

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: GABE OSBURN, DIRECTOR OF PLANNING AND ECONOMIC
DEVELOPMENT
SUBJECT: TRANSIT-ORIENTED COMMUNITIES POLICY

AGENDA ACTION: STUDY SESSION

RECOMMENDATION

The Planning and Economic Development and Transportation and Public Works Departments recommend that the Council hold a study session to receive information and provide policy direction regarding implementation of the Metropolitan Transportation Commission's (MTC) Transit-Oriented Communities (TOC) Policy. This item has no fiscal impact on the current fiscal year budget.

EXECUTIVE SUMMARY

MTC adopted the TOC Policy to advance equitable, transit-supportive development near fixed-railway transit stops and stations to implement Plan Bay Area 2050. As part of this effort, MTC established the \$45 million TOC Incentive Program, including the TOC Evaluation Framework and Program Guidelines, for the One Bay Area Grant (OBAG) 4 program. The City would be eligible for an additional \$2 million to \$4 million in OBAG funding for qualifying transportation and public works projects if TOC Policy compliance is demonstrated by July 1, 2027.

GOAL

This item relates to Council Goal #2 – Invest in the Development and Maintenance of City's Infrastructure, Council Goal #3 – Promote Citywide Economic Development, and Council Goal #5 - Plan for and Encourage Housing for All and Reduce Homelessness. The TOC policy enables improved access and more regular use of SMART by focusing residential and job growth near transit. Consistency with TOC Policy also positions the City to secure additional grant funding to support the development and maintenance of critical infrastructure projects.

BACKGROUND/PRIOR COUNCIL REVIEW

On September 28, 2022, MTC adopted Resolution 4530, establishing TOC Policy. The TOC Policy incentivizes local jurisdictions to plan and zone for higher residential

densities and commercial office intensities in areas within one half-mile of existing and planned fixed-railway transit stops and stations to support the region's transit investments and implement key Greenhouse Gas (GHG) reduction strategies from Plan Bay Area 2050. In 2023, MTC designated the Downtown Station Area and North Santa Rosa Station Area as Transit-Oriented Communities within the City of Santa Rosa.

On February 25, 2026, the MTC Commission adopted the \$45 million TOC Incentive Program through Resolution No. 4754, including the TOC Evaluation Framework and Program Guidelines as part of the OBAG 4 evaluation criteria. Compliance with the TOC Incentive Program qualifies the City to receive an additional \$2 million to \$4 million in OBAG grant funds to be used for qualified transportation and public works projects.

On June 16, 2026, the Council approved the Professional Services Agreement with BKF Engineers for planning, public engagement support, and environmental review services to prepare an update to the North Santa Rosa Station Area Specific Plan and Subsequent Environmental Impact Report (SEIR) to achieve consistency with the Transit-Oriented Communities Policy.

ANALYSIS

The Metropolitan Transportation Commission's Plan Bay Area 2050 is the region's long-range transportation and land use plan. To support implementation of the Plan, MTC established the Transit-Oriented Communities Policy, an incentive-based program that encourages Bay Area jurisdictions with existing or planned fixed-railway transit stations and stops to adopt policies in four key areas. Jurisdictions that achieve the required TOC Policy point threshold are eligible for OBAG 4 incentive funding, which would support a variety of Transportation and Public Works capital improvement projects within the City.

The City is pursuing full compliance with the TOC Policy to become eligible for \$2 million to \$4 million in incentive OBAG funding for the next funding cycle. The TOC Policy includes a 100-point scoring system, with the City required to achieve a minimum of 85 points to qualify for the incentive funds. The deadline to adopt or verify the qualifying TOC policies is July 1, 2027.

Santa Rosa's two TOC areas are centered on the Downtown Station Area and North Station Area SMART stations. To achieve full TOC compliance, areas within one-half mile of these stations must implement policies across four categories:

- Residential Density and Commercial Office Intensity
- Affordable Housing and Commercial Stabilization
- Parking Management
- Station Access and Circulation

The following section summarizes the City's current level of compliance within each policy category and identifies any additional actions needed to achieve full compliance. Council direction is needed to pursue one or more additional Affordable Housing and/or

Parking Management policies that would achieve the three additional points needed to qualify for incentive funding.

Density and Intensity

TOC Policy focuses on increasing residential density and jobs within transit areas. The Density and Intensity policies require that TOCs meet a minimum residential density and commercial intensity to achieve this goal. These density and intensity requirements are met within the Downtown Station Area but not within the North Station Area. The City has received \$300,000 in grant funds from MTC to update the North Station Area Specific Plan to meet TOC Density and Intensity requirements. This Specific Plan update is currently underway with adoption anticipated in June 2027.

Affordable Housing and Commercial Stabilization

The Affordable Housing and Commercial Stabilization category of the TOC Policy focuses on housing affordability, preventing displacement, and ensuring residents and businesses benefit from transit-oriented growth. The category awards points for policies that support affordable housing production, preservation, tenant protection and commercial stabilization.

The City currently has several citywide policies and programs that are consistent with the TOC Policy, including the Development Certainty and Streamlined Entitlement Process, Mobilehome Rent Control Ordinance, Mobilehome Park Closure Ordinance, CalHome Mobilehome Rehabilitation Loan Program, and Business Concierge Program.

Based on the City's existing policies and programs, Santa Rosa is expected to receive 17 of the 25 available points, reflecting credit for five of seven eligible policy areas. Opportunities to earn additional points are limited due to staffing capacity and the ongoing funding commitments associated with many of the remaining policy options.

The primary opportunity to increase the City's affordable housing policy score is adoption of a ministerial housing ordinance, which would earn an additional four points. Staff is seeking Council direction on whether to pursue development of such an ordinance. If adopted, the ordinance would apply within the TOC areas and allow by right approval of housing developments which include at least 15% of units as affordable to lower-income households.

Parking Management

The Parking Management category is intended to reduce automobile trips, encourage walking, bicycling, and transit use, and prioritize land area near transit for housing and other transportation options rather than parking.

Staff anticipates receiving full credit for updating vehicle parking minimums in TOC areas, consistent with State law, and for proposed Zoning Code amendments that increase bicycle parking requirements and revise the City's unbundled and shared

parking provisions to align with the TOC Policy. These changes are expected to earn 15 of the 25 available points in the Parking Management category.

To increase the City's point total, Staff is seeking Council direction on whether to require vehicle parking maximums for new residential and commercial development within the TOC areas. Depending on the parking maximums established, this policy could earn an additional one to eight points.

Staff is also seeking Council feedback on whether to develop a Transportation Demand Management (TDM) ordinance applicable to new development within the North Station TOC only, both the North Station and Downtown Station TOCs, or all City Priority Development Areas (PDAs). Adoption of a TDM ordinance, regardless of its geographic applicability, would earn one additional TOC point.

Station Access and Circulation

The Station Access and Circulation category focuses on improving safe, convenient, and multimodal access to and around the SMART stations. Policies within this category include complete streets, active transportation planning, access gap analysis, and mobility hubs. MTC has reviewed the City's existing plans and policies and confirmed that Santa Rosa will receive the full 25 available points for this category.

FISCAL IMPACT

This study session does not have a fiscal impact on the General Fund.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the recommended action is not a "project" subject to the California Environmental Quality Act (CEQA) because it is a discussion item only and does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the alternative, the recommended action is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) because it can be seen with certainty that there is no possibility that the recommended action may have a significant effect on the environment.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Attachment 1 – MTC TOC Resolution and Framework

TRANSIT-ORIENTED COMMUNITIES POLICY

PAGE 5 OF 5

- Attachment 2 – MTC Administrative Guidance Transit-Oriented Communities Policy

PRESENTER(S)

Gabe Osburn, Director of Planning and Economic Development

Dan Hennessey, Director of Transportation and Public Works

Amy Nicholson, Supervising Planner

Christian Candelaria, City Planner