101, and Los Angeles River;
12. ZET develops a ticketing program that is seamlessly integrated with Metro's TAP and payment program;
13. ZET installs, at Metro's request, bike and micro-mobility hubs at each of the Project's stations that offer zero-emissions electrified docks that service personal devices, private micro-mobility

share programs, and Metro Bike Share or any future Metro micro-mobility program similar thereto;

14. ZET only uses renewable energy sources and the purchase of carbon offsets in Los Angeles County, to the extent possible, that ensure the construction and maintenance of the Project are at least carbon-neutral and verified by a qualified third party;
15. ZET implements a tree replacement plan that, at the minimum, replaces trees at a 4:1 replacement ratio and includes a 5-year establishment period;
16. ZET continues monitoring for any future biological impacts from the Project and implements corrective programs, as needed and in accordance with the opinion of an independent expert;
17. The Project does not benefit from the use of eminent domain, and, in the case of ZET acquiring any form of property rights from a public jurisdiction, ZET shall offer compensation to said jurisdiction for at least the fair market value of such property, including air and real property rights, as determined, if needed, by one or more independent third-party evaluators;
18. If the Project is non-operational or experiences issues during the 2028 Games, ZET will compensate Metro for any and all transportation costs that the Agency would not have incurred but for LAART's non-operation or issues; and
19. ZET reimburses Metro for any and all costs incurred by the Agency in support of ZET's efforts to fulfill the conditions of approval outlined in this Motion.

B. ZET develops and commits to a Community Benefits Agreement (CBA) approved by a two-thirds (2/3rds) vote of a Metro-facilitated Community Advisory Committee (CAC) consisting of (i) a representative of each of the City Council and County Supervisorial Districts representing the area bound by the I-10, US-101, and LA River and a representative from the Mayor of Los Angeles, (ii) two appointed stakeholder from each of the elected offices identified in (i) above, and (iii) a non-voting representative from Metro, Caltrans District 7, and Stake Parks. The CAC shall be dissolved within 12 months of its initial meeting but may be extended at the discretion of the Metro Chief Executive Officer (CEO). The CBA shall be proportionate with the Project's total and final cost and shall not include previous commitments. The CAC shall identify projects and programs in and for the community to be benefited by the CBA and develop an allocation process for the funds, including for allocations to be made after the CAC's dissolution. The CBA shall include, but is not limited to, the following:

1. Care-based solutions that: serve for the most vulnerable, uplift at-risk youth and adults, reduce recidivism, take a proactive care-first approach towards reducing crime, establish skill training

and workforce development pipelines to family-sustaining jobs, and build a healthy, vibrant, and affordable community;

2. An anti-displacement fund and implementation plan to support the retention and development of local affordable and senior housing, such as a community land trust, and other social impact projects to improve the quality of life for impacted residents, with a particular focus on historically marginalized and vulnerable populations and considering a reparations program;
 3. An anti-displacement fund and implementation plan to support local small and historically marginalized ethnic businesses, such as a commercial land trust, a business resources center, and projects and programs that address the digital divide;
 4. An ongoing Chinatown revitalization revolving loan fund to offer low and no-interest loans and forgivable loans to local small businesses, entrepreneurs, and street vendors;
 5. A funding and implementation plan to expand and make permanent the Dodger Stadium Express and transition the program to Zero Emissions Vehicles (ZEVs) in advance of the Project and, if needed, during the operation of the Project in the case of the Project's temporary closure or heightened transportation demand for stadium events along the Project corridor. and the addition of multiple, region-wide, park-and-ride locations consistent with the model provided by the Park & Ride Hollywood Bowl shuttle program;
 6. A plan to develop street vending and micro-business opportunities near one or more Project terminuses and connect those enterprises with support resources discussed above;
 7. A funding and implementation plan, which includes community and stakeholder feedback, to create one or more living and stationary memorials to Old Chinatown, Chavez Ravine, and the indigenous peoples who previously occupied the surrounding land; and
- C. ZET conducts any additional studies requested by the City, Caltrans, Metro, and State Parks in review or furtherance of the Project;

WE FURTHER MOVE that the Board direct:

- D. Metro, in coordination with ZET, to provide quarterly updates to the Metro Board on the Project's progress and financing.
- E. Metro report back to the Board in 180 days with a preliminary mobility and cost analysis on alternative TSM/TDM mobility improvements, including a Bus Rapid Transit on Sunset Blvd. with a possible event day station near the stadium or system for pedestrian travel on Vin Scully Ave. from Sunset Blvd. to the stadium, Sunset for All, and other mobility projects that could alleviate

the traffic caused by major sporting and entertainment events held at Dodger Stadium.

- F. While no such development has been formally proposed, Metro includes an overriding clause in any future lease at or near Union Station with ZET for the benefit of the Project, whereas any possible future development at or near the parking lots surrounding Dodger Stadium that does not dedicate at least equivalent to twenty-five percent (25%) of all the developable space, which excludes outdoor open space, to affordable or supportive housing shall automatically and immediately terminate the lease.

ATTACHMENTS

Attachment A - LAART Project Update Board Report (File ID: 2019-0169)

Attachment B - Where You Stand - Chinatown 1880 to 1939

Attachment C - El Chavez Ravine

Attachment D - Motion by Solis, Kuehl, Mitchell, Butts, Sandoval, and Garcetti (File ID: 2021-0456)

Attachment E - Response to Director Solis's Motion

Attachment F - BRT Vision and Principles Study