



January 27, 2026

Re: January 28, 2026 MTC Meeting

Item 14a: MTC Resolution No. 4740. One Bay Area Grant (OBAG 4) Funding Framework

Dear Commissioners:

We appreciate the Commission and staff for the ongoing work on the One Bay Area Grant (OBAG) and its linkage with the Transit-Oriented Communities (TOC) Policy. Our organizations have engaged with the Commission and staff since the early development of the TOC policy in 2020, and we are eager to see TOC Policy implementation continue forward with OBAG funding as the primary incentive. In moving towards TOC Policy compliance, the region can continue to take steps towards fulfilling the goals of Plan Bay Area 2050. Without the TOC Policy, the commitments of Plan Bay Area 2050 and the climate goals set forth via SB 375 will remain goals rather than a reality. The TOC Policy is a critical mechanism by which our region can realize the plan's goals across housing, climate, transportation, and quality of life. The TOC's Affordable Housing and Commercial Stabilization Policies will also specifically support more sustainable transportation connections in Equity Priority Communities and meaningfully tackle housing affordability and displacement.

The TOC Policy, however, is not just about technical compliance or meeting policy goals. It is about opportunity and quality of life for Bay Area residents. It is making real the promise that all Bay Area individuals and families have the opportunity to live in beautiful neighborhoods where they can walk, bike, or take transit to go to school or work, spend the afternoon at the park with their children, or pick up groceries or medications at a pharmacy. Each neighborhood is different, but with a shared level of accessibility and quality of life. This is the vision we've been working towards together.

We welcome the proposal provisions that account for the Bay Area's geographic diversity and help strike a balance between regional and sub-regional priorities, such as:

1. A \$5 million augmentation for the North Bay;
2. An evenly split deduction of SB 125 transit pre-commitment funds from the Regional Program and County Program

Based on the proposal outlined by staff, we strongly urge the Commission to consider the following additional change to ensure the success of the TOC Policy's impacts and its link to OBAG 4:

1. **Increase the TOC set-aside to 20% of the Regional Program (\$72 million) and create a TOC incentive pool within the \$360 million County Program.** The amount of OBAG Funding currently proposed to be allocated to a TOC-incentive pool is far lower than what is reasonable, given the importance of the TOC Policy to meet PBA 2050 goals. Reserving only \$45 million, as proposed

by staff, is grossly insufficient and does not send a clear message about the importance of the policy. Conditioning OBAG 4 and other discretionary funding managed by MTC on TOC compliance status is the best way to incentivize jurisdictions to uphold their commitment, build more complete communities, and make the most of the region's significant transit investments—as the policy design intended.

As the Commission prepares to vote on details for TOC Policy implementation in February, we want to reiterate our serious concerns about any changes that would undermine the TOC Policy's integrity:

1. **Full compliance with the TOC Policy should be a requirement for the One Bay Area Grant (OBAG) 4 TOC set-aside.** While we appreciate the goal of providing jurisdictions flexibility in order to support the phase-in of the TOC Policy, we believe the staff proposal goes too far in offering so many layers of flexibility as to undermine the goals of the policy, and does so without establishing any timeline for when progress must arrive at completion. We are particularly concerned about the following provisions in the proposed scoring criteria:

- Granting partial credit for partial policy compliance;
- Policy components being weighed unequally within each policy area (i.e., density, parking, housing, and station access);
- Credit being given to “policies in progress” without a prescribed reasonable time period and no detailed accountability and enforcement measures from MTC to confirm that the policy was, in fact, passed;
- No commitment to a timeline for when it will transition from a score-based system to a system that provides both “carrots and sticks” to incentivize full compliance.

Years of hard work and compromises have gone into developing a robust policy that works for a region as diverse as the Bay Area. The flexibility embedded in all four components of the policy - and particularly the housing section - ensures that jurisdictions have several ways to achieve TOC Policy compliance in a way that works for their local contexts while advancing regional goals contained in Plan Bay Area. For example, jurisdictions should not be able to achieve full compliance while only meeting a fraction of the housing and density standards nor partial compliance without meeting any of the density or parking standards.

2. **We strongly oppose any changes to the housing policy menu.** We oppose the suggestions by Commissioners, reflected in staff materials, to amend or remove policies on the “3 P’s” housing menu. The equity goals of PBA 2050+ were operationalized through the housing policy menu of the TOC Policy. The TOC Policy's negotiated housing policy menu furthers the 3Ps framework that elevates affordable housing production, preservation, and tenant protections as key strategies to address housing affordability and displacement. The TOC Policy includes a menu of 12 different tenant protection policies, from which local jurisdictions must select two in order to be in compliance, and these policies are based on best practices to mitigate the displacement of low-income residents across the region, especially in Equity Priority Communities. The flexibility that is already built into the TOC's Affordable Housing and Commercial Stabilization Policies provides an attainable way for jurisdictions to meet the needs of their communities consistent with the 3Ps framework.

We disagree with the suggestion that points should be awarded for mere compliance with State law. Doing so would, at a minimum, eliminate any incentive for jurisdictions to take further steps

to prevent displacement and stabilize communities. The TOC Policy's tenant protection policies are also consistent with AB 1482 and other state laws, which explicitly authorizes local governments to adopt policies that go beyond state-law standards or sunsets. For example, the protections under AB 1482 are set to expire in 2030, well-before the time horizon of Plan Bay Area 2050+.

The four components of the TOC policy work in a coordinated manner to deliver equitable transit-oriented communities. Given the twin imperatives of making the Bay Area more affordable for people of all incomes and growing transit ridership, we strongly encourage you to uphold and implement the TOC Policy Standards.

Thank you again for your time, engagement, and consideration.

Respectfully,

Heather Hood
Vice President - Northern California
Enterprise Community Partners

Jeff Levin
Senior Director of Policy
East Bay Housing Organizations

Jordan Grimes
Legislative Director
Greenbelt Alliance

Ken Chan
Senior Organizer
Housing Leadership Council of San Mateo County

Tano Trachtenberg
Senior Policy Manager
Non-Profit Housing Association of Northern California (NPH)

Zack Deutsch-Gross
Executive Director
TransForm

Laura Neish
Executive Director
350 Bay Area Action