

**Metropolitan Transportation Commission
Programming and Allocations Committee**

November 12, 2025

Agenda Item 2b-25-1297

MTC Resolutions Nos. 3989, Revised and 4505, Revised

Subject:

Various revisions to the One Bay Area Grant (OBAG 3) and MTC exchange programs, including programming \$315,000 to MTC for the Statewide Local Streets and Roads Needs Assessment and revising the sponsors for two previously programmed projects.

Background:

The OBAG 3 program establishes 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 2023 through FY 2026.

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 3 and MTC exchange programs as detailed below.

Statewide Local Streets and Roads Needs Assessment

Since 2008, a coalition of California jurisdictions and regional agencies have worked together to produce the Statewide Local Streets and Roads Needs Assessment, comprehensive biennial report on infrastructure conditions and funding needs. Findings from previous editions have helped inform state transportation policies and investments, including the Road Repair and Accountability Act of 2017 (known as SB1).

The assessment is funded through contributions by member agencies, including MTC and Bay Area cities and counties. This month, staff recommend programming \$315,000 in non-federal exchange funds to MTC for the 2026 Statewide Local Streets and Roads Needs Assessment, administered by the County Engineers Association of California (CEAC). The needs assessment is funded with contributions from cities, counties, and Regional Transportation Planning Agencies (RTPAs) throughout the state. MTC has been asked by the Needs Assessment project management team to facilitate a fund exchange for federal RTPA contributions for the 2026 assessment currently underway.

As part of this exchange, Caltrans will facilitate the transfer of fund contributions from other RTPAs throughout the state to MTC by providing MTC with approximately \$315,000 in additional STP apportionment in FY 2026. MTC will provide an equivalent in non-federal MTC exchange funds to CEAC to complete the assessment.

Caltrans staff have indicated support for facilitating the provision of local funds in future years. As such, MTC staff understand that this is a one-time request for MTC to facilitate the fund exchange for the statewide needs assessment.

Project Sponsor Revisions

In addition, staff recommend revising the sponsors for previously programmed projects to reflect current partnership arrangements and delivery plans as follows:

- Add Caltrain as a co-sponsor for the Middle Ave Caltrain Pedestrian and Bicycle Undercrossing project, previously awarded to Menlo Park through the OBAG 3 County & Local Program, and
- Replace MTC with Fremont as the sponsor for the Bay Trail Marshlands Road Phase 1 project, previously awarded to MTC through the OBAG 3 Bay Trail Program.

Issues:

None.

Recommendations:

Refer MTC Resolution Nos. 3989, Revised and 4505, Revised to the Commission for approval and authorize MTC's Executive Director, or designee, to enter into a funding agreement with County Engineers Association of California (CEAC) for the 2026 Statewide Local Streets and Roads Needs Assessment.

Attachments:

- MTC Resolution No. 4505, Revised
 - Attachment B-1
 - Attachment B-2
- MTC Resolution No. 3989, Revised
 - Attachment B



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