

PRELIMINARY REVIEW OF POSSIBLE FUNDING SOURCES FOR TRANSPORTATION-RELATED PROJECTS IN VENICE

A. MTA Local Return Funds

What Are They:

Voters in Los Angeles County have passed four sale tax measures for transportation improvements: in 1980 (Proposition A), 1990 (Proposition C), 2008 (Measure R), and 2016 (Measure M). Although each of the four measures have different formulas for allocating its revenues, all have a Local Return element. Local Return funds are disbursed to all 88 cities in Los Angeles County based on population.

These are the FY 2024 Local Return Fund estimates for the City of Los Angeles from the four sales tax measures: (Source: *FY19-FY24 Local Transportation Funding*, LACMTA.)

Proposition A:	\$ 101,280,000
Proposition C:	\$ 84,010,000
Measure R:	\$ 62,988,000
Measure M:	<u>\$ 71,126,000</u>

Total: \$ 319,404,000 (City of Los Angeles has 39% of County's population)

Purpose:

The MTA has guidelines on the use of Local Return Funds, but cities use Local Return funds for a wide range of transportation-related uses. Local Return Funds typically are used for street and road maintenance and improvements, and transit operations.

Application to Venice:

It is not clear what, if any, Local Return Funds have been used in Venice and for what projects. Although Local Return Funds are not allocated within L.A. City by population, were they so allocated, with 1% of L.A. City's 3.6 million residents Venice would have received 1% of L.A. City's Local Return revenues, or about \$3 million per year since 2016.

Local Return Fund can support projects like a Venice Transit Center and the Coastal Bikeway improvements, but only if the City Administration and LADOT programs the project into its budget and project-development pipeline.

B. Coastal Transportation Corridor (CTC) Fund – TIA Fees

What Is It:

CTC Funds are developer impact fees collected under the Coastal Transportation Corridor Specific Plan (CTCSP), part of the Transportation Impact Assessment (TIA) Fee program for the Westside.

Purpose:

CTC Funds are to fund projects that reduce vehicle-miles travelled (VMT), expand multimodal options, and increase transportation connectivity. Eligible uses include active

transportation (bike/pedestrian projects), dedicated or expanded transit service, roadway/ITS upgrades, and trip-reduction programs.

Application to Venice:

A Venice Transit Center is highly consistent with CTC goals—expanding multimodal access and transit connectivity on the Westside—making it a strong candidate for these funds.

- These fees are collected under the Coastal Transportation Corridor Specific Plan (CTCSP) and the Transportation Impact Assessment (TIA) program, charged to new development for capital improvements that reduce VMT, expand multimodal infrastructure, and support active transportation and transit.
- Unfortunately, a current balance or budget allocation specifically for CTC/TIA fee funds could not be found. This funding is managed by LADOT, and the balance isn't publicly listed in open documents available online.

C. Quimby Fund:

What Is It:

The Quimby Fund comes from fees developers pay under the California Quimby Act. These are “in-lieu” fees meant to offset the impact of new development by expanding or improving parks and recreational facilities.

Purpose:

By law, Quimby dollars can only be used for capital improvements or land acquisition for parks and recreation. They cannot be spent on ongoing operations, salaries, or unrelated infrastructure. The money is also geographically restricted—it must be spent within a certain radius of where it was collected, and within five years of collection.

Application to Venice:

Venice has a substantial Quimby balance on record (tens of millions), with portions already allocated to projects like Venice Beach improvements. If a proposal—such as parking upgrades—is tied directly to enhancing access to a park or recreation facility, it may be eligible. General neighborhood parking, however, likely wouldn't qualify unless it's framed as necessary for park access or expansion. Improvements to the Coastal Bikeway may well fall under Quimby rules.

Latest Quimby Fund Balance for Venice:

- As of June 30, 2022, the broader account (which may include multiple zones) showed much higher balances—upwards of \$81 million
- As of mid-June 2023, the Venice Quimby Account 302/89/89460K held approximately \$78,553,716.66

- On December 19, 2024, the Board approved allocating \$965,133.46 in Quimby Fees from the Venice Beach account (Account No. 302/89/89460K-VE) toward a proposed park-related project.

Who Decides and Allocates:

The Department of Recreation and Parks (RAP) controls the trust funds, and its Board of Recreation and Park Commissioners formally approves allocations and transfers by board report and vote. RAP staff calculate/collect fees and prepare allocation recommendations; the Board authorizes commitments and directs the Chief Accounting Employee to transfer funds.

D. Venice Coastal Parking Impact Trust Fund:

What Is It:

The Venice Coastal Parking Impact Trust Fund retains in-lieu fees developers of commercial and industrial pay instead of providing the total number of parking spaces required to meet the parking demands of their developments. The fee was initially set at \$18,000 per space and has not been raised since.

Application to Venice:

It is not clear what the funds can be used for beyond expanding parking lots and funding transit operations. Both of these require more money than the fund accumulates. The fees collected might be used to add parking meters and wayfinding signs to parking facilities. The fee program needs to be updated and doing so was recommended by the VNC in January 2025.

As of October 2020 the fund had accumulated \$1,100,000 and spent \$387,000 leaving a balance of \$694,000. The balance now is about \$800,000. Expenditures to 2020 included:

- The design and construction of parking lots 759 and 760 along the west side of Electric Avenue (\$237,000); and
- Support for the parking and transportation planning services (\$150,000).

Who Decides and Allocates:

The Department of Transportation (DOT) collects and allocates the funds. We are talking to DOT to resolve what improvements qualify for these funds and how potential projects are vetted. We believe they could be used to implement a number of VNC's parking recommendations.