



METROPOLITAN
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COMMISSION

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Memorandum

TO: Advisory Council

DATE: November 3, 2009

FR: Therese Trivedi, TLC Program Manager

RE: New Transportation for Livable Communities (TLC) Program Framework, Draft Scoring Criteria

Background – Program Framework

In September, staff presented several recommendations to MTC's Planning Committee for the Transportation for Livable Communities (TLC) Program. These recommendations were based on (1) the results of a program evaluation beginning in summer 2007, which included a review of completed TLC Planning, Housing Incentive Program (HIP), and the TLC Capital grants, and (2) a white paper completed by Reconnecting America's Center for Transit Oriented Development (CTOD). The white paper detailed various options and strategies for financing transit-oriented development in the Bay Area, and made several recommendations for revising the TLC program, including creating a flexible financing program that responds to different market conditions within the region.

The four elements for the TLC program framework approved by the Planning Committee include:

1. Incentivize development in PDAs
2. Increase maximum grant size to \$6 million, no grant minimum.
3. Expand eligible program categories
4. Establish Regional/County shares – 2/3 regional, 1/3 local

Additional information about each element is contained in Attachment A.

Draft TLC Scoring Criteria

Also attached, is a matrix containing draft scoring criteria for the upcoming TLC funding cycle. The scoring criteria are designed to support the TLC program goals as noted in the matrix.

Staff will be discussing the scoring criteria and seeking input from Advisory Council as well as EDAC and MCAC in the coming weeks.

We look forward to your input at your November 10th meeting.

ATTACHMENT A

TLC Program Framework

- (1) **Use TLC funds to provide incentives for development in Priority Development Areas**
Tighten the connection between the TLC program and projects that directly support well planned, transit-oriented development throughout the region by targeting TLC funds to high-impact Priority Development Areas (PDAs) under the FOCUS program.

Only projects in planned or potential PDAs will be eligible for TLC funds. There are over 120 PDAs representing over 60 jurisdictions throughout the Bay Area.

- (2) **Grant size** – Based on the TLC evaluation and feedback from local jurisdictions, award larger grants at more frequent intervals by awarding grants up to \$6 million with no grant minimum. Local communities are expected to participate to their maximum extent possible in the funding of all projects.
- (3) **Eligible program categories** - Eligible program categories include streetscapes, non-transportation infrastructure, transportation demand management, and density incentives such as land banking or site assembly, (see Attachment B). If any of these options are not eligible for federal funding available through the TLC Program. funding exchanges would need to be arranged.

Build flexibility by allowing all categories included in Attachment B to be eligible for funding, with a goal of selecting the highest impact projects, based on intensity of existing and proposed adjacent development, proximity to transit service, and local needs. Project selection would also depend on project eligibility for STP/CMAQ funding or the availability of non-federal or other funding exchanges that could deliver the project.

- (4) **Program Structure** –Maintain split of funds between regional (2/3) and county (1/3) programs.

In addition, 1) fold the HIP program into elements of the proposed new TLC capital program; 2) fold the TLC Planning program into the Station Area Planning program; and 3) create a new technical assistance program for TOD, fashioned after the current Pavement Technical Assistance Program (PTAP).

**ATTACHMENT B
Expanded Program Categories**

| Program Categories | Streetscapes (current program eligibility) | Non-transportation Infrastructure Improvements | Transportation Demand Management (TransLink®, carshare, TOD parking, etc) | Density Incentives (Direct TOD funding Land Banking / Site Assembly) |
|-------------------------------|--|---|---|--|
| Grant or Loan | Grant | Grant or Loan | Grant or Loan | Grant or Loan |
| CMAQ /TE /STP Eligible | Yes | No | Yes | Only via transit operator joint development program |
| Example | Strengthen connection of existing program to new development in need of millions in new streetscapes such as San Jose midtown, Santa Rosa Railroad Sq. <u>Ensure high quality projects and maximum access for all users.</u> | San Leandro: sewer upgrades required for 2,500 new units in approved TOD plan; fee structures and redevelopment funds are not capable of covering full expense. | Oakland MacArthur BART: project replaces 300 of 600 surface parking spaces in a <u>priced</u> parking structure that creates site for 675 new housing units. TransLink® for TOD program expansion pending study results and/or support for a carshare vehicle for new or recent TOD residents) | Richmond approves 5-story, 70+ units/acre project (230 units) adjacent to BART & the transit village; developer unable to finance above 25 unit/acre project. City under pressure to deliver “something” on critical site, once in a generation opportunity site. San Bruno is interested in securing land near the re-located Caltrain station but is unable to fund the transaction. Similar stories to be found at numerous future transit stations. |
| Notes | Demand remains strong for this program element | Funding compatibility a challenge, high demand. <u>Directly leverages creation of TOD.</u> | Parking management is a critical component of a successful TOD. <u>Funded projects required to have priced parking and to employ other policies</u> (e.g. Carshare, shared parking, parking maximums) | <u>Holding title to land and land re-sale in cooperation with cities and/or transit agencies.</u> Critical time to preserve key sites for future development. |