

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
FROM: GABE OSBURN, DIRECTOR
PLANNING AND ECONOMIC DEVELOPMENT DEPARTMENT
SUBJECT: METROPOLITAN TRANSPORTATION COMMISSION GRANT
FUNDING FOR TRANSIT ORIENTED COMMUNITIES (TOC)
POLICY WORK AND DELEGATION OF AUTHORITY TO ACCEPT
AND EXECUTE GRANT DOCUMENTS

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Planning and Economic Development Department that the Council, by resolution: 1) approve submission of two grant applications to the Metropolitan Transportation Commission (MTC) for Transit Oriented Communities (TOC) funding, a) \$300,000 to support amendments to the North Santa Rosa Station Area Specific Plan, and b) \$150,000 to conduct a Parking Management Study for the North Santa Rosa Station Area and develop Transportation Demand Management (TDM) strategies; 2) authorize the City Manager or designee, to accept the grant award and execute related agreements, award documents and any amendments necessary for receiving the grant funds, subject to approval as to form by the City Attorney; and 3) appropriate grant funds received to two project keys to be established by the Chief Financial Officer.

EXECUTIVE SUMMARY

The California Legislature established the Metropolitan Transportation Commission (MTC) in 1970 to plan, finance, and coordinate the Bay Area's transportation system. Over time, the Commission's responsibilities have broadened to include regional issues such as housing and land use planning. MTC directly allocates over \$1 billion annually to local agencies and plays a key role in prioritizing local agency requests for additional state and federal funding.

MTC adopted the TOC Policy in September of 2022 to support equitable, transit-friendly development near transit stations and corridors. The policy promotes communities where people of all incomes, abilities, and backgrounds can live, work, and access services while encouraging increased transit ridership. The TOC Policy sets forth key requirements in four areas 1) Land Use Density, 2) Affordable Housing and Commercial Stabilization, 3) Parking Management, and 4) Transit Access and Circulation. Compliance with the TOC Policy will be a condition for eligibility in future MTC funding

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rounds, including the upcoming One Bay Area Grant (OBAG) 4 cycle expected in 2026. The City received \$13 million in grant funding during the OBAG 3 cycle. MTC has released administrative guidance (Attachment 1) to support jurisdictions in documenting and achieving compliance.

To support the City's implementation of the TOC Policy, staff has secured grant funds in the amount of \$300,000 for land use density amendments to the North Santa Rosa Station Area Specific Plan and \$150,000 for parking management efforts. The current action before the Council seeks approval to accept these grant funds, authorize execution of related documents, and formally commit to adopting TOC-compliant policies, thereby positioning the City for maximum eligibility in future discretionary grant funding opportunities offered by MTC.

BACKGROUND

On September 28, 2022, MTC adopted the TOC Policy (MTC Resolution 4530) to support the region's transit investments by creating communities around transit stations and along transit corridors that not only enable transit ridership, but also are places where Bay Area residents of all abilities, income levels, and racial and ethnic backgrounds can live, work, and access services.

Future OBAG funding cycles will consider prioritizing investments in transit station areas that are subject to and compliant with the TOC Policy. OBAG guides how MTC distributes federal transportation funding from the Federal Highway Administration to projects and programs that improve safety, spur economic development and help the Bay Area meet climate change and air quality improvement goals. Funds are targeted to address critical climate and focused growth goals of Plan Bay Area 2050 and used to coordinate strategies that are best suited for regional implementation. During the most recent OBAG 3 cycle, the City received \$13 million in funding.

Jurisdictions should anticipate demonstrating compliance prior to the adoption of OBAG 4, expected in 2026. MTC's TOC Policy Administrative Guidance (Attachment 1) provides more information on requirements and the process and required documentation for confirming compliance.

Santa Rosa has two TOC areas, the North Santa Rosa Station Area and the Downtown Station Area. The TOC Policy focuses on the following core elements to implement Plan Bay Area 2050 strategies, which are listed below, and explained in detail in Attachment 1 to this report.

1. Minimum residential and commercial office densities for new development.
2. Policies for affordable housing and commercial stabilization.
3. Parking management.
4. Transit station access and circulation.

PRIOR CITY COUNCIL REVIEW

Not applicable.

ANALYSIS

Since the release of the MTC TOC Policy Administrative Guidance, City staff from the Planning and Economic Development, Housing, Parking, and Transportation and Public Works Departments have reviewed and analyzed the policy requirements. The goal was to assess whether the City's two TOC areas are in compliance with MTC's policy, and, if work is needed, to identify necessary steps to achieve compliance and remain eligible for future discretionary funding opportunities.

MTC staff has proposed a flexible approach to achieving "full compliance" with TOC policy. Jurisdictions will be evaluated on a 100-point scale, with a score of 85 or higher considered compliant. This scoring system gives the City the flexibility to adopt policies that best align with local priorities and available resources.

Residential and Commercial Office Densities for New Development:

To meet TOC density requirements, amendments to the North Santa Rosa Station Area Specific Plan are necessary. The Downtown Station Area Specific Plan currently complies with TOC policy. Acceptance of the \$300,000 TOC grant will fund consultant assistance to prepare these amendments and are available to cover related staff time.

Affordable Housing and Commercial Stabilization:

The City has several affordable housing policies in place that satisfy TOC requirements. However, some policies need to be modified or newly implemented to reach substantial compliance. Although no grant funding has been secured for this work, MTC is providing technical assistance, including model ordinances and guidance, to support staff in policy development and implementation. The City has a commercial stabilization policy in place which meets TOC policy.

Parking Management:

Both TOC areas meet some of the TOC parking management requirements, but further modifications are necessary to achieve full compliance. The \$150,000 grant will fund a Parking Management Study for the North Santa Rosa Station Area and the development of Transportation Demand Management (TDM) strategies. This grant can also support the evaluation and necessary revisions related to parking requirements for both TOC areas and may cover related staff time for any parking management work.

Transit Station Access and Circulation:

Staff has determined that both the TOC areas meet the TOC policy requirements related to transit station access and circulation, and that no additional work is required.

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FISCAL IMPACT

Approval of this action will not have a fiscal impact on the General Fund, aside from any staff time not covered by the two grants, including the modification and development of housing policies. The TOC grant funding would cover the cost of hiring consultants to prepare the required land use amendments and Parking Management Study for the North Santa Rosa Station Area Specific Plan area and develop TDM strategies, in addition to any required environmental review.

ENVIRONMENTAL IMPACT

Pursuant to CEQA Guidelines Section 15378, the proposed action is not a “project” subject to the California Environmental Quality Act (CEQA) because it does not have a 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 proposed 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 project may have a significant effect on the environment. All projects subject to the TOC policy, including land use amendments and parking management strategies developed through the grant funding or otherwise required for TOC compliance, will be reviewed in accordance with CEQA requirements.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

No notification is required for the resolution before the Council. All future policy efforts to comply with TOC policy, including community engagement opportunities, will be noticed to the community in accordance with State law and other best practices.

ATTACHMENTS

- Attachment 1 – MTC TOC Policy Administrative Guidance
- Attachment 2 – TOC Policy Grant Awards
- Attachment 3 – Submitted TOC Grant Applications
- Resolution

PRESENTER

Amy Nicholson, Supervising Planner