

POLICY Transit-Oriented Communities Policy	Document Number:	400.009
	Version Number:	4
	Date:	01/11/2024

1. Purpose:

The Transit-Oriented Communities Policy, as set forth in Attachment A, outlines how VTA implements its Transit-Oriented Communities and Transit-Oriented Development (TOD) program in furtherance of its mission.

2. Scope:

This policy addresses how VTA will further the building of mixed-use and mixed-income equitable Transit-Oriented Communities on designated VTA-owned property and in surrounding communities in close collaboration with local jurisdictions and their stakeholders through public-private and public-public partnerships.

3. Responsibilities:

The VTA Board of Directors, the General Manager, the Chief Financial Officer, and the Director of Real Estate & Transit-Oriented Development.

4. Policy:

See Attachment A

5. Definitions:

See Attachment A

6. Summary of Changes:Version 5 Changes:

- Added “Portfolio Requirements” to Stage 1 section.
- Added solicitation requirements under Stage 3 section.
- Updated VTA TOD Sites Portfolio Map in Appendix A

Version 4 Changes:

- Incorporated Appendix E into the policy document.

Version 3 Changes:

- Changed references from “Deputy General Manager/CFO” to “Chief Financial Officer.”
- Changed select references from “TOD” to “TOC.”
- Removed references to dates in titles of Attachments.
- Made minor graphical changes.
- Updated Purpose and Vision sections.
- Added Goals in Goals section.



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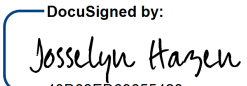
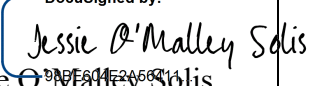
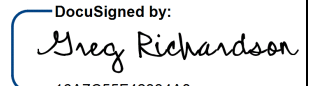
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- Added “Approach to Creating Transit-Oriented Communities” section.
- Added “Collaboration to Create Transit-Oriented Communities” section.
- Updated TOD Site Portfolio Map.
- Changed Appendix C.
- Incorporated Appendix D into the policy document.

Version 2 Changes:


The new Transit-Oriented Development (TOD) Policy renames the 2009 Joint Development Policy, removes superseded content, adds new provisions for flexibility in private partner selection, and adds an appeals process. It condenses content to make it more accessible for users, the public, and interested parties. It includes the 2018 TOD Parking Policy. It includes the 2016 Affordable Housing Policy, with added options for development of a broader range of below market-rate housing and potential preference programs for targeted populations.

7. Approval Information:

<i>Prepared by</i>	<i>Reviewed by</i>	<i>Approved by</i>
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Date Approved: 01/11/2024

Approved by the VTA Board of Directors on January 11, 2024:

DocuSigned by:

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Cindy Chavez
 Chairperson, VTA Board of Directors



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Attachment A: VTA Transit-Oriented Communities (TOC) Policy

Purpose

VTA, in its role as the Congestion Management Agency for Santa Clara County, is charged with implementing programs to achieve the goal of a balanced approach to solving transportation problems. VTA's Enabling Act provides it with the authority to create Transit-Oriented Development projects to increase transit ridership and reduce vehicle trips, through more intensive mixed-use development around transit stations that accommodates growth and facilitates multimodal access and aims to address important regional priorities such as housing need and jobs-housing balance. This Transit-Oriented Communities Policy outlines how VTA implements its Transit-Oriented Communities and Transit-Oriented Development program in furtherance of its mission. The policy also advances regional goals including the Metropolitan Transportation Commissions forthcoming Transit-Oriented Communities Policy.

Vision

Creating a future for Santa Clara County that accommodates substantial continued growth in one of the most economically dynamic places in the world, while enhancing the region's livability, entails addressing multiple challenges simultaneously: a housing affordability emergency, displacement of vulnerable communities, and the challenges of climate change, all while providing for more equitable development and resolving housing shortfalls decades in the making.

The solution to accommodating these needs in a predominantly suburban environment is to focus growth around transit stations and along transit corridors. This time-tested strategy has remained valid worldwide over many decades because it has delivered positive outcomes, while evolving to meet changing needs. The next step in our region's evolution includes adaptation of global best practices to create connected networks of Transit-Oriented Communities. Tomorrows' engines of balanced growth in Silicon Valley can be multi-modal, resilient, equitable and inclusive, helping to create a sustainable carbon-free future that is anchored by transit. A network of 15-minute Transit-Oriented Communities can provide places for people of all generations and backgrounds to live, work, learn, shop, and play with all the necessities of daily life available within a short walk, bike ride, or transit trip.

VTA seeks to create mixed-use and mixed-income equitable Transit-Oriented Development on sites it owns through public-private and public-public partnerships that will increase ridership, catalyze Transit-Oriented Communities in the surrounding station area, and generate revenues to support transit investments and operations. The Transit-Oriented Communities Policy provides guidance on how VTA will implement equitable TODs and work toward Transit-Oriented Communities to reduce the impacts from future growth in the County, with the creation of sustainable destinations that enhance existing communities and offer easy access to a range of new choices for employment, housing, recreation, education, culture, and services.

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Goals

- Increase ridership overall and throughout non-commute periods.
- Leverage TOD projects as catalysts to create equitable and complete Transit-Oriented Communities around transit stations that include housing affordable to all income levels, and balance employment, housing, institutional uses, and other services.
- Generate revenues to sustain transit capital investment and operations.

Approach to Creating Transit-Oriented Communities

VTA understands collaboration with local communities and a wide range of stakeholders is an essential precondition to successful creation of Transit-Oriented Communities. VTA will work with local jurisdictions, communities, and stakeholders to advance Transit-Oriented Communities projects in stages that enable careful and inclusive evaluation of opportunities, strategies, actions, and outcomes.

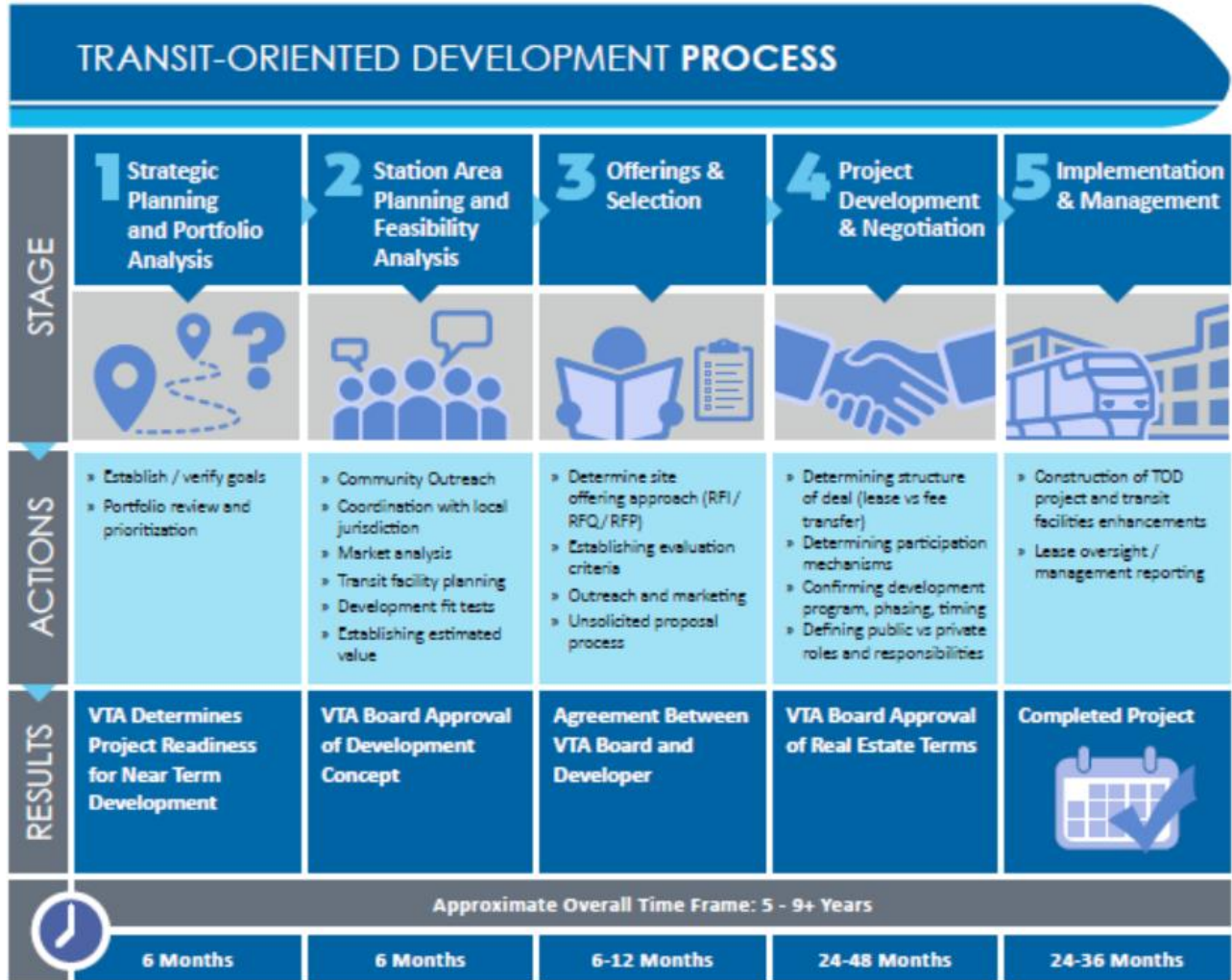
VTA will focus on its own work on agency-owned land and collaborate with local jurisdictions and stakeholders on the privately-owned land around VTA transit stations. Sites VTA owns *at* stations typically involve up to 5-10 acres. Private land *around* individual stations within a 15-minute or so walk may account for upwards of 500+ acres. VTA will engage in development of equitable and sustainable Transit-Oriented Communities around stations through projects on VTA owned sites, and collaboration with local jurisdiction on development around those sites to create larger Transit-Oriented Communities.

VTA understands equity considerations must address the potential that the value generated by transit, TOD projects, and Transit-Oriented Communities can increase housing and other costs and accelerate displacement. This can be addressed by anticipating community change, co-defining project needs, and implementing strategies that provide greater social and economic opportunity for all current and future residents. Equitable TOD strategies can include providing housing at a range of densities and affordability levels for workers and residents; commercial and retail spaces that support local businesses and living-wage jobs; local arts and culture; enhanced mobility choices and first-last mile connections; and community services and other amenities, integrated into safe, walkable neighborhoods. VTA will seek partnerships with local jurisdictions to advance equity strategies and TOD projects. VTA will engage with local communities in a culturally competent manner.

For projects on agency land, the stages to consider, plan, refine, negotiate and implement are shown in Figure 1:

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Figure 1: VTA’s Transit-Oriented Development Process for VTA-Owned Sites



STAGE 1 – Strategic Planning and Portfolio Analysis

The VTA TOD Portfolio (Appendix A) identifies all real estate assets that are owned, leased, or otherwise controlled by VTA and available through leasing, development, or other asset management strategies. Construction staging sites and other properties acquired for the benefit of transit capital projects (including TOD) that are no longer needed for project purposes will automatically be added to the TOD Portfolio upon completion of construction.

Portfolio requirements, which ensure compliance with the California Surplus Lands Act, as amended effective January 1, 2024 include:

- 1) At least 50% of the of the gross acreage in the TOD Portfolio shall be utilized for residential purposes.



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- 2) At buildout, development of the TOD Portfolio should include at least 300 residential units, or at least 10 residential units per gross acre, averaged across all sites within the portfolio, whichever is greater.
- 3) Prior to entering into an agreement for non-residential development, VTA, since January 1, 2020, must have entered into agreements to lease or sell (dispose of) a minimum of 25% of the land designated for affordable housing.
- 4) Affordable housing projects, as detailed under the Affordable Housing Policy, must be affordable for lower income households for a minimum of 55 years for rental housing, or 45 years for ownership housing. These terms must be contained in a covenant or restriction recorded against the land.

VTA will enter into public-private partnerships for TOD projects on VTA-owned land pursuant to long-ground leases to maximize long-term benefits for VTA. Exceptions to long-term ground leases may include agency to agency sales when the purchasing agency will make a substantial financial investment in the creation of 100% affordable housing developments.

VTA staff will periodically prepare a TOD portfolio-wide evaluation of development potential by product type that includes projections of ridership, job creation, affordable housing, and revenue opportunities. Site evaluation and predevelopment work on TOD Portfolio sites will be prioritized based on the overall comparative ability of each site to, among other factors:

- a. Increase transit ridership and enhance access to other transportation modes, at sites that provide high-quality transit service on at least 15-minute headways throughout the day with connections to other transit lines;
- b. Obtain local jurisdiction support and secure development entitlements based on market potential that are TOD and Transit-Oriented Community supportive;
- c. Meet local and regional affordable and workforce housing goals, with evaluation of opportunities for more units, deeper affordability, and a greater share of family-sized units; improve jobs-housing balance in stations areas and the region; and support local plans and policy objectives;
- d. Provide opportunities to provide housing, on-site services including training, and other opportunities for the developmentally disabled, unhoused individuals and families, or all special needs populations;
- e. Catalyze the evolution of station areas into equitable Transit-Oriented Communities;
- f. Advance the goals of VTA's Congestion Management Program, and support regional growth with reduced or minimal increases in Vehicle Miles Traveled (VMT);
- g. Incorporate TOD and Transit-Oriented Communities leading practices, leverage the work of other transit agency and current research, to create high-quality equitable and sustainable development; and

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- g. Generate revenues to support VTA’s mission and station area improvements to enhance the transit rider experience.

This stage will also consider opportunities for VTA to work with the local jurisdiction on value creation/capture mechanisms to fund station-area wide improvements, including complete streets, as well as local and VTA long-term operating and maintenance costs.

STAGE 2 – Station Area Planning and Site-Specific Feasibility Analysis

VTA will seek early consultation with and continued support from local jurisdictions, partner agencies, and the neighborhoods around TOD Portfolio sites. For larger scale sites this may include nearby communities. VTA staff will work closely with partner agencies and local neighborhoods on shared project visions that are feasible and provide broad benefits, including:

- a. Seek partnerships with local jurisdictions to allow transit-supportive land uses to advance Transit-Oriented Communities, evaluate jobs-housing objectives on a station-by-station basis within a County-wide policy framework that most effectively balances land uses, and supports all modes of mobility to support regional transit success;
- b. Promote and facilitate information exchange, sharing of expertise, and joint planning with the development community, partner agencies, local jurisdictions, and stakeholder communities;
- c. Work with internal interdisciplinary departments to align with VTA’s strategic plan goals and long-term transit operation needs, including transit parking (Appendix B);
- d. Use a variety of means to engage local communities early in the consideration of options for site design, using feedback to shape objectives and requirements for developer solicitations;
- e. Seek early and ongoing engagement and collaboration with local jurisdictions and other involved agencies on land uses, development standards and regulatory issues and requirements; and
- f. Work with third party experts to analyze and perform economic, design, or other needed analysis. This includes VTA’s engagement of experts in sustainable development, net zero buildings, and other green practices to inform VTA’s planning and evaluation, as well as any subsequent developer solicitations and project-specific agreements.

The above initiatives will inform VTA TOD staff analysis of site opportunities and constraints which will be presented to the Board of Directors to inform its decisions on next steps in the creation of public-private partnerships.

STAGE 3 – Offerings and Selection



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Upon completion of the analysis outlined in Stage 2, staff will evaluate the most beneficial solicitation methods for developer selection and make a recommendation to the Board of Directors. Options include but are not limited to:

- Request for Information (RFI)
- Request for Qualification (RFQ)
- Request for Proposal (RFP)
- Sole Source (for unique circumstances as authorized by the VTA Board and allowed by FTA)

Following authorization from the Board of Directors, VTA staff will issue competitive site offerings, except situations where the Board of Directors has authorized a sole-source transaction due to unique considerations that would result in a superior outcome from direct negotiations. If required by State law, land disposed of for residential purposes must issue a competitive request for proposals through an open, competitive solicitation process. All local public entities having jurisdiction over the property, as well as all interested Housing Sponsors (defined in Section 50074 of the Health and Safety Code) must be invited to participate. The California Housing Finance Agency (CalHFA) maintains a mailing list of certified Housing Sponsors to which VTA will provide notice of relevant solicitations. Offerings will specify VTA requirements for the completed project and invite alternative approaches that can meet those requirements and result in superior outcomes. Developers will have the opportunity to ask questions and answers will be shared with all interested registered parties. Based on RFQ/RFP requirements, developers will be required to identify, and proposals evaluated upon, how they will create a superior project and meet the following VTA goals:

- a. Use of sustainable design and construction methods that advance net zero development; implement VTA's Green Building and Sustainable Landscape Policies; and incorporate a comprehensive approach to green building design and operations and maintenance;
- b. Guarantee affordable and workforce housing units across targeted income levels pursuant to local jurisdiction requirements and VTA's Affordable Housing Policy (Appendix C), and seek to maximize Permanent Supportive Housing (PSH) and Rapid Re-Housing (RRH) based on available funding and feasibility requirements;
- c. Demonstrate a commitment to equity at all stages in the development process, including but not limited to cultural competency and ability to define shared project goals with the local community;
- d. Increase apprentice opportunities with quantified commitments to utilizing local workforce and providing apprenticeship hours, and for projects with hospitality operations a commitment to a labor peace agreement as set forth in VTA's Hospitality Labor Peace Agreement Policy (Appendix D); and
- e. Provide station area access improvements and enhancements to the transit rider experience.

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A review panel will be convened to evaluate submittals. The panel will be made up of planning and development consultant experts, VTA staff from diverse disciplines, and a local community or jurisdiction representative to evaluate solicitation responses. The panel will aim to provide a consensus recommendation to the Board of Directors.

Developers who believe improprieties have occurred during the evaluation or selection process may submit a written protest that specifies the alleged improprieties. VTA will implement a TOD-specific protest procedure that is similar to existing VTA procurement protest procedures. VTA's Chief Financial Officer will be responsible for the TOD protest procedure and rendering a final decision on all protests.

The Board of Directors will review the solicitation panel report (including any appeal) and determine the action it will authorize, including whether to authorize the General Manager to enter into an Exclusive Negotiation Agreement (ENA), Lease Option Agreement (LOA), Purchase Option Agreement (POA), Ground Lease, Purchase & Sale Agreement, or other equivalent document type. The Board of Directors may provide direction for desired outcomes.

STAGE 4 – Project Development and Negotiation

Following execution of an ENA, VTA staff and the selected developer will together work diligently with the local community, jurisdiction, and other stakeholders to refine the proposed project to better meet identified goals and reach agreement on the proposed terms and conditions of a transaction. Staff will utilize development, planning, sustainability, and other experts to review developer proposals and negotiations, and the terms and conditions of proposed agreements will be reviewed by the VTA General Counsel.

Following tentative agreement on a term sheet for the proposed transaction, staff will present the proposed term sheet to the VTA Board of Directors for review and authorization for the General Manager to enter into a binding LOA, Ground Lease, or equivalent. The proposed term sheet will include an assessment of projected increases in ridership from the TOD project and proposed contributions towards creation of a TOC. Executed agreements will include the following:

- a. Negotiated final project program and site development plan;
- b. Definition and calculation of business terms for ground lease rent (or alternate compensation structure), and escalations;
- c. All permit requirements and milestones including required environmental certifications, timing of construction, and applicable policy compliance;
- d. Continuing operation and maintenance agreements between the parties; and
- e. Documentation of VTA's continuing control for transit operations and access.

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VTA may consider some write-down of land value to facilitate overall project benefits such as affordable housing development, or greater affordability in mixed-income projects or other desired public benefits.

Prior to execution of a Ground Lease for a project, staff will present at a meeting of the VTA Board of Directors documentation for verification of the project's satisfaction of all requirements of the LOA or equivalent, including but not limited to, compliance with all provisions of this Policy and its requirements for affordable housing, parking, labor harmony, and for projects with a hospitality use the adoption of a hospitality labor peace agreement; as well as compliance with all applicable VTA policies and standards.

STAGE 5 – Implementation and Management

VTA will provide ongoing project management, quality control of project construction, and long-term asset management to ensure that projects delivered through the TOD Program achieve policy goals such as ridership growth, superior Transit-Oriented Communities environments, and maximum long-term benefits and revenues. Staff will prepare an annual report that will be presented to the Board of Directors to facilitate review of the TOD Program, including but not limited to discussion on current challenges and opportunities, equity efforts, sustainability practices as well as suggested policy updates to match current best practices for TOD.

VTA staff will implement a construction management program to ensure TOD projects and in-kind station improvements are properly constructed. An Owner's Representative program will be established to ensure that completed TOD projects fulfill the requirements of agreements. An asset management program will oversee developer compliance with the terms and conditions of agreements, ensure that all funds owed to VTA are collected, and require that all projects are well maintained and a good neighbor to the surrounding community.

Staff will maintain a library on the VTA website to provide public information on the TOD Program that contains all relevant reports, standard form agreements (such as ENAs, LOAs, and Ground Leases), and other reference material.

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Collaboration to Create Transit-Oriented Communities

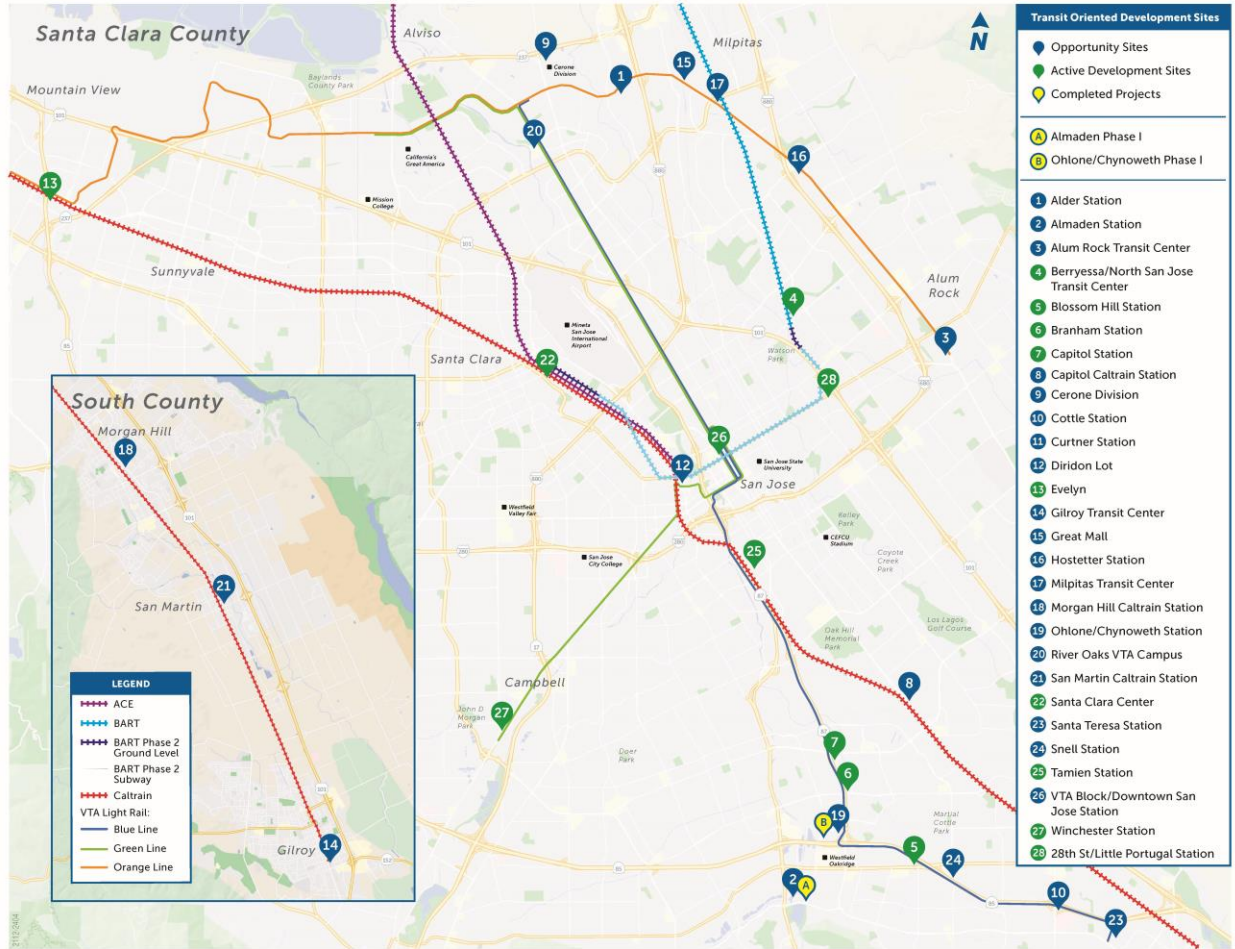
For Transit-Oriented Communities on land not owned by VTA, VTA will partner with jurisdictions to facilitate Transit-Oriented Communities aligning with VTA goals and objectives and those of other agencies, advance the Valley Transportation Plan and its focus on transit corridors as well as other VTA plans for multi-modal mobility, and VTA transit service standards.

VTA's efforts to advance Transit-Oriented Communities will leverage the work of the C40 Cities Climate Leadership Group; International and US jurisdictions seeking to advance 15-minute cities; and existing Transit-Oriented Communities programs, initiatives and policies by international and US transit agencies.

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Appendix A

VTA TOD Sites Portfolio Map



Construction staging sites and other properties acquired for the benefit of transit capital projects (including TOD) that are no longer needed for project purposes will automatically be added to the TOD Portfolio upon completion of construction. The current TOD Site Portfolio Map can be found on VTA’s website, www.vta.org.

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Appendix B

VTA Transit Oriented Development (TOD) Parking Policy

OVERVIEW

The VTA Transit-Oriented Development (TOD) Parking Policy establishes VTA’s approach to maintaining the optimal level of parking availability at its transit stations that supports the creation of new TOD projects on VTA-owned sites and grows transit ridership. VTA is committed to maximizing multimodal access to transit stations, incorporating access improvements (including parking) into TOD projects, and considering current and future station-area wide goals and needs in the evaluation of parking strategies.

The companion VTA Station Access Policy was adopted at the same time as the TOD Parking Policy. It identifies priorities for investment in station access improvements and provides a framework to evaluate the role of transit parking in maximizing transit access and ridership.

Successful implementation of the Station and Access and TOD Parking Policies will facilitate the creation of new TOD projects on VTA-owned sites at stations, continue to accommodate those who currently drive to stations, increase transit ridership and VTA’s farebox and other revenues.

1. DEFINITION

Joint Development (JD) refers to VTA’s development of Transit-Oriented Development (TOD) on sites it owns pursuant to the Federal Transit Administration’s Joint Development Circular. JD is a transit-agency specific implementation of TOD and thus a specific subset of all TOD projects. TOD refers to compact, walkable, pedestrian-oriented, mixed-use development that is centered around high-quality transit systems and is not dependent on cars to attract residents and businesses.

2. PURPOSE

This TOD Parking Policy seeks to grow ridership through management of VTA’s transit parking assets to ensure that parking is sized and located to optimize ridership, to promote transit access while taking advantage of Transportation Demand Management (TDM) tools that encourage alternatives to the automobile, and to facilitate access for people of all mobility needs.

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3. STRATEGIES

A. Parking Needs. Historically, less than half of all parking at VTA stations has been utilized by transit riders, in part because many riders access VTA light rail by modes other than private automobile. Determining how much parking should be retained for transit riders in conjunction with new TOD requires consideration and balance of expanded ridership opportunities resulting from both TOD and TDM measures. Full evaluation of TOD, TDM and ridership opportunities allows VTA to maximize ridership growth through utilization of multiple effective means to access stations.

B. Site Specific Analysis. Each individual site will be analyzed through the VTA Parking Model (created by industry expert Nelson\Nygaard) which reviews ridership gains created by TOD, weighs parking supply and demand, measures potential impacts of removal of parking and provision of paid parking, and calculates farebox and revenue benefits of TOD. The model results in net new ridership and annual revenues data to assist VTA staff in making informed recommendations to the VTA Board for station area parking strategies. The VTA Parking Model establishes optimal site-specific parking recommendations that:

- a. Consider the potential increase in ridership and revenue benefits associated with TOD;
- b. Compare the projected increase in land value and fare revenue versus the capital and operating costs of future parking alternatives;
- c. Quantify the opportunity to accommodate new riders arriving by shuttle, taxi, transportation network company (ride-hailing) services, and other first/last mile solutions; and
- d. Measure collective net increases to ridership.

C. Best Practices. A variety of proven and emerging TDM measures can be used in combination to ensure that parking at VTA stations and other VTA-controlled real estate maximizes ridership through TOD and non-auto access, while still providing parking for riders who drive to stations. These best practices are important for district wide solutions that could support Transit-Oriented Communities. Staff will coordinate with both Planning and Programming and local planning departments to understand site specific TDM policy context, analysis and/or existing TDM review infrastructure. Prior to development at each VTA-controlled site, the VTA General Manager or designee will review and either approve or direct the VTA Project Manager to modify requirements for application of best practice TDM measures utilized at the site, including but not limited to:

- a. Shared-use parking agreements with neighboring uses;
- b. Parking districts
- c. Paid parking to fund transit operations, including dynamic (time-of-day based) pricing, for transit riders and/or other users;
- d. Time limits to promote parking turnover;

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- e. Real-time, on-site and mobile device updates regarding parking availability;
- f. Amenities for bicyclists, pedestrians, and special needs travelers, such as shelters, lockers, and mode-supportive routes and surfacing;
- g. Valet parking (for vehicles and bicyclists);
- h. Preferential parking for high-occupancy and/or clean air vehicles
- i. Transit passes; and/or
- j. Car, bike and scooter share programs.

VTA will cooperate with partner agencies, jurisdictions, and local employers in determining the need for, and potentially establishing as appropriate, Transportation Management Associations to implement TDM measures.

D. Paid Parking. Paid parking is an important TDM tool that can be utilized to shift parking supply and demand to underutilized parking areas throughout the TOD Portfolio. Paid parking will be explored on a site-by-site basis and brought to the VTA Board to allow for site specific discussion and consideration. Any initial paid parking programs will be done on a pilot basis to allow for needed site-specific adjustments.

E. Station Area Access. First and last mile solutions are critical for transit users. Ensuring that riders can conveniently arrive at stations and navigate through them will help limit the need for parking and facilitate site design opportunities for housing and other community-supporting TOD uses and activities. Development proposals on VTA-controlled real estate within ¼-mile of a VTA station will include a station access and wayfinding plan that analyzes station-specific access patterns and shows:

- a. Where riders who arrive by private vehicle will park and the route(s) they will travel from parking to transit boarding areas; and
- b. Where riders arriving by shuttle, paratransit, and ride-hailing services will be dropped off and the route(s) they will travel to transit boarding areas; and
- c. Locations for arrival by bicycles, pedestrian, and special mobility needs travelers, and the route(s) they will travel to transit boarding areas.

Development proposals for all VTA-controlled real estate will include a curb management plan that designates locations and standing time limits for drop-off and pick-up by non-parking shuttles, taxis, paratransit, and ride-hailing and other private vehicles.

F. Local Regulations. Municipal parking regulations often need updating to reflect changes in the way that transit riders and Transit-Oriented Communities now use parking compared to times past. Refining local standards can help ensure efficient use of parking that promotes ridership and revenue growth and high-quality, sustainable TOD. VTA will work with local jurisdictions to promote updating of regulations to:

- a. Eliminate minimum parking requirements for TOC (and establishing maximum parking ratios if and as appropriate);



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- b. Unbundle parking, such that it can be leased separately from buildings; and
- c. Establish facilities standards for passenger drop-off and pick-up and non-vehicular access for new residential and mixed-use development.

4. IMPLEMENTATION

- A. Staff will work to insure individual site-specific analysis occurs in accordance with the

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Appendix C

TOD Affordable Housing Policy

BACKGROUND

VTA first adopted its Affordable Housing Policy in 2016. Any changes to the TOD Affordable Housing Policy require approval of the VTA Board of Directors. The proposed June 2022 changes reflect revisions to affordable housing finance requirements since 2016, and establish a new role for VTA in working with cities to encourage mixed-income communities on privately-owned sites throughout station areas (e.g. a 15-minute walk from a VTA transit station or stop) to further the creation of Transit-Oriented Communities.

AFFORDABLE HOUSING GOALS FOR TRANSIT-ORIENTED COMMUNITIES

- Work with cities to encourage production of equitable mixed-income and mixed-tenure Transit-Oriented Communities with housing serving a range of income levels and resident needs.
- Encourage upzoning by cities throughout station areas, including privately owned sites, to increase mixed use development at densities that support Transit-Oriented Communities.
- Expedite affordable housing production at VTA-owned TOD sites by working with cities and developers to fully utilize planning incentives and mechanisms provided in California planning law.

1. VTA AFFORDABLE HOUSING PRODUCTION TARGET ON VTA-OWNED SITES

A. **Overall Portfolio Target.** VTA has set a portfolio target of 40% affordable housing production at build out for Transit-Oriented Development projects in VTA's system. For units in Transit-Oriented Developments to be considered affordable, average affordability must be for households earning no more than 60% of Area Median Income (AMI) for Santa Clara County.

B. **Individual Project Minimum.** Each Transit-Oriented Development project with residential units will be required to provide a minimum of 25% affordable housing, at the same affordability level set forth in 1(A).

C. **Deeper Affordability Requirement.** At least one-half of the affordable housing units will be targeted at Extremely-Low and Very Low Income Households (households earning 50% AMI or less). VTA will emphasize inclusion of Permanent Supportive



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Housing (PSH) and Rapid Re-Housing (RRH) at VTA affordable housing sites, consistent with available funding and feasibility requirements.

D. **Proposal Scoring Benefit.** All VTA TOD competitive offerings for developer selection will contain competitive selection criteria that provide a scoring benefit to developers who incorporate affordable housing developers into their development team; and include a greater proportion in their development concept and development proposal submittals of affordable housing units, and/or deeper affordability (such as Permanent Supportive Housing (PSH) and Rapid Re-Housing (RRH), and/or more family sized units (3-bedrooms or more).

2. STRATEGIES FOR VTA COOPERATION WITH CITIES TO INCREASE AFFORDABLE HOUSING IN TRANSIT-ORIENTED COMMUNITIES

A. **Partnership with Local Jurisdictions.** VTA will pursue partnerships with local jurisdictions to leverage their expertise and resources to increase affordable housing production at VTA TOD sites and on privately-owned sites around VTA-owned sites where cities support creation of Transit-Oriented Communities. This could facilitate access to Low Income Housing Tax Credits, local jurisdiction in-lieu fees, applications to the Affordable Housing and Sustainable Communities (AHSC) Program, and other resources. It could also include public education on the benefits of affordable housing production to generate local support.

B. **Support for Affordable Housing Projects.** VTA will provide endorsements and other support as appropriate for affordable housing development applications or proposals for grant or other affordable housing funding. This applies to projects on VTA-owned sites, as well as sites on property owned by others within station areas, where the project would increase transit ridership and where its land use type and density range reflects best practices for transit-oriented development.

3. IMPLEMENTATION ACTIONS FOR VTA-OWNED SITES

A. **Authorization for 100% Affordable Development.** The General Manager may propose an individual Transit-Oriented Development offering with 100% affordable residential units, as needed to enable VTA to achieve targeted levels of affordable housing production. For 100% affordable residential Transit-Oriented Development projects, at least 50% of the units would be targeted at Extremely-Low and Very Low Income Households (households earning 50% of Area Median Income or lower), and all units would be targeted at households earning no higher than 60% of Area Median Income.

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B. **Development of New Approaches for Affordable Housing Production.** The General Manager is authorized to develop and implement new or flexible approaches for development of affordable housing pursuant to VTA's affordable housing policy, in order to better advance its goals and respond to changes in market or other conditions. The General Manager will notify the Administration & Finance Committee whenever this discretionary authority is exercised.

D. **Identify Grant Funding, Financial Assistance.** VTA will work to identify grants and other financial assistance that can be made available for individual TOD-sites that include affordable housing.

E. **Application of Higher Local Requirements.** If a local jurisdiction has an affordable housing production requirement that is equal to or exceeds those in VTA's Joint Development policy, the local jurisdiction's requirement will apply.

F. **Preparation of an Annual Report.** VTA will prepare an annual report identifying its affordable housing production to date as a percent of TOD residential units and identify affordable housing units currently in pre-development or under construction.

G. **Evaluation of Ridership Impacts.** The ridership impacts of affordable housing Transit-Oriented Development will be tracked.

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Appendix D

VTA's Hospitality Labor Peace Agreement Policy

OVERVIEW

VTA's Transit-Oriented Communities (TOC) Policy seeks to create more intensive mixed-use, mixed-income development at and around VTA stations and facilities in order to increase transit ridership, catalyze transit-oriented communities, and generate financial benefits to sustain VTA transit operations and investments. TOD projects on VTA-owned sites are done through public-private partnerships where VTA enters into a long-term ground lease with developers that satisfy the applicable requirements of the Federal Transit Administration's Joint Development Circular and provide for ground rent and profit participation payments to VTA that create a proprietary and continuing interest for VTA in the financial and other performance of the projects.

TOD projects may result in multiple hotels being built on VTA property, and the operation of hotels is a labor-intensive activity. Because of its continuing proprietary and financial interest in hospitality TOD projects, and the labor-intensive nature of the operation of such projects, VTA has an interest in minimizing the risk of labor-management conflict, including economic actions by labor unions against employers which could include work stoppages, picketing, strikes, consumer boycotts, and other forms of economic pressure. This Labor Peace Policy seeks to minimize the risks of such conflicts and resulting adverse impacts to VTA's interests.

1. DEFINITIONS

A. "Labor Peace Agreement" means a binding and enforceable agreement with any labor organization that represents or seeks to represent hospitality workers in the county in which the project will be located, in which the labor organization agrees on behalf of itself and its members, in exchange for good and valuable consideration, not to engage in any picketing, work stoppages, boycotts, or any other economic interference with any hospitality operation at the project.

B. "Hospitality Operation" means (1) any hotel or motel operation that is part of a VTA TOD project, or (2) any conference center, restaurant, bar, or any other food and beverage service operation operated or developed in conjunction with a hotel or motel as part of a VTA TOD project.

2. POLICY

A. Requirement for Labor Peace Agreement. All VTA Lease Option Agreements, Ground Leases, or other development-related agreements for VTA TOD projects with Hospitality Operations where VTA has a proprietary interest, will require that the developer and hospitality operator enter into a Labor Peace Agreement covering any Hospitality Operations in the Project.

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B. Requirement in Requests for Qualifications and Proposals and Ground Leases.

Submitters to VTA Requests for Qualifications, Proposals, or other competitive offerings that include a Hospitality Operation will be required to acknowledge their agreement to comply with the provisions of this Labor Peace policy. Prior to execution of a Ground Lease for a VTA TOD project that includes a Hospitality Operation, developers will be required to provide sufficient evidence of a Labor Peace Agreement, as defined in this Policy, to ensure labor peace for the protection of VTA's proprietary interest, and this information will be presented at a meeting of the VTA Board of Directors for verification of compliance with this Labor Peace policy and other VTA policies and standards.

C. Limitations of Policy:

1. Nothing in this policy shall require or compel an employee to be a member of any labor organization, nor shall it require the developer or any tenant, subcontractor, or subtenant to recognize a labor organization as the bargaining representative for its employees or to enter into a collective bargaining agreement with any labor organization.
2. This policy shall not apply to hotel development projects on which the hotel component is expected to employ fewer than 10 full-time equivalent employees.
3. This policy will not be applicable to past or present TOD projects for which VTA has already executed a Lease Option Agreement or a Ground Lease, unless the agreement or lease could be amended to include a Hospitality Operation, as defined in this Policy.
4. If the VTA Board of Directors determines, based on a review by independent expert retained by VTA, that application of this rule would negatively affect VTA's proprietary interest or result in insufficient competition for the development project, VTA may issue or reissue a Request for Qualifications, Proposal, or other competitive offering without the labor peace requirement, or with modifications to the requirement.
5. Staff will bring a review of the policy to the VTA Board of Directors within 5 years of its adoption.

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Appendix E

Transit Demand Management (TDM) Policy

OVERVIEW

TOD can play a key role in helping cities and agencies meet their greenhouse gas emissions (GHG) and VMT reduction goals by creating environments where housing and a range of daily services are within walking distance to transit that can meet residents' travel needs without needing to drive. Applying Transit Demand Management (TDM) requirements to TOD projects advances VMT and GHG reduction goals.

Successful implementation of the proposed TDM Policy across VTA's existing TOD Portfolio could result in significant long-term stable revenues from increases in ridership. No less than every 5 years, staff will bring the TDM Policy back to the VTA Board of Directors for a full review and report on the impact of the program. The TDM Policy establishes VTA's approach to increase transit ridership while achieving VMT and GHG reduction goals. It also identifies VTA's priority for investment in the provision of transit passes for every household in a new VTA TOD project for 2 years by developers of future VTA TOD projects and provides a framework to evaluate other VMT and GHG reduction priorities of partner jurisdictions.

POLICY

- A. **TOD TDM Pilot Program Applicability.** The TOD TDM Policy would be applicable to developers of future VTA TOD projects on VTA-owned sites. It would not apply to projects where VTA has already entered into a binding Lease Option Agreement (LOA). Whenever developers seek to renegotiate existing LOAs, VTA will negotiate to make the projects subject to this TDM Policy.

- B. **Points-Based System and Transit Pass Requirement.** Staff will establish and periodically update a "TOD Strategies Toolkit" that identifies TDM actions to increase transit ridership and reduce VMT in VTA TOD Projects, and the scoring for the strategies. Eligible projects would be subject to a base target of 20 points, which reflects a 20 percent estimated reduction in VMT. The TOD TDM Policy would require housing developers to provide one SmartPass to every household in a new TOD project-as a required TDM strategy for the first two years. Developers would achieve the required points through a combination of other TDM strategies specific to the project and jurisdiction's priorities, including but not limited to, the provision of bicycle parking, car-share parking, and reduced parking supply.

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C. **Implementation**

1. Developers for VTA TOD projects will perform individual site and TDM strategy evaluations, with scoring, review, and acceptance by VTA staff. The proposed site-specific TDM program will be presented to the Board of Directors at the time it is presented a proposed LOA or other binding agreement for approval.
2. Staff will formulate developer reporting requirements to allow monitoring of the effectiveness of the TDM Policy.
3. Staff will conduct a review of the TDM Policy no less than every 5 years and present its findings and recommendations for Policy changes or other actions to the Board of Directors.