



Board Report

File #: 2019-0011, File Type: Policy

Agenda Number: 43.

REGULAR BOARD MEETING JANUARY 24, 2019

SUBJECT: THE RE-IMAGINING OF LA COUNTY: MOBILITY, EQUITY, AND THE ENVIRONMENT (TWENTY-EIGHT BY '28 MOTION RESPONSE)

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATIONS

APPROVE:

- A. the baseline assumptions and priorities (proposed sacred items) for the funding/financing plan used to deliver Twenty-Eight by '28 as described in Attachment A and listed as follows:
1. NextGen - The results of the NextGen Bus Service Study must not be compromised to advance capital investments;
 2. State of Good Repair (SGR) - To guard against increased maintenance and operations costs and deterioration in service reliability, customer experience, and safety performance, Metro must commit to preserving annual State of Good Repair allocations as a baseline assumption. This will ensure the capital funding level of \$475 million per annum for State of Good Repair;
 3. Propositions A and C - Maintain the current debt limits for Propositions A and C. Prop A and Prop C revenues are a primary funding source for Operations. The budget committed one-third of Prop A and C revenues to Operations for FY18 and FY19 and the commitment is expected to increase over the next decade as state of good repair expenses rise;
 4. Protect Metro's debt covenants - Ensure the funding plan protects Metro's debt covenants to avoid impairing or adversely affecting the rights of bondholders. Issuing large sums of debt significantly increases repayment risk to bondholders;
 5. Unfunded Ancillary Efforts - Ensure funding for the following projects needed to both support implementation of Twenty-Eight by '28 and uphold the integrity of existing Metro transportation system:
 - a. Division 20 (\$699 M) - Division 20 expansion will provide the overnight storage and maintenance space for the additional subway cars being acquired for the Purple Line extension;

- b. Combined Rail Operations Center (ROC)/Bus Operations Center (BOC) (\$190 M) - a new ROC/BOC is essential for the safe and effective operations of the transit system;
 - c. Maintenance & Material Management System-M3 (\$50 M) - the new M3 is imperative for the effective management of the state of good repair program;
 - d. Train radio for existing subway system (\$75 M) - a new train radio system is essential for the safe and effective operations of the expanded rail network;
 - e. I-210 Barrier Wall (\$200 M) - the intrusion problem on I-210 along the Gold Line must be solved for the long-term safety and reliability of the system;
- B. The commitment to convert to an all-electric bus fleet by 2030 as a baseline assumption and priority (sacred item) for funding/financing plan used to deliver Twenty-Eight by '28;
- C. Pursuit of the creation of a White House Task Force for the 2028 Olympics; and

RECEIVE AND FILE the Staff Recommendations on Strategies to Pursue “The Re-Imagining of LA County” (formerly Twenty-Eight by '28) (Attachment B).

ISSUE

At its September 2018 meeting, the Board approved Motion 4.1 (Attachment C) by Directors Solis, Garcetti, Hahn, and Butts which directed the CEO to adopt and approve as policy the Twenty-Eight by '28 Initiative. The Motion also directed a report back on a financial and funding plan in February 2019, with an update on the development in December 2018. This Board item also responds to the Motion by requesting approval of the baseline assumptions (proposed sacred items) for the funding/financial plan and the pursuit of creation of a White House Task Force for the 2028 Olympic Games. More importantly, this response goes beyond the request made in the original Motion by proposing solutions for the eradication of congestion in LA County, drastically reducing the region's carbon footprint and combatting climate change, increasing transit frequency and capacity, realizing equity, and being in a position to be the first major region in the world that could offer free transit services. So, staff chooses to think bigger than the original Motion and rebrand our endeavor as “The Re-imagining of LA County: Mobility, Equity, and the Environment.” This item also asks the Board to consider staff recommendations on strategies to pursue the “Re-imagining of LA County” (Attachment B).

BACKGROUND

The Metro Board approved the Twenty-Eight by '28 Initiative project list in January 2018, which includes 28 highway and transit projects totaling \$42.9 billion (YOE) in infrastructure investment, with the goal of completing the projects in time for the 2028 Olympic and Paralympic Games. Eight of the 28 projects are currently slated for completion outside the 2028 timeframe. In September 2018, Board Motion 4.1 (Solis, Garcetti, Hahn, Butts) directed the CEO to develop a Twenty-Eight by '28

Funding Plan.

In December 2018, Metro CEO Phillip Washington responded to Motion 4.1 by presenting an overview of the status of Measure M, parameters of the Measure M Ordinance that govern schedule acceleration, and an initial framework for developing a Twenty-Eight by '28 Program Financing/Funding Plan. The agency is currently meeting or exceeding the Measure M schedule on all projects while also moving forward on additional projects not included in Measure M, such as Link US, MicroTransit, the aerial tram to Dodger Stadium and the environmental process on behalf of the City of Los Angeles for the Arts District Station for the Red/Purple Line subway.

In an effort to proactively and responsibly manage project delivery, the Board adopted two separate policies to guide delivery of the Measure M program. The Board approved an Early Project Delivery Policy in November 2017 with categories to evaluate whether a project is a good candidate for acceleration. The Board also adopted a Cost Management Policy in July 2018 to establish cost controls to successfully deliver projects.

To deliver the projects included in the Twenty-Eight by '28 Initiative, the agency must identify \$26.2 billion for the planning, design, construction, operations and maintenance of the eight projects that are currently outside the 2028 schedule. During his December 2018 report to the Board, CEO Washington outlined several items that should be considered core baseline assumptions that will not be compromised for any future financing/funding plan to accelerate the eight projects. Those "sacred items" include the NextGen Bus Plan, State of Good Repair projects, maintaining current debt limits on Propositions A & C, honoring covenants with bondholders, and projects of systemwide importance, specifically Division 20, a combined rail/bus operations center, a new M3 system, a new train radio for the subway system, and the I-210 Barrier Replacement Project.

Staff identified a number of potential funding and financing strategies for the Board's consideration to identify the \$26.2 billion needed to complete the projects in the Twenty-Eight by '28 Initiative. Each item was assigned a risk level of high, medium or low and the amount of revenue or financing anticipated in the 10-year timeframe through 2028. These strategies, documented in the Twenty-Eight by '28 Program Financing/Funding Plan White Paper (Attachment A), fall into four major categories:

1. Debt
2. Increase Revenues from Existing Sources
3. Reduced Expenditures
4. Generate Revenue from New Sources

DISCUSSION

Baseline assumptions and priorities (proposed sacred items) for the package of strategies used to deliver Twenty-Eight by '28.

The above listed recommended baseline assumptions and priorities (proposed sacred items) were also described in the Twenty-Eight by '28 White Paper (Attachment A). These investments must be preserved for the integrity of the future system.

Conversion to All-Electric bus fleet by 2030 as a Baseline Assumption and Priority for Twenty-

Eight by '28

Staff acknowledges the Metro Board's commitment to improving air quality in southern California region by converting to an all-electric bus fleet by 2030. To support this commitment, staff recommends approval from the Board to include this investment as a baseline assumption and priority for any financing/funding plan to deliver the projects in the Twenty-Eight by '28 initiative.

White House Task Force for the 2028 Olympics

In December 2018, Metro staff proposed pursuing the creation of a White House Task Force on the 2028 Olympic and Paralympic Summer Games. Similar efforts in the past resulted in the federal government providing \$1.4 billion for highway and transit infrastructure projects to support the Olympic Games held in the United States: 1984 Summer Olympics in Los Angeles, 1996 Summer Olympics in Atlanta, and the 2002 Winter Olympics in Salt Lake City.

We recommend that Metro prepare an infrastructure package in the range of \$1.5-2 billion that would enhance our highway and transit systems to serve the region during the 2028 Games. When indexing for inflation, this request is consistent with the funds granted to Salt Lake City when it hosted the 2002 Winter Games.

Strategies to Pursue "The Re-Imagining of LA County" (formerly Twenty-Eight by '28) (Attachment B)

The matrix in Attachment B provides additional information on the timing of earliest revenue/cost savings realization for each strategy. It also describes for Board consideration, the Metro Staff recommendations for each strategy. Detailed explanations and rationale are provided below.

1. Change debt policy - Not recommended

Twenty-Eight by '28 faces a funding issue, not a financing issue. Issuing additional debt for Twenty-Eight by '28 will encumber future revenue sources to service that debt. This may prohibit Metro from delivering remaining projects in Measure M on schedule, as mandated by statute. Metro should continue to issue debt as anticipated in our capital plan and on a project-by-project basis, when dedicated funding sources are available for the project and when actual projects costs are to be incurred (during construction). Issuing debt too far in advance of construction can violate IRS rules, putting Metro's tax-exempt status in jeopardy and potentially incurring substantial costs for non-compliance.

2. Increase Revenues from Existing Sources

a. Increase fares - Not recommended

Fare right-sizing is not recommended as a funding mechanism for the 8 accelerated projects. Metro is currently engaged in a study to simplify and right-size our fare structure. Staff will return to the board in June 2019 with results of the study.

b. Advertising - Recommend to pursue

Staff recommends moving forward with advertising and corporate sponsorships to generate additional revenue. This will require the adoption of a policy on corporate sponsorships.

c. Toll Revenues (ExpressLanes) - Recommend to pursue

This proposal aims to withdraw or lend available fund balance from existing ExpressLanes enterprise fund for capital and/or operating costs. Future ExpressLanes revenue could also be leveraged. Available amount is dependent on future toll revenue and operating cost growth and potential competing uses. May be restricted to uses within the I-10 and I-110 corridors.

Projected toll revenues, including debt financing, in excess of new ExpressLanes capital and operating cost. Funding will be used for other projects in the ExpressLanes network corridor. Projected toll revenues are based on increased occupancy requirements and dual lanes.

d. Local, State and Federal Funding

Multi-Year Subregional Program - Recommend to pursue

The Multi-Year Subregional Programs (MSP) carry a 10-year total of \$846.4M in funding for the subregions that have Twenty-Eight by '28 projects: Central City, Gateway Cities, South Bay, San Gabriel Valley and Westside. This proposal asks the subregions to agree to allocate their MSP funding to accelerate projects in their areas.

Local return - Recommend to pursue

This proposal asks local jurisdictions to use their Local Return funding to accelerate projects that have shortfalls. This proposal affects cities and unincorporated county area that directly benefit from the projects and requires agreements with each.

Federal funding assumptions - Recommend to pursue

This strategy proposes a more aggressive approach to securing additional federal funding participation. While there is limited additional capacity to draw upon for future Federal grant opportunities, this assumes maximizing the \$400M annual draw down amount through 2027. As new grant opportunities are announced, Metro would pursue additional funds, where applicable to advance the Twenty-Eight by '28 program.

State funding assumptions - Recommend to pursue

This strategy proposes a more aggressive approach to securing additional state funding participation. Timeline of funds are based on the State's grant programs cycles. This would require reconfiguring of existing SB 1 programs to generate more funds for Los Angeles County. Many of the SB 1 programs are discretionary. Attaching formulas beneficial to Los Angeles would ensure a larger proportion of funds to Los Angeles.

3. Reduced Expenditures

- a. Transit Operations - Electric bus - conform to state mandate of 2040 rather than 2030 - Not recommended

This strategy would slow down the bus fleet electrification effort to meet the 2040 deadline rather than accelerate it to 2030. While this is not recommended to offset costs for Twenty-Eight by '28, staff recommends holding to the 2030 timeline and moving this initiative to baseline assumptions list, as this is a critical strategy to meet our broader environmental and sustainability goals.

b. BikeShare Program - Not recommended

Metro considered transferring the management, oversight, and expansion of the BikeShare program to the City of LA to free up cash flow for accelerating the Twenty-Eight by '28 projects. Transferring this program to LADOT would not necessarily eliminate the cost to Metro.

c. P3 Opportunities - Recommend to pursue

Metro is already pursuing public-private partnership opportunities on three of the eight projects identified for potential acceleration. While P3 project delivery has the potential to deliver savings on project costs, the more compelling value is in the cost and schedule certainty, which allows for more predictability in the annual budget process.

4. Generate Revenue from New Sources

a. Legislative Strategies

White House Task force - Recommend to pursue
See description above.

b. Value Capture - Recommend to pursue

Value capture can add new local revenues to help accelerate the projects through the creation of taxing districts around and adjacent to the stations (on West Santa Ana Branch, Sepulveda Transit Corridor, and Eastside Extension). The property owners could approve a new tax or assessment that would be paid over time and leveraged with debt financing to fund the project acceleration cost. Alternatively, the local governmental entities could approve a tax increment district that would divert incremental property and potentially other local taxes to the new district, and this tax increment could support a debt financing (subject to voter approval) to fund project acceleration, or fund accelerated operating costs.

c. Congestion Pricing - Recommend to pursue all concepts/models

This strategy proposes to investigate the feasibility and framework for conducting congestion pricing pilots with the intent to expand the program in the most traffic-clogged parts of LA County. Three different models would be explored as part of the study: cordon pricing, corridor pricing, and vehicle miles traveled (VMT) pricing. The study will include extensive outreach, including the creation of an Advisory Council. Congestion pricing offers a compelling mobility solution that can also generate substantial revenues that can be used for transit operations and capital construction. When implemented thoughtfully, it can also significantly improve equity by providing more frequent and reliable mobility options for the most disadvantaged citizens in LA County.

d. New Mobility Fees - Recommend to pursue both concepts

The shared mobility device strategy proposes to impose fees on devices, such as scooters, for the use of public rights-of-way.

Staff also proposes to explore the levying of fees for Transportation Networking Company (TNC) trips originating in Los Angeles County as a mechanism for managing demand on our streets and highways.

Both of these proposals would require building support throughout the state for transferring regulatory and taxation authority from the California Public Utilities Commission (CPUC) to Metro.

DETERMINATION OF SAFETY IMPACT

This motion response has no direct impact on safety at this time. However, the approval of the baseline assumptions and priorities, as recommended for approval, will support safe and reliable operations of the transit system in the long-term.

FINANCIAL IMPACT

Approval of the recommended baseline assumptions and priorities will ensure funding for those items in Metro's annual budgets and their inclusion in long-term financial forecasts.

The creation of a White House Task Force for the 2028 Olympic and Paralympic Summer Games will result in additional financial resources to help deliver projects and services for the region.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

These baseline priorities for funding are consistent with the goals of Metro, as stated in the 10-year Vision 2028 Strategic Plan. Vision 2028 made an explicit commitment to prioritize significant investments to improve bus service. It goes on to say that, when revenue projections are short of expectations, existing service continuity and state of good repair must take precedence over other investments.

Vision 2028 also describes a desire to seek state and federal funding to help us accelerate projects and commits to improving mobility in ways that can raise revenue, such as congestion pricing and TNC regulation.

Implementation of Equity Platform

The Re-imagining initiative, as it is more broadly defined beyond Twenty-Eight by '28, explicitly addresses approaches and priorities that would advance the mobility needs of the County's most vulnerable riders. The "sacred items," particularly those addressing Next Gen recommendations, State of Good Repair, and protections on Propositions A and C, ensure that the foundation of LA Metro's transit system, upon which many of our most underserved community members depend, is not compromised to accelerate construction. In addition, the potential for a significantly more robust funding source through strategies such as congestion pricing can enable benefits, such as free transit, to these same underserved communities in ways unimaginable with traditional approaches. The Metro staff and Board must remain committed to Equity as a key evaluative lens as we consider all potential strategies for delivering Twenty-Eight by '28.

ALTERNATIVES CONSIDERED

The Metro Board of Directors may decide not to approve the baseline assumptions and priorities for a financing/funding plan to pursue the Re-imagining of LA County. This is not recommended, as this

would cause the funding for these items to be discretionary, potentially causing uncertainty or delays in initiatives that are needed to uphold the safety, integrity, and effectiveness of the transit system.

The Metro Board of Directors may decide not to approve the pursuit of a White House Task Force for the 2028 Olympic and Paralympic Games. This is not recommended, as the additional funding is necessary to advance mobility improvements ahead of the Games.

NEXT STEPS

Metro staff will hold individual meetings with board members to more fully explain staff recommendations. Staff will return to Board during the February 2019 board cycle with a request for action.

ATTACHMENTS

Attachment A - Twenty-Eight by '28 Program Financing/Funding Plan White Paper

Attachment B - Re-imagining of LA County Mobility Equity & the Environment

Attachment C - Motion 4.1

Prepared by:

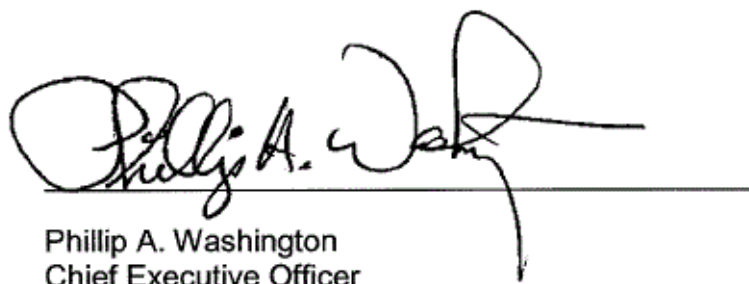
Phillip A. Washington, Chief Executive Officer, (213) 922-7555

Nadine Lee, Interim Chief of Staff, (213) 922-7950

Therese McMillan, Chief Planning Officer, (213) 922-7077

Reviewed by:

Phillip A. Washington, Chief Executive Officer, (213) 922-7555



Phillip A. Washington
Chief Executive Officer



Re-Imagining LA County

January 24, 2019



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Presentation Contents

- Background
- Staff Recommendations
- Strategies for Re-Imagining LA County
- Timeline and Next Steps
- Final Thoughts



Background

- The Metro Board approved the Twenty-Eight by '28 Initiative in January 2018
 - 28 highway and transit projects totaling \$42.9 billion (YOE)
 - Set goal to complete by 2028 Olympic and Paralympic Games
- 20 projects are already slated for completion by 2028
- \$26.2 billion is needed to accelerate delivery of the other eight projects by 2028
- Motion 4.1 (Solis, Garcetti, Hahn, Butts) in September 2018 directed development of a Twenty-Eight by '28 funding plan

Background

- In response to Motion 4.1, staff issued the Twenty-Eight by '28 Program Financing/Funding White Paper
- White Paper recommended items that should be treated as baseline assumptions and priorities
- White Paper introduced potential strategies to close the funding/financing gap for delivering program



Re-Imagining LA County

Re-Imagining LA County: Mobility, Equity, and the Environment

The initiative's objectives, and proposed strategies to achieve them, go well beyond Twenty-Eight by '28

- Dramatically improve equity through mobility
- Eradicate congestion in LA County
- Reduce the region's carbon footprint and combat climate change

Staff Recommendations

- A. Recommend to approve baseline assumptions and priorities (sacred items) for the financing/funding plan to delivery Twenty-Eight by '28
 - 1. Ensure funding to implement results of NextGen
 - 2. Preserve annual State of Good Repair allocations
 - 3. Maintain current debt limits for Propositions A and C
 - 4. Protect Metro's debt covenants
 - 5. Ensure funding for ancillary projects of systemwide importance



Metro

Staff Recommendations

- B. Recommend to approve commitment to convert to all-electric bus fleet by 2030 as a baseline assumption and priority for funding/financing plan to deliver Twenty-Eight by '28
- C. Recommend to approve pursuit of creation of White House Task Force for the 2028 Olympics
- D. Receive and File Strategies to Pursue “The Re-Imagining of LA County” (formerly Twenty-Eight by '28)



Strategies for Re-Imagining LA County

Strategies for Re-Imagining LA County fall into three categories:

- Standard toolkit
- The big “No’s”
- Transformational initiatives

Standard Toolkit

Standard Toolkit – Recommend pursuing

- Advertising and corporate sponsorships
- Toll revenue from existing and expanded ExpressLanes network
- Multi-year Subregional Program and Local Return
- Federal and state funding assumptions
- Public-private partnership opportunities
- Value capture



The Big “No’s”

Change debt policy – Not recommended

- Increases borrowed money that must be repaid
- Increasing debt encumbers future revenues
- Prohibits on-schedule delivery of other Measure M projects

Increase fares – Not recommended

- Not recommended as a funding mechanism to accelerate project construction
- Currently engaged in study to simplify and right-size fares



Transformational Initiatives

- Strategies to deploy for transformational change
- Congestion pricing (all models)
- Levy fees on shared devices (e.g. scooters)
- Levy fees on transportation network companies (TNCs)



Transformational Initiatives

Congestion Pricing – Recommend pursuing

- Feasibility study for three pricing concepts (cordon, VMT, and corridor) with intent to pilot
 - Will include extensive outreach and creation of Advisory Council
 - Will include critical transit system and service improvements required as part of any congestion pricing plan
- Produces a new revenue stream
- Pricing can dramatically improve equity, mobility, and air quality



Transformational Initiatives

Levy fee on Shared Devices – Recommend pursuing

- Impose fees on devices profiting from free use of public infrastructure
- Regulates operators to improve access to more options

Levy fee on Transportation Network Companies – Recommend pursuing

- Impose fees on Uber/Lyft-type services that increase vehicle use, causing more congestion
- Regulates operators to make services available to everyone and provides mechanism for managing demand on streets and highways



Timeline and Next Steps

- **January 2019**
 - Request Board approval on baseline assumptions and priorities to proceed with a Re-Imagining LA County financing/funding plan
 - Request Board approval to include conversion to all-electric bus fleet by 2030 as a baseline assumption and priority for funding/financing plan
 - Request Board approval to pursue creation of White House Task Force on the 2028 Olympic and Paralympic Summer Games



Timeline and Next Steps

- **February 2019**
 - Request Board action on the staff recommendations for strategies to pursue the Re-Imagining of LA County



Final Thoughts – Re-Imagining LA County

These bold actions position the agency to deliver unprecedented regional benefits and outcomes:

- *Dramatically improve equity through mobility*
- Eradicate congestion in LA County
- Reduce the region's carbon footprint and combat climate change
- Increase transit frequency and capacity
- Offer free transit
- Deliver a future LA County that benefits everyone



Discussion



Board Report

File #: 2019-0033, **File Type:** Motion / Motion Response

Agenda Number:

**REGULAR BOARD MEETING
JANUARY 24, 2019**

Motion by:

BUTTS

Related to Item 43: The Re-Imagining of LA County: Mobility, Equity, and the Environment (Twenty-Eight by '28 Motion Response)

I have a number of questions related to the Board report and several instructions pertinent to the Issues before us and would like to amend Item 43 and would like to have staff return to the Board with their responses to the Questions in their February Report.

Questions

1. On Attachment B of the Board report, it states that the earliest any revenue realization can happen is 12 to 24 months. Can you further explain in detail the planning and development process for this?
2. Normally a plan like this requires careful planning, analysis and thorough outreach? Is this element part of your 12 to 24 month process?
3. Is it an accurate assumption that you would want to hire consultant experts to lead a study of this magnitude - is the procurement process included as part of the 12 to 24 month process?
 - a) **Instruct** the CEO to bring forward a schedule on the program approach that details the tasks to be performed during the 12-24 months?
4. In Attachment B you propose that a ten-year estimate can generate **up to** \$134 billion in revenues if you add up all the congestion pricing options. How did you arrive at the estimate for these revenues?
5. In the same attachment you state you can realize savings by exploring Public-Private-Partnership opportunities. What other alternatives have you examined besides Public-Private Partnerships as a means to save project costs?
6. Will the Feasibility Studies include exploring new technology, such as monorail or other technology that can significantly reduce project costs and timelines compared to traditional 100 year-old

technology like underground heavy rail or light rail? AND

7. How will the NexGen Program fit into the scenarios described in Item 43?

Instructions

- A. Direct Metro Staff to return to the Board with information pertaining to the Scope, the proposed Budget and Study Timeline prior to conducting the Feasibility Studies for a Congestion Pricing Pilot strategy;
- B. The CEO shall bring forward a schedule on the program approach that details the tasks to be performed during the 12-24 months?
- C. Monitor the State's Road Charge Program for potential synergistic opportunities and monitor the City of San Francisco's Congestion Pricing projects for potential lessons learned.
- D. The proposed "Sacred Items" for Approval before are subject to future Review and Revision if circumstances arise where the Board feels such Review and Revision is warranted; and

I, Therefore, Move that the Board submit these questions and approve the list of Instructions to the CEO and prepare specific responses to the questions for incorporation in their Report at the Executive Management Committee in February.

**Board Report**

File #: 2019-0034, **File Type:** Informational Report**Agenda Number:**

**REGULAR BOARD MEETING
JANUARY 24, 2019****Motion by:****Solis, Garcetti, Dupont-Walker, Butts, and Hahn**

Related to Item 43:Equity Strategy for Congestion Pricing

In response to the Twenty-Eight by '28 Motion 4.1 from the September 2018 meeting, Metro staff has developed the "Re-Imagining of LA County" initiative, which proposes various funding/financing mechanisms to help construct all projects on the Twenty-Eight by '28 project list by the 2028 Summer Olympics and Paralympics. The most impactful proposal in this initiative is the pursuit of a congestion pricing pilot, which would target traffic-clogged communities to implement demand-based pricing on roads and/or freeways along certain corridors or within specific areas in LA County.

Congestion pricing has been used in other parts of the world, including London, Stockholm, and Singapore, and has been shown to help relieve traffic and increase vehicle speeds. Congestion pricing also helps improve transit services as buses also benefit from increased vehicle speeds. However, despite improving transit that largely serves low-income residents, low-income drivers would be affected more by congestion pricing than households of other income levels. Low-income households already spend a greater proportion of their incomes on transportation and have less flexible work schedules as compared to other households. A congestion pricing pilot may improve traffic but could exacerbate problems for our poorest communities by forcing them to spend even more on transportation. It may also have effects on small and family-owned businesses in fields such as construction and landscaping which rely on vehicles for work.

To address this, equity should be made a cornerstone of the congestion pricing framework. It is crucial that the economic impacts of congestion pricing on low-income drivers be identified and analyzed in order to minimize hardship. Congestion pricing will generate significant revenues, some of which should be directed towards ensuring that low-income drivers are not disproportionately affected.

WE THEREFORE MOVE that the Board direct the CEO to:

- A. Develop an Equity Strategy that considers reinvesting congestion pricing revenue as a key source of funds to minimize economic impacts to low-income drivers;

- B. In partnership with the Board of Directors, nominate subject matter experts in equity as

members of the Advisory Council. The final number of subject matter experts would be dependent on the size of the Advisory Council and subject to approval of the Board;

- C. Engage academia, community-based organizations, cities, subregions, and Los Angeles County during the development of the Equity Strategy and consider the effects of congestion pricing on drivers that rely on their vehicles for their livelihood;
- D. Defer inclusion of congestion pricing revenue in any project acceleration financial plan until the completion of the congestion pricing feasibility study and Equity Strategy;
- E. Revise the congestion pricing recommendation language contained in the Board Report to include the directives in this Motion for approval at the February 2019 Board of Directors meeting;
- F. Report back on proposed components of the Equity Strategy at the February 2019 Board of Directors meeting.