Summary: Local return is an important revenue source for cities to maintain their local transportation infrastructure. Most cities use their local return to operate small bus systems and repave streets, with little left over for active transportation. Local return supplements other funding sources for these purposes like gas taxes, general funds, and special assessments. The potential ballot measure proposes a modest increase in local return compared to Measure R and increases eligibility for uses like stormwater capture and transit-oriented communities. With so many competing demands on a limited funding source, it is important for cities to set clear priorities to use local return funding efficiently and effectively to achieve desired policy outcomes. Routinely integrating complete streets and green streets elements maximizes the benefits of regular street maintenance, while setting aside funding for priorities like walking and biking can help leverage state and federal grants for these projects.

Background: In Los Angeles County, about two-thirds of all transportation revenue is generated by three half-cent sales taxes: Propositions A and C and Measure R. Each of these measures returns a share of the tax revenue to local jurisdictions for transportation purposes. This formula grant program, known as local return, distributes funding by population to be spent by each city council (or the Board of Supervisors for unincorporated communities) within broad program guidelines established by Metro. Proposition A allocates 25% for local return, while Proposition C and Measure R allocate 20% and 15%, respectively. Combined, Metro distributes approximately $450 million per year in local return, with about $175 million of that going to the City of Los Angeles.
Angeles. The potential ballot measure would generate at least $120 million per year in additional local return, including over $45 million per year for the City of Los Angeles.

Propositions A and C require local return to be used for transit-related expenditures, while Measure R expanded eligibility to include any transportation purpose. Most cities use local return for three main purposes: funding local transit operations (e.g. DASH service), street repair, and as local match for state and federal grants. For large jurisdictions like the City of Los Angeles, local return is a significant amount of funding that the City can use for strategic priorities. For smaller jurisdictions, local return may amount to less than $100,000 per year, which is easily consumed by pavement repair and transit operations, with nothing left for major capital projects.

**Measure R Success Story: Los Angeles Dedicates 10% to Walking and Biking**

After the passage of Measure R, Mayor Antonio Villaraigosa and advocates convinced the Los Angeles City Council to set aside 10% of the City’s local return for walking and biking. This funding enabled the City to hire two pedestrian coordinators and complete a data-driven Safe Routes to School Strategic Plan, which has since positioned the City to win tens of millions of dollars in competitive grants. Dedicated funding has also enabled quick and efficient implementation of the 2010 Bicycle Plan by reducing the City’s reliance on multi-year grants to build simple projects like striping bike lanes. Dedicating a relatively small amount of funding has made a huge difference in allowing City staff to work quickly and strategically to make streets safer for walking and biking.

Why it matters: Research conducted by the Safe Routes to School National Partnership in 2012 found that local return plays a small, but critical role for walking and biking projects as leverage for larger state and federal grants, many of which require a local match. While local return is often over-subscribed by repaving and transit operations needs, all jurisdictions can adopt strong policies governing their use of local return to ensure this funding maximizes benefits for the community. For smaller cities, local return is an important revenue source for their capital improvement programs, which can and should integrate complete streets and green streets into all street rehabilitation projects. Local return can also be used to create active transportation plans, which will then position cities to be competitive for future capital grants. For larger jurisdictions like
the City of Los Angeles, policies governing local return can include meaningful set-asides for key priorities like walking and biking.

**Policy Opportunity: Implementing Mobility Plan 2035**

Mobility Plan 2035 includes a suite of new metrics for evaluating how streets are performing. While pavement quality index continues to be one important indicator for whether a street is “failing,” there are also indicators for vehicle speed, safety, and livability that can help determine where to prioritize transportation spending and what design elements to install during street rehabilitation. The majority of streets in Los Angeles are residential streets, which are frequently repaved with little consideration of potential improvements. Mobility Plan 2035 identifies a subset of these streets as part of the Neighborhood Network to provide safe routes to school, parks, and other local destinations. Streets on the Neighborhood Network have performance measures for traffic volume and speed to ensure that these streets provide a safe environment for walking and biking. Traffic calming like speed humps and curb extensions can easily be included in rehabilitation projects on streets that don’t currently meet their performance targets. While the City has spent significant resources surveying all streets for pavement quality, baseline data for other indicators has not yet been collected. Comprehensive baseline data collection for all streets on Mobility Plan 2035 networks would enable the City to prioritize rehabilitation projects based on multiple performance indicators.

Mobility Plan 2035 contemplates local return as a significant funding source for implementation of the plan’s multimodal networks and other policy priorities, including Vision Zero. The plan anticipates that many of its elements would be implemented gradually over time as part of regular street maintenance, so it calls for a 10% set-aside within all street rehabilitation project budgets to pay for complete streets improvements, like traffic calming, bike lanes, and transit improvements, that can cost-effectively be incorporated into repaving. It also directs 20% of local return to be dedicated to walking and biking, an increase from the current 10% Measure R local return set-aside. Following these policies from Mobility Plan 2035 would ensure that local return from the potential ballot measure is used efficiently to achieve multimodal objectives.
**Policy Opportunity: Accessible Sidewalks**

Earlier this year, the City of Los Angeles settled a class action lawsuit alleging that its sidewalks were not accessible to people with disabilities. The terms of the settlement require unprecedented investment in sidewalk repair, focused on those parts of the city where broken sidewalks pose the greatest barrier to people with disabilities. This new spending is essential—but not sufficient—to bring all sidewalks in Los Angeles into a state of good repair. It also does not build new sidewalks where gaps exist in the pedestrian network. Local return from a new ballot measure creates an opportunity to leverage currently required spending to achieve even greater accessibility for families, seniors, and people with disabilities. One important first step is to create a comprehensive sidewalk inventory so that the City can make decisions about where to prioritize new funding with the best available data.

**Policy Opportunity: Green Streets**

In addition to carrying traffic, city streets are an integral part of the region’s stormwater conveyance system. City streets contribute to the urban runoff problem by reducing permeable surface area where rain can infiltrate into the soil. Runoff from streets is also contaminated with motor oil, metals, and other pollutants emanating from vehicles. The City of Los Angeles has completed a Stormwater Capture Master Plan identifying where the best opportunities to capture and clean stormwater are located. To help local jurisdictions comply with increasingly strict water quality mandates, the draft potential ballot measure includes eligibility for stormwater infrastructure in local return. The City can use new local return funding to routinely implement green streets standards as a part of all street rehabilitation projects.

Recommendations: Setting clear priorities for local return is critical for the City of Los Angeles to implement its transportation plans. Motions introduced by Councilmembers Buscaino, Englander, and Blumenfield have started the discussion about how to spend the City’s share of new transportation revenue generated by the potential ballot measure. These proposals should be carefully evaluated for their consistency with Mobility Plan 2035 and other adopted plans to ensure that new revenue aligns with
policy priorities, efficiently delivers public improvements, and maximizes benefits for communities.

**Buscaino-Englander Motion to Dedicate Two-Thirds of New Revenue for Street Rehabilitation**

A motion by Councilmembers Buscaino and Englander is an extension of their effort two years ago to pass a tax or bond to pay for street repair, dubbed Save Our Streets L.A. To avoid competing with Metro’s potential ballot measure, the street repair proposal was tabled with the understanding that the ballot measure would provide new revenue for this purpose. As a direct outgrowth of the Save Our Streets L.A. proposal, this new motion presents many of the same opportunities to incorporate complete and green streets elements into a comprehensive street rehabilitation program.

The greatest challenge for this proposal is the City’s capacity to manage such a large capital improvement program, given existing project delivery issues. This program must be well designed with coordination across departments including Engineering, Street Services, Sanitation, Transportation, and Planning. Full participation by the latter three departments is essential for the program to deliver environmental, safety, and mobility benefits consistent with Vision Zero and Mobility Plan 2035. The program should follow Mobility Plan 2035’s policies to incorporate complete and green streets into all rehabilitation project budgets. The Departments of City Planning and Transportation should have significant program management and oversight roles to ensure that the capital program effectively implements current City policy and leverages other funding sources, where applicable.

**Blumenfield Motion to Allocate Local Return by Geographic Area**

Any budget discussion in Los Angeles prompts discussion of whether each part of the city is receiving its “fair share” of benefits. While geographic balance is a consideration for ballot measures that require broad support by voters in all parts of the city, a direct partitioning of resources by council district or subregion would prevent the City from following adopted policy priorities and responding to critical public safety needs. In a city as large and diverse as Los Angeles, different parts of the city will have different needs
for police, fire, traffic enforcement, and other public services. Based on crime data, LAPD deploys more resources to South Los Angeles, while LAFD needs more coverage in hillside neighborhoods to protect against natural fire hazards. LADOT is now using collision data to deploy transportation resources to those streets with the greatest public safety needs. These high-injury locations tend to be concentrated in low-income communities of color like South Los Angeles and the communities around Downtown. Eliminating traffic deaths and serious injuries can only be accomplished if the City prioritizes projects with the greatest safety benefits, regardless of location.

Equity does not mean dividing funding equally--it means working towards equal outcomes. Some communities need more resources to achieve the same safety and mobility benefits that other communities already enjoy. The City’s experience with the Safe Routes to School Strategic Plan demonstrates that when departments focus on data and outcomes, irrespective of geographic parity, the City becomes more competitive for state and federal grants, which then increases overall investment in Los Angeles. In setting policies for local return, it is essential to focus on citywide priorities and align funding with those desired outcomes.

**Increase Funding for Pedestrian and Bicycle Safety and Accessibility**

Mobility Plan 2035 recommends a 20% set-aside for walking and biking in local return. This policy should be applied to both Measure R and the new potential ballot measure to ensure that sufficient local funding is available for walking and biking projects and programs, including Vision Zero, Great Streets, Safe Routes to School, and Mobility Plan 2035. Increasing this set-aside is critical for the City to strategically implement more innovative bicycle and pedestrian improvements, reduce traffic deaths and serious injuries, and increase access to transit, parks, schools, and other neighborhood destinations.

**Increase Public Participation in Transportation Funding Decisions**

Engaging the community in decisions about how to spend potential revenue is critical to build support for the ballot measure. The City has engaged thousands of residents as part of outreach for Mobility Plan 2035, resulting in a balanced and comprehensive plan.
The policies and implementation actions recommended above were identified through this process. Building on this base of engagement, the City should continue to engage stakeholders during plan implementation, including funding decisions. The Mobility Plan 2035 Community Advisory Committee represents a broad range of stakeholders across the city that should be able to continue to weigh in on a regular basis.