



July 6, 2022

**Re: July 8, 2022 Planning Committee Item 5b: Transit-Oriented Communities (TOC) Policy**

Dear Committee Chair Spering and Vice Chair Ahn:

We appreciate the Commission and staff for the thoughtful work given to updating MTC's Transit-Oriented Communities Policy over the past months. As the first implementation tool for the unanimously adopted Plan Bay Area 2050, we are eager to see the TOC Policy approved by the Commission later this month so that jurisdictions across the region can take steps towards these goals. Now is the time to take action: our converging crises of housing unaffordability, climate change, and racial and economic inequities have deepened in scale and urgency. The TOC policy is a critical tool in our toolbox to start making a meaningful impact towards achieving our goals.

Overall we believe the policy has made progress towards a framework that is responsive to both local needs for effective implementation as well as the urgency and scale of our region's challenges. However, there are several gaps and pitfalls in the current draft of the policy that need to be corrected because they will undermine our ability to meet PBA 2050 goals. Below we propose three targeted recommendations that we believe address these gaps and pitfalls, without changing the general direction and framework of the policy. We believe these recommendations will allow the policy to more fully realize the goals of PBA 2050.

- **Recommendation 1: The affordable housing and anti-displacement policy menus should consolidate options so that each policy delivers sufficient impact and scale. It should require no-net-loss and right to return for demolished homes as a baseline requirement.** Requiring no-net-loss and right to return for demolished homes (specifically enconcing current state law, SB 330, without a sunset date) is a commonsense baseline policy to prevent direct displacement, and it presents no cost to the local jurisdiction. In addition, there are several lower-impact and/or duplicative policies currently included in the affordable housing and anti-displacement policy menus that should be collapsed and refined to ensure that jurisdictions are not incentivized to select policies from the menu that do not achieve the intended goals and scale of the policy.
- **Recommendation 2: The policy should apply – as originally proposed in the January draft – to the entire transit-rich area (TRA) surrounding fixed-guideway transit, rather than limited to the locally-selected priority development area (PDA).** PDAs often do not encompass the full extent of transit-rich areas, creating missed development opportunities that diminish the impact of the TOC policy. We are specifically

concerned that existing PDAs exclude critical housing opportunity sites (parcels without existing residential development that are both close to transit and located in high opportunity areas) and that the policy creates a perverse incentive for local jurisdictions to create new PDAs or adjust their PDA boundaries in exclusive ways to circumvent the TOC policy. The PDA program will lose credibility if it becomes a tool to prevent transit-oriented growth. More importantly, these pitfalls will limit our ability to reach our Plan Bay Area 2050 goals and undermine the region's obligation to affirmatively further fair housing.

- **Recommendation 3: The policy should require – as originally proposed in the January draft – that the density and parking standards currently specified for office development apply to all commercial developments and all parcels that allow commercial uses not currently occupied by existing residential units.** This change to the policy was made in May, but it was not highlighted in the way that all other major changes were highlighted, so many Commissioners and members of the public may not have realized the significant diminution of the policy. Limiting these standards to commercial office, while omitting other commercial uses, undermines the goal of creating equitable transit-oriented communities because it enables low-density auto-oriented developments with a lot of parking such as strip malls and auto dealerships. It's imperative our new development projects move us away from car-dependency and support safe streets and multimodal access. Most important, the current proposal will encourage jurisdictions to avoid office development and the associated density and parking requirements. The policy will be simpler and better aligned with MTC's goals, if all commercial uses, such as retail, align with the policy's goals to support increased density and non-auto-oriented designs for safe, sustainable, and vibrant communities.

Finally, we are eager to continue to work with staff and the Commission as the TOC policy moves forward towards the implementation phase. In particular, in the near-term we look forward to engaging closely on determining how TOC policy compliance can best integrate with housing element updates and rezonings, and identifying additional support, technical assistance, or policy that may be needed to align these two processes for local jurisdictions.

Thank you again for your time, engagement, and consideration.

Respectfully,

Amie Fishman, Executive Director  
Non-Profit Housing Association of Northern  
California

Regina Celestin Williams, Executive Director  
SV@Home

Corey Smith, Executive Director  
San Francisco Housing Action Coalition

Justine Marcus, Senior State & Local Policy Director  
Enterprise Community Partners

Amy Thomson, Policy Analyst  
TransForm

Zoe Siegel, Director of Climate Resilience  
Greenbelt Alliance

Jonathon Kass, Transportation Policy Manager  
SPUR

Jen Klose, J.K., Executive Director  
Generation Housing

Konstantin Hatcher, Senior Director of Community  
Impact  
California YIMBY

cc: Alfredo Pedroza, Chair, MTC  
Kara Vuicich, Principal Planner/ Analyst, MTC

**From:** [Adina Levin](#)  
**To:** [MTC-ABAG Info](#)  
**Subject:** MTC Planning/ABAG Admin - Transit-oriented communities - Agenda #5b  
**Date:** Thursday, July 7, 2022 3:47:42 PM

---

**\*External Email\***

Honorable Commissioners and staff,

I'm writing as an individual who's been following the Transit Oriented Communities policy as a member of the Policy Advisory Council.

I am strongly supportive of the Transit Oriented Communities policy as an important direction for the region to develop in a way that supports a mix of uses near transit and reduces the need for driving.

However, there was a late refinement made that I am concerned will have unintended consequences taking away from the goals of the policy. The refinement applies the policy only to areas zoned for commercial office rather than other sorts of commercial development.

There are many areas around the region that have aging commercial sites that would benefit from redevelopment and from the incentives of the policy. Restricting the commercial provision to office could have the unintended consequences of continuing to encourage car-oriented strip retail developments, removing opportunities to redevelop sites near transit that are ripe for change, and reduce opportunities to grow jobs in areas that have more homes and fewer jobs.

Equally concerning, some jurisdictions may restrict office uses as a way to avoid the policy's strong density and parking standards. This would deliver the opposite result that the Commission intends.

If applying the TOC standards to all commercial areas requires additional flexibility on density and parking standards, then the policy should be modified to provide that flexibility prior to the full commission vote.

Thank you for your consideration,

Adina Levin

## Please do not ban middle-class housing in areas served by light rail and bus rapid transit!!!

I was shocked when I heard two weeks ago that MTC and ABAG were considering a policy encouraging localities to require minimum densities of 50 units per acre near all fixed guideway transit, including light rail and bus rapid transit. **The commission and the association seem to be doing this without any outreach to representatives of the people who will be hurt – those who cannot afford the cost of housing built at 50-per-acre-plus densities.**

We now have at least a decade of experience with mandating high densities. As I understand it, we have had 55-unit-per-acre minimums under the San Jose General Plan since 2011. Anyone can go on Zillow or Redfin and see the result: Developers are unable to build projects where even small units cost less than \$800,000 or so. Such developments require a substantial concrete-and-steel podium and indoor parking. And such features and technologies drive up the cost. No middle-class family that does not already own property can afford \$800,000 for a small apartment. Because so few can afford housing at such densities, most possible sites remain vacant.

The graph below shows how the 2011 Plan affected permits issued in San Jose. From the 1960s to the 2007-2009 recession, San Jose provided about 20% of all new housing in the Bay area. In the first years after adoption of the 55 unit-per-acre minimum, construction resumed with permits issued on projects that entered the development pipeline before 2011. But from 2018, permitting has been very low despite extremely strong demand. Developers know few buyers can afford \$800,000 for a small apartment, so they don't build many.

On the other hand, **experience in many states has shown that housing can be built at prices the middle class can afford.** To meet middle class budgets, however, it's usually necessary to use straightforward wood frame construction and have outdoor parking. **Massachusetts has shown that it's possible to achieve good "smart growth" densities with wood frame construction – up to 30-40 units per acre.** I'm told that at these densities, construction costs are not too different from those of 2 or 3-story frame houses. But as far as I know, no one can achieve 50 units per acre without dramatically higher costs.

Requiring high densities may make sense around major transportation hubs. But light rail and bus rapid transit were designed to serve the middle class. **It makes no sense to set minimum densities around light rail and bus rapid transit that preclude lower cost wood frame construction. Doing so would be radically anti-middle class.**

Robert Chapman WOOD  
Professor of Strategic Management  
San Jose State University  
[robert.wood@sjsu.edu](mailto:robert.wood@sjsu.edu)

*This statement is made as an individual. Although I am a union committee chair, the union did not learn about this proposal in time to take a position.*

