TOC Initiatives and Funding Strategies in Los Angeles

John Swartz, AICP, LEED AP
AECOM, Transportation Planning Manager
Los Angeles, CA

2018 Rail Conference
TOC Initiatives and Funding Strategies in Los Angeles

Purpose

• Overview of Transit Oriented Community (TOC) initiatives and potential funding strategies in LA
• Perspective on how the programs can work together

Agenda

• Problem: Overview of current housing and ridership trends in LA
• Leverage: LA Transit Initiatives (Measure M and 28x28)
• Solutions: State, City, and LA Metro initiatives and funding strategies
Problem: Transit Ridership Trends

Annual Ridership

Ridership Trends

- Rail Transit slightly up
- Bus Transit ridership down
- 15% Decrease since 2007
- Demographics changing around transit stations

Source: KCET / http://isotp.metro.net/MetroRidership/YearOverYear.aspx
Problem: Housing Trends

LA County Affordable Housing

Housing Trends

- Housing Production not keeping up with demand
- Average Home  >$570K
- Rents up 32% / incomes down 3%
- Affordable Housing reduced 64%
- Shortage of 500,000 affordable homes

Source: LA Department of Regional Planning

Homeless at Civic Center Station, 2018
Photo: LA Times
Leverage: Los Angeles Transit Initiatives: Measure M

Measure M
- New Sales Tax 0.5%
- Extension of Current Sales Tax 0.5%
- No Sunset year

Projects
- Transit - 23 Projects / 20 Programs
- Active - 3 Projects / 11 Programs
- Highway - 13 Projects / 12 Programs
- Local Return (Opportunity for FLM)

Investment
- $120 Billion
- $35 Billion Transit Infrastructure

28 by 2028 (Olympics)
- 9 accelerated ($6 Billion Advanced)
- Pending funding
## Solutions: State TOC Initiatives and Funding Tools

<table>
<thead>
<tr>
<th>Category</th>
<th>Initiatives/Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value Capture</strong></td>
<td>• Enhanced Infrastructure Financing District (EIFD)</td>
</tr>
<tr>
<td><strong>Tax Increment Financing</strong></td>
<td>• Community Revitalization &amp; Investment Authority (CRIA)</td>
</tr>
<tr>
<td><strong>Greenhouse Reduction Fund (Cap &amp; Trade)</strong></td>
<td>• Transformative Climate Community Plans (TCC)</td>
</tr>
<tr>
<td></td>
<td>• Affordable Housing &amp; Sustainable Communities (AHSC)</td>
</tr>
<tr>
<td><strong>Streamlining</strong></td>
<td>• SB 375- CEQA Streamlining for Transit Priority Projects</td>
</tr>
<tr>
<td></td>
<td>• SB 35- Affordable Housing Streamlining</td>
</tr>
<tr>
<td><strong>Transit Density &amp; Housing Bills</strong></td>
<td>• SB 827- Forced Up-zoning (Rejected in senate)</td>
</tr>
<tr>
<td></td>
<td>• SB 961- TIF near transit w/ 40% Affordable Housing</td>
</tr>
</tbody>
</table>

---

Image: Memorial Park Station
Credit: John Swartz
Solutions: LACMTA (Metro) TOC Initiatives and Funding Tools

Joint Development
- 26+ Developments at Metro owned sites.
- 2017 Housing Units / 622 Affordable.
- 35% Affordable housing goal.

TOD Planning Grants
- Funding for Planning Effort to Transit Supportive
- Regulatory Documents.
- TIF Feasibility Studies.

TOC Loan Program
- Leverages funding.
  - Housing Program ($9M)
  - Small Business Program ($1M)

Other Transit Supportive Tools
- Transit supportive toolkit
- Metro adjacent development review
- First/Last Mile Strategic Plan
- Implement TOC planning into environmental process
### Solutions: LA City/County TOC Initiatives and Funding Tools

<table>
<thead>
<tr>
<th>Program</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOC Program</strong> (Measure JJJ)</td>
<td>- Developer incentives for affordable housing near transit.</td>
</tr>
<tr>
<td></td>
<td>- Tiered based program within ½ mile transit.</td>
</tr>
<tr>
<td></td>
<td>- Replaces underutilized incentives.</td>
</tr>
<tr>
<td><strong>Transit Neighborhood Program</strong></td>
<td>- Land use plans around planned rail lines.</td>
</tr>
<tr>
<td></td>
<td>- Funded by TOD Planning Grants.</td>
</tr>
<tr>
<td><strong>Permanent Supportive Housing Loan Program</strong></td>
<td>- Permanent supportive housing for homeless and at-risk.</td>
</tr>
<tr>
<td>(Prop HHH)</td>
<td>- Increase accessibility and services.</td>
</tr>
<tr>
<td></td>
<td>- $1.2Billion Measure</td>
</tr>
<tr>
<td><strong>Other Programs</strong></td>
<td>- Measure H- $355M Annually combatting homelessness.</td>
</tr>
<tr>
<td></td>
<td>- County of LA Affordable Housing- $100M annually.</td>
</tr>
<tr>
<td></td>
<td>- Linkage Fees- &gt;$100M annually</td>
</tr>
</tbody>
</table>
Enhanced Infrastructure Financing District Example
LA River EIFD

- $40 Million in EIFD funds
- 11 Mile Segment

LA River EIFD

- 36,000 housing units
- 7,800 affordable housing units
- 600 acres public land

LA Gateway Concept (AECOM)
### Greenhouse Reduction Fund Example—Jordan Downs

#### Key Elements
- $12M Gap Funding
- Housing
- Recreational centers
- 9 acres green space
- 165,000 SF retail

#### Programs
- 10 new electric buses
- Electric car sharing program
- Workforce development
- Displacement avoidance

Source: www.lamayor.org
Inter-agency Example: Transit Neighborhood Programs

Tax Increment Financing Programs → TOD Planning Grants → Transit Neighborhood Program

Metro- TOD Planning Grants

City of LA - TNP

TNP Projects
- MTA Stations Round 1
- MTA Stations Round 3
- City of Los Angeles
TNP Example: Regional Connector / DTLA 2040

Regional Connector TNP

DTLA 2040

Source: https://www.dtla2040.org/

http://www.latnp.org/downtownregionalconnector/
Since September, 2017:
23 Projects
1,300 Units / 400 Affordable

Since December, 2017:
24 Projects
1,793 Units / 1,291 Affordable
TOC Initiatives and Funding Strategies in Los Angeles

Take-Aways

- Multi-tiered / Multi-agency approach is needed
- Use Value Capture Methods (Tax Increment Financing) - target strategic areas for economic revitalization and disadvantaged communities.
- Use Cap & Trade - funnel to housing agencies to develop affordable housing
- Leverage Transit Investment - Loans and grants to spur TOD Plans
- Create Transit Supportive Planning tools to facilitate the planning process
- Incentive-based development works if incentives are attractive
Thank You!

John Swartz, AICP, LEED AP
AECOM, Transportation Planning Manager
Los Angeles, CA
john.swartz@aecom.com

2018 Rail Conference