

## Attachment 2: Proposed Changes to TOC Policy Administrative Guidance

The table below includes a summary of proposed changes to the Transit-Oriented Communities (TOC) Policy Administrative Guidance. Pursuant to the TOC Policy (MTC Resolution No. 4530), the TOC Policy Administrative Guidance provides guidance to local jurisdictions on how to demonstrate consistency with the TOC Policy. MTC staff first issued the Administrative Guidance in fall 2024 and updated the guidance in May 2025; the current TOC Policy Administrative Guidance (May 2025) can be found [here](#).

The proposed changes below are intended to facilitate implementation of the MTC Commission’s action on February 25, 2026 to adopt the TOC Incentive Program (MTC Resolution No. 4754) and are informed by feedback from local jurisdictions. The changes seek to increase clarity and flexibility, improve the administrability of the TOC Policy, and better represent the policy goals contained in the TOC Policy (MTC Resolution No. 4530). Following the MTC Commission’s action on February 25, 2026, MTC staff will issue an updated version of the Administrative Guidance that incorporates these changes.

Topic	Description of Proposed Change	Purpose
Compliance vs. Consistency Language	Remove references to TOC Policy compliance and requirements to clarify that local jurisdictions are not required to comply with the TOC Policy. Instead, MTC staff will evaluate local jurisdictions’ consistency with the TOC Policy.	Increases clarity
Documentation Submission Deadline	Update the deadline from 2026 to July 1, 2027, for local jurisdictions to demonstrate consistency with the TOC Policy for eligibility for OBAG 4 funding to be consistent with the MTC Commission’s adoption of the TOC Incentive Program (MTC Resolution No. 4754).	Ensures consistency with TOC Incentive Program (MTC Resolution No. 4754)
Local Jurisdiction Resolution	Local jurisdictions would no longer be required to submit a resolution adopted by the city council or board of supervisors confirming consistency with the TOC Policy when submitting their documentation.	Simplifies local jurisdiction action
Density for New Residential and Commercial Office Development	Include a reference to the adjustments to the TOC Policy Evaluation Framework for OBAG 4 that allows all TOC areas subject to SB 79 to receive full TOC credit for the Allowable Maximum Residential Density standard, to be	Reflects changes to state law and simplifies local jurisdiction action; ensures

**Attachment 2: Proposed Changes to TOC Administrative Guidance**

Topic	Description of Proposed Change	Purpose
	consistent with the MTC Commission's adoption of the TOC Incentive Program (MTC Resolution No. 4754).	consistency with TOC Incentive Program (MTC Resolution No. 4754)
Density for New Residential and Commercial Office Development	Allow jurisdictions to request flexibility on TOC standards for an adopted agreement with a developer that was in place prior to February 25, 2026, instead of limiting flexibility to agreements in place prior to January 1, 2024.	Increases flexibility
Density for New Residential and Commercial Office Development	Remove requirement to include addresses for parcels with existing dwelling units that are excluded from density calculations.	Simplifies local jurisdiction action
Affordable Housing Production, Preservation, and Protection Policies and Commercial Stabilization Policies	Remove restriction that prevents jurisdictions from receiving credit for more than one of the following Production policies: <i>Production Policy 3: Affordable Housing Overlay Zones</i> , <i>Production Policy 5: Ministerial Approval</i> , <i>Production Policy 7: Development Certainty and Streamlined Entitlement Process</i> . This change acknowledges that these policies differ in their implementation and the impact of each can be additive.	Improves alignment with policy goals contained in TOC Policy (MTC Resolution No. 4530)
Affordable Housing Funding Standards	For housing policies that involve a minimum funding commitment, jurisdictions would be able to demonstrate that they meet the minimum funding commitment by (a) identifying funding for a program/policy in a current one-year financial document (e.g., budget, contract, expenditure plan) that meets or exceeds one-quarter (25 percent) of the existing minimum threshold and/or (b) identifying a combination of past expenditures since January 1, 2023, and anticipated future funding through the end of 2029 that meet or exceed the full minimum threshold. This change reflects the varied nature by which these programs are funded at the local level.	Increases flexibility

**Attachment 2: Proposed Changes to TOC Administrative Guidance**

Topic	Description of Proposed Change	Purpose
Affordable Housing Funding Sources	Certain Affordable Housing Production and Preservation policies require funding commitments which have restrictions on what funding sources could be counted. These restrictions have been removed, and jurisdictions may count any funds <i>administered</i> by the jurisdiction for which the applicable policy/program is an eligible use.	Increases flexibility
State Prohousing Designation	Update the description of the overlap between policy options in the state’s Prohousing Designation Program and the affordable housing options in the TOC Policy, to reflect the most recent requirements in the Prohousing Designation Program.	Reflects changes to state program
Parking Management	Add language that jurisdictions in Alameda County and Santa Clara County can meet the TOC Policy’s standard for unbundled parking for residential development by confirming the jurisdiction complies with California Civil Code Section 1947.1 (AB 1317, 2023).	Reflects changes to state law and simplifies local jurisdiction action
Parking Management	Add language that jurisdictions can meet the TOC Policy’s standard for shared parking by confirming the jurisdiction complies with California Government Code Section 65863.1 (AB 894, 2023).	Reflects changes to state law and simplifies local jurisdiction action
Station Access and Circulation	Clarify that mobility hub planning and implementation standards only need to be met at one stop/station within a TOC area corridor consisting of consolidated, overlapping TOC areas.	Increases clarity
Station Access and Circulation	Clarify that a jurisdiction is only responsible for complying with mobility hub requirements if the transit station itself is located within or adjacent to the jurisdiction’s boundaries.	Increases clarity
Affordable Housing Production Policy 1: Inclusionary Zoning	Clarify that an inclusionary zoning policy does not need to meet the income mix standard if a financial feasibility study was completed. This change aligns with the intent communicated in TOC Policy (MTC Resolution No. 4530) that a	Increases flexibility and Improves alignment with policy goals contained in TOC

**Attachment 2: Proposed Changes to TOC Administrative Guidance**

Topic	Description of Proposed Change	Purpose
	lower percentage of inclusionary units may be adopted based on a financial feasibility analysis completed prior to policy adoption.	Policy (MTC Resolution No. 4530)
Affordable Housing Production Policy 4: Public Land for Affordable Housing	Revise to provide local jurisdictions with additional options for demonstrating a commitment to public lands redevelopment with greater affordability than is required by state law, consistent with how this policy option is defined in the TOC Policy (MTC Resolution No. 4530).	Increases flexibility and improves alignment with policy goals contained in TOC Policy (MTC Resolution No. 4530)
Affordable Housing Production Policy 7: Development Certainty and Streamlined Entitlement Process	Revise to allow jurisdictions to receive TOC Policy credit for this policy option by confirming they comply with state law. Adoption of an additional local ordinance is no longer needed because the Housing Crisis Act of 2019 no longer has a sunset date (AB 130, 2025).	Reflects changes to state law
Affordable Housing Preservation Policy 3: Single-Room Occupancy (SRO) Preservation & Policy 4: Condominium Conversion Restrictions	Revise to provide local jurisdictions with more flexibility with the Tenant Relocation Assistance Plan for any temporarily or permanently displaced tenants.	Increases flexibility
Affordable Housing Preservation Policy 7: Mobile Home Preservation	Clarify that mobile home zoning districts and overlay zones prohibit the redevelopment of mobile home parks by limiting permitted uses to mobile home parks and mobile homes. Further clarify that allowing affordable housing development in these zones is optional. These changes provide local jurisdictions with more flexibility with the Resident Relocation Assistance Plan or similar document that is	Increases clarity and flexibility

**Attachment 2: Proposed Changes to TOC Administrative Guidance**

Topic	Description of Proposed Change	Purpose
	required when a mobile home park closure displaces residents.	
Affordable Housing Preservation Policy 8: Preventing Displacement from Substandard Conditions and Associated Code Enforcement Activities	Clarify that loan/grant programs to support lower-income residential property owners with repairs do not need to be limited to only providing funding to homeowners to repair their residences. The standards no longer include a minimum loan/grant amount of \$10,000, which provides local jurisdictions more flexibility to design programs that best meet their local needs.	Increases clarity and flexibility
Affordable Housing Protection Policy 9: Mobile Home Rent Stabilization	Revise the maximum allowable rent increase to be less than the maximum allowable rent increase defined by state law, rather than tied to a specific percentage. This revision better reflects the range of allowable rent increases found in existing mobile home rent stabilization ordinances in Bay Area jurisdictions and makes the standard more aligned with <i>Protection Policy 6: Rent Stabilization</i> .	Improves consistency
Affordable Housing Protection Policy 2: No Net Loss and Right of Return	Include a reference to the adjustments to the TOC Policy Evaluation Framework for OBAG 4 to preclude jurisdictions from receiving TOC Policy credit for this policy option given changes in state law (AB 130, 2025), to be consistent with the MTC Commission’s adoption of the TOC Incentive Program (MTC Resolution No. 4754).	Reflects changes to state law; ensures consistency with TOC Incentive Program (MTC Resolution No. 4754)
Affordable Housing Protection Policies ( <i>all others</i> )	Include a reference to the adjustments to the TOC Policy Evaluation Framework for OBAG 4 to allow TOC jurisdictions to qualify for credit through participation in a countywide program where cumulative funding potentially available to TOC jurisdictions meets or exceeds TOC Policy standards, to be consistent with the MTC Commission’s adoption of the TOC Incentive Program (MTC Resolution No. 4754).	Increases clarity and flexibility; ensures consistency with TOC Incentive Program (MTC Resolution No. 4754)

**Attachment 2: Proposed Changes to TOC Administrative Guidance**

<b>Topic</b>	<b>Description of Proposed Change</b>	<b>Purpose</b>
	<ul style="list-style-type: none"><li>- <b>Option 1:</b> would allow one policy to be fulfilled through a county program</li><li>- <b>Option 2:</b> would allow for both policies to be fulfilled through county programs</li></ul> <p>[Above options to be considered by MTC Commission at its meeting on February 25, 2026.]</p>	