



PARTNERSHIP FOR
THE BAY'S FUTURE

TRANSFORM



November 18, 2025

**Re: November, 19 2025 MTC Meeting
Item 10a: Next Steps: Transit-Oriented Communities (TOC) Policy and One Bay Area Grant (OBAG 4)**

Dear Commissioners:

We appreciate the Commission and staff for the ongoing work on the Transit-Oriented Communities (TOC) Policy. Our organizations have engaged with the Commission and staff since the early development of the policy in 2020, and we are eager to see TOC Policy implementation continue forward. In moving towards TOC Policy compliance, the region can continue to take steps towards fulfilling the goals of Plan Bay Area 2050. Without the TOC Policy, the commitments of Plan Bay Area 2050, and the climate goals set forth via SB 375, will remain goals, rather than a reality. The TOC Policy is a critical mechanism by which our region can realize the plan's goals across housing, climate, transportation, and quality of life. The TOC's Affordable Housing and Commercial Stabilization Policies will also specifically support more sustainable transportation connections in Equity Priority Communities and meaningfully tackle housing affordability and displacement.

The TOC Policy, however, is not just about technical compliance or meeting policy goals. It is about opportunity and quality of life for Bay Area residents. It is making real the promise that all Bay Area individuals and families have the opportunity to live in beautiful neighborhoods where they can walk, bike, or take transit to go to school or work, spend the afternoon at the park with their children, or pick up groceries or medications at a pharmacy. Each neighborhood is different, but with a shared level of accessibility and quality of life. This is the vision we've been working towards together.

Based on the staff presentation and the discussion amongst Commissioners and staff at the MTC Workshop, we have three serious concerns with several of the proposals to change the TOC Policy as well as its link to OBAG 4.

1. **We strongly oppose any changes to the housing policy menu. We oppose the suggestions by Commissioners, reflected in staff materials, to amend or remove policies on the "3 P's" housing menu.** The equity goals of PBA 2050+ were operationalized through the housing policy menu of the TOC Policy. The TOC Policy's negotiated housing policy menu furthers the 3Ps framework that elevates affordable housing production, preservation, and tenant protections as key strategies to address housing affordability and displacement. The TOC Policy includes a menu of 12 different tenant protection policies, from which local jurisdictions must select two in order to be in compliance, and these policies are based on best practices to mitigate the displacement of low-income residents across the region, especially in Equity Priority Communities. The flexibility

that is already built into the TOC's Affordable Housing and Commercial Stabilization Policies provides an attainable way for jurisdictions to meet the needs of their communities consistent with the 3Ps framework.

We disagree with the suggestion that points should be awarded for mere compliance with State law. Doing so would, at a minimum, eliminate any incentive for jurisdictions to take further steps to prevent displacement and stabilize communities. The TOC Policy's tenant protection policies are also consistent with AB 1482 and other state laws, which explicitly authorizes local governments to adopt policies that go beyond state-law standards or sunsets. For example, the protections under AB 1482 are set to expire in 2030, well-before the time horizon of Plan Bay Area 2050+.

- 2. Full compliance with the TOC Policy should be a requirement for the OBAG 4 TOC set-aside.** While we appreciate the goal of providing jurisdictions flexibility in order to support the phase-in of the TOC Policy, we believe the staff proposal goes too far in offering so many layers of flexibility as to undermine the goals of the policy, and does so without establishing any timeline for when progress must arrive at completion. We are particularly concerned about the following provisions in the proposed scoring criteria:

- Granting partial credit for partial policy components;
- Policy components being weighed unequally within each policy area (i.e., density, parking, housing, and station access);
- Credit being given to “policies in progress” without a prescribed reasonable time period and no detailed accountability and enforcement measures from MTC to confirm that the policy was, in fact, passed;
- No commitment to a timeline for when it will transition from a score-based system to a system that provides both “carrots and sticks” to incentivize full compliance.

Years of hard work and compromises have gone into developing a robust policy that works for a region as diverse as the Bay Area. The flexibility embedded in all four components of the policy ensures that jurisdictions have several ways to achieve TOC Policy compliance in a way that works for their local contexts while advancing regional goals contained in Plan Bay Area. For example, jurisdictions should not be able to achieve full compliance while only meeting a fraction of the housing and density standards nor partial compliance without meeting any of the density or parking standards.

- 3. At a minimum, we recommend that the entirety of the “Growth Framework” pool within the Regional Program – \$70 million, be considered for TOC compliance given its clear nexus with the TOC Policy. We also recommend that the Commission consider a TOC incentive pool within the \$360 million County Program.** The amount of OBAG Funding currently proposed to be allocated to a TOC-incentive pool is far lower than what is reasonable, given the importance of the TOC Policy to meet PBA 2050 goals. Reserving only \$30-50 million, as proposed by staff, is grossly insufficient and does not send a clear message about the importance of the policy. Conditioning OBAG 4 and other discretionary funding managed by MTC on TOC compliance status is the best way to incentivize jurisdictions to uphold their commitment, build more complete communities, and make the most of the region's significant transit investments—as the policy design intended.

The four components of the TOC policy work in a coordinated manner to deliver equitable transit-oriented communities. Given the twin imperatives of making the Bay Area more affordable for people of all incomes and growing transit ridership, we strongly encourage you to uphold and implement the TOC Policy Standards.

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

Respectfully,

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