Metropolitan Transportation Commission

MTC Planning Committee

May 8, 2026 **Agenda Item 8a – 26-0324**

MTC Resolution No. 4530, Revised. Transit-Oriented Communities (TOC) Policy

Subject:

Minor amendments to the TOC Policy (MTC Resolution No. 4530) to provide greater flexibility to transit extension projects seeking non-One Bay Area Grant (OBAG) discretionary funding, to clarify the Commission will further consider the evolving role of the TOC Policy at the start of the next OBAG cycle, and to align nomenclature with the approved TOC Policy Evaluation Framework.

Background:

MTC adopted the Transit-Oriented Communities (TOC) Policy in September 2022 to better link the region's transit investments with land-use planning and local decision-making. The 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 Policy establishes standards for jurisdictions with existing or planned fixed-guideway transit station areas across four policy components: residential and commercial office density; affordable housing production, preservation, and protection policies; parking management; and transit station access and circulation. MTC Resolution No. 4530 also specified that the Commission would consider prioritizing investments in station areas that are consistent with the TOC Policy, starting with OBAG Cycle 4.

In February 2026, the Commission adopted MTC Resolution No. 4754, formalizing the TOC Evaluation Framework and the guidelines for the $45 million TOC Incentive Program. Jurisdictions that reach 85 points on the evaluation framework receive TOC Incentive Program funding using a formula based on a jurisdiction's number of TOCs and population. At the February meeting, the Commission directed staff to return this spring with proposed amendments to MTC Resolution No. 4530 to address application of the TOC Policy to transit extension projects seeking non-OBAG discretionary funding and to clarify the Commission's intent regarding the TOC Policy's role in future OBAG cycles.

Transit Extensions and Regional Land Use Policy – History and Rationale:

Linking regional capital investment in transit to local land use policy is a longstanding feature of MTC's regional planning approach. In 2001, MTC Resolution No. 3434 established the Regional Transit Expansion Program of Projects and conditioned regional discretionary capital funding on project-specific delivery requirements. In 2005, MTC added a Transit-Oriented Development (TOD) Policy that required transit extension projects to meet corridor-specific minimum housing unit capacity thresholds before receiving regional discretionary capital funding. The TOC Policy expands on the TOD Policy by applying to existing stations as well as planned stations and focusing on complementary density, housing, parking, and station access policies that comprehensively support transit ridership, housing affordability, and multimodal access.

The Bay Area is expected to invest approximately $28 billion in fixed-guideway transit extensions through 2050, according to Plan Bay Area 2050+; each new station represents a significant land use opportunity. Accelerating local adoption of policies to achieve TOC Policy consistency can help ensure these investments produce lasting benefits to the immediate community, our transit systems, and the entire region.

Existing TOC Policy Requirements for Transit Extensions:

The original TOC Policy approved in 2022 required jurisdictions with transit extension projects seeking regional discretionary capital funding to comply with TOC Policy standards as a condition of those allocations. In October 2023, the Commission amended MTC Resolution No. 4530 to add Appendix 1, which structured these requirements across three project delivery phases to balance policy goals with the practicalities of long project timelines:

- Phase 1 – Project Development/Environmental Review: Project sponsors and applicable jurisdictions must provide a letter acknowledging that future allocation requests will be subject to TOC Policy requirements at later stages.
- Phase 2 – Project Design and Early Right-of-Way Acquisition: Jurisdictions must commit in writing to take steps toward achieving TOC Policy compliance by 2026.
- Phase 3 – Project Construction: No formal commitment letter is required; jurisdictions are encouraged to work with MTC staff to achieve TOC Policy compliance by 2026.

Appendix 1 also established that beginning in 2026, these requirements would extend to projects seeking MTC endorsement for federal or state discretionary capital funding.

As implementation has moved forward, several limitations in the existing framework warrant amendment:

- *Policy tied to 2026 and OBAG 4.* Existing language is not forward-looking and assumes all transit extensions would be consistent with the TOC Policy by the start of OBAG 4.
- *No defined consistency standard.* The TOC Policy references compliance but does not define a measurable threshold for TOCs associated with extension projects.
- *Multi-jurisdictional complexity.* Some projects cross multiple jurisdictions with varying levels of TOC progress, necessitating a clear methodology for assessing consistency.

Proposed TOC Policy Amendment for Transit Extensions:

Staff propose amending Appendix 1 of MTC Resolution No. 4530 to replace the fixed 2026 deadline with a structured but flexible, project milestone-based path forward that is consistent with the Commission's approach under the OBAG 4 TOC Incentive Program. The proposed amendment would:

- Remove references to the 2026 compliance deadline and instead require that project sponsors, in coordination with applicable jurisdictions, submit a work plan at the next funding allocation request for Phase 2 or Phase 3
- Work plans would document the steps each jurisdiction intends to take to reach 85-point TOC consistency prior to construction or within 5 years, whichever is later.
- Require progress reports to the Commission on an annual basis or within six months after a new allocation or endorsement request, whichever is sooner.
- Clarify that TOC reporting requirements under the transit extensions provisions cease once the 85-point consistency threshold is met.
- Make explicit that continued lack of demonstrated progress toward TOC Policy consistency may be considered in future MTC funding and/or endorsement decisions.

This approach is consistent with the Commission's February 2026 action extending flexibility to jurisdictions under the TOC Incentive Program, while preserving the core expectation that TOC

progress will be made before new transit investments are fully delivered and change in communities around new stations begins to take shape. Following the Commission's action, staff would revise the TOC Policy Administrative Guidance to clarify that TOC consistency for transit extension projects with multiple stations would be assessed as an average score across project station areas.

Additional Amendments

In addition to the transit extensions amendment, the proposed revision to MTC Resolution No. 4530 includes two minor updates directed by the Commission in February 2026. First, the proposed amendment adds language to clarify that the Commission will further consider the evolving role of the TOC Policy at the start of the next OBAG cycle. Second, the proposed amendment includes technical updates to align terminology in MTC Resolution No. 4530 with the language of the TOC Evaluation Framework adopted under MTC Resolution No. 4754 (e.g., updating references to TOC "compliance" to reflect the 85-point consistency standard). These changes do not alter any substantive policy requirements.

Issues:

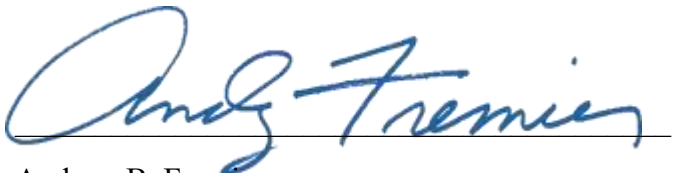
None identified.

Recommendations:

Staff request that the Commission adopt MTC Resolution No. 4530, Revised, amending the Transit-Oriented Communities Policy to: (1) provide greater flexibility to transit extension projects seeking non-OBAG regional discretionary funding or MTC endorsements for federal or state discretionary capital funding; (2) clarify that the Commission will further consider the evolving role of the TOC Policy at the start of the next OBAG cycle; and (3) align nomenclature with the TOC Evaluation Framework approved under MTC Resolution No. 4754.

Attachments:

- MTC Resolution 4530, Revised
  - Attachment A
- Attachment A: Presentation



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