September 1, 2015

Phillip A. Washington
Chief Executive Officer
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90112-2952

Via email: washingtonp@metro.net
CC: Metro Board of Directors

RE: Initial Stakeholder Input for potential 2016 Los Angeles County Transportation Ballot Measure

Dear Mr. Washington:

Please accept these comments on the potential 2016 Transportation Ballot Measure described as a sales tax to finance the expansion of the transportation network in the County of Los Angeles. The size and scale of the proposed tax and investments requires that we, as a public, carefully consider whether or not this course of action is in the best interest of County residents. For this reason, we provide for your consideration principles and recommendations grounded in two decades of work in South Central LA, a location that recently received new public and private transit and transit-oriented investments.

SAJE has worked in the City of Los Angeles and County of Los Angeles for nearly twenty years to expand participation of low-income communities of color in policy and planning decisions that impact their economic security, health and well-being. Issues of transportation access, affordability and development have been core to our community engagement efforts, especially as changes to bus service and rail line expansion have impacted residents. A key goal we have is to ensure new investments benefit low-income people and do not result in their displacement.

We recognize that the core transit riders of Metro’s transit system are predominantly low-income people of color and so we call on Metro to ensure that these transit riders and other low-income people living along existing and planned transit corridors are central to the agency’s decision making. What we call “investment without displacement” is rare, but possible. Metro has the opportunity to get it right with a commitment to investments that stabilize low-income communities.

**Transportation Infrastructure Is a Housing Issue**

LA’s housing affordability crisis has been described in innumerable ways in local and national media. A study covered recently by the Los Angeles Times reports that 13,000 County residents become homeless every month. As rising rents and creative eviction practices send more people out of their homes, away from their communities and, often, onto the streets, our use of public dollars should be utilized to reverse this trend. We cannot allow our own money to worsen a trend that is harmful to us all. Through its billions of dollars of investments, Metro can lead a transformative investment plan by advancing clear and enforceable goals to prevent displacement and expand affordable housing opportunities near its transit system.

It is purported that the proposed sales tax could generate up to $90 billion. At this scale, the negative impacts on core transit riders and other low-income residents could be dramatic, if not
traumatic. Rising land values and speculative land banking are processes that follow the build out of transit networks and result in the loss of housing affordable to low-income residents. Given that Metro uses public dollars and that its riders are primarily low-income people, its infrastructure programs should directly address the displacement of residents. Therefore, transit infrastructure investments are a housing issue. In order to benefit the public as a whole, investments of this size must ensure low-income people can live near transit hubs.

We applaud Metro’s work this year to advance programs that would support the expansion of affordable housing. The creation of a Transit Oriented Affordable Housing (TOAH) fund and including in the joint development policy a target goal for affordable housing development and the allowance for land discounts for affordable housing projects are powerful steps to build upon. If a sales tax were to be put before voters, the public should know that monies generated would support the preservation of mixed income communities.

**Principles for consideration, regarding a Potential Transportation Ballot Measure**

A sales tax ballot measure would generate billions of dollars in revenue. Together, we must take the time now, at these initial stages of consideration, to base decisions in a set of principles that prioritize positive impact on vulnerable and underinvested communities.

**Authentic and meaningful public participation should be paramount.** As stated above, much is at stake and public dollars are the tool that is being proposed to advance transit infrastructure. Meaningful participation from community stakeholders is necessary to making the best decisions about whether or not to pursue a sales tax ballot measure. This requires concerted effort to engage, consult and regularly return to residents who face the greatest barriers to involvement. We call for a process that recognizes the added investment required to meaningfully involve homeless and low-income residents, as well as residents whose first language is not English. These same groups stand to lose the most when it comes to gentrification and displacement spurred by transit investment. But with their involvement, transformative solutions and policies can emerge for Metro to pursue.

Speaking to this current process, we are disappointed that, to date, Metro has not practiced this principle. Few organizations – let alone communities – are aware this opportunity for comment exists and it appears Metro has not helped the public be aware. For instance, multiple searches leading up to the comment period deadline on the Metro.net website found no mention of the opportunity to comment on this potential ballot measure. (We are fortunate to have heard of this comment period from fellow non-profit organizations.) To truly represent the public, we implore Metro to prioritize outreach efforts to low-income residents and homeless residents because they are the most vulnerable to displacement in and around transit development and transit-oriented development sites. Organizations who directly work with these community members can be assets in the outreach process; but we cannot help if we cannot easily find information about the process.

**Sales taxes disproportionately harm lower-income residents.** It goes without saying that sales taxes have a greater impact on people who have fewer dollars to spend. Because of this, we question the appropriateness of sales taxes to drive public infrastructure projects. As previously mentioned, the most frequent and consistent riders of public transit are low-income people who face difficult choices on a daily basis about how to spend their limited income. Metro’s core transit riders should not both face the greatest burden in funding a sales tax and then, at the other end, also face the greatest harm as the funds are used in ways that contribute to their displacement.
Transportation must be accessible for it to benefit low-income riders/residents. For low-income people, transportation infrastructure is only useful if it is accessible. The two greatest barriers to accessibility are distance from transit resources and cost. So, a transportation ballot measure must conceive of addressing accessibility in a meaningful way. In addition to providing low fares, Metro can create new - and expand existing - programs that create affordable housing at deep affordability levels – such as at the Extremely Low-Income (ELI) level.

Investments must first benefit underinvested communities, without contributing to their displacement. Historically, low-income communities of color have experienced generations of disinvestment. These hard-hit areas are also vulnerable to gentrification and displacement when new investments finally arrive. The critical distinction is that investments must first benefit underinvested communities, while also not harming them. A great harm is done when residents, workers and families are displaced from their homes and communities, often resulting in greater economic insecurity and worsened physical and mental health.

Significant anti-displacement investments and policies can prevent displacement. Where such investments/policies do not exist, major infrastructure projects will substantially decrease housing affordability and increase displacement of low-income and homeless residents. For instance under Measure R, we have seen low-income tenants facing worsening pressures of rent increases evictions - often unwarranted or illegal - along the Exposition and Crenshaw Lines. Incentivizing projects that include anti-displacement provisions and/or contribute to deep affordable housing can help end this trend.

Greenhouse gas reduction and other environmental goals are advanced when core transit riders live near transit. The considerable investments made in transit infrastructure should not worsen environmental goals; but this happens when low-income people are displaced. As seen in LA and other transit systems around the country, transit ridership decreases following new transit investments. When low-income and mixed-income communities give way to gentrification and leave behind only higher-income residents, many core transit riders are removed from the system and require the use of older, less efficient vehicles to travel to and from work. Meanwhile, transit areas are saturated by households who own cars and use transit primarily as a convenience.

Recommendations for Transit Investment Projects

With the above principles in mind, we offer a starting set of recommendations for major public transit investment projects. Given the disparate negative economic impact sales taxes have on low-income people, the significant scale of the proposed sales tax, and knowing that low-income tenants are facing displacement pressures throughout LA County along transit corridors, we offer the following recommendations:

1. **Require strong and enforceable anti-displacement provisions as conditions for the use of sales tax dollars.** This can include measures preventing the displacement of residents resulting from the acquisition, construction and operation of any transit line. Equally as important are measures preventing displacement of residents resulting from private and public development occurring along transit corridors. Policies preventing displacement apply both “on-site” and “off-site” of a proposed project location.

2. **Devote a significant percentage of revenue generated to housing at deep levels of affordability.** Commit funds from the sales tax directly to Metro’s Transit-Oriented Affordable Housing fund, to be used for the production of new affordable housing. The
deepest levels of affordability are critical to support the housing of LA’s low-income residents, many of whom would not qualify for housing held at the Low-Income and, even, Very Low-Income levels. Investment in Extremely Low-Income affordable housing should be prioritized.

Thank you for your consideration. Please contact us for more information. I can be reached at jdonlin@saje.net and 213-745-9961, ext. 215.

Sincerely,

Joe Donlin
Associate Director
Strategic Actions for a Just Economy (SAJE)