

Metro Board Approved Policy

Joint Development Policy Update

Adopted: June 2021

Historical Perspective

In order to strengthen Metro's response to the housing crisis, staff recommends adoption of the updated Joint Development (JD) Policy which will increase the effectiveness of delivering JD projects and supporting equitable transit-oriented communities (TOCs). To inform the recommended JD Policy update, staff consulted key stakeholders, researched best practices, and analyzed the pipeline of future JD sites using a custom financial model, all of which informed a Joint Development Affordable Housing Policy Paper (Policy Paper) which was presented to the Board in January 2021. The findings of the Policy Paper informed a virtual community event with over 300 attendees, an online survey, and additional conversations with key stakeholders, all of which have been reflected in the updated JD Policy. Key changes to the JD Policy are summarized in the Matrix of Changes.

The Metro JD Program is a real estate management program that creates partnerships with private sector developers to build developments on Metro properties. The JD Program is guided by the existing JD policy document, the Joint Development Program: Policy ("JD Policy"), which was last updated in January 2017. The Metro JD Program has generated nearly 2,200 units of housing on Metro property to date, more than 1/3 of which are affordable. The number of units will more than double in the next few years bringing more than 1,000 affordable units online. Yet the issue of housing undersupply, affordability and homelessness have only worsened in LA County, and the Metro Board directed JD staff to assess what more Metro could do to address this regional crisis. Staff convened an internal working group, a series of roundtables with external stakeholders, issued several on-line surveys and hosted a Metro Conversations virtual event to broaden public input into the project. In January 2021, staff filed a Policy Paper (Attachment C) with the Metro Board that evaluated the potential policies under consideration. The draft Policy was

posted on metro.net from May 7 to June 1 along with a survey to gather feedback and comments.

Los Angeles County
Metropolitan Transportation Authority

Joint Development Policy



Metro[®]

JUNE 2021

I. INTRODUCTION

Vision 2028 Strategic Plan

The Los Angeles County Metropolitan Transportation Authority (Metro) Vision 2028 Strategic Plan encourages the development of affordable housing near transit in order to give more people, especially in low-income communities, better access to transit.

Metro Joint Development

The Metro Joint Development (JD) Program is a real estate development program for properties owned by Metro.

This document serves to inform communities in which JD projects are constructed, developers who build them, and the general public, about the values, policies, and processes that govern the JD Program.

Land Use and Transit

Transit systems are most effective if they are surrounded by transit-supportive land uses that includes jobs, housing, schools, and amenities. While Metro does not have land use authority in Los Angeles County (the local jurisdictions hold this power), Metro can leverage the land it owns on behalf of the public, usually adjacent or proximate to Metro's transit infrastructure, to deliver transit-supportive uses (to the extent these uses comply with local land use policies).

Housing Affordability

Los Angeles County is suffering from a severe housing affordability crisis which is disproportionately impacting low-income residents, who make up Metro's core ridership.

Purpose

This policy is intended to enable Metro to build as much quality housing near transit as possible, for those who need it most, as soon as possible. Additionally, the Policy will continue to enable the development of other transit-serving uses (beyond housing) that will increase access to opportunity and support an efficient transit network.

II. VALUES & GOALS

Equity & Inclusion

- Deliver housing and amenities for everyone, focusing benefits for historically disadvantaged communities.
- Actively engage community members.

Access

- Preserve, protect and promote transit infrastructure and use.
- Respect communities around transit by stabilizing and enhancing housing and other amenities.
- Increase transit ridership and decrease single occupancy vehicle use.

Performance

- Leverage the value of the JD portfolio to maximize and accelerate positive impact.
- Streamline process to deliver projects faster without compromising quality or cutting corners.
- Measure the impact of the JD Program with specific performance metrics.

Innovation

- Lead the region and nation by driving innovation around transit-oriented housing.
- Pursue new methods of engagement, financing, and construction to deliver projects faster and more equitably.

MISSION STATEMENT: Create high-quality homes, jobs, and places near transit for those who need them most, as soon as possible.

III. POLICIES

A. Income-Restricted Housing

1. Affordable First.

Metro will pursue all new JD sites for housing developments with 100% of residential units as Income-Restricted to persons and families of Extremely Low, Very Low, Lower or Moderate Income, in alignment with neighborhood incomes, as further described below.

2. Neighborhood Alignment.

Metro will consider the local context and select an appropriate range of housing types to meet the needs of a diversity of household incomes, sizes, and ages. Metro will determine the affordability levels of any Income-Restricted Units by evaluating neighborhood income and rent levels as further described in the Process Section.

3. Minimum Affordability.

If development of 100% Income-Restricted Units are determined to be infeasible, at least 25% of units will be affordable to Lower Income households or below, or an equivalent number of Income-Restricted Units at income levels calculated to an equivalent “Affordability Score,” defined below. A Mixed-Income Project may also be pursued if a greater number or depth of Income-Restricted units can be generated in a Mixed-Income Project than in a 100% Income-Restricted project.

4. Affordability Definitions.

The “Affordability Score” is a measure of the overall project affordability levels determined by the percentage of Income-Restricted Units and their depth of affordability. Scores will be determined consistent with the following equivalent unit mixes. Scores may also be adjusted to encourage additional housing-related benefits.

- Extremely Low Income: 11% of units
- Very Low Income: 15% of units
- Lower Income: 25% of units
- Moderate Income: 50% of units

“Area Median Income” or “AMI” is the median annual income for a family or household in the County of Los Angeles. This amount is established each year by the United States Department of Housing and Urban Development (HUD) and published annually by the California Department of Housing and Community Development (HCD). As a point of reference, in April 2021, the Los Angeles County AMI for a three-person household was \$106,400. The commonly used income categories are approximately as follows, subject to variations for household size and other factors:

- Extremely Low Income: 0 to 30% of AMI
- Very Low Income: >30% to 50% of AMI

- Lower Income: >50% to 80% of AMI
- Moderate Income: >80% to 120% of AMI

“Income-Restricted Units” are housing units that are reserved for people or households earning no more than a certain threshold income.

A “Mixed-Income Project” is a JD project with both Income-Restricted Units and market rate units.

“Neighborhood AMI” is a measure of the median income in a neighborhood surrounding a proposed JD project and will only be used to inform income levels for Income-Restricted Units where Neighborhood AMI is lower than County AMI.

B. Transportation & Access

1. Transit-Supportive Land Use.

Metro will prioritize trip generating uses on JD sites to allow more people to drive less and access transit more. Projects will be prioritized which include more housing units for transit riders or a greater intensity of activity.

2. Preservation of Transit Facilities.

Metro must retain authority over its transit facilities and services, and development shall not negatively impact existing or future public transportation facilities.

3. Transit Connections.

Metro will maximize connections to transit facilities from and through JD projects, where appropriate. Projects are encouraged which provide for increased station access using buses, active transportation, and other alternative modes of travel. Projects should include provisions for effective and flexible curbside management of last-mile goods delivery and shared mobility services such as rideshare, microtransit, carshare, and carpools to minimize unintended consequences.

4. Parking.

Metro will require projects that include parking spaces for residential uses to be at a ratio no higher than 0.5 parking spaces per bedroom. If the resulting residential parking is less than the minimum required by local land use policies, then JD projects will include residential parking at ratios no higher than the minimum required by such local policies. For JD projects built on existing park and ride lots or providing park and ride spaces, Metro will consider parking demand and pricing strategies when determining a strategy for replacement parking, if applicable.

- Unbundled Parking. All off-street parking spaces related to residential uses in a JD project must be “unbundled” (i.e., marketed and rented separately from the

units within the project) in order to capture the actual cost to construct and maintain the dedicated parking spaces. An exception may be granted for Income-Restricted Units, if required by funding sources.

- Shared Parking. Metro will evaluate and pursue, wherever possible, shared parking strategies with the overarching goal of reducing the total number of off-site spaces constructed on the JD site.
- Replacement Parking. In the event that a Metro JD project is pursued on an existing Metro park and ride lot, demand-responsive considerations should inform replacement parking, if any.

5. Equity.

Metro will ensure that all projects are consistent with the Metro Equity Platform. Projects will be analyzed with Metro equity analysis tools and will strive to address past unintended consequences and provide the most opportunity to the most vulnerable populations, especially transit-dependent residents. In addition, Metro will ensure that JD projects comply with FTA Title VI Civil Rights and Environmental Justice requirements. Compliance with Title VI will be required of developer's selected for JD projects.

C. **Resources**

1. Maximize Benefit.

Metro will seek the project that secures the best value for the public which may include affordable housing, public amenities or financial return that can be reinvested into Transit Oriented Communities activities.

2. Land Subsidies.

Where appropriate, and necessary for project feasibility, Metro may, subject to the approval of the Metro Board of Directors ("Board"), subsidize JD projects by discounting ground leases below the fair market value in order to accommodate transit infrastructure, Income-Restricted Units or other community benefits. Ground lease discounts from fair market value will be disclosed to the Board in an absolute dollar amount when transaction terms are presented to the Board for approval.

3. Collaborative Contribution.

Projects are encouraged which obtain capital, loans, grants, in-lieu contributions, or strategic partnerships from other agencies, including use of Local Return dollars in accordance with the Board-adopted TOC Policy, to create greater community economic benefit to JD projects.

4. Land Ownership.

Metro will retain fee ownership of its land, relying on long-term ground leases to develop its property. In exceptional cases where Metro's continued ownership of a property is

neither convenient nor necessary, Metro may sell the property in fee to the developer. In the event that a fee disposition of Metro property is necessary for a JD project, Metro will place a covenant on the property requiring that any Income-Restricted Units developed remain Income-Restricted in perpetuity, where feasible, and in any case for a period of not less than 99 years.

5. Use of Proceeds.

Proceeds from JD projects will be reinvested in Transit Oriented Communities activities.

6. Strategic Acquisition.

To encourage opportunities for JD projects surrounding transit investments, Metro will evaluate transit corridor projects in the initial planning (e.g., during the environmental and preliminary engineering phases) and shall seek to create the most advantageous conditions for JD projects in the acquisition of required property, location of new station sites, and construction of station facilities.

D. Community Outreach

1. Community Engagement.

Metro will pro-actively engage with the communities throughout the JD process and require that developers do so as well.

2. CBO Participation.

Metro will require, wherever feasible, that developers collaborate with local Community Based Organizations (CBOs), both formally as development partners or informally as community partners providing independent community-level input on the project scope, design and program.

3. Local Collaboration.

Metro will consult and work cooperatively with local jurisdictions and developers to encourage transit-supportive, high-quality development at stations and surrounding properties. All JD projects must follow local laws and land use policies of the jurisdiction in which they are located.

E. Developer Solicitation.

1. Competitive Solicitation.

Metro's preferred method for selection of developers for its JD projects is conducted through a full, open and competitive selection process that is further detailed in the Process section.

2. Unsolicited Proposals.

Staff may consider unsolicited proposals that seek the right to develop or improve Metro property by bringing unique benefit to a Metro site such as adjacent property or innovative design. For example, a successful proposal might add additional land area to a Metro site that would enable the combined properties to support a superior development than the Metro property alone. Unsolicited proposals must comply with all policies set forth herein.

If pursued, Metro will conduct market and zoning analysis, study the surrounding Neighborhood AMI, and seek input of impacted stakeholders to ensure the unsolicited proposal is in alignment with community needs.

F. Project Requirements.

1. Small & Disadvantaged Businesses.

Development teams shall provide opportunities for Metro-certified Small Business Enterprises (SBE), Disadvantaged Business Enterprises (DBE), Disabled Veterans Business Enterprises (DVBE), and Minority and Women Business Enterprises to partner in their projects through the delivery of professional or construction services.

2. Design Excellence.

Metro is committed to design excellence in JD projects. Metro will promote context sensitive planning, architectural integration, and quality materials for all programmatic elements of JD sites. Metro will ensure that projects demonstrate a high quality of design that is both sensitive to community context and enhances the surrounding community. If applicable, staff may require developers to incorporate community-appropriate public art and/or Metro directional signage into the proposed project.

JD projects will often require a signage and wayfinding program connecting the development to the transit system. These designs must reinforce Metro's brand identity and shall be prepared by a professional environmental graphic design consultant contracted by the Developer. JD projects may also provide opportunities for developers to commission public art in order to support cultural equity and articulate a community identity. Emphasis should be focus on spaces with high visibility and opportunity for architectural integration.

3. Sustainability.

Metro will require that JD projects shall be built to the latest green building codes and in accordance with the Metro Moving Beyond Sustainability plan.

4. Project Labor.

Metro will apply its agency-wide Project Labor Agreement and Construction Careers Policy to JD projects that meet the following thresholds: a mixed-use project containing both a residential and a commercial component, where there are more than sixty (60) residential units being built; a residential only project that exceeds sixty (60) residential units; or a commercial only project (retail, office or hotel) that exceeds forty thousand (40,000) square feet of space.

IV. PROCESS

While this document is Board-adopted, Metro may continue to refine this Process section administratively as needed, so long as any refinements are in keeping with the Policy statements set forth in the previous Policy Section.

A. Site Selection

1. Acquisition.

In the initial planning of a transit corridor project (e.g., during the environmental and preliminary engineering phases), Metro may conduct site analysis and evaluate proposed station sites for their JD potential. Working with Metro's Corridor Planning, Real Estate and Program Management departments, JD staff shall review proposed transit project property acquisitions for JD potential before the acquisition footprint is established and cleared during environmental review.

2. Site Prioritization.

The JD staff has finite resources; therefore, the decision to begin a JD project must be made carefully, factoring in several criteria including, but not limited to market conditions, community input, ability to generate Income-Restricted Units, potential for local jurisdiction partnerships, and Metro resources. The JD workplan will prioritize projects with consideration of the following:

- Neighborhood Stabilization. Metro will prioritize projects located in areas at higher risk of displacement based on the most recent and reputable data available.
- Equity Focus Communities (EFCs). Metro will prioritize projects that fall within the Equity Focus Community geographies which have lacked investment and experienced disenfranchisement, as defined in Metro's Long Range Transportation Plan.
- Access to Opportunities. Metro will prioritize projects that deliver Income-Restricted Units in areas with greater access to opportunities, such as jobs, schools, and other amenities.
- Streamlining. Metro will evaluate projects based on their potential to be delivered quickly and with the least cost to Metro.
- Maximizing Impact. Metro will prioritize projects that can best leverage transit supportive land use policies and deliver the greatest public benefit.

B. Project Scoping

1. Site Analysis.

At the outset of the site selection process, staff shall conduct zoning and market analysis to determine the capacity of a JD site for housing units, community benefits and financial potential. Staff will conduct a community needs assessment and asset mapping to identify opportunities for the development program to leverage existing community resources and fill gaps where they exist. Potential JD sites will be evaluated through Metro equity analysis tools to address past unintended consequences and provide the most opportunity to the most vulnerable populations, especially transit-dependent residents. Metro will estimate any additional costs of upgrades required to develop the property in a manner that preserves existing transit infrastructure and operations. Examples of such costs include adding a new entrance, building replacement park and ride parking, or development features necessary to span or otherwise accommodate existing transit infrastructure.

2. Neighborhood Income Analysis.

As part of the site analysis, Metro will evaluate income and rent data for the area that is within an approximately 15-minute walk of the site. The evaluation will include an historic “lookback” to determine a baseline “Neighborhood AMI” that will inform the threshold of household income levels and rents that will be targeted for projects with Income-Restricted Units. The neighborhood income and rent data will inform the outreach and preparation of Development Guidelines, with a goal of aligning housing affordability levels with the needs of the neighborhood and ensuring a realistic conversation about tradeoffs.

3. Community Engagement.

Outreach should focus on upfront visioning and community updates throughout the process. In conducting outreach, Metro will utilize a breadth of outreach tools designed to broaden participation beyond traditional channels for gathering community input including, but not limited to focus groups, one-on-one meetings, workshops, pop-up events, attending other community meetings and events, intercept surveys, participation in community events, as well as virtual and online tools such as online surveys and virtual workshops to reach a broader stakeholder base.

Metro will consult with local jurisdictions and conduct outreach to solicit input from the community surrounding a JD site. JD staff, working closely with Metro Community and Construction Relations staff, shall work with community stakeholders and the local jurisdiction to define a vision for the potential project.

4. Development Guidelines.

Upon determination of a unified vision that is desirable to the community and economically feasible, Metro will prepare Development Guidelines which will be presented to the Board for approval. The Development Guidelines will articulate the following project expectations:

- Scale and Program. Results of the market and zoning analysis, community outreach, and neighborhood income and rent levels will be reflected in the Development Guidelines to set expectations for proposals.
- Transit Infrastructure Requirements. (if applicable). To the extent that additional transit investments are required to create a developable parcel, the scope and estimated cost for such improvements will be disclosed.
- Regulatory and Planning Framework. In communities where there has been a recent community plan or specific plan update or extensive outreach and visioning effort, the Development Guidelines will be informed by that document. The Development Guidelines will also incorporate relevant Metro plans and policies.
- Community-Informed Development Vision. The Development Guidelines will outline site-specific, community-informed priorities based on site analysis and community outreach.
- Project Checklist. Transit-oriented developments are expected to be walkable, human-scaled, and supportive of alternative transportation modes, among other attributes. These attributes will comprise a standardized “project checklist” to include design-related expectations such as the treatment of ground floor uses, pedestrian enhancements, community spaces and the like.
- Design Criteria. The Development Guidelines will specify urban design elements and site plan expectations unique to the site, as well as environmental graphics and public art for each project, if applicable.
- Community-Informed Evaluation Criteria. Community members will be invited to provide input on the evaluation criteria as part of the Development Guidelines so that the ultimate determining factors for selection are transparently communicated before a solicitation.

C. Developer Selection

1. Project Solicitation.

After Board approval of the Development Guidelines, Metro will solicit proposals for development of a JD site through a Request for Information and Qualifications (RFIQ) and/or an Request for Proposals (RFP). Because of the unique nature of JD transactions and their divergence from a typical public procurement of goods or services, the developer solicitation process will use the Metro Acquisition Policy as a general guideline. Unique processes may be pursued in order to bring forward the best value project for Metro and the community. The RFIQ/RFP process will adhere to applicable state and federal codes, and, if the subject site was purchased with federal funding, will conform to Federal Transit

Administration FTA circular 7050.1B, which governs JD projects, as it may be amended from time-to-time.

2. Fostering Partnerships.

During the solicitation process, staff may host a “Building Partnerships” event to highlight small businesses and local CBOs with the goal of connecting them with potential developer proposers.

3. Proposal Evaluation.

Metro will assemble an evaluation panel generally consisting of key Metro personnel, a representative of the local jurisdiction, and a community stakeholder, to the extent feasible and appropriate. Additionally, an urban design or development consultant, financial services consultant, community representative, and/or local jurisdiction technical staff may be used to provide support and advisory services in the evaluation of proposals. The evaluation panel will evaluate JD proposals and select a developer to be recommended to the Board or defer a JD project if none of the proposals maximize JD objectives.

4. Evaluation Criteria.

JD proposals will be evaluated based on their conformance with site-specific Development Guidelines and their support of the JD Policy. The selection team will evaluate various criteria and award points for project attributes including, but not limited to, the following:

1. Vision, Scope and Design. Projects that carry out Metro’s JD Policies herein and the vision for the JD site as described in the site-specific Development Guidelines.
2. Affordability. Projects with a greater number of Income-Restricted Units, and/or deeper affordability levels following the Affordability Score and the alignment of affordability levels with Neighborhood AMI.
3. Transit-supportive Land Uses. Projects with trip-generating uses that allow more people to drive less and access transit more.
4. Financials. Projects with a reasonable and financially feasible proforma that compensates Metro at a fair market value for the land.
5. Implementation Streamlining. Projects that have a clear schedule for implementation, have the potential to be delivered fastest and with the least cost to Metro; projects that are “by-right” and do not require discretionary local actions; and projects with demonstrated community support that are less likely to be delayed by opposition.
6. Development Team. Proposers with demonstrated experience and success and proposers that consist of Community-Based Organizations (CBOs) Small

Business Enterprises (SBE), Disadvantaged Business Enterprises (DBE), Disadvantaged Veteran Business Enterprises (DVBE) and Minority and Women Business Enterprises members.

7. Community Engagement. Proposals that reflect robust engagement with community-based organizations (CBOs) and other community stakeholders as part of the development process.

5. Unsolicited Proposals.

Metro will evaluate unsolicited proposals using a three-phased approach:

- Phase One: Conceptual Proposal
- Phase Two: Detailed Proposal
- Phase Three: Community Outreach and Preliminary Discussions

Metro will respond to unsolicited proposals by following federal procurement guidelines for competitive procurement. Metro may, at any time, choose not to proceed further with any unsolicited proposal.

Phase One – Conceptual Proposal

Phase One includes a basic threshold review and evaluation of conceptual proposals, based on their compliance with the policies set forth in Section III, the site prioritization metrics set forth in Section IV.A.2, and the availability of staff resources at the time of receipt. Unsolicited proposals will only be accepted from developers with site-control of adjacent properties. If staff determines that the Phase One proposal should proceed, staff will request additional detailed information in a Phase Two proposal.

Phase Two – Detailed Proposal

During Phase Two, developers can meet with JD staff to better understand the process and the requirements for the proposed project. A Phase Two proposal will be evaluated based on its advancement of the policy priorities set forth in this document and the evaluation criteria set forth in Section IV.C.4. If Metro intends to move forward with a Phase Two proposal, JD staff and the proposers shall conduct outreach to targeted stakeholders in Phase Three.

Phase Three – Community Outreach and Preliminary Discussions

During Phase Three, Metro and the developer will conduct robust community outreach to understand the reception of the proposed project by the community. This outreach may consist of:

- meeting with local elected officials and municipal staff where the subject property is located;
- meeting with key community and business stakeholder groups;
- convening a public open house seeking community feedback;
- collecting written feedback or survey responses received on-line; and
- conducting virtual workshops, pop-ups, participating in community events, station intercept surveys, etc.

In response to the community input, the developer will be asked to address concerns raised and may submit a revised detailed proposal in response to public feedback. If the project is successful in addressing community concerns and JD staff determines a viable project can move forward, the proposal will be recommended to the Board to enter into an Exclusive Negotiation Agreement.

D. Development Phase

1. Exclusive Negotiation.

Following either the RFIQ/RFP or unsolicited proposal processes described above, Metro may decide to enter into an Exclusive Negotiation Agreement and Planning Document (ENA) with a developer. Before recommending the selected developer's proposal to the Board, Metro will negotiate an (ENA with the developer. Upon approval of a recommended developer and authorization by the Board, Metro will execute the ENA with the developer.

Developer Responsibilities under the ENA include but are not limited to:

- Create a robust community engagement plan that will carry throughout the design, entitlement and construction process for the project.
- Negotiate in good faith, including such project design and project financing information as necessary for staff to negotiate a transaction.
- In consideration for entering into the ENA, the developer will provide Metro a non-refundable fee and will also provide Metro with a deposit to pay Metro's actual costs to negotiate and evaluate the proposal, including certain Metro in-house and third-party costs.

Metro Responsibilities under the ENA:

- During the negotiation period, provided that the developer is not in default of its obligations under the ENA, Metro will negotiate exclusively and in good faith with the developer a Joint Development Agreement (JDA) and Ground Lease to be entered into between Metro and the developer and will not solicit or entertain offers or proposals from other parties concerning the site.

Term of the ENA:

- ENA terms will consist of a twenty-four (24) month base period with the option to extend up to a total of sixty (60) months administratively, with notifications to the Board which will include a project status update, reasons for the extension, and proposed next steps. In considering an extension, staff will determine whether substantial progress has been made towards fulfillment of the requirements of the ENA and may require payment of additional fees and/or deposits.

2. FTA Concurrence.

If a JD project will occupy land initially purchased with federal dollars, the project will need to obtain concurrence from the FTA in order to proceed.

3. Environmental Compliance.

Metro cannot enter an agreement that would legally obligate the project's completion until the Board - as a responsible agency under CEQA and/or NEPA - considers and analyzes the environmental impacts of the project. The project must be cleared through CEQA before a JDA or a Ground Lease can be approved by the Board. Metro is not the lead CEQA agency for JD projects; the agency with local regulatory land use authority generally serves that function.

4. Joint Development Agreement.

Upon satisfactory fulfillment of the development requirements in the ENA, negotiation of acceptable terms, and adoption of CEQA findings by the lead agency, Metro will recommend that the Board (a) adopt the CEQA findings as a responsible party and (b) authorize entering into a JDA and Ground Lease for the implementation of a project. The JDA shall describe the rights and responsibilities of both parties as established in the ENA negotiations.

5. Ground Lease.

Upon satisfactory fulfillment of the closing conditions required in the JDA, and receipt of FTA concurrence, Metro will enter into a Ground Lease for the use of the site. The Ground Lease will describe the rights and responsibilities of both parties with respect to the site. The CEO or designee may also enter into such other documents and agreements to implement and administer the project as described in the JDA and Ground Lease.

V. PROGRAM METRICS

A. Outcome Tracking

Metro will monitor and assess the JD Program and revise the JD Policy as needed. Metro will track the JD portfolio via a regularly updated dashboard of both completed and in-progress projects which will include data such as:

- Number and percentage of units by AMI levels
- Developer characteristics (ex. market rate or non-profit, minority and/or women-led firms)
- Number of residents
- Resident employment and income characteristics
- Resident demographics
- Geographic distribution of JD projects
- Associated community benefits such as parks, community space, or street improvements
- Commercial space
- Number and tenure of small businesses
- Construction and permanent jobs created
- First/last mile improvements
- Transit infrastructure improvements
- Revenue to Metro

Developers will be required to allow Metro to conduct annual commercial and residential tenant surveys to gather metrics for ongoing monitoring. Consistent with pillar one of the Equity Platform, requiring ground lessees to allow Metro to conduct an annual tenant survey would enable JD to track policy objectives such as transit use, demographic data (as allowed/feasible), car ownership, move in/move out information, revenue generation and qualitative data on the tenant satisfaction to help inform features of our projects (e.g., design issues, amenities, desired ground floor services, parking, and unit design).

In addition, Metro will conduct regular surveys of both existing and potential JD developers to identify areas of improvement for the JD Program.

VI. LEGAL FRAMEWORK

A. Statutory Basis

The Metro JD Program maintains statutory basis as obtained by a predecessor agency, the Southern California Rapid Transit District. Under California Public Utilities Code, Section 30600: “the district may take by grant, purchase, gift, devise, or lease, or by condemnation, or otherwise acquire, and hold and enjoy, real and personal property of every kind within or without the district necessary or incidental to the full or convenient exercise of its powers. That property includes, but is not limited to, property necessary for, incidental to, or convenient for joint development and property physically or functionally related to rapid transit service or facilities. The Board may lease, sell, jointly develop, or otherwise dispose of any real or personal property within or without the district when, in its judgment, it is for the best interests of the district to do so.”

B. State Regulations

In response to the state housing crisis, a number of new laws have been adopted that prioritize and expedite the development of Income-Restricted Units, specifically on public lands such as Metro JD sites. In pursuing JD projects, Metro will comply with all relevant state laws.

Metro JD sites which were acquired with assistance from State funding sources may be subject to additional State laws or processes and will follow State guidance to ensure compliance.

C. Federal Regulations

Metro JD sites which were acquired with assistance from the FTA are subject to and will follow FTA guidance and will be reviewed individually by the FTA to ensure compliance. Current guidance in FTA Circular 7050.1B on FTA-funded real property for joint development, stipulates that joint developments follow four criteria: subject JD projects

1. Economic Benefit – project must enhance economic benefit or incorporate private investment.
2. Public Transportation Benefit – project must enhance the effectiveness of public transportation and be related physically or functionally to public transportation, or it can establish new or enhanced coordination between public transportation and other modes.
3. Revenue – developer and Metro must negotiate and agree on the amount of revenue the project will provide to Metro. The FTA does not define what

amounts to a “fair share of revenue” but Metro will provide FTA with a reasonable determination that the terms and conditions of the joint development project are reasonable and fair to Metro.

4. Fair Share of Costs – developers and commercial tenants must pay a fair share of the costs through rental payments or other means. The FTA does not define what amounts to a fair share of the costs of the facility and will not impose a particular valuation methodology. Metro will determine how to document its reasonable determination that the rental payment, or other means, is reasonable and fair.

D. Local Jurisdictions

Metro JD projects are subject to local land use laws, policies and procedures in the host jurisdiction, similar to any private development. The selected developer for any JD site must follow the land use, zoning, permitting, and entitlement process for the local jurisdiction of that site.

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