

**Metropolitan Transportation Commission
Programming and Allocations Committee**

January 8, 2025

Agenda Item 2g-24-1606

MTC Resolution Nos. 3989, Revised; 4202, Revised; and 4505, Revised

Subject:

Various revisions to the One Bay Area Grant (OBAG 2 and 3) and MTC exchange programs, including programming \$6.8 million to various Housing Incentive Pool (HIP) projects.

Background:

The OBAG 2 and 3 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 FY 2017-18 through FY 2025-26.

MTC's fund exchange program provides greater flexibility to deliver select priority projects within the broader OBAG framework. MTC Resolution No. 3989, Revised, describes the procedures governing MTC's exchange program and details the agreements and commitments that have been made to date. The program facilitates funding agreements with partner agencies to exchange federal STP/CMAQ funds with non-federal local funds. These exchanges do not increase the total amount of funds available to the region but enable MTC to support key investments within the OBAG policy framework that are ineligible for STP/CMAQ funds.

This month, staff recommend revisions to the OBAG 2 and 3 and MTC exchange programs as detailed below.

Housing Incentive Pool

In December 2023, the Commission awarded \$71 million in Housing Incentive Pool (HIP) funds to 15 jurisdictions that produced or preserved the greatest number of eligible affordable housing units over the previous five years. As part of this action, the Commission approved eligibility and programming guidelines for HIP funds, including a rolling call for letters of interest from awarded jurisdictions through 2024. The guidelines require that HIP awardees submit multiple project applications that exceed their total award amount, for evaluation and selection by MTC.

In December 2024, the Commission awarded the first round of HIP projects to projects in San Francisco and Santa Rosa. Of the remaining 13 HIP jurisdictions, Fremont and Redwood City submitted letters of interest to MTC in time for programming recommendations this month. Staff evaluated these applications based on adopted HIP criteria and recommend programming \$5.4 million in OBAG 2 HIP funds to 3 projects (see **Attachments 1 and 2** for details).

Staff will return to the Commission to recommend programming for the remaining \$42.7 million in HIP funds to other awardee jurisdictions in the coming months.

Priority Conservation Area (PCA) Program

In November 2024, the Commission programmed a total of \$8.5 million in OBAG 3 and non-federal MTC exchange funds to various projects within the Priority Conservation Area (PCA) Program. This month, staff recommend the following revisions to PCA projects:

- As requested by the Peninsula Open Space Trust (POST) and the Santa Clara Valley Transportation Authority (VTA), update the funding source for Coyote Valley Wildlife Connectivity Planning project from non-federal MTC exchange funds to federal OBAG 3 STP/CMAQ funds. As part of this change, staff recommend updating the project sponsor to POST/VTA to reflect the agencies' co-sponsorship agreement. This change will allow the project team to proceed with federal environmental (NEPA) approvals, improving project competitiveness for future federally funded grants.
- Correct the MTC exchange amounts awarded to MTC for Contra Costa Resource Conservation District's Rangeland Enhancement through Livestock Pond Restoration (\$280,000) and Golden Gate National Recreation Area's Evolving Shorelines Project at Bothin Marsh (\$670,000) and the resulting PCA Program balance (\$8.0 million) in the OBAG 3 program (MTC Resolution No. 4505).

Other MTC Exchange Revisions

This month, staff recommend additional revisions to the MTC exchange program, including:

- Update the sponsor for the SMART Corridor Bikeshare Capital and Outreach project from the Transportation Authority of Marin (TAM) and Sonoma County Transportation Authority (SCTA) to MTC, to reflect the current project delivery arrangement.
- Reduce the amount programmed to MTC's TransLink project (Clipper predecessor) by approximately \$49,000 to reflect the final actual project cost of \$8.3 million.

Issues:

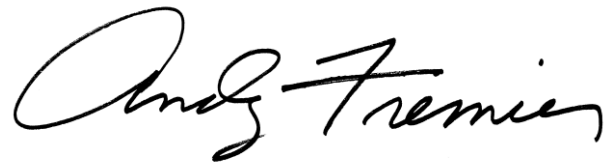
None.

Recommendations:

Refer MTC Resolution Nos. 3989, Revised; 4202, Revised; and 4505, Revised to the Commission for approval.

Attachments:

- Attachment A: HIP Applications and Recommended Awards
- Attachment B: HIP Summary by Jurisdiction
- MTC Resolution No. 3989, Revised
 - Attachments B and C
- MTC Resolution No. 4202, Revised
 - Attachment B-1
- MTC Resolution No. 4505, Revised
 - Attachment B-1



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