



CITY COUNCIL AGENDA REPORT

Meeting Date: June 5, 2025

From: John Swiecki, Community Development Director

Subject: Adoption of Resolution Committing to Take Steps Toward Achieving Compliance with The Metropolitan Transportation Commission's Transit-Oriented Communities Policy in Order to Receive Grant to Fund Participation in Multi-Jurisdictional Grand Nexus Study

Community Goal/Result

Fiscally Prudent- Brisbane's fiscal vitality will reflect sound decisions which also speak to the values of the community.

Purpose

To receive a Transit Oriented Communities (TOC) Planning and Implementation Grant from the Metropolitan Transportation Commission (MTC) to fund the City's participation in a multi-jurisdictional study to calibrate the City's recently adopted inclusionary housing in-lieu fees.

Recommendation

Adopt the attached Resolution containing the required commitment to take steps toward achieving compliance with MTC's TOC Policy.

Background

Inclusionary Housing In-Lieu Fee Adoption

On May 15, 2025, the City Council adopted a Resolution to amend the City's Master Fee Schedule to add inclusionary in-lieu fees to implement the revised inclusionary housing and density bonus ordinance adopted on April 17, 2025 (see May 15, 2025 City Council agenda report in Attachment 2). As an alternative to constructing the affordable units required by the updated ordinance, developers of certain projects may pay an in-lieu fee for each affordable unit. As described in the May 15 City Council agenda report (Attachment 2), the adopted in-lieu fees are based on the "affordability gap" between market-rate housing prices and the maximum affordable purchase price for low and moderate-income households based on a 2015 economic study. The May 15 agenda report also acknowledged that the City is participating in a multi-jurisdictional study to calibrate the in-lieu fees, the results of which are anticipated in early 2026.

Multi-Jurisdictional Study

This multi-jurisdictional study is coordinated by the 21 Elements collaborative, which provides policy coordination between the 21 jurisdictions in San Mateo County. Referred to as the "Multi-jurisdictional Grand Nexus Study," the study will leverage the participation of jurisdictions in both San Mateo County and Santa Clara counties to reduce the total cost

individual jurisdictions would otherwise bear to complete economic studies to support various fees including nexus fees imposed on all new developments (development impact fees) and inclusionary in-lieu fees (optional fees elected by a developer).

In 2024, City staff signed a letter of intent to participate in this study. The scope of the City's participation is limited to economic analysis to support updated inclusionary in-lieu fees, which analysis is estimated to cost approximately \$15,000. To cover the cost of this study, staff participated in a joint grant application with other participating jurisdictions for an MTC TOC Policy grant. The MTC TOC Policy and TOC Policy Grant program are described in detail below.

MTC TOC Policy

In 2022, MTC adopted the Transit-Oriented Communities (TOC) Policy to support the region's transit investments by creating communities around transit stations and along transit corridors. The TOC Policy applies to locations within a half mile of existing and planned stops and stations served by Bay Area transit systems. Brisbane's TOC area includes the one-half mile radius around the Bayshore Caltrain station. A summary of the TOC Policy's requirements is provided in Attachment 3 for reference.

Compliance with the TOC policy requirements is necessary for cities to be eligible for regional transportation funds administered by MTC, including One Bay Area Grant (OBAG) funding. Substantial compliance with the TOC Policy will be required in early 2026, corresponding with the OBAG 4 funding cycle. One pathway to achieving compliance with the TOC Policy is to adopt inclusionary housing ordinances that may include in-lieu fees.

TOC Policy Grant

In October of 2024 MTC announced a \$60 million grant program to support work by cities to comply with the TOC Policy. The City of Belmont, acting as the fiscal agent, submitted a grant application to MTC in November of 2024 for the multi-jurisdictional study on behalf of the Cities of Belmont, Brisbane, Daly City, Menlo Park, Redwood City, San Bruno, and San Mateo.

In March 2025, MTC awarded \$500,000 in grant funds for the project. The grant funding will offset a substantial portion of, if not all of the consultant cost completing the multi-jurisdictional study (see "Fiscal Impact" section below). The County of San Mateo, in coordination with 21 Elements, will act as the contracting entity on behalf of the participating jurisdictions. The County will manage the contract payments and City of Belmont staff will coordinate with them as fiscal agent for the grant to manage reimbursements.

The County published a Request for Proposals for the multi-jurisdictional study in February, with a response deadline of May 2. Four proposals were received, and consultants will be evaluated and selected in the coming weeks. The specific share of the grant funds that will be directly attributable to Brisbane, estimated at between \$10,000 to \$15,000, will be determined once the Request for Proposals process is complete and the exact amount of the consultant contract is determined.

Discussion

To accept the multi-jurisdictional grant award of \$500,000, all participating jurisdictions, including the City of Brisbane, must adopt a resolution, included in Attachment 1. The resolution states that the City intends to adopt relevant policy updates emerging from the work completed through the study grant to comply with the TOC Policy; specifically, updated inclusionary in-lieu fees should the study results support such an update.

In regard to overall TOC policy compliance, of which this grant is a small part, City staff is working with San Mateo County HEART, housing policy consultants, to identify the specific compliance paths that are appropriate for Brisbane, many of which overlap with or are complimentary to the City's 2023-2031 Housing Element programs and policies.

Fiscal Impact

Adoption of the resolution would allow the City's participation in the multi-jurisdictional study to be largely or entirely covered by MTC grant funds. The budget for the City's portion of the study is estimated to be \$15,000. The estimated grant amount available to the City is estimated at between \$10,000-\$15,000. The City's out of pocket costs not covered by the MTC grant are therefore estimated to be \$5,000, though this will need to be confirmed once a successful proposal is selected for the multi-jurisdictional study and the project budget is aligned with the MTC grant funds. Should the City incur out of pocket costs not covered by the grant, the funds would be allocated via the Community Development Department's budget or the Low and Moderate Income Housing Fund.

Environmental Review

Adoption of the resolution stating the City's intent to comply with the MTC TOC Policy is exempt from CEQA review pursuant to CEQA Guidelines §15061(b)(3) because it involves adoption of policies and programs that would not cause a significant effect on the environment.

Measure of Success

Acceptance of grant funds to ensure the City's inclusionary in-lieu fees are based on current market data.

Attachments

1. Resolution of Intent to Take Steps to Achieve Compliance with MTC TOC Policy
2. May 15, 2025 City Council agenda report annotated by staff
3. MTC Transit-Oriented Communities Policy Handout


John Swiecki, Community Development Director


Jeremy Dennis, City Manager

RESOLUTION NO. 2025-

Resolution of The City Council of The City of Brisbane Committing to Take Steps Toward Achieving Compliance with The Metropolitan Transportation Commission's (MTC's) Transit-Oriented Communities (TOC) Policy as a Condition for MTC to Allocate Regional Discretionary Funding to the Housing Policy Development Project (Multi-jurisdictional Grand Nexus and Feasibility Study)

WHEREAS, the MTC adopted [Resolution 4530](#), the [TOC Policy](#); and

WHEREAS, the TOC Policy incentivizes local jurisdictions to plan and zone for higher residential and commercial densities in areas within one half-mile of existing and planned fixed-guideway transit stops and stations to support the region's transit investments and implement key greenhouse gas (GHG) reduction strategies from Plan Bay Area 2050; and

WHEREAS, incentivizing local jurisdictions to also adopt policies focused on increasing housing production of all types, particularly affordable housing production, preservation and protection, commercial anti-displacement and stabilization, parking management, and transit station access and circulation further supports regional transit investments and Plan Bay Area 2050 implementation; and

WHEREAS, in 2023 MTC identified the Bayshore Caltrain station as a Tier 3 TOC in The City of Brisbane; and

WHEREAS, MTC conditions the allocation of regional discretionary funding for fixed-guideway transit extension projects on compliance with the TOC Policy; and

WHEREAS, MTC anticipates that future regional funding, such as the One Bay Area Grant (OBAG) program, will consider compliance with the TOC Policy as part of the prioritization and project selection process starting with OBAG 4, expected in 2026; and

WHEREAS, the TOC Policy establishes different compliance expectations for existing and planned station areas based on the level of transit service; and

WHEREAS, the TOC Policy identifies four TOC Policy areas (density, housing affordability, parking, and access/circulation); and

WHEREAS, on September 30, 2024 the MTC announced a Call for Projects for Transit Oriented Communities (TOC) Planning and Implementation Grants, and informed local jurisdictions of a November 22, 2024 deadline for submittals of Applications, as well as grant application guidance and requirements including compliance with the Transit Oriented Communities Policy; and

WHEREAS, the City of Belmont submitted a grant application to MTC for \$620,000 for the Multi-jurisdictional Grand Nexus and Feasibility Study in the Housing Policy Development (Production) area in response to the MTC's Call for TOC Planning and Implementation Projects; and

Reso. 2025-

WHEREAS, the City of Belmont accepted a grant award from MTC for \$500,000 for the Multi-jurisdictional Grand Nexus and Feasibility Study in response to the MTC's Call for TOC Planning and Implementation Projects; and

WHEREAS, the City of Brisbane intends to work cooperatively with The City of Belmont and other cities on the Multi-jurisdictional Grand Nexus Study, with partial funding provided by the grant award from MTC; and

WHEREAS, the scope of the City of Brisbane's participation in the Multi-jurisdictional Grand Nexus Study is limited to the study's work to calibrate inclusionary in-lieu fees that the City adopted as part of an amended inclusionary housing ordinance; and

WHEREAS, the City of Brisbane intends to work cooperatively with The City of Belmont and other cities on the Multi-jurisdictional Grand Nexus Study, with partial funding provided by the grant award from MTC; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BRISBANE AS FOLLOWS:

1. The City of Brisbane commits to completing the city's tasks associated with the Multi-jurisdictional Grand Nexus and Feasibility Study work scope following an MTC grant award by applying for these funds; and
2. The City of Brisbane intends to adopt relevant policy updates emerging from the work completed through the Multi-jurisdictional Grand Nexus and Feasibility Study grant to comply with the TOC Housing Policy Development requirements.

Cliff Lentz, Mayor

I hereby certify that the foregoing Resolution No. 2025-_____ was duly and regularly adopted at a regular meeting of the Brisbane City Council on June 5, 2025 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Ingrid Padilla, City Clerk

**CITY COUNCIL AGENDA REPORT****Meeting Date:** May 15, 2025**From:** John Swiecki, Community Development Director**Subject:** Adoption of Resolution Amending the Master Fee Schedule Adopted on June 6, 2024**Community Goal/Result**

Fiscally Prudent- Brisbane's fiscal vitality will reflect sound decisions which also speak to the values of the community.

Purpose

To amend the City's Master Fee Schedule adopted on June 6, 2024 to adopt inclusionary in-lieu fees required by amendments to the City's inclusionary housing ordinance, and to adopt other administrative fees to ensure that the City's costs for implementing the updated inclusionary housing and density bonus regulations are recovered.

Recommendation

Adopt attached Resolution containing the proposed inclusionary in-lieu fees, including an annual Construction Cost Index escalator, and administrative fees.

Background**Updated Inclusionary Housing and Density Bonus Regulations**

On April 17, 2025 the City Council voted 5-0 to introduce an Ordinance that would amend the City's inclusionary housing and density bonus regulations to comply with current State law and the City's Housing Element (see April 17 City Council agenda report in Attachment 2). The Ordinance is scheduled for second reading and adoption at tonight's Council meeting. Under the Ordinance, developers of housing projects of five or more units must provide 15% of the units at various affordable costs or rents as specified in the Ordinance. As an alternative to constructing the affordable units, developers of certain projects may pay an in-lieu fee for each affordable unit, rather than building the unit. To implement the Ordinance, the City must establish inclusionary in-lieu fees and administrative fees.

As described in the April 17 City Council agenda report (Attachment 2), in-lieu fees are not development impact or mitigation fees and are therefore not subject to the Mitigation Fee Act. The proposed in-lieu fees are based on the "affordability gap" between market-rate housing prices and the maximum affordable purchase price for low and moderate-income households. The affordability gap is a helpful tool for targeting appropriate in-lieu fees because it represents the cost the developer incurs for providing the unit. The proposed in-lieu fees are similar to those of neighboring jurisdictions, shown in the benchmarking analysis provided in the April 17 City Council agenda report.

Discussion

The proposed fees were presented in the April 17, 2025 Council agenda report (see Attachment 2) and are shown in Exhibit A of the attached Resolution. The inclusionary in-lieu fees are excerpted in the table below:

Fee	Land Use Type	Amount
In-Lieu Fee	Rental 5+ units	\$378,346 per unit or fraction thereof ^{1, 2}
	For Sale, 5-10 units	\$236,558 per unit/lot or fraction thereof ^{1, 2}
	For Sale, 11 + units	\$265,717 per unit/lot or fraction thereof ^{1, 2}

¹ For projects for which application of the inclusionary requirement results in a fractional unit less than 0.5, an in-lieu fee shall be assessed as an equivalent fraction of the fee charged for a whole unit.

² Subject to adjustments according to increase in the California Construction Cost Index

The attached Resolution incorporates an annual adjustment to align with increases to the California Construction Cost Index, per the Council's direction on April 17. The administrative fees would be subject to the regular increases applied uniformly from time to time to the Master Fee Schedule. The City is also participating in a multi-jurisdictional study to calibrate the in-lieu fees, the results of which are anticipated in early 2026.

As a point of information, the City is also undertaking an overall update to the Master Fee Schedule that is anticipated to be completed in mid-2025. That update would not increase the proposed inclusionary in-lieu fee amounts.

Fiscal Impact

Adoption of inclusionary in-lieu fees will generate affordable housing revenues, but potential revenue amount and timing of their receipt is unknown, depending on the rate and scale of residential projects, and the extent to which developers exercise the in-lieu fee option. The administrative fees would allow for cost recovery of city staff or consultant time to process the applications or activities for which the fees are adopted.

Environmental Review

Adoption of inclusionary in-lieu fees and their inclusion, as well as administrative fees, into the Master Fee Schedule are exempt from CEQA review pursuant to CEQA Guidelines §15061(b)(3) because it involves adoption of policies and programs that would not cause a significant effect on the environment.

Measure of Success

Fee adoption will allow for implementation on the City's newly adopted Inclusionary housing ordinance.

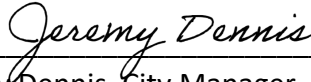
Attachments

Attachments not included

- ~~1. Resolution to Amend the Master Fee Schedule (including amendments in Exhibit A) to adopt inclusionary in-lieu fees and administrative fees~~
- ~~2. April 17, 2025 City Council agenda report annotated by staff~~



John Swiecki, Community Development Director



Jeremy Dennis, City Manager

MTC's Transit-Oriented Communities Policy

On September 28, 2022, the Metropolitan Transportation Commission (MTC) adopted the Transit-Oriented Communities (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 One Bay Area Grant (OBAG) funding cycles will consider prioritizing investments in transit station areas that are subject to and compliant with the TOC Policy. Jurisdictions should anticipate demonstrating compliance prior to the adoption of OBAG 4, expected in 2026. [MTC's TOC Policy Administrative Guidance](#) provides more information on requirements and the process and required documentation for confirming compliance.

Applicability

The TOC Policy applies to the half-mile area around existing and planned fixed-guideway transit stops and stations (i.e., regional rail, commuter rail, light-rail transit, bus rapid transit, and ferries). Compliance with the TOC Policy is voluntary for jurisdictions that want to advance the goals of [Plan Bay Area 2050](#) or to be eligible and/or competitive for some MTC discretionary funding. Access a [map of TOC areas](#) or a [spreadsheet of jurisdictions and TOC areas](#) subject to the OBAG 4 compliance deadline.

TOC Policy Goals

1. Increase the overall housing supply in part by increasing the density for new residential projects. Prioritize affordable housing in transit-rich areas.
2. In areas near regional transit hubs, increase density for businesses and commercial development.
3. Prioritize bus transit, active transportation, and shared mobility within and to/from transit-rich areas, particularly to Equity Priority Communities.
4. Support and build partnerships to create equitable transit-oriented communities within the San Francisco Bay Area.

Transit Tiers

Areas subject to the TOC Policy are categorized by tier according to level of transit service:

- **Tier 1:** Rail stations serving regional centers (i.e., Downtown San Francisco, Downtown Oakland, and Downtown San José).
- **Tier 2:** Stop/station served by two or more BART lines or BART and Caltrain.
- **Tier 3:** Stop/station served by one BART line, Caltrain, light rail transit, or bus rapid transit.
- **Tier 4:** Commuter rail (SMART, ACE, Capitol Corridor, Valley Link) stations, Caltrain stations south of Tamien, or ferry terminals.

Implementation Process and Timeline

MTC developed an online submission portal to streamline the process for jurisdictions to demonstrate compliance with TOC Policy requirements. Jurisdictions can submit documentation on a rolling basis until an anticipated deadline corresponding with OBAG 4 in early 2026. Jurisdictions can contact MTC for assistance with the compliance process.



TOC Policy Requirements

The TOC Policy focuses on the core elements of **land use density, affordable housing, parking management, and complete streets/multimodal access** to implement Plan Bay Area 2050 strategies.

1. Minimum residential and commercial office densities for new development:

- *On average*, the minimum density for parcels in the ½-mile TOC area must exceed a threshold determined by the TOC area's Transit Tier.
- If a jurisdiction adopts a maximum density for parcels in the ½-mile TOC area, *on average*, the maximum density must exceed a threshold determined by the TOC area's Transit Tier.
- A jurisdiction is not required to zone for a particular land use in the TOC area.
- Only areas where residential uses are allowed are included in residential density calculations, and only zoning districts that allow commercial office land uses as a primary use are included in commercial office density calculations.
- Parcels with existing dwelling units can be excluded from the residential and commercial office density calculations.

2. Policies for affordable housing and commercial stabilization:

- A jurisdiction must adopt at least two policies for each of the "3Ps" of affordable housing (production, preservation, protection) and at least one policy for commercial stabilization.
- A jurisdiction chooses policies that best meet local needs from a menu of options.
- Policies must apply in TOC areas, but a jurisdiction may choose to apply them beyond the TOC area(s), including jurisdiction wide.

3. Parking management:

- No minimum parking requirements allowed in most Transit Tiers for new residential or commercial development.
- Parking maximums for new residential and general/neighborhood commercial uses vary by Transit Tier.
- Requirements for bicycle, shared, and unbundled parking as well as Transportation Demand Management (TDM)/curb management.

4. Transit station access and circulation:

- Adopt policies/guidelines that comply with Complete Streets Policy.
- Prioritize implementation of Active Transportation Plan and/or relevant Community Based Transportation Plans within TOC station area.
- Complete an access gap analysis and accompanying capital and/or service improvement program.
- Identify opportunities for Mobility Hub planning and implementation.

See [MTC's TOC Policy Administrative Guidance](#) for more information on requirements and the process and required documentation for confirming compliance.

