

MTC Transit-Oriented Communities (TOC) Incentive Program and Updates

Overview of Eligibility, Scoring, Awards, and Timeline for OBAG Cycle 4



Regional Webinar
May 6, 2026

Agenda

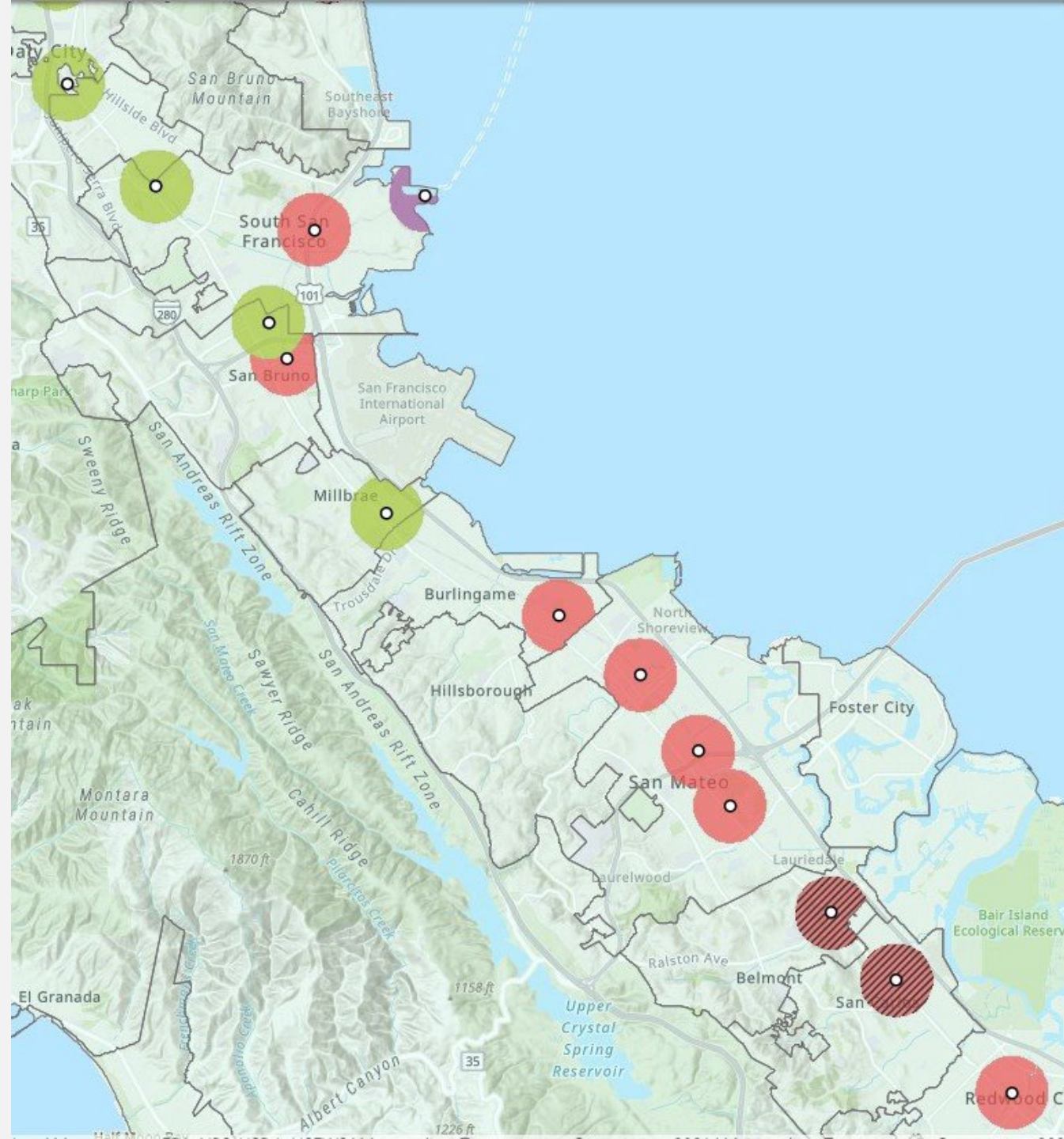
- TOC Policy Background
- TOC Evaluation Framework
- TOC Incentive Program Overview
 - *Purpose*
 - *Evaluation Framework & OBAG 4 Adjustments*
 - *Eligibility, Awards & Uses*
- TOC Administrative Guidance Updates
- Timeline & Next Steps



Credit: Noah Berger

TOC Policy: Background

- TOC Policy [[MTC Res. No 4530](#)] adopted in **September 2022**.
- Applies to areas **within a half-mile** of existing and planned rail stations, bus rapid transit stops, and ferry terminals.
- Implements Plan Bay Area 2050 strategies by focusing on core elements of **land use density, affordable housing, parking management, and complete streets/multimodal access**.



TOC Policy: Four Key Components

The Commission's adopted Resolution No. 4530 includes the following components:

Density

Residential &
commercial office
standards

Housing

Housing production,
preservation,
protection; small
business stability

Parking

Parking standards;
expanded bike/
shared mobility

Station Access

Safer & easier
walking/biking;
universal
accessibility

TOC Evaluation Framework: Measuring Progress

100-point evaluation framework across four policy areas in TOC Policy designed as a transparent and consistent method for tracking progress over time.

Density

25 points

Housing

25 points

Parking

25 points

**Station
Access**

25 points

Final Framework Revisions

Based on stakeholder feedback and engagement, the **evaluation framework was updated** with the following adjustments:

Density

Decrease points for minimum and maximum office intensity given post-pandemic office development challenges

Parking

Decrease points for vehicle parking maximums given market challenges

Increase points for shared and unbundled parking policies

Station Access

Increase points for access gap analysis to equally consider pedestrian, bike, and bus modes

TOC Evaluation Framework

Density – 25 points

Minimum Residential Density	8
Minimum Commercial Office FAR	4 2
Maximum Residential Density	8 12
Maximum Commercial Office FAR	5 3

Parking – 25 points

Eliminate Parking Minimums	8
Adopt Parking Maximums	12 8
Adopt Bicycle Parking Minimums	6
Allow Unbundled Parking	1 2
Allow Shared Parking	1 2
Adopt Parking Management Strategy	1 3

Housing – 25 points

Production Policy	4
Production Policy	4
Preservation Policy	4
Preservation Policy	4
Protection Policy	4
Protection Policy	4
Commercial Stabilization Policy	1

Station Access – 25 points

Compliant Complete Streets Policy	3
Active Transportation Network Projects	7
Station Access Gap Analysis	8 9
Mobility Hub Plan	7 6

100
points

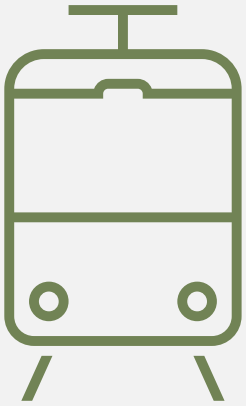
Additional Adjustments for OBAG 4

- 1** **Submission deadline** extended to July 1, 2027.
- 2** **No credit for work in progress** provided, given deadline extension.
- 3** **SB 79 credit** given for maximum allowable residential density for TOCs, where SB 79 applies.
- 4** **Housing protection policy credit** allowed for no more than one eligible countywide program (*i.e., at least one local action still required for full protection credit*).

TOC Incentive Program



OBAG 4 TOC Incentive Program: Purpose



Advance regional **climate, housing, and equity goals** by focusing growth near transit.



Incentivize adoption of TOC-consistent policies that **support housing and transit ridership.**

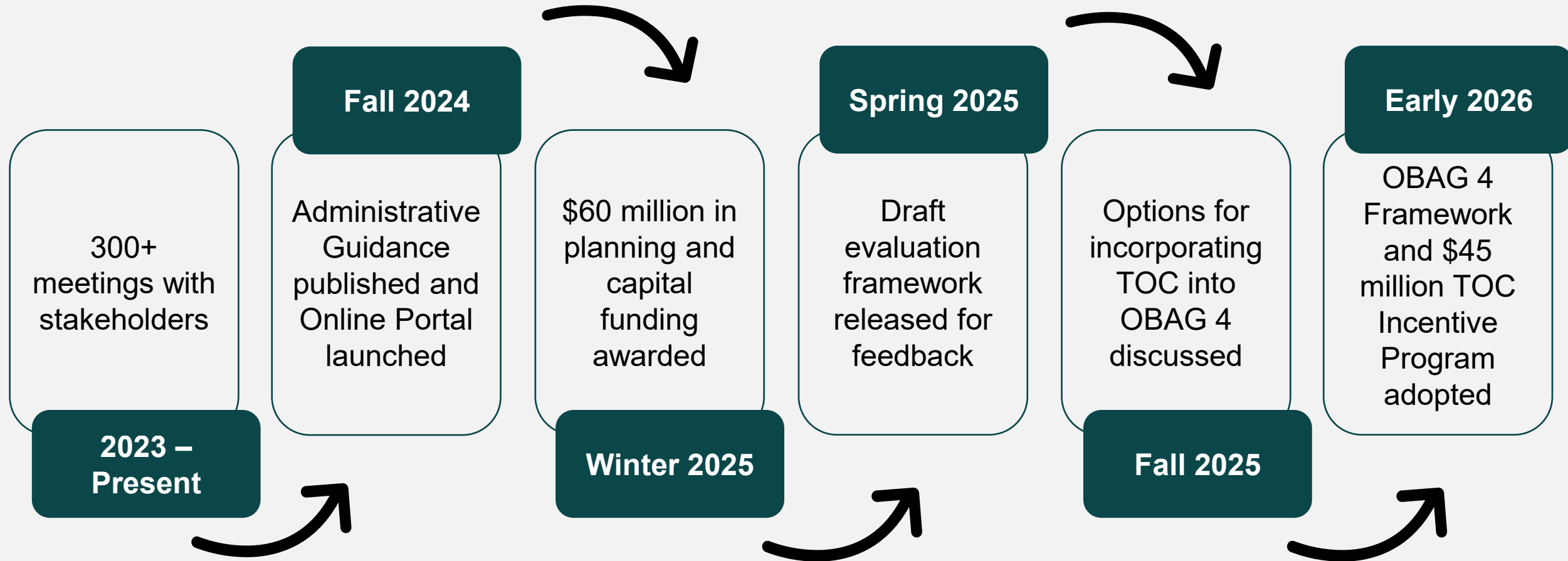


Align discretionary **regional transportation funding with local commitments.**



Target limited funds to jurisdictions **delivering meaningful TOC outcomes.**

How TOC Became an Incentive Program



TOC Incentive Program: Who Qualifies?

85 points

*Minimum threshold using the
approved TOC Evaluation
Framework*



Why a high threshold?

Aligns with the fully incentive-based program design and rewards meaningful progress toward TOC and Plan Bay Area 2050+ goals



Below 85? Still eligible for other funds.

Jurisdictions scoring below 85 remain eligible for all other OBAG county and regional funds – only the TOC Incentive Program requires a score of 85+

TOC Incentive Program: What Does Eligibility Provide?

Funds can be applied to **any OBAG 4 county program eligible project type**, including:



Local Streets & Roads Projects

Capital and planning investments in roadway infrastructure



Transit Projects

Funding for transit planning and capital improvements



Active Transportation

Pedestrian and bicycle planning and capital projects

10 – 15
Jurisdictions

Expected to Qualify

**Varying sizes, well-distributed
throughout the region.**

Performance-Based Formula Structure

Funds distributed through performance formula reflecting level of effort and implementation responsibility.

Formula Factors

- Number of designated TOC areas
- Jurisdiction population

Reflects scale of effort, impact, and implementation responsibility

Award Structure

- **Minimum awards by size tier** to create meaningful incentive
- **Maximum awards by size tier** to distribute benefits broadly
- *Qualifying cities would be eligible for grants:*
 - **Big 3 Cities** (6+ TOCs): \$6-8 million each
 - **Large** (4+ TOCs **or** 200k+ pop): \$4-6 million each
 - **Medium** (3+ TOCs **or** 100k+ pop): \$2-4 million each
 - **Small** (at least 1 TOC): \$1-2 million each

If final scores differ from current estimates, the Commission could further refine this approach in late 2027.

TOC Incentive Program Timeline

July 1, 2027	TOC Submissions Due to Confirm Incentive Program Eligibility
Fall 2027	TOC Scores Finalized after Staff Review
Winter 2027	Commission to Fund Awards to Qualifying Jurisdictions + Local Jurisdictions Identify Eligible Projects in Coordination with MTC Staff
Spring 2028	Commission to Program Funds to Specific Projects
2028 and beyond	<i>Continued Technical Assistance and Potential Future Round(s) of TOC Grants</i>

TOC Administrative Guidance

TOC Administrative Guidance Updates

MTC issued **updated TOC Policy Administrative Guidance** to incorporate changes that respond to the Commission's action on February 25, 2026.

**Increases
*Clarity***

**Increases
*Flexibility***

**Reflects *State
Law Changes***

***Simplifies* Local
Actions**

TOC Administrative Guidance Updates: Density

SB 79 Credit

TOC areas subject to SB 79 are awarded full TOC credit for the Allowable Maximum Residential Density standard

AB 2923

Jurisdictions can use the maximum density allowed under AB 2923 for the average density calculation, regardless of underlying zoning

Developer Agreements

Jurisdictions can request flexibility for developer agreements adopted before Feb. 25, 2026 (previously Jan. 1, 2024)

Density Documentation

Jurisdictions no longer need to provide addresses for parcels with existing dwelling units excluded from density calculations

TOC Administrative Guidance Updates: Housing

Flexible Funding

Broader eligible sources and more ways to demonstrate the minimum threshold

Stacked Production Policies

Credit now allowed for multiple combinations of Production Policies 3, 5, and 7

AB 130 Removes Protection 2

State law achieves the outcomes of Protection Policy 2; TOC credit no longer available

County Protection Programs

Qualifying county programs satisfy one Protection Policy. A second local policy still required for full TOC consistency

Code Enforcement

Increased flexibility for funding amount and source for loan/grant programs to support lower income property owners

TOC Administrative Guidance Updates: Parking

AB 2923

Jurisdictions can count maximum parking allowed under AB 2923 toward TOC maximum parking standards, paralleling the density treatment

AB 1317

Jurisdictions in Alameda and Santa Clara counties can satisfy the TOC unbundled residential parking standard by confirming compliance with AB 1317

AB 894

Jurisdictions can satisfy the TOC shared parking standard by confirming compliance with AB 894

AB 2097

Jurisdictions are no longer encouraged to adopt a resolution confirming AB 2097 compliance for parking minimums; other forms of confirmation are acceptable

TOC Administrative Guidance Updates: Station Access

Mobility hub standards by corridor

Where a TOC area corridor consists of consolidated, overlapping TOC areas, mobility hub planning and implementation standards only need to be met at one stop or station within that corridor

Mobility hub responsibility by boundary

A jurisdiction is only responsible for mobility hub requirements if the transit station itself is located within or adjacent to its boundaries — clarifying responsibility in multi-jurisdictional corridors

TOC Administrative Guidance: Process Updates



Submission deadline extended to July 1, 2027



Council/board resolution no longer required



All Housing Protection Policy options weighted equally



“Planned station” definition updated



Two new appendices added



“Compliance” replaced with “consistency” throughout

TOC Program Updates and Next Steps

Spring 2026

Staff will return to the MTC Commission this spring with amendments to the TOC Policy (MTC Resolution No. 4530) to:

- *Provide flexibility to transit extension projects seeking non-OBAG discretionary funding*
- *Clarify the Commission will further consider the evolving role of the TOC Policy at the start of the next OBAG cycle*

**Summer 2026 to
Summer 2027**

Ongoing Technical Assistance to Jurisdictions

July 1, 2027

TOC Submissions Due to Confirm Incentive Program Eligibility

Q&A

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