Executive Summary

MTC's Transit Oriented Development Policy, adopted in July 2005, aims to capitalize on investments in new transit corridors in the region by promoting the development of vibrant, mixed-use neighborhoods around new stations. The policy has three key elements:

- Corridor-level thresholds to quantify appropriate minimum levels of development around transit stations along new corridors
- Local station area plans that address future land-use changes, station access needs, circulation improvements, pedestrian-friendly design, TOD-supportive parking policies and other key features in a transit-oriented development
- Corridor working groups that bring together CMAs, city and county planning staff, transit agencies, and other key stakeholders

The TOD Policy is the first of its kind by a Metropolitan Planning Organization or other regional agency in the United States. Partly for this reason, Commissioners specified that MTC staff should "conduct a review of the TOD policy and its application to each of the affected Resolution 3434 corridors, and present findings to the Commission, within 12 months of the adoption of the TOD policy."

Nelson\Nygaard presented its interim findings to the Commission in July 2006. The interim evaluation concluded that early results from the TOD policy were encouraging, and that most corridors were on track to meeting the housing unit thresholds. However, it also concluded that it was still too early to measure the effectiveness of the policy, particularly the Station Area Plans. This report therefore presents an updated evaluation, addressing some of the key issues raised by Commissioners and other stakeholders. The main focus is on the Station Area Planning program.

Corridor Thresholds

One of the most important conclusions of the 2006 interim evaluation was that the corridor thresholds are achievable. These conclusions still hold. Detailed analysis undertaken with input from local planning staff has confirmed that all corridors can meet the housing unit thresholds (Figure ES-1). While concern has been expressed in some corridors that MTC is forcing urban density on suburban jurisdictions, this is not the case – the thresholds can be met with moderate increases over existing allowable densities, even assuming that some stations on each corridor will accommodate little or no new development due to land-use conflicts. Much of this planning is underway or could be undertaken through an expansion of MTC's station area planning grant program.

The level of planning and implementation effort necessary to meet the thresholds varies between the corridors. Some corridors have a straightforward path to meeting the thresholds. Other corridors such as SMART have the opportunity to meet the thresholds with longer-term development coupled with focused planning efforts in station areas.

Figure ES-1 Resolution 3434 Corridor Performance

Corridor	Threshold (Housing Units per Station)	Achieved with current development?	Achieved with current development plus adopted plans?	Achieved with TOD scenario?
BART East Contra Costa Rail Extension (eBART) Phase I (to Hillcrest Ave in Antioch)	2,200	No	No	Likely with long-term TOD, pending Ridership Development Plans
BART – Downtown Fremont to San Jose/Santa Clara (SVRT)	3,850	No	No	Yes, with moderate TOD
AC Transit Berkeley/Oakland/San Leandro Bus Rapid Transit: Phase 1	2,750	Yes	–	–
Caltrain Downtown Extension/Rebuilt Transbay Terminal	2,200	Yes	–	–
Muni Third Street Light Rail Transit Project Phase 2 – New Central Subway	3,300	Yes	–	–
Sonoma-Marin Rail (SMART)	2,200	No	No	Yes, with long-term TOD
Dumbarton Rail	2,200	No	Depends*	Yes, with moderate TOD
Expanded Ferry Service	TBD	Varies**		

* The full project from Redwood City to Union City *may* meet the threshold – sufficient housing is expected to occur under current zoning, but the TOD Policy only considers *minimum* zoned densities. The Phase One project from Redwood City to Newark would not meet the threshold.

**Varies depending on ferry terminal sites considered (e.g. in places such as Richmond where there are alternative sites in the Marina and on the Ford Peninsula), and whether they are analyzed as a corridor or not.

Methodological Issues

MTC and ABAG staff have been working to develop a clearer process to define and certify compliance with the TOD policy threshold. There are several methodological issues related to counting future housing units and the affordable housing bonus. These have been resolved using professional judgment in this evaluation; however, clearer guidelines and a process for ongoing monitoring will avoid potential future disagreements over whether a corridor meets the housing threshold.

Ferry Corridors

It is not appropriate to treat ferries as a "corridor," as compliance with the TOD policy is largely determined by the mix of terminals in the ferry plan, rather than land-use changes around the terminals themselves. For example, including Treasure Island in the "corridor" would provide enough housing to render the TOD threshold moot, according to current development plans for the island. Instead, MTC should consider applying a higher thresholds (2,500 units) to individual terminal sites, with an alternate "compliance route" for terminals such as Berkeley where this level of housing is infeasible.

Employment Thresholds

This evaluation concludes that employment thresholds are not appropriate. Cities already have considerable incentives to zone for non-residential uses, such as sales tax revenue and reduced fiscal impacts. Many are already planning for significant employment around transit lines. Moreover, employment uses work best in promoting transit ridership when they are concentrated at key hubs at higher densities, rather than dispersed through a corridor. Finally, there is a compliance problem with employment thresholds. Jobs are difficult to quantify and highly flexible. For example, an office complex that might accommodate up to 1,000 employees may, for long periods, house only a fraction of that total. This makes certification of employment thresholds extremely difficult and costly.

This suggests an increased focus on employment in specific station area plans, rather than a corridor-level threshold which in any case would need to be matched to local estimates of market demand. MTC should ensure that station area plans make provision for employment levels that are consistent with market assessments.

Land-Use Conflicts

Analysis for the SMART and SVRT corridors, conducted as part of the 2006 evaluation, revealed numerous land-use conflicts at individual stations. At certain stations, particularly Warm Springs, no net new residential units are assumed due to pre-existing industrial uses. Some of these issues have been encountered in MTC-funded Station Area Plans; at Fairfield, for example, approximately one-third of the planning area has been identified as significant habitat for special-status species.

The analysis, however, also revealed the strength of the corridor concept in determining compliance with the MTC TOD policy. None of these land-use conflicts mean that the corridor is unable to meet the housing unit threshold, as underperforming stations can be countered by other stations along the line which provide more than the minimum amount of housing. Indeed, land-use conflicts were factored in when setting the housing minimums per corridor. The TOD policy can also be used as a tool to influence station siting, encouraging stations to be located where they maximize the opportunity for new development.

Additional Incentives

In some station areas, local jurisdictions are planning to significantly exceed the housing unit threshold. However, some others appear to view them as a target level that is to be reached but not surpassed. MTC should consider a layered system of incentives for planning, achieving the thresholds and surpassing them, such as a strengthened "SuperHIP" Housing Incentive Program.

Rather than punitive sanctions to deter cities from reversing land-use decisions (for example, on election of a new city council), these incentives can help reward cities that maintain TOD zoning policies. If some incentives are payable only on groundbreaking of new units, the risk of non-compliance is avoided.

Corridor Working Groups

Overall, it is still too soon to fully evaluate the success of the Corridor Working Groups. Corridor planning has not yet reached the stage where potentially difficult decisions regarding allocation of housing units to individual stations need to be taken.

The preliminary conclusions from this evaluation suggest that Corridor Working Groups have the potential to be highly valuable. However, there is little incentive for Corridor Working Groups to continue to meet once there is a clear path to ensuring that the housing thresholds are met. MTC staff is recommending that responsibility for Corridor Working Groups be transferred to Congestion Management Agencies, as part of their work under the Transportation Planning Land-Use Solutions (T-PLUS) program. This may enable them to be responsive to specific needs on individual corridors.

Station Area Plans

MTC awarded station area planning grants to eight local jurisdictions and transit operators as part of a pilot cycle in 2005, in order to enable the success of the program to be evaluated. None of the plans has been completed so far. However, it is already clear that the Station Area Planning program represents significant progress towards the goals in MTC's Resolution 3434 TOD Policy. Even before the Resolution 3434 transit extensions are realized, the mixed-use, pedestrian-oriented higher-density development envisaged in the Plans can contribute to local and regional goals. The current status of the plans is shown in Figure ES-2.

Figure ES-3 shows the number of housing units anticipated in each plan. Translating new housing into new transit riders, this suggests that the station area plans are turning out to be an enormously cost-effective investment in transit ridership. At San Leandro, the plan will lead to about 4,800 new daily Bus Rapid Transit and BART riders, if implemented and build-out is achieved. Although other plans do not have the benefit of an existing BART station and are likely to generate fewer transit trips, the station area planning program as a whole is still likely to generate new riders at a fraction of the cost of new transit investments.

Figure ES-2 Pilot Cycle Station Area Plans, Grants and Progress

Project Sponsor	Corridor and Station	Grant Amount	Target Completion Date as of March '06	Target Completion Date as of August '07	Deliverables Completed
BART	tBART – Hacienda	$115,000	Apr '06	TBD	Existing Conditions Draft Land Use Update
City of Alameda	Ferries – Alameda Point	$221,000	Nov '06	Aug '09	–
City of Fairfield	Capitol Corridor – Fairfield	$250,000	Nov '06	Apr '08	Existing Conditions/ Opportunities & Constraints Conceptual Land Use
City of Menlo Park	Dumbarton Rail – Menlo Park	$225,000	TBD	TBD	–
City of Pittsburg	eBART – Railroad Ave	$308,560	Oct '06	*Depends on EIR*	Draft Existing Conditions Conceptual Land Use
City of San Leandro	Bus Rapid Transit – San Leandro	$450,000	Apr '07	Sep '07	Draft Plan
City of Santa Clara/City of San Jose	SVRT – Santa Clara	$600,000	Sep '07	Mar '08	Existing Conditions Opportunities & Constraints Market Assessment Alternatives Working Paper
City of Santa Rosa	SMART – Downtown Santa Rosa	$450,000	Dec '06	Oct '07	Draft Plan Draft EIR

Figure ES-3 Housing Units Anticipated by Plan

Station Area	Project Type (Threshold)	Housing Units: Existing		Housing Units: Anticipated		Housing Units: Total	
		½-Mi. Radius	*Plan Area*	*½-Mi. Radius*	*Plan Area*	*½-Mi. Radius*	*Plan Area*
Alameda Point	Ferries (750)	250	200	1,100	1,735	1,300	1,935
Fairfield	Commuter Rail (2,200)		~10		2,200-3,200		2,200-3,200
Railroad Ave. (Pittsburg)	Commuter Rail (2,200)	1,600		1,370		2,970	
Hacienda (Pleasanton)	Commuter Rail (2,200)		1,530		1,271		2,801
San Leandro	BRT (2,750)		4,474		3,430		7,904
Santa Clara	BART (3,850)		865		2,404		3,269
Santa Rosa	Commuter Rail (2,200)	1,700	2,050	2,250	3,250	3,950	5,300

Notes:

Other grant recipients have yet to analyze detailed land-use alternatives.
Alameda Point alternative requiring voter approval of charter amendment might enable 2,185 units in ½-mi. radius.
In Fairfield, separate area within ½-mi. radius may add up to 500 units.
San Leandro station area includes existing BART station, but for Res. 3434 TOD Policy purposes, the BRT threshold applies.
Santa Clara "existing" figure includes units in development pipeline; plan area excludes much of ½-mi. radius.

Although there remains considerable potential to go further in areas such as density, parking, affordable housing, accessibility and street design, each Plan constitutes a significant improvement over existing conditions. Some stakeholders also view Station Area Plans as a means to ensure that cities can meet their state-mandated housing allocations, and as a way to contribute to broader sustainability goals, including green building and reductions in carbon emissions. The following recommendations are attempts to build on an already solid foundation:

- **Continue and expand the Station Area Planning program.** In contrast to the existing program, which focuses on Resolution 3434 transit extensions, we recommend that existing stations also be eligible for the grants. A new program could be administered by either MTC or ABAG, and should be closely integrated with planning efforts in Priority Development Areas.
- **Develop guidelines for grant awards.** Potential criteria for grant awards could include Resolution 3434 corridor status; existing transit resources; potential ridership gain; Priority Development Area status; cost to MTC; and local political support.

- **Consider "pre-investment" grants.** Small-scale scoping grants could fund a series of workshops and scoping meetings with a Technical Advisory Committee, in order to assess the community's readiness for a major plan, identify the plan boundaries, and determine the depth of issues (e.g. shared parking, inclusionary housing) to be analyzed.
- **Consider the potential for rolling cycles.** Rather than an annual call for proposals, MTC should consider whether a rolling cycle could take advantage of windows of developer or decision-maker interest and other timely opportunities. A revolving loan fund could be considered (e.g. to be repaid through a development fee), but may be challenging to implement and may deter some potential grant recipients.
- **Provide more detailed expectations.** Even in the pilot cycle, MTC has done a good job in ensuring that critical areas – particularly market feasibility, parking and environmental review – have been addressed. In subsequent cycles, it may be possible to provide a more detailed checklist of topics that Plans should cover. This would ensure that issues of regional importance are given consideration, but would not dictate the answers that are reached by local communities. We recommend that a menu of "place types" (see Appendix C) be used to define expectations for station area planning outputs, such as unit numbers, density, job numbers, and Floor Area Ratio. MTC's Elderly and Disabled Advisory Committee is also examining the issue of accessibility in TODs, and any of their recommendations could also be incorporated into the checklist.
- **Provide staffing for Technical Advisory Committees.** MTC or ABAG should seek staff resources to enable them to provide a regional presence on Plan technical advisory committees. A regional presence would provide opportunities for a two-way exchange of information: it would ensure that MTC and ABAG are aware of on-the-ground challenges, and at the same time provide technical expertise and a conduit to share experiences between planning grant recipients.
- **Support inclusive outreach, including educational events early in the process.** Opening channels of communication to encourage consensus is a resource-intensive process, and often requires large working groups, the formation of partnerships, culturally relevant ways of connecting to communities, and/or involvement of developers and decision-makers. Additionally, educational efforts providing examples of TOD best practices, such as tours and "TOD 101" seminars, are effective but require a great deal of additional effort. With all this in mind, then, MTC should seek to ensure that outreach is well-thought out and well-budgeted in workscopes.
- **Provide on-call resources.** MTC could keep a small reserve fund in the station area planning budget to be able to fund some unforeseen needs, such as multi-lingual outreach or photosimulations. MTC can also provide direction to outside resources.
- **Make available industry-standard information on best practices in TOD.** The MTC parking toolbox now in development might serve as a model not just for local

parking policies, but for additional resources MTC might make available as part of the station area planning process.

Continued Monitoring

Given that planning for most corridors and station areas is still a work in progress, this evaluation cannot be considered the final word. It makes sense for MTC and ABAG to institutionalize monitoring and reporting, through regular updates of the performance of each corridor against the TOD threshold. Station Area Planning grant recipients, meanwhile, should be required to report key metrics on completion of the Plan, such as potential development, parking requirements, inclusionary housing requirements and barriers encountered.

ABAG has been developing potential metrics for tracking the development of the TOD policy and FOCUS efforts (Figure ES-4). The draft measures cover land-use and development (e.g. new residential and commercial units, retail mix, and TOD policies); transportation and access (ridership, access and vehicle travel); social equity (household income and affordable housing); and infrastructure and finance (funding availability for infrastructure improvements). Reporting requirements for station area plans should complement and enhance these broader ABAG efforts.

While there are many reasons for doing station area planning, MTC should also consider the cost-effectiveness of planning grants as a ridership development tool. For example, comparisons of potential development before and after Plan adoption, coupled with a transit trip capture rate, will enable the "cost per new rider" of station area plans to be compared with transit capital and operating investments.

Figure ES-4 Potential TOD Policy Performance Measures

Performance Measure	City/LG Reporting	Regional Agency Review Analysis
LAND USE & DEVELOPMENT: What development is planned? What is occurring? Is the mixture of uses promoting a transit village? Are city policies supporting development / removing barriers to development?		
New Housing Units	Permitted & built single family, multi family housing units, including affordable units	Lead Agency: ABAG Reviews of City Information; Conducts Build Out Analysis, Compares build out to Projections and Corridor averages; Compares development projects to uses designated in SAP and to DOF data, CRIB, CDLAC, TCAC data to verify accuracy Reviews assessors data which provides City level densities Confirms data against DOF, CRIP, CDLAC, TCAC
New commercial, retail, industrial	Permitted sq feet commercial, retail, office, other uses; Also to include project acreage, densities and Floor Area Ratios	

Performance Measure	City/LG Reporting	Regional Agency Review Analysis
Neighborhood-serving retail, community services	Description of all retail uses, community services	Lead Agency: ABAG Conducts site visit; Performs community needs survey
Policies in place to expedite development & removal of policies that prevent implementation	Policies passed to support SAP, including parking, inclusionary zoning, setbacks, height limits, etc.	Lead Agency: ABAG Evaluates local policies to determine their impact to promote development goals, remove development barriers
TRANSPORTATION & ACCESS: Is the station attracting new riders as planned? Is the station acting like a hub feeding other transit connections? Is there easy access to the station by foot and/or bike and/or car?		
Ridership on new transit once transit line is open (or increase in existing)		Lead Agency: MTC Transit agencies report to MTC on annual basis
New or expanded feeder routes to new station area		Lead Agency: MTC Transit agencies report to MTC on annual basis
Increased station access to pedestrians and bikes	Map of bike routes	Lead Agency: ABAG Reviews street network map; Visits sites to determine pedestrian and bike access, viability of bike routes and bike amenities at station MTC performs network analysis of pedestrian access
Travel mode, Vehicle Mile Traveled and auto ownership by station area residents		Lead Agency: MTC Performs survey (also data available from census every 10 years)
Parking supply and parking policies at station		Lead Agency: MTC Evaluated through station area plan process

Performance Measure	City/LG Reporting	Regional Agency Review Analysis
SOCIAL EQUITY: Who is moving/able to move to the new housing units? Is the development accessible/affordable and does the neighborhood have a mix of incomes?		
Household income in planning area	If available, household income of households in new units	Lead Agency: ABAG Compares income needed to live in new units versus income levels in census tract (and county in general)
Housing prices and rents (compared to rest of city before/after)	market and below market rates for new housing units	Lead Agency: ABAG Check rates against residential sales data by zip code
INFRASTRUCTURE/FINANCE: Has the city prepared financially to support the construction of the station and the needed infrastructure?		
Infrastructure needs	Station Area Plan	Lead Agency: ABAG Reviews and evaluates plan
Improvements made	list by City	Lead Agency: ABAG Reviews and evaluates
Funding / Financing Gap	Funds needed to complete projects	Lead Agency: ABAG Reviews and evaluates

Source: ABAG