

**Metropolitan Transportation Commission
Programming and Allocations Committee**

February 11, 2026

Agenda Item 4a-26-0192

MTC Resolutions Nos. 4505, Revised, and 4740, Revised

Subject:

Revisions to the One Bay Area Grant (OBAG 3 and 4) programs, including establishing additional OBAG 4 policies and procedures and programming a total of \$81 million in OBAG 4 funds to MTC for planning and implementation activities by County Transportation Agencies (CTAs) (\$41 million) and MTC (\$40 million).

Background:

The OBAG 3 and 4 programs establish the policy and programming framework for investing federal Surface Transportation Block Grant Program (STP) and Congestion Mitigation and Air Quality Improvement program (CMAQ) funds for federal fiscal year (FY) 2023 through FY 2030. The Commission adopted the initial OBAG 4 framework last month, following a robust development process with extensive stakeholder input as detailed in **Attachment A**. This framework included key funding decisions related to the pre-commitment of OBAG 4 capacity for near-term transit operations through the Senate Bill (SB) 125 package and regional set-asides for implementation of the Transit-Oriented Communities (TOC) Policy.

This month, staff recommend revisions to the OBAG 3 and 4 programs as summarized below and detailed in **Attachment B**.

General OBAG 4 Policies

The general OBAG 4 policies as proposed are largely similar to prior cycles, and continue to require consistency with relevant federal, state, and regional requirements. Notably, staff recommend changes to accommodate MTC's new Transit Priority Policy for Roadways (MTC Resolution No. 4739) and associated updates to the Complete Streets checklist and process.

OBAG 4 County Program

Similarly, proposed revisions to the OBAG 4 county program largely maintain policies and procedures from prior cycles. Notable recommended changes include:

- Expand the existing minimum geographic investment thresholds to include Transit Oriented Communities (TOCs) as an eligible geography, in addition to Priority Development Areas (PDAs), reflecting the need to support both geographies. As proposed, at least 50% of funds in each North Bay county must be invested in projects within a mile or less of a PDA or TOC, and 80% of funds in the remaining counties must meet this requirement (up from the 70% PDA investment threshold in OBAG 3).
- Simplify the CTA minimum project evaluation criteria to increase flexibility and emphasize local expertise.

- Extend the CTA nomination deadline to October 31, 2026 (one month later than the comparable OBAG 3 deadline) in response to CTA feedback.

Staff propose to continue the CTA county target structure from OBAG 3, using the same formula with updated data (**Table 1**). Nomination target factors include:

- Population (50%),
- Recent housing production (30%) by building permits,
- Planned growth (20%) by Regional Housing Needs Allocation (RHNA) targets, and
- Additional weighting for affordability in the housing factors.

Draft OBAG 4 county program policies were shared with CTAs and other stakeholders for review in advance of this action, and the proposed policies incorporate their feedback. Notably, staff now recommend distributing the \$5 million in regional North Bay augmentation funds set aside by the Commission last month through the OBAG 4 county program (**Table 1**), as suggested by CTA staff.

Table 1: Proposed OBAG 4 County Program Summary

County	County Target Share	County Target*	North Bay Augmentation Target*	Total Nomination Target**
Alameda	20.3%	\$64,770,000	-	\$77,724,000
Contra Costa	13.6%	\$43,418,000	-	\$52,102,000
Marin	2.9%	\$9,275,000	\$1,250,000	\$12,630,000
Napa	1.5%	\$4,823,000	\$1,250,000	\$7,288,000
San Francisco	14.8%	\$47,213,000	-	\$56,656,000
San Mateo	9.5%	\$30,208,000	-	\$36,249,000
Santa Clara	26.7%	\$85,271,000	-	\$102,325,000
Solano	4.8%	\$15,275,000	\$1,250,000	\$19,830,000
Sonoma	5.9%	\$18,747,000	\$1,250,000	\$23,996,000
Total	100%	\$319,000,000	\$5,000,000	\$388,800,000

**Targets for reference, actual awards subject to competitive project evaluation and selection*

***Nomination targets based on 120% of available funds*

Following Commission approval, staff plan to coordinate with CTAs to initiate the OBAG 4 county call for projects using the nomination targets in **Table 1** above, according to the schedule and policies summarized in **Attachments A and B**, respectively. Staff plan to return to the Commission in early 2027 with recommended OBAG 4 county program awards.

In addition, staff recommend programming a total of \$41 million in OBAG 4 county funds to MTC for CTA base planning and implementation activities in support of OBAG 4 and *Plan Bay*

Area 2050+. The Commission previously approved \$18.7 million for CTA planning through an advance programming action in October 2025, and this month staff recommend incorporating the full \$41 million into the OBAG 4 program. As in prior cycles, CTAs may request to augment these base amounts through the project nomination process.

OBAG 4 Regional Program

Aside from the TOC Policy incentives established by the Commission last month, the proposed OBAG 4 regional program policies and structure remain similar to prior cycles. Staff recommend revisions to clarify and simplify the regional program categories and goal areas as follows:

- **Planning and Implementation:** Provide dedicated resources and staff support to carry out OBAG 4 programs and other performance-based planning and programming activities.
- **Growth Framework:** Assist local efforts to create a range of housing options that align with Plan Bay Area growth geographies.
- **Environment:** Reduce transportation emissions and protect and enhance open space.
- **Complete Streets:** Maintain and improve local streets and roads for all users, with a focus on safety and equity.
- **Multimodal Networks:** Improve mobility options and services across the Bay Area's multimodal transportation system, with an emphasis on transit transformation.
- **TOC Incentive and North Bay Set-Asides:** Incentivize and reward TOC Policy implementation progress, address the unique transportation and land use needs of North Bay communities.

Staff recommend distributing OBAG 4 regional program capacity among these categories as detailed in **Table 2**. Staff will return to the Commission and relevant Committees later this year to recommend specific regional programs under each category, consistent with the goals above.

Table 2: Proposed OBAG 4 Regional Program Categories

Regional Program Category	Amount
Planning and Implementation	\$40 million
Growth Framework	\$35 million
Environment	\$90 million
Complete Streets	\$30 million
Multimodal Networks	\$115 million
TOC and North Bay Set-Asides	\$50 million
Total Regional Program	\$360 million

This proposed structure includes a recommendation to program \$40 million to MTC for planning and implementation of OBAG 4 Regional Programs. The Commission previously approved \$12.7 million for MTC planning and implementation through an advance programming action in October 2025, and this month staff recommend incorporating the full \$40 million into the OBAG 4 program.

Issues:

None.

Recommendations:

Refer MTC Resolutions Nos. 4505, Revised, and 4740, Revised to the Commission for approval. Resolution No. 4505 is also recommended for revisions under Agenda Item 2b, and is included once under that item with all proposed revisions. Only items referred by the Committee will be forwarded to the Commission for approval.

Attachments:

- MTC Resolution No. 4740, Revised
 - Attachment A
 - Attachment B-1
 - Attachment B-2
- Attachment A: OBAG 4 Development Timeline
- Attachment B: Proposed OBAG 4 Policy Summary
- Presentation



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