



**RESOLUTION  
OF THE  
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
BOARD OF DIRECTORS**

**STATE OF TEXAS**

**COUNTY OF TRAVIS**

**RESOLUTION (ID # AI-2020-1297)**

**Funding and Commitment Resolution for Project Connect**

**WHEREAS**, Project Connect is a vision for how we move people today and plan for tomorrow, and will create an integrated transit system that eases traffic, brings jobs to our region, improves the environment and better connects people so everyone in our community can thrive; and

**WHEREAS**, making public transportation a real, viable alternative for more people will make the greatest positive impact for the environment and help achieve the City of Austin’s (“City”) 50/50 mode share goals established in the Austin Strategic Mobility Plan (“ASMP”) stating that the City “must work with our public transportation partners and enhance services to create an experience that attracts and retains riders” and “unprecedented collaboration between the community, the City, and Capital Metro is critical;” and

**WHEREAS**, City Council adopted Resolution No. 20190808-081 directing the City Manager to “analyze and report on options for the City of Austin and other related or interested public or private entities to leverage resources to support the creation, operation, and maintenance of a high-capacity transit system;” and

**WHEREAS**, Capital Metro and the City have engaged with community members and other stakeholders to refine the Project Connect System Plan, (“Project Connect”) a high capacity transit system, to address the City’s transit needs for safer, faster, and more reliable transportation that will improve access to essential services, such as education, health care, grocery stores, childcare, and jobs, especially in historically underserved and underrepresented communities; and

**WHEREAS**, prevention of displacement of lower income residents from areas served by Project Connect’s transportation projects is a guiding principle to Capital Metro through its longstanding Transit Oriented Development Policy and Guidelines that is designed to support equitable growth that acts as a force multiplier for transit’s benefits for the entire community; and

**WHEREAS**, the ASMP adopted by the City also establishes that the policy of the City is to proactively assess displacement impacts of transportation projects, stating, “it is important that we recognize this fact during the planning phase of all transportation infrastructure projects and that, before we begin the implementation of these projects, we work with our partners, develop strategies, and utilize tools to support current neighborhood residents and businesses, stopping or limiting their displacement;” and

**WHEREAS**, the City of Austin also supports an equitable transit system as the Austin City Council has passed a resolution (Austin City Council Resolution 20200423-038) supporting an equitable transit system to benefit the whole community and calling for data-driven policies and funding to “prevent transportation investment-related displacement and ensure people of different incomes can benefit from transportation investments;” and

**WHEREAS**, to receive funding through its Capital Investment Grant Program, the Federal Transit Administration (FTA) evaluates on economic development criteria which includes “the extent to which a proposed project is likely to induce additional, transit-supportive development,” specifically including “adopted financing tools and strategies to preserve and increase affordable housing in the project corridor;” and

**WHEREAS**, Capital Metro, as a rapid transportation authority serving the Central Texas region by statute, is currently partnering with surrounding communities in the region to provide transit service, and will coordinate and facilitate future regional transportation programs which may be in conjunction with Capital Metro directly or the Austin Transit Partnership; and

**WHEREAS**, Capital Metro will work jointly with the City to identify and pursue future opportunities to leverage regional, state and federal funding for Project Connect; and

**WHEREAS**, the existing local and regional bus network and MetroAccess service are the backbone of the transit system that will provide equitable connections to all members of the community to meet their essential needs and to connect to the high capacity transit network, and the service hours to make that local service successful should be maintained; and

**WHEREAS**, the Capital Metro Board unanimously adopted the Project Connect System Plan (Capital Metro Board Resolution AI-2020-1273) that includes the Locally Preferred Alternatives for the Orange, Blue, Gold, Green, and MetroRapid Lines on June 10, 2020; and

**WHEREAS**, the Austin City Council unanimously adopted a resolution of support for the Project Connect System Plan on June 10, 2020 (Austin City Council Resolution 20200610-002) and directed the City Manager to amend the ASMP to include the Project Connect System Plan and Locally Preferred Alternatives for the Orange, Blue, Gold, Green, and MetroRapid Lines, as adopted by the Capital Metro Board of Directors; and

**WHEREAS**, Capital Metro appreciates the unanimous June 10, 2020 Austin City Council resolution supporting the Project Connect System Plan and recognizes the critical importance of the partnership between Capital Metro and the City of Austin to securing the local funding commitment required to move into the federal funding process and to realize the vision of Project Connect through City Council Resolution 20200727-002 directing an initial investment in the Project Connect System Plan (Initial Investment Map and associated Implementation Sequence Plan which are attached as “Exhibit A” to this resolution) and directing the City Manager to include an additional \$0.0875 per hundred dollar valuation in the proposed Fiscal Year 2020-2021 property (ad valorem) tax rate; and

**WHEREAS**, Project Connect is a citywide rapid transit system that comprises a fixed rail and bus rapid transit system, including associated roadway, bikeway, sidewalk, and street lighting improvements; park & ride hubs; on-demand neighborhood circulators; innovative customer technology; and improved services for seniors and persons with disabilities; and

**WHEREAS**, Project Connect also comprises transit-supportive anti-displacement strategies for the purpose of preventing displacement and encouraging transit-oriented affordable housing along Project Connect transit corridors; and

**WHEREAS**, Capital Metro appreciates that the City Council will order an election to be held on November 3, 2020 for the purpose of approving a tax rate of \$0.5335 per \$100 value of which \$0.0875 is to be used as a dedicated funding source for the Austin Transit Partnership (referred to by the City as the “Project Connect Tax Revenue”) to further the objectives of the development and implementation of Project Connect, including funding for transit supportive anti-displacement strategies, and for the purpose of approving funding for a fixed rail system; and authorizing Capital Metro to expend its funds to build, operate and maintain such a system as required by Section 451.071 of Texas Transportation Code; and

**WHEREAS**, the Capital Metro Board and the City Council each approved an interlocal agreement, committing to, upon voter approval of the Project Connect Tax Revenue, create a joint local government corporation with articles of incorporation and bylaws, to be named Austin Transit Partnership; and

**WHEREAS**, the purpose of Austin Transit Partnership is to be the principal entity responsible for the implementation of the Project Connect System Plan, including the financing of acquisition, construction, equipping, and operations of Project Connect; and funding the Project Connect associated transit-supportive anti-displacement strategies;

and to work with the City and Capital Metro to execute a Joint Powers Agreement to delineate the roles and responsibilities of all three parties; and

**WHEREAS**, Capital Metro is on sound financial footing and has established a Capital Expansion Fund and will contribute future operations and maintenance funding to Project Connect, and upon a successful election and a local funding commitment will serve as the grantee for funding received from grant agreements with the U.S. Department of Transportation.

**NOW, THEREFORE, BE IT RESOLVED** that Capital Metro declares its intent and commitment to invest in a citywide rapid transit system, known as Project Connect, which includes associated transit-supportive anti-displacement strategies. Capital Metro clarifies that if Project Connect, or the associated Implementation Sequence Plan, require modification, such action may be taken only upon the joint concurrence of the Capital Metro Board and the City Council. The following Be It Further Resolved clauses describe how Capital Metro will commit funds to the Austin Transit Partnership and for the implementation of Project Connect and direct the President & CEO to include certain provisions in a draft Joint Powers Agreement, to be reviewed and approved by the Capital Metro Board of Directors, the Austin Transit Partnership and the City of Austin to guide the expenditure of funds.

**BE IT FURTHER RESOLVED** that upon voter approval of the tax rate, Capital Metro dedicates the balance of the Capital Expansion Fund to the Austin Transit Partnership for implementation of the Project Connect System Plan or shall budget for use of the Capital Expansion Fund in the Fiscal Year 2021 budget to fund initial corporate functions, actions required for projects as defined in the Project Connect System Plan, and other Capital Metro responsibilities for implementation of Project Connect.

Further, if sufficient funding is available to fund both the initial investment and additional transit infrastructure components of Project Connect (as shown in Exhibit A), Capital Metro agrees that funding may be used to fund these additional transit infrastructure components.

Finally, if federal matching funds are not available to complete components of the initial investment, or additional components, the funding committed by Capital Metro shall be used to fund as much of the initial investment in Project Connect as possible.

**BE IT FURTHER RESOLVED** that Capital Metro will transfer funds received from any grant agreements with the U.S. Department of Transportation related to Project Connect to the Austin Transit Partnership for projects being implemented by the Austin Transit Partnership in accordance with any federal requirements and as further delineated in a Joint Powers Agreement.

**BE IT FURTHER RESOLVED** that for ongoing implementation of projects identified in the Project Connect System Plan and operations and maintenance of the service and system, Capital Metro will commit all estimated revenues identified in the Estimated

Long Term Contribution in Exhibit B and as further delineated in a Joint Powers Agreement.

**BE IT FURTHER RESOLVED** that the Capital Metro President & CEO is directed to continue funding the design, construction, implementation, and ongoing operation and maintenance of the Project Connect system in future fiscal years.

**BE IT FURTHER RESOLVED** that the President & CEO is directed to include in the Joint Powers Agreement with Austin Transit Partnership and the City of Austin, a provision to provide a total of \$300,000,000 of the Project Connect Tax Revenue, in accordance with the Implementation Sequence Plan as shown in Exhibit A, to Austin Transit Partnership for the purpose of (1) acquiring real property, and (2) financing tools and other anti-displacement strategies related to the implementation of Project Connect. The following two Be It Resolved clauses provide guidance for expenditure of these funds.

**BE IT FUTHER RESOLVED** regarding the use of funding for the acquisition of real property related to the Project Connect anti-displacement strategies, the President & CEO is directed to include in the Joint Powers Agreement with Austin Transit Partnership and the City a provision that the funds may be used to acquire real estate for transit supportive development that will preserve or increase the amount of affordable housing proximate to transit corridors. Austin Transit Partnership should prioritize land banking for future affordable housing. The real property acquired for these purposes should be acquired in accordance with the policy objectives approved by the City Council as documented in the Austin Strategic Housing Blueprint or subsequent policy. The real property acquisition should also be compliant with Capital Metro's Transit Oriented Development Policy and Guidelines. The real property acquired should be an FTA-compliant investment, eligible for federal matching funds, when possible.

**BE IT FURTHER RESOLVED** regarding the use of funding for other financing tools and strategies for anti-displacement related to the implementation of Project Connect, the President & CEO is directed to include in the Joint Powers Agreement with Austin Transit Partnership and the City, a provision that documents a procedure to create neighborhood-level tools and strategies with the community. These tools and strategies may include the construction or development of new affordable housing; preservation, repair, and rehabilitation of existing affordable housing; financial assistance for home ownership; home repair; rental subsidies; right-to-return assistance that grants current tenants of affordable housing the option to lease a unit of comparable affordability and size following completion of rehabilitation of affordable housing; or other strategies that build economic mobility opportunities for residents along the transit corridors and increase transit-supportive economic development and ridership.

The President & CEO is directed to include in the Joint Powers Agreement provisions for the roles and responsibilities for the financing tools and other anti-displacement strategies related to the implementation of Project Connect as follows:

The City shall:

- within six-months of voter approval, provide a process for the creation of neighborhood-level strategies with community members and organizations; and
- create an Equity Assessment Tool as outlined in the Response to City Council Resolution No. 20200423-038 specific to Project Connect and the City in order to analyze, on a neighborhood level, both (1) potential unintended, or undesirable effects of the transit investment that contribute to difficulties for people to remain living in an area, such as gentrification and displacement, and (2) opportunities to make investments to build economic mobility for residents along the transit corridors; and
- create with the community, neighborhood-level prevention and mitigation strategies based on the Equity Assessment Tool, including (1) recommendations that leverage other programs managed by the City, other local governments, and community organizations, to create a connected efforts for anti-displacement strategies, and (2) recommendations for funding proposals and implementation of identified strategies; and
- provide the professional services of representatives from City departments, which may include employees from Neighborhood Housing and Community Development, Austin Transportation Department, Equity Office, Innovation Office, Sustainability Office, or other employees to Austin Transit Partnership to assist with developing proposals, as described below, for approval by City Council and the Capital Metro Board; and
- make publicly available a performance dashboard to track progress on strategies identified for implementation for each neighborhood that is frequently updated.

Capital Metro shall:

- serve as the FTA Project Sponsor and conduct an environmental justice analysis as required as required under National Environmental Policy Act (NEPA) for each eligible project and provide any recommendations to Austin Transit Partnership for financing tools and strategies based on the NEPA review.

Austin Transit Partnership shall:

- develop proposals on an ongoing basis, based on the recommendations from the City and Capital Metro, and provide a budget for approval by City Council and the Capital Metro Board; and
- enter into interlocal agreements and/or grant agreements with the City of Austin to timely develop and implement these anti-displacement strategies.

**BE IT FURTHER RESOLVED**, that the President & CEO is directed to include in the Joint Powers Agreement with the Austin Transit Partnership and the City of Austin a requirement that Austin Transit Partnership take steps to address potential impacts to businesses during construction through development and implementation of a business impact mitigation strategy that includes approaches for establishing robust business

outreach and communications, supporting business access and operations, and creating effective project scheduling and sequencing that minimizes the length of construction impacts.

**BE IT FURTHER RESOLVED**, that the President & CEO is directed to include in the Joint Powers Agreement with Austin Transit Partnership and the City of Austin a requirement that Austin Transit Partnership develop a comprehensive program that meets the federal Disadvantaged Business Enterprise laws and regulations to ensure that maximum opportunities are available to women, minority and veteran-owned businesses and small businesses to participate in Project Connect and related projects implemented by the Austin Transit Partnership.

**BE IT FURTHER RESOLVED**, that the President & CEO is directed to include in the Joint Powers Agreement with the Austin Transit Partnership and the City of Austin a requirement that Austin Transit Partnership participate in the Better Builder Program® or a similar program with worker protections for all construction workers, including City of Austin hiring goals as allowed by federal law and regulations, completion of OSHA 10-hour training, workers' compensation, on-site monitoring independent of construction companies and their affiliates, and in compliance with all applicable state, federal, and local laws.

**BE IT FURTHER RESOLVED** that the President & CEO is directed to include in the Joint Powers Agreement with the Austin Transit Partnership and the City of Austin a requirement that all contracts awarded by the Austin Transit Partnership ensure a living wage as established by the City of Austin or a prevailing wage under the Davis-Bacon Act for all workers under the contract, ensure access to health care and paid sick leave to the extent possible, and that local workers be afforded a hiring preference where allowed by federal law and regulation.

**BE IT FURTHER RESOLVED** that the service provided by Project Connect is intended to be additive to existing local and regional bus and MetroAccess service and Capital Metro will not reduce service hours to support Project Connect.

**Date:** August 24, 2020

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**Secretary of the Board**  
**Eric Stratton**