

Date: February 25, 2026
W.I.: 1611
Referred by: Commission

ABSTRACT

MTC Resolution No. 4754

This resolution adopts the evaluation framework and guidelines for the Transit-Oriented Communities (TOC) Incentive Program. This program is a key tool for implementing MTC's TOC Policy (MTC Resolution No. 4530), which helps to advance implementation of Plan Bay Area's vision for an affordable, connected, diverse, healthy and vibrant Bay Area.

The TOC Policy was adopted in September 2022 to better link the region's transit investments with land-use planning and local decision-making. The TOC Policy seeks to ensure that areas around transit stations and corridors are well-connected, mixed-use places where residents can live, work, and access daily needs.

The TOC Incentive Program implements the Commission's direction from the TOC Policy resolution to prioritize investments in transit station areas that are subject to the TOC Policy. It encourages local jurisdictions to achieve consistency with the TOC Policy's standards related to residential and office densities for new development; housing production, preservation, and protection policies; parking management; and multi-modal station access and circulation.

The resolution includes the following attachments:

Attachment A – TOC Policy Evaluation Framework
Attachment B – TOC Incentive Program Guidelines

Further discussion of this action is contained in the summary sheet to the Commission dated February 25, 2026.

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RE: Transit-Oriented Communities (TOC) Incentive Program

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4754

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Section 66500 *et seq.*; and

WHEREAS, California law (California Government Code Section 65080) requires development of a regional Sustainable Communities Strategy to achieve a specified greenhouse gas (GHG) reduction target; and

WHEREAS, in October 2021, MTC unanimously adopted Plan Bay Area 2050, the region's Long Range Transportation Plan/Sustainable Communities Strategy, which includes designated Growth Geographies, including Priority Development Areas and Transit-Rich Areas, where future growth in housing and jobs would be focused over the next 30 years, as well as strategies to allow a greater mix of housing densities and types and greater commercial densities in Growth Geographies, both of which are high-impact strategies for achieving the Plan's GHG reduction target; and

WHEREAS, in September 2022, MTC adopted the Transit-Oriented Communities (TOC) Policy to incentivize local jurisdictions to plan and zone for higher residential and commercial densities in areas within one half-mile of existing and planned fixed-guideway transit stops and stations to support the region's transit investments and implement key GHG reduction strategies from Plan Bay Area 2050; and

WHEREAS, the TOC Policy incentivizes local jurisdictions to adopt policies focused on increasing housing production of all types, particularly affordable housing production, preservation and protection; commercial anti-displacement and stabilization; parking management; and transit station access and circulation to further support regional transit investments and Plan Bay Area 2050 implementation; and

WHEREAS, as part of adoption of the TOC Policy in 2022, MTC Resolution No. 4530 stated that “future One Bay Area Grant (OBAG) funding cycles (i.e., OBAG 4 and subsequent funding cycles) will consider funding revisions that prioritize investments in transit station areas that are subject to and [consistent] with the TOC Policy”; and

WHEREAS, in January 2026, MTC set aside regional discretionary funds for the Transit-Oriented Communities Incentive Program through the One Bay Area Grant (OBAG 4) Program (MTC Resolution No. 4740) to incentivize jurisdictions to make progress toward TOC Policy goals and to provide additional funds for eligible project types under OBAG 4; now, therefore, be it

RESOLVED, that MTC adopts the Transit-Oriented Communities Incentive Program, developed, as detailed in Attachment A, and attached hereto and incorporated herein as though set forth at length.

METROPOLITAN TRANSPORTATION COMMISSION

Sue Noack, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California and at other remote locations on February 25, 2026.

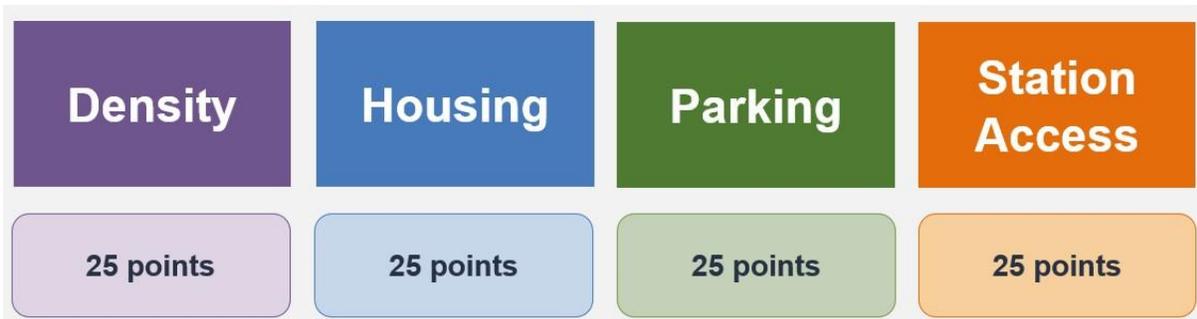
Transit-Oriented Communities (TOC) Policy Evaluation Framework

In September 2022, the MTC Commission adopted the Transit-Oriented Communities (TOC) Policy (MTC Resolution No. 4530) to better align regional transit investments with local land-use planning and decision-making. The policy aims to support well-connected, mixed-use communities around transit stations and corridors where residents can live, work, and access daily needs.

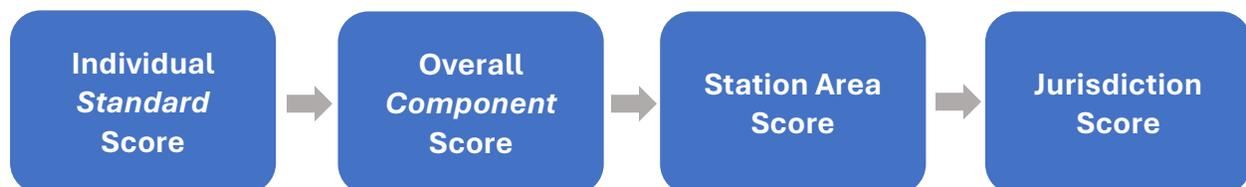
The TOC Policy Evaluation Framework is used to assess jurisdiction progress towards consistency with TOC Policy standards. The TOC Policy includes both quantitative and qualitative standards. To evaluate progress across this range of standards, the evaluation framework assesses individual TOC standards within a holistic, jurisdiction-wide context.

Framework at a Glance

The TOC Policy Evaluation Framework provides a weighted system to evaluate progress across all policy areas, offering a transparent method for tracking progress over time. While each component has a different number of *standards* and requirements, each *component* is weighted equally at 25 points, for a total possible score of 100 points.



Jurisdictions will receive a certain number of points for meeting each *standard*. Those will be added together for a total *component* (density, housing, parking, and station access) score which will be added together to provide a score for the station area. *Jurisdictions with multiple station areas will average station area scores for a total jurisdiction score.*



TOC Policy Evaluation Framework Scoring

Density						
Minimum Density – Residential (DU/A)	Weight: 8 points	Tier 1	Tier 2	Tier 3	Tier 4	Score
	Fully consistent	100	75	50	25	8
	Substantial progress	85	65	45	20	6
	Partial progress	75	55	40	15	4
Minimum Density – Commercial Office (FAR)	Weight: 2 points	Tier 1	Tier 2	Tier 3	Tier 4	Score
	Fully consistent	4.0	3.0	2.0	1.0	2
	Partial progress	3.00	2.25	1.50	0.75	1
Maximum Density – Residential (DU/A)	Weight: 12 points	Tier 1	Tier 2	Tier 3	Tier 4	Score
	Fully consistent	150	100	75	35	12
	Substantial progress	130	85	65	30	8
	Partial progress	115	75	55	25	6
Maximum Density – Commercial Office (FAR)	Weight: 3 points	Tier 1	Tier 2	Tier 3	Tier 4	Score
	Fully consistent	8.0	6.0	4.0	3.0	3
	Substantial progress	6.80	5.10	3.40	2.55	2
	Partial progress	6.00	4.50	3.00	2.25	1

Full: Meets or exceeds the standards; Substantial: ~85% of required standard; Partial: ~75% of required standard

Housing		
Production Policies (2)	Weight: 8 points	Score
Fully consistent: two adopted policies		8
Partial progress: one of the two required policies is adopted		4
Preservation Policies (2)	Weight: 8 points	Score
Fully consistent: two adopted policies		8
Partial progress: one of the two required policies is adopted		4
Protection Policies (2)	Weight: 8 points	Score
Fully consistent: two adopted policies		8
Partial progress: one of the two required policies is adopted		4
Commercial Stabilization Policy (1)	Weight: 1 point	Score
Fully consistent: meets or exceeds the standard		1

Parking						
Minimum Auto – Residential	Weight: 2 points					Score
2 points if jurisdiction confirms that it prohibits minimums via AB 2097 compliance or code snippet						2
Minimum Auto – Commercial	Weight: 2 points					Score
2 points if jurisdiction confirms that it prohibits minimums via AB 2097 compliance or code snippet						2
Maximum Auto – Residential (spaces/unit)	Weight: 4 points	Tier 1	Tier 2	Tier 3	Tier 4	Score
	Fully consistent	0.375	0.5	1.0	1.5	4
	Partial progress	0.5	1.0	1.5	2.0	2
<i>Any parking maximum ratio</i>						1

Maximum Auto – Commercial (spaces/1,000 sq. ft.) Weight: 4 points		Tier 1	Tier 2	Tier 3	Tier 4	Score
Fully consistent		0.25	1.6	2.5	4.0	4
Partial progress		1.6	2.5	4.0	5.0	2
<i>Any parking maximum ratio</i>						1
Minimum Bicycle – Residential (spaces/unit) Weight: 3 points						Score
Meets required minimum of 1 bike space per dwelling unit						3
0.50 to 0.99 bike space per dwelling unit						2
<i>Any minimum bike parking requirement for new residential development</i>						1
Minimum Bicycle – Commercial Office (spaces/5,000 sq. ft) Weight: 3 points						Score
Meets required minimum of 1 bike space per 5,000 square feet						3
0.50 to 0.99 bike space per 5,000 square feet						2
<i>Any minimum bike parking requirement for new commercial office development</i>						1
Allow Unbundled Parking		Weight: 2 points				Score
2 points if jurisdiction adopts the policy for both residential and commercial (<i>note: alternatively, jurisdictions in Alameda or Santa Clara counties can confirm AB 1317 compliance as well as adopt the policy for commercial</i>)						2
1 point if jurisdiction adopts the policy for either residential or commercial only (<i>note: applies to jurisdictions in Alameda or Santa Clara counties confirming AB 1317 compliance without adopting the policy for commercial</i>)						1
Allow Shared Parking		Weight: 2 points				Score
2 points if jurisdiction adopts policy for both residential and commercial or confirms compliance with AB 894*						2
1 point if jurisdiction adopts policy for residential or commercial and does <i>not</i> confirm compliance with AB 894*						1
Parking Management Policy		Weight: 3 points				Score
3 points if jurisdiction has adopted three applicable policies						3
2 points if jurisdiction has adopted two applicable policies						2
1 point if jurisdiction has adopted one applicable policy						1

Station Access			
Complete Streets Policy		Weight: 3 points	Score
Jurisdiction has adopted applicable policy			3
Prioritize or Implement Active Transportation Projects		Weight: 7 points	Score
Jurisdiction must have prioritized or implemented active transportation projects			7
Access Gap Analysis		Weight: 9 points	Score
All modes are addressed (walking, biking, and transit)			9
Only two modes addressed			6
Only one mode addressed			3
Mobility Hub Plan/ Project/ Application		Weight: 6 points*	Score
Jurisdiction has adopted a mobility hub plan/project/application that meets TOC Policy requirements			6

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Attachment B
Resolution No. 4754
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**ONE BAY AREA GRANT (OBAG) CYCLE 4:
TRANSIT-ORIENTED COMMUNITIES (TOC) INCENTIVE PROGRAM GUIDELINES**

Eligibility

Jurisdictions submitting information to MTC will be scored using the TOC Policy Evaluation Framework (Attachment A). The section “Adjustments to the TOC Evaluation Framework” outlines scoring flexibility that may apply. Jurisdictions must achieve a minimum average score of 85 points jurisdiction-wide to be eligible for the OBAG 4 TOC Incentive Program.

Adjustments to the TOC Evaluation Framework

The following adjustments to the TOC Policy Evaluation Framework will be applied for the OBAG 4 funding cycle:

Density Credit for Senate Bill 79 (2025)

SB 79 establishes statewide development standards that apply to housing projects within a ½ mile of qualifying transit stops in four Bay Area counties—Alameda, San Francisco, San Mateo, and Santa Clara. Although there are significant differences between SB 79 and the TOC Policy, SB 79’s development standards are generally aligned with TOC goals related to allowable maximum residential density. As a result, **all TOC areas subject to SB 79 are awarded full TOC credit for the allowable maximum residential density standard.**

Housing Protection Policies

Jurisdictions are precluded from receiving TOC Policy credit for Housing Protection Policy 2 (No Net Loss and Right of Return) given changes in state law (AB 130, 2025) that achieved the policy outcomes outlined in the TOC Policy.

Jurisdictions may receive credit for one or two of the Housing Protection Policies needed to achieve consistency with the TOC Policy through participation in a countywide program where cumulative funding potentially available to TOC jurisdictions meets or exceeds TOC Policy standards:

- **Option 1:** would allow one policy to be fulfilled through a county program
- **Option 2:** would allow for both policies to be fulfilled through a county program

[Resolution will be updated pending the outcome of Commission action on proposed options.]

Submission Deadline

Jurisdictions interested in participating in the OBAG 4 TOC Incentive Program must submit documentation demonstrating consistency with TOC Policy standards using the TOC Policy Submission Portal by **5:00 p.m. on July 1, 2027**. Refer to the TOC Policy Administrative Guidance for more information.

Eligible Uses

TOC Incentive Program funds are subject to the requirements detailed in the One Bay Area Grant (OBAG 4) Project Selection and Programming Policies (MTC Resolution No. 4740, Revised) and can be used for any project type eligible for the OBAG 4 County Program.

Program Structure

As summarized in **Table 1**, TOC Incentive Program funding is available through a performance-based formula with the following features:

- **Formula factors:** jurisdictions with more TOC areas and larger populations are eligible for larger awards, reflecting the increased effort, expense, and impact of TOC Policy progress.
- **Minimum awards by size:** provides a clear incentive to jurisdictions.
- **Maximum awards by size:** helps distribute benefits widely.
- **Threshold adjustments (if needed):** if OBAG 4 TOC Incentive Program funds are insufficient to provide the minimum award amounts in Table 1 for each qualifying jurisdiction, or if there are excess funds remaining after assigning the maximum award amount in Table 1 for each qualifying jurisdiction, the Commission may consider adjustments to the TOC score threshold or other program elements.

Table 1: TOC Set-Aside Award Structure for Eligible Jurisdictions

Size Threshold	TOC Jurisdictions in This Category	Min Award	Max Award
6+ TOCs and/or 400k+ population	Oakland, San Francisco, San Jose	\$6M	\$8M
4+ TOCs and/or 200k+ population	Berkeley, Fremont, Livermore, Santa Clara, South San Francisco	\$4M	\$6M
3+ TOCs and/or 100k+ population	Alameda, Alameda County, Antioch, Concord, Contra Costa County, Daly City, Fairfield, Hayward, Mountain View, Novato, Palo Alto, Pleasanton, Richmond, San Leandro, San Mateo, Santa Rosa, Sonoma County, Sunnyvale, Vallejo	\$2M	\$4M
At least 1 TOC	Belmont, Belvedere, Brisbane, Burlingame, Campbell, Cloverdale, Colma, Cotati, Dublin, El Cerrito, Emeryville, Gilroy, Healdsburg, Hercules, Lafayette, Larkspur, Martinez, Menlo Park, Millbrae, Milpitas, Morgan Hill, Newark, Orinda, Petaluma, Pittsburg, Redwood City, Rohnert Park, San Bruno, San Carlos, San Rafael, Santa Clara County, Sausalito, Suisun City, Tiburon, Union City, Walnut Creek, Windsor	\$1M	\$2M

Note: existing or planned TOC stations may be subject to change. Illustrative award amounts are shown on a per-jurisdiction basis.

Project Selection

Jurisdictions qualifying for the TOC Incentive Program must submit project applications totaling their award amount in the format and by the deadline established by MTC staff to be considered for OBAG 4 funding. Projects selected by the Commission will be added to MTC Resolution No. 4740, Revised, Attachment B-1.

