

October 25, 2023

**Re: October 25, 2023 Metropolitan Transportation Commission Meeting
Item 8a: MTC Resolution No. 4530, Revised – Transit-Oriented Communities (TOC) Policy Revision and Discussion on Compliance**

Dear MTC Chair Pedroza, MTC Vice Chair Josefowitz, and Commissioners:

Our organizations have been engaging with staff on designing an effective TOC policy since the process began over three years ago. The TOC policy is a critical tool in our toolbox to start making a meaningful impact towards achieving our goals to tackle climate change, housing affordability and racial and social inequities. These are problems that continue to get worse without coordinated regional and local action. 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.

We have significant concerns with the proposed revisions to the TOC Policy. We must ensure that we uphold the policy's objectives so that jurisdictions across the region can take steps towards the goals of the TOC Policy and Plan Bay Area 2050.

The proposed amendments eliminate the need to comply with the TOC Policy in order to receive transit extension funding, and arbitrarily lower thresholds for policy compliance. These actions will weaken incentives to comply with the policy and undermine its purpose of helping the region achieve its goals under Plan Bay Area. These changes will unquestionably interrupt progress in meeting our region's climate and equity goals.

We strongly recommend that the Committee move forward with TOC Policy implementation with the following four amendments:

- **Maintain requirements for jurisdictions that receive endorsements or discretionary funds for "Project Design and Early Right-of-Way Acquisition" and earlier-stage transit extension work to fully comply with the TOC Policy before receiving construction funds for that extension.** This approach maintains the integrity of the TOC Policy and ensures accountability.

The staff proposal, approved by the Planning Committee on October 13, eliminates the requirement that transit extension funding must lead to TOC Policy compliance, eliminating the strongest incentive for jurisdictions to comply with the policy – conditioning regional funding for new transit extensions on a given jurisdictions' commitment to comply with the TOC Policy. This monumental change was presented to the Planning Committee as if it had been discussed previously, but to our knowledge was never brought to the attention of Commissioners who were asked to vote on it. We must ensure that the region's investment of billions of dollars to extend fixed rail transit to new areas will accommodate the scale of housing and jobs in the manner that MTC has said is necessary to achieve the region's housing, equity, and greenhouse gas emissions reduction goals.

- **Preserve the integrity of the TOC Policy by incorporating flexibility through a tailored exemption process to support local conditions and reasonable alternatives for specific policy components, rather than establishing an arbitrary 85% threshold for compliance.** As a way to create appropriate flexibility in the policy, we urge MTC to develop an exceptions process for specific TOC policy provisions that do not fit local contexts. This would be consistent with the direction this Joint Committee provided during the September 8 meeting: to require 100% compliance and incorporating flexibility through the development of an exemptions policy. Such a policy should require a jurisdiction to demonstrate that a particular provision will be infeasible for their local context and/or counterproductive for the TOC goals, and then offer a reasonable alternative approach to deliver the same desired outcomes. This would maintain the TOC Policy's consistency with Plan Bay Area 2050 climate, mobility, and affordability targets.

The staff proposal of an 85% compliance threshold inappropriately focuses on an arbitrary one-size-fits-all number, regardless of the circumstances that may be particularly challenging for certain jurisdictions. Some jurisdictions can absolutely achieve 100% compliance, while others may have a strong case that 85% compliance is not doable. Flexibility should be focused on the *outcomes* the policy is intended to achieve.

- **Don't delay project endorsement requirements until after 2026:** We should not wait until 2026 to have any TOC Policy conditions for such endorsements. Success of the TOC Policy is contingent on funding conditioning and jurisdictions need MTC to provide powerful incentives to help overcome challenging local politics. Strong funding conditioning is not easy, but it is essential for the policy to be effective.
- **Make TOC commitments real and incorporate accountability:** Wherever MTC ultimately requires jurisdictions to commit to TOC Policy compliance, that commitment needs to be real and there should be consequences that ensure jurisdictions stick to those commitments. MTC should determine how to hold jurisdictions accountable for failing to follow-through on their commitments, including by prohibiting the allocation of construction funds for projects that do not meet their Phase 2 commitments.

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

Respectfully,

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350 Bay Area

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