

**Metropolitan Transportation Commission and Association of Bay Area Governments
Joint MTC Planning Committee with the ABAG Administrative Committee**

October 13, 2023

Agenda Item 7a

**MTC Resolution No. 4530, Revised - Transit Oriented Communities (TOC) Policy Revision
and Discussion on Compliance**

Subject:

Amendment to MTC Resolution No. 4530 to clarify the application of the TOC Policy to allocations of capital funding to transit extension projects and continued discussion about defining expectations for "compliance."

Background:

On September 28, 2022, MTC adopted the TOC Policy to support the region's transit investments by creating communities around transit stations and along transit corridors that not only enable transit ridership, but also are places where Bay Area residents of all abilities, income levels, and racial and ethnic backgrounds can live, work, and access services. The TOC Policy focuses on the core elements of land use density, affordable housing, parking management, and complete streets/multimodal access to implement Plan Bay Area 2050 strategies. The TOC Policy applies to the half-mile area around existing and planned fixed-guideway transit stops and stations (i.e., regional rail, commuter rail, light-rail transit, bus rapid transit, and ferries).

Compliance with the TOC Policy is voluntary for jurisdictions that want to advance the goals of Plan Bay Area 2050 or to be eligible and/or competitive for some MTC discretionary funding.

On September 8, 2023, staff updated the Joint MTC Planning Committee with the ABAG Administrative Committee on progress in implementing the TOC Policy. Staff provided an overview of the final draft Administrative Guidance, which explains TOC Policy requirements and how local jurisdiction staff can provide the information necessary to show compliance. The final draft Administrative Guidance [is available on a dedicated TOC Policy webpage](#). Staff also requested feedback on several issues related to implementing the TOC Policy. The first topic was a potential amendment to MTC Resolution No. 4530 that would clarify expectations for local jurisdiction compliance with the TOC Policy related to transit extensions. The second topic was a discussion about how to best define "compliance" with the TOC Policy, which was spurred by feedback provided by local governments during stakeholder engagement about the administrative

guidance. There was a robust discussion, particularly around defining compliance, and the Committee directed staff to return in October for further discussion.

Amendment to MTC Resolution No. 4530 to Clarify Application to Transit Extensions:

As discussed during the September 8 Committee meeting, staff proposes to amend MTC Resolution No. 4530 to clarify expectations for local jurisdiction compliance with the TOC Policy related to transit extensions. For existing stations, MTC Resolution No. 4530 identifies One Bay Area Grant (OBAG) (i.e., OBAG 4 and subsequent funding cycles) as the funding source for which MTC will consider prioritizing investments in station areas that are subject to and compliant with the TOC Policy. Between now and 2026, many jurisdictions must invest time and effort to complete zoning updates and associated environmental review; develop and adopt policies related to affordable housing, commercial stabilization, and parking; and complete plans and analyses for improving station access and circulation. Consequently, with respect to OBAG funding, MTC Resolution No. 4530 contains a "phase in period" until roughly 2026 during which jurisdictions are expected to work towards compliance rather than being immediately held to TOC standards.

However, MTC Resolution No. 4530 did not allow for a similar "phase in period" for jurisdictions to achieve compliance with the TOC Policy for most fixed-guideway transit extensions. MTC Resolution No. 4530 states that jurisdictions must comply with the TOC Policy requirements before the transit project receives regional discretionary capital funding or endorsement. In response, MTC staff with feedback from the Committee proposes an amendment to MTC Resolution No. 4530 to honor the purpose and goals of the TOC Policy while allowing appropriate time for local jurisdictions to comply. Accordingly, the amendment defines three phases of project delivery and specifies the applicability of the TOC Policy to requests for regional funding in each phase. Additionally, staff proposes a "phase-in period" prior to the application of the TOC Policy to project endorsements, with endorsements triggering the same three-phase approach as allocations starting in 2026. The proposed amendments are contained within Appendix 1 to *Resolution No. 4530, Revised*, which is included as **Attachment A** to this memo.

Discussion of What Constitutes "Compliance" when Implementing the TOC Policy:

As noted at the September meeting, the TOC Policy does not define how compliance will be measured for MTC funding decisions. A concern is that a pathway that requires "perfection" from jurisdictions may lead to the unintended consequence of discouraging jurisdictions from making progress on any policy area if they cannot achieve full compliance in all areas. During the meeting, Committee members emphasized the need for some degree of flexibility when implementing the TOC Policy to increase the likelihood that jurisdictions will participate and strive to reach TOC standards over time. Some comments noted specific situations that would preclude 100% compliance—such as development agreements that legally bind the jurisdiction to certain parking or density standards for a particular development. Other comments emphasized that some communities may need more time to work towards 100% compliance because of technical issues or to build sufficient political will.

Based on direction from Committee members, staff proposes an approach that rewards evidence-based demonstration of meaningful progress on the TOC Policy, with some tolerance for variances based on local circumstances. Specifically, a TOC area would be considered in compliance if the jurisdiction demonstrates that it meets 85% of the requirements for the Density and Parking Management components as well as 100% of the requirements for the Housing and Commercial Policy and Station Access and Circulation components. MTC staff will develop a methodology for scoring the requirements for these two components of the TOC Policy. The two components where flexibility would be allowed are the ones that jurisdictions have expressed the most concern about during our engagement process. They also have numerical standards that should make it easier to create targets scaled to 85% (**Attachment B**).

The proposal contemplates a staff-developed process for evaluating TOC Policy compliance that is paired with creation of a "kitchen cabinet" of Committee members to support staff on challenging situations with individual submissions. Staff expects to provide significant support for local jurisdictions as they prepare their submissions demonstrating compliance. Lastly, to ensure transparency throughout the submission and verification process, staff would provide ongoing reports to the Committee about submissions.

Next Steps for Policy Implementation:

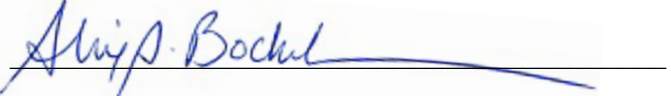
Pending Committee feedback, staff will develop the methodology to score compliance for the density and parking management components. Additionally, staff has undertaken a final round of engagement with local jurisdictions and other stakeholders on the TOC Policy Administrative Guidance, which is expected to be complete by the end of 2023. Staff is also developing an online submission tool to streamline the process for local jurisdictions to demonstrate compliance with TOC Policy requirements. Starting in early 2024, MTC will begin to accept submissions on a rolling basis and staff will regularly report on progress as outlined above, subject to Committee direction.

Recommendations:

Refer MTC Resolution No. 4530, Revised, to the Commission for approval.

Attachments:

- Attachment A: MTC Resolution No. 4530, Revised
- Attachment B: Summary of TOC Policy Requirements
- Attachment C: PowerPoint



Alix Bockelman