

**Metropolitan Transportation Commission
MTC Planning Committee**

September 9, 2022

Agenda Item 8a

MTC Resolution No. 4530: Transit-Oriented Communities (TOC) Policy

Subject:

Adoption of TOC Policy.

Background:

At its July 2022 meeting, the Joint MTC Planning Committee with the ABAG Administrative Committee (Committee) deferred taking action on the TOC Policy to its September 2022 meeting and requested that staff address the following issues and concerns raised by Committee members:

- How the policy may affect smaller communities, including their ability to comply with its requirements;
- Whether the policy should apply to the entire half-mile transit station area versus only designated Priority Development Areas (PDAs) or Transit-Rich Areas (TRAs) if no PDA is designated;
- Whether the policy's density and parking requirements should be expanded to other commercial land uses in addition to office;
- Whether the "No Net Loss and Right to Return to Demolished Homes" Affordable Housing and Anti-Displacement policy option should be made a mandatory TOC Policy requirement instead of an option;
- How state housing statutes intersect with the menu of affordable housing policy options in the TOC Policy, and how housing element implementation aligns with the proposed TOC Policy implementation timeline and available funding support.

Revisions to the TOC Policy in Response to July 2022 Committee Feedback:

In response to Committee members' feedback at the July 2022 meeting, staff has made the following revisions to the TOC Policy:

- **Small jurisdiction adjustments to residential density and parking management requirements.** Tier 3 jurisdictions with a population of 30,000 or less may comply with Tier 4 residential density requirements. Additionally, the requirement to eliminate parking minimums no longer applies to Tier 4 locations. These provisions have been adjusted so that TOC Policy requirements do not result in the unintended consequence of precluding development due to a variety of small jurisdiction conditions. These requirements will be revisited in four years when the policy is updated.
- **Modification of the policy to apply to all areas within one half-mile of fixed-guideway transit stops and stations.** Applying the TOC Policy requirements to the entire half-mile station area will simplify and clarify where the policy applies, increase jurisdiction flexibility for policy compliance, and offer consistency with the half-mile definition around high quality transit used for several state grant programs and development project streamlining opportunities. TOC Policy density requirements would only apply to parcels that are vacant or occupied by non-residential uses where new commercial or residential development is allowed under a local jurisdiction's planning and zoning.
- **Expansion of the policy's parking management requirements to general and neighborhood-serving commercial development (including offices).** By expanding the TOC Policy's parking management requirement to new general and neighborhood-serving commercial development (including offices), the policy can ensure that new commercial development is transit-supportive and pedestrian-oriented.
- **Maintenance of a "menu" approach for affordable housing policy options and the addition of an option for Development Certainty and Streamlined Entitlement Process.** Staff has received a wide range of comments on the TOC Policy's affordable housing policy requirements. Given this, as well as the region's diverse housing and land use needs and contexts, staff has maintained a "menu" approach for the TOC Policy's Affordable Housing Production, Preservation, and Protection Policies requirement and have maintained "No Net Loss and Right to Return for Demolished Homes" as a policy option instead of a requirement for jurisdictions. Currently, all jurisdictions must comply with state law (SB330 and SB8) requiring no net loss and the right to return through 2030, essentially providing a term-

limited baseline. A jurisdiction choosing to implement this policy option from the TOC Policy menu would need to include the no net loss and right to return provisions currently required by state law *without a sunset date*. MTC will evaluate the TOC Policy and its outcomes every four years and recommend any revisions. This provides an opportunity to revisit the TOC Policy's requirements for affordable housing policies before SB330's provisions expire in 2030.

Next Steps for Policy Implementation:

Within six months of policy adoption, staff will provide initial guidance regarding the documentation that local jurisdictions should provide to demonstrate TOC Policy compliance. Staff will also provide more detailed guidance on affordable housing policies and will update the PDA Planning Program guidelines to reflect the TOC Policy requirements.

To assist jurisdictions with TOC Policy compliance, MTC's One Bay Area Grant (OBAG3) program and the Regional Early Access Planning Grants of 2021 (REAP 2.0) will offer and prioritize planning support to jurisdictions subject to the TOC Policy. Staff presented an overview of these funding programs to the Committee at its April 2022 meeting. Because the implementation phase of the TOC Policy coincides with local Housing Element implementation (approximately 2023-2026), local jurisdictions will be able to use regional funding support to address both Housing Element and TOC Policy implementation simultaneously.

Issues:

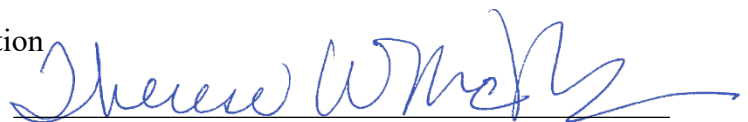
None.

Recommendations:

Refer MTC Resolution No. 4530, MTC's Transit-Oriented Communities Policy, to the Commission for approval.

Attachments:

- Attachment A: MTC Resolution No. 4530: Transit-Oriented Communities Policy
- Attachment B: PowerPoint presentation



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