

# DEVELOP

## TOD Takes Center Stage in L.A.

The Obama administration will back Los Angeles Mayor Antonio Villaraigosa's 30/10 Plan, Senator Barbara Boxer (D-CA) announced at the ULI Los Angeles TOD Summit 2010, held in Hollywood in June. The support is a major boost for 30/10, which calls for speeding up 12 major urban rail projects throughout the region, completing them in the next decade rather than the originally scheduled 30 years.

It is the latest sign that efforts to energize the Los Angeles region's economy and reduce carbon emissions are increasingly focused on mass transit and its potential to

stimulate transit-oriented development (TOD)—a surprising turn of events for a place recently named the “world's greatest car city” by *Motor Trend* magazine.

“30/10 means that a major upgrade to mass transit is no longer a far-off goal, and the development community has to start thinking about this opportunity now,” said Ramin Kolhabi, principal of Lighthouse Investments, a national real estate investment and development firm based in Los Angeles, and cochair of the TOD Summit 2010.

In November 2008, Los Angeles County voters approved Measure R, a \$40 billion transportation funding initiative, committing nearly \$28 billion—70 percent of the total package—to expanding and operating new mass transit. Denny Zane, executive director of Move LA, played a key role in building support for the new half-cent sales tax enacted by Measure R. “[The new tax] was passed with two-thirds of the vote, even after the Wall Street collapse in September 2008, because of massive frustration with transportation

options in this community and the opportunity Measure R presented to improve them,” Zane pointed out in a speech at the TOD Summit.

The 30/10 plan would build Measure R's momentum by matching federal financing with local tax revenues, providing enough cost savings over time to build projects sooner. Its viability hinges on whether the federal government agrees to issue Build America Bonds, or a similar type of very-low-interest government bond, which would then be repaid by local sales taxes.

This would constitute a new form of federal/local partnership and perhaps also provide an early test of the infrastructure bank concept recommended by ULI in its *Infrastructure 2010* report. In fact, Obama administration officials are now looking to 30/10 as a potential model for building sustainable communities nationwide.

In a letter to Boxer, U.S. Transportation Secretary Ray LaHood wrote, “I share your belief that the 30/10 model—leveraging a comprehensive long-range transportation plan and a



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Above: the Wilshire Vermont Station apartment community in Los Angeles; right: the Los Angeles County Metro Yellow Line. The 30/10 plan calls for speeding up 12 major urban rail projects throughout the Los Angeles region.



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