Metropolitan Transportation Commission
Programming and Allocations Committee

November 4, 2015 **Agenda Item 3**

MTC Resolution No. 4202

Subject: Adoption of the project selection criteria and programming policy for the second round of the One Bay Area Grant Program (OBAG 2) covering Fiscal Years (FYs) 2017-18 through FY 2021-22

Background: In May 2012, the Commission adopted the inaugural One Bay Area Grant (OBAG) program. OBAG funding supports *Plan Bay Area*, the Regional Transportation Plan (RTP)/Sustainable Communities Strategy (SCS), by directing funding to regional priority programs: prioritizing funding for Priority Development Areas (PDAs), rewarding housing production, and providing a flexible funding program to deliver a broad range of transportation projects.

Owing to the successful outcomes of the first round of the OBAG program, outlined in the "One Bay Area Grant Report Card" presented to the MTC Planning committee in February 2014, staff proposes a continuation of the major features of the program for OBAG 2. Notable recommended changes to the OBAG 2 proposal include the following:

- Compared to OBAG 1, OBAG 2 overall revenues drop 4% from $827 million to $790 million due to federal budgetary constraints.
- Regional programs are reduced by 4% overall, with most programs held at, or slightly below, OBAG 1 levels. Two exceptions are the Priority Conservation Area (PCA) program, which increases by $6 million due to funds redirected from the OBAG 1 regional bicycle sharing project, and the regional planning activities program, which increases at a 2% annual escalation rate (the same rate as CMA planning).
- County programs are similarly reduced by 4% overall, with several notable changes, including redirecting the Safe Routes to School (SRTS) Program from the regional program to the county program, the elimination of the local PDA planning program (although it remains an eligible project type under the county program), the inclusion of the Federal-Aid Secondary (FAS) funding for counties, and the CMA planning base increases at a 2% annual escalation rate.
- Three alternative county distribution formulas have been developed for consideration. One formula is the same as was presented in July; in response to Committee direction, two alternative formulas were developed to incorporate moderate-income housing and to look at a production-only scenario.
- In OBAG 2, the county distribution formula is updated to use the latest housing data from the Association of Bay Area Government (ABAG). The formula is also based on housing over a longer time frame, considering housing production from two Regional Housing Needs Assessment (RHNA) cycles (1999-2006 and 2007-2014) to smooth out the significant effects of the Great Recession on housing construction. The formula also increases the weighting of affordable housing by

10%. The formula is further adjusted to incorporate SRTS and FAS funding, and to ensure the CMA planning base is no more than 50% of the county's total program.

- Requirements for local jurisdictions are proposed to be modified. Jurisdictions must submit annual housing element reports to the California Housing and Community Development (HCD) throughout the entire OBAG 2 period to be eligible for funding. The proposed complete streets requirements stipulate that by the date the CMA submits its recommended projects for OBAG 2 funding, local jurisdictions must adopt a complete streets resolution that complies with MTC's required nine elements or adopt a significant revision to the circulation element of the general plan after January 1, 2010 that complies with the Complete Streets Act of 2008.

Additional information on these, and other changes, proposed for OBAG 2 are included in the attached memorandum and presentation.

OBAG 2 Development Timeline: The OBAG 2 program proposal has been developed by MTC staff in cooperation with the Bay Area Partnership, advisory committees, and various transportation stakeholders. Committee memoranda can be viewed on the OBAG 2 website: http://www.mtc.ca.gov/funding/obag2/.

- Staff presented the initial OBAG 2 proposal to the Policy Advisory Committee on May 13, 2015 and to various Partnership working groups in June.
- The initial proposal was refined to include increased revenue estimates and presented to the Programming and Allocations Committee (PAC) on July 8, 2015.
- The current OBAG 2 proposal, including the alternatives being considered for the county distribution formula, was presented to the Regional Advisory Working Group on October 6, 2015, the Bay Area Partnership Board on October 9, 2015, and Partnership working groups during the month of October.

Public Comments and Stakeholder Feedback: Stakeholder feedback as well as comment letters received since the July Programming and Allocations Committee are provided in Attachment 2; all comments can also be viewed at: http://www.mtc.ca.gov/funding/obag2.

Issues:

1. County Distribution Formula. In response to Commissioner requests at the July Committee meeting, three alternative county fund distribution formulas have been developed for consideration.

2. Displacement. Reflective of recent Commission discussions and stakeholder feedback, staff proposes that MTC consider focusing PDA planning grants on cities with the highest risk of displacement as part of the OBAG 2 Regional PDA Planning Program. Program guidelines are proposed to be developed in collaboration with the CMAs and other interested stakeholders.

3. Policy Compliance. Four jurisdictions in the Bay Area did not meet the 2015 deadline for a state-certified housing element: Fairfax, Dixon, Monte Sereno, and Half Moon Bay. Under current policy, these jurisdictions are not be eligible to receive OBAG 2 funding. Letters from Dixon and Half Moon Bay requesting that they be made eligible for funding are included as attachments to the memorandum for this item.

Recommendation: Refer MTC Resolution No. 4202 to the Commission for approval.

Attachments: Memorandum including attachments
MTC Resolution No. 4202 including attachments
Presentation

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Agenda Item 3

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Memorandum

TO: Programming and Allocations Committee DATE: November 4, 2015

FR: Executive Director

RE: Proposal for Second Round of the One Bay Area Grant Program (OBAG 2)

Background

The inaugural One Bay Area Grant Program (OBAG 1) was approved by the Commission in May 2012 (MTC Resolution No. 4035) to better integrate the region's discretionary federal highway funding program with California's climate statutes and the Sustainable Communities Strategy (SCS). OBAG 1 supported *Plan Bay Area*, the region's Regional Transportation Plan / SCS, by incorporating the following program features:

- Targeting project investments into Priority Development Areas (PDA);
- Rewarding jurisdictions that accept housing allocations through the Regional Housing Need Allocation (RHNA) process and produce housing;
- Supporting open space preservation in Priority Conservation Areas (PCA);
- Providing a larger and more flexible funding pot to the county-level Congestion Management Agencies (CMAs) to deliver transportation projects in categories such as transportation for livable communities, bicycle and pedestrian improvements, local streets and roads preservation, and planning activities, while also providing specific funding opportunities for Safe Routes to School (SRTS).

The successful outcomes of this program are outlined in the "One Bay Area Grant Report Card" which was presented to the MTC Planning Committee in February 2014: http://files.mtc.ca.gov/pdf/OBAG_Report_Card.pdf.

Over the last several months, MTC staff has developed the proposed project selection and programming policies for OBAG 2, in cooperation with the Bay Area Partnership, advisory committees, and various transportation stakeholders. A preliminary framework was presented to this Committee in July 2015 for discussion. Committee memoranda can be viewed on the OBAG 2 website: http://www.mtc.ca.gov/funding/obag2/. Stakeholder feedback and letters received (since July) are also included as Attachment 5.

OBAG 2 Principles

Considering the positive results achieved to date in OBAG 1, staff recommends only minor revisions for OBAG 2. Listed below are principles that have guided the proposed program revisions:

1. **Maintain Realistic Revenue Assumptions:**
   OBAG 2 funding is based on anticipated future federal transportation program apportionments. In recent years, the Surface Transportation Program/Congestion Mitigation and Air Quality Improvement programs (STP/CMAQ) have not grown, and changes in the federal and state programs (such as elimination of the Transportation

Enhancement (TE) program) have resulted in decreases that were not anticipated when OBAG 1 was developed. For OBAG 2, a 2% annual escalation rate above current federal revenues is assumed, consistent with the passage of the Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act by the United States Senate earlier this year. Even with the 2% escalation, revenues for OBAG 2 are 4% less than revenues for OBAG 1, due to the projections of OBAG 1 being higher than actual revenues, and the fact that OBAG 1 included Transportation Enhancement (TE) funds which are no longer available to be included in OBAG 2.

2. **Support Existing Programs and maintain Regional Commitments while Recognizing Revenue Constraints:**
The OBAG Program as a whole is expected to face declining revenues from $827 million in OBAG 1 to $790 million in OBAG 2. Therefore, staff recommends no new programs and to strike a balance among the various transportation needs supported in OBAG 1.

   a. Funding for the regional programs decreases by 4%. With the exception of regional planning activities (that grows to account for salary escalation) and the Priority Conservation Area (PCA) program (that receives additional funds redirected from an OBAG 1 project), all other funding programs are either maintained at or decreased from their OBAG 1 funding levels.

   b. The OBAG 2 county program is similarly decreased by 4%. As compared to the county program under OBAG 1, largely the same planning and project type activities are proposed to be eligible under OBAG 2.

The proposed OBAG 2 funding levels for the regional and county programs are presented in Table 1 below. See Attachment 1 for more details on these programs and a comparison with the OBAG 1 funding cycle.

Table 1. OBAG 2 Funding Proposal

OBAG 2 Programs	OBAG 2 Proposed Funding (million $, rounded)
Regional Planning Activities	$10
Pavement Management Program	$9
Regional Priority Development Area (PDA) Planning	$20
Climate Change Initiatives	$22
Priority Conservation Area (PCA) Program	$16
Regional Active Operational Management	$170
Regional Transit Priorities	$189
County CMA Program	$354
OBAG 2 Total	**$790**

3. **Support the Plan Bay Area's Sustainable Communities Strategy (SCS) by Linking OBAG Funding to Housing and Smart Growth Goals:** OBAG 2 continues to support the SCS for the Bay Area by promoting transportation investments in Priority Development Areas (PDAs). A few changes are proposed for OBAG 2, to further improve upon the policies that have worked well in OBAG 1 (see also Attachments 2 and 3).

a. PDA Investment targets remain at OBAG 1 levels: 50% for the four North Bay counties and 70% for the remaining counties.

b. PDA Investment and Growth Strategies should play a strong role in guiding County CMA project selections and be aligned with the Plan Bay Area update cycle.

c. Three alternatives are under consideration for the county OBAG 2 distribution formula (see Table 2) in response to a request at the July Programming and Allocations Committee meeting to do additional analysis beyond the "Affordable Housing" alternative presented in July (and included in Table 2).

Table 2. OBAG Distribution Factor Alternatives

	Population	Housing Production	Housing RHNA	Housing Affordability
OBAG 1	50%	25%	25%	50%
OBAG 2 *Affordable Housing*	50%	30%	20%	60%
OBAG 2 *Affordable + Moderate*	50%	30%	20%	60%*
OBAG 2 *Housing Production*	50%	50%	0%	60%

*Includes moderate as well as low and very low income levels for RHNA and housing production.

Also, the distribution formula is proposed to be based on housing over a longer time frame, considering housing production between 1999 and 2006 (weighted 30%) and between 2007 and 2014 (weighted 70%) in order to mitigate the effect of the recent recession and major swings in housing permit approvals (see Table 3).

Table 3. Housing Production Trends

County	Total Housing Production[1]			
	1999-2006		2007-2014	
Alameda	33,945	15.9%	19,615	15.9%
Contra Costa	47,956	22.5%	16,800	13.6%
Marin	5,772	2.7%	1,543	1.3%
Napa	5,245	2.5%	1,434	1.2%
San Francisco	17,439	8.2%	20,103	16.3%
San Mateo	10,289	4.8%	8,169	6.6%
Santa Clara	52,835	24.8%	44,823	36.4%
Solano	18,572	8.7%	4,972	4.0%
Sonoma	20,971	9.8%	5,639	4.6%
Totals	**213,024**	**100.0%**	**123,098**	**100.0%**

[1] OBAG 1 total housing production numbers were based on the number of permits issued from 1999-2006. OBAG 2 total housing production numbers are based on the number of permits issued over a longer period from 1999-2006 (weighted 30%) and from 2007-2014 (weighted 70%) and have not been capped to RHNA allocations.

The resulting alternative county distribution formulas are presented in Attachment 2.

4. **Continue Flexibility and Local Transportation Investment Decision Making:**
   OBAG 2 continues to provide the discretion and the same base share of the funding pot (40%) to the CMAs for local decision-making. Also, two previously regional programs, Safe Routes to Schools and the Federal-Aid Secondary (rural roads) programs, have been consolidated into the county program with funding targets to ensure that these programs continue to be funded at specified levels.

5. **Cultivate Linkages with Local Land-Use Planning:**
   As a condition to access funds, local jurisdictions need to continue to align their general plans' housing and complete streets policies as part of OBAG 2 and as required by state law (see Attachment 3).

   Complete Streets Requirements

   Jurisdictions have two options for demonstrating complete streets compliance, which must be met by the date the CMAs submit their OBAG 2 project recommendations to MTC:

   a. Adopt a Complete Streets Resolution incorporating MTC's nine required complete streets elements; or
   b. Adopt a significant revision to the circulation element of a General Plan after January 1, 2010 that complies with the California Complete Streets Act of 2008.

   Housing Element Requirements

   Jurisdictions must have a general plan housing element adopted and certified by the California Department of Housing and Community Development (HCD) for 2014-2022 RHNA by May 31, 2015. There were four jurisdictions whose housing element was not certified by HCD by that time: Dixon, Fairfax, Monte Sereno, and Half Moon Bay. Therefore, these jurisdictions are not eligible for OBAG 2 funding under current policy. At the time of this memo, Dixon, Fairfax, and Monte Sereno have since received conditional certification from HCD; Half Moon Bay's housing element has now been certified.

   Furthermore, under state statute, jurisdictions are required to submit Housing Element Annual Reports by April 1 every year. Jurisdictions receiving OBAG 2 funding must comply with this statute during the entire OBAG 2 funding period or risk de-programming of OBAG 2 funding.

6. **Continue Transparency and Outreach to the Public Throughout the Project Selection Process:**
   CMAs will continue to report on their outreach process as part of their solicitation and selection of projects for OBAG 2. Each CMA will develop a memorandum addressing outreach, coordination and Title VI civil rights compliance.

Outreach and OBAG 2 Development Schedule

To date, MTC staff has made presentations on the OBAG 2 framework to the Policy Advisory Council, Programming and Allocations Committee, Partnership Board, Partnership Technical Advisory Committee and associated working groups. Comments received to date have been reviewed and revisions have been made to the proposal as a result of stakeholder feedback. Comment letters and summarized stakeholder feedback have been posted at http://www.mtc.ca.gov/funding/obag2/.

The final OBAG 2 program is scheduled to be presented to the Commission on November 18, 2015 for adoption, which will subsequently kick off the CMAs' project solicitation process. Programming of CMA project submittals is anticipated in December 2016 (see Attachment 4 for full schedule).

Other Noted Program Revisions

Regional Safe Routes to School (SRTS) Program: In December 2014, the Committee approved adding a fifth-year (FY 2016-17) to OBAG 1 in order to address program shortfalls due to lower than expected revenues. After closing those shortfalls, the balance was directed to continue time-critical operations and planning programs at lower levels than prior years. A number of committee members expressed interest in restoring funding up to the SRTS annual funding level of $5 million. Staff has identified cost savings from prior cycles of federal funding, and is seeking approval from the Committee to increase FY2016-17 SRTS funding from $2.7 million to $5.0 million through item 2c on this agenda. For OBAG 2, the recommended funding level for the SRTS program is $25 million.

Available OBAG 1 Funding from Bike Sharing Program: With the transition of the bike sharing program to a public-private partnership model, $6.4 million in OBAG 1 funds that were programmed to bike sharing are now available for reprogramming. Staff proposes to augment the PCA program, providing an additional $3.2 million each to the North Bay and Regional programs. The revised PCA program total of $16 million is 60% higher than OBAG 1 funding levels – the only category proposed for such significant growth in OBAG 2.

Consideration of Cities with High Risk of Displacement: Reflective of recent Commission discussions and stakeholder feedback, the PDA planning program could focus on cities with high risk of displacement. This approach allows MTC to focus planning efforts in communities facing high risk of displacement, without applying a one-size-fits all approach to various jurisdictions throughout the Bay Area. Staff proposes to develop the PDA Planning Program guidelines in collaboration with the CMAs and other interested stakeholders.

Recommendation

Staff recommends referral of the project selection criteria and programming policy for the second round of the One Bay Area Grant Program (MTC Resolution No. 4202) to the Commission for approval.

Steve Heminger

Attachments:
Attachment 1 – OBAG 2 Program Considerations
Attachment 2 – OBAG 2 STP/CMAQ County Final Distribution
Attachment 3 – OBAG 2 Program County Considerations
Attachment 4 – OBAG 2 Tentative Development Schedule
Attachment 5 - OBAG 2 Stakeholder Comments

OBAG 2 Program Considerations	OBAG 1	OBAG 2
Regional Programs		(millions)
1. Regional Planning Activities • Continue regional planning activities for ABAG, BCDC and MTC with 2.0% annual escalation from final year of OBAG 1	$8	$10
2. Pavement Management Program • Maintain at OBAG 1 funding level	$9	$9
3. PDA Planning and Implementation • Maintain Regional PDA/TOD Planning and Implementation at OBAG 1 levels • Focus on cities with high risk of displacement	$20	$20
4. Climate Initiatives Program Continue climate initiatives program to implement the SCS	$22	$22
5. Priority Conservation Area (PCA) • Increase OBAG 1 Programs: $8M North Bay & $8M Regional Program for the five southern counties and managed with the State Coastal Conservancy • $6.4M redirected from OBAG 1 regional bike sharing savings. • Reduce match requirement from 3:1 to 2:1. • MTC funding to be federal funds. Support State Coastal Conservancy to use Cap and Trade and other funds as potential fund source for federally ineligible projects. • Regional Advance Mitigation Program (RAMP) net environmental benefits eligible for funding	$10	$16
6. Regional Operations • Active Operational Management, Columbus Day Initiative, Incident Management, Transportation Management System, 511, Rideshare • Focus on partnerships for implementation, key corridor investments, and challenge grant to leverage funding	$184	$170
7. Transit Priorities Program • BART Car Phase 1 • Clipper Next Generation System • Transit Capital Priorities (TCP), Transit Performance Initiatives (TPI)	$201	$189
	$454	**$436**
Local Programs		
❖ **Local PDA Planning** Eliminate Local PDA Planning as a separate program. • PDA planning eligible under County program.	$20	-
❖ **Safe Routes to School (SRTS)** Managed by CMAs. Provide Safe Routes To School grants to local jurisdictions. • Maintain Safe Routes to School – Add to county shares. • Use FY 2013-14 K-12 school enrollment formula • $25M minimum not subject to PDA investment requirements. • Counties may opt out if they have their own county SRTS program	$25	-
❖ **County Federal-Aid Secondary (FAS)** Managed by CMAs. Provide FAS funding to Counties. • Fully fund county FAS requirement ($2.5 M per year). Funding not included in OBAG 1 because FAS requirement had been previously satisfied. • $13M guaranteed minimum not subject to PDA investment requirements	-	-
	$45	**-**
County CMA Programs		
❖ **County CMA Program**		
• Local PDA Planning optional through CMA County OBAG Program	-	-
• SRTS included in County OBAG program (use K-12 school enrollment formula)	-	$25
• FAS included in County OBAG program (use FAS formula)	-	$13
• Adjustment to ensure county planning is no more than 50% of total amount	-	$1
• CMA Planning Base with 2.0% annual escalation from final year of OBAG 1	$34	$39
• County CMA 40% of base OBAG program (not including CMA Planning Base)	$293	$276
	$327	**$354**
Program Total	**$827**	**$790**

OBAG 2
STP/CMAQ
County Final Distribution
November 4, 2015

Attachment 2

Option	Population	Housing RHNA	Housing Production	Weighting within RHNA and Housing Production: Very Low + Low Income RHNA and Housing Production	Very Low + Low + Moderate Income RHNA and Housing Production	Total Housing Production
OBAG 1 Distribution	50%	25%	25%	50%	-	50%
OBAG 2 Affordable Housing	50%	20%	30%	60%	-	40%
OBAG 2 Affordable + Moderate	50%	20%	30%	-	60%	40%
OBAG 2 Production Housing Only	50%	0%	50%	60%	-	40%

Final county distribution includes SRTS & FAS and adjusted so a county CMA's base planning is no more than 50% of total

	Population 2014	1 OBAG 1	2 Affordable	3 Affordable+Moderate	4 Production Only
OBAG Cycle		OBAG 1	OBAG 2	OBAG 2	OBAG 2
Adjustments		Final Distribution	Final Distribution	Final Distribution	Final Distribution
Scenario		Final Distribution	Affordable	Affordable+Moderate	Production Only
RHNA Years (2007-2014)		Draft RHNA	Final RHNA	Final RHNA	No RHNA
Housing Production - 1999-2006		1999-2006 (Capped)	1999-2006 (Uncapped) 30%	1999-2006 (Uncapped) 30%	1999-2006 (Uncapped) 30%
Housing Production - 2007-2014		-	2007-2014 (Uncapped) 70%	2007-2014 (Uncapped) 70%	2007-2014 (Uncapped) 70%
Housing Affordability		Affordable	Affordable	Affordable+Moderate	Affordable
Alameda	21.2%	19.7%	20.1%	19.8%	19.2%
Contra Costa	14.6%	14.2%	13.7%	14.7%	14.1%
Marin	3.4%	3.3%	2.8%	2.8%	3.0%
Napa	1.9%	2.3%	2.2%	2.2%	2.2%
San Francisco	11.3%	11.7%	12.9%	12.3%	13.4%
San Mateo	10.0%	8.4%	8.5%	8.5%	7.9%
Santa Clara	25.2%	27.2%	27.7%	27.1%	27.3%
Solano	5.7%	5.9%	5.2%	5.5%	5.4%
Sonoma	6.6%	7.2%	7.1%	7.2%	7.7%

J:\PROJECT\Funding\T4-MAP21\MAP21 - STP-CMAQ\MAP21 Programming\MAP21 OBAG 2\OBAG 2 Development\County Fund Distribution\[OBAG 2 Distribution Scenarios.xlsx]County Distribution 10-08-15

1: OBAG1 final distribution after applying adjustments and SRTS & FAS categories
2. Affordable Housing Production Weighted - Proposed Distribution
3. Affordable AND Moderate Production Housing Weighted - Proposed Distribution
4. Affordable Housing Production Only - Proposed Distribution

NOTE: Figures have changed since initial July proposal due to updated housing data and changing 1999-2006 from capped to uncapped

OBAG 2 County Program Considerations

County Generation Formula

- Continue existing PDA investment targets of 50% for North Bay counties and 70% for all others.
- Consider housing production over a longer time frame, between 1999 and 2006 (weighted 30%) and between 2007 and 2014 (weighted 70%).
- Adjust the county generation formula. Three alternatives are under consideration for the distribution formula:

OBAG Distribution Factor Alternatives

	Population	Housing Production	Housing RHNA	Housing Affordability
OBAG 1	50%	25%	25%	50%
OBAG 2 *Affordable Housing*	50%	30%	20%	60%
OBAG 2 *Affordable + Moderate*	50%	30%	20%	60%*
OBAG 2 *Housing Production*	50%	50%	0%	60%

*Includes moderate as well as low and very low income levels for RHNA and housing production.

Housing Element

- Housing element certified by California Department of Housing and Community Development (HCD) by May 31, 2015.
- Annual report on housing element compliance.

Missed Deadline for Certified Housing Element

Jurisdiction	County
Fairfax	Marin
Half Moon Bay	San Mateo
Monte Sereno	Santa Clara
Dixon	Solano

General Plan Complete Streets Act Update Requirements

- For OBAG 1, jurisdictions are required to have either a complete streets policy resolution ***or*** a general plan that complies with the Complete Streets Act of 2008 by January 31, 2013.
- For OBAG 2, jurisdictions are required to have either a complete street policy resolution that includes MTC's nine required elements ***or*** a circulation element of the general plan updated after January 1, 2010 that complies with the Complete Streets Act of 2008. The deadline for compliance with this requirement is the date the CMAs submit their project recommendations to MTC. This modified approach focuses on the local complete streets resolution while acknowledging the jurisdictions that have moved forward with an updated circulation element in good faith of the requirements anticipated for OBAG 2.

PDA Investment and Growth Strategy

- Currently, OBAG 1 requires an annual update of the PDA investment and growth strategy. For OBAG 2, updates are required every four years with an interim status report after two years. The update would be coordinated with the countywide plan updates to inform Regional Transportation Plan (RTP) development decisions. The interim report addresses needed revisions and provides an activity and progress status.

Public Participation

- Continue using the Congestion Management Agency (CMA) self-certification approach and alter documentation submittal requirements to require a CMA memorandum encompassing three areas: public outreach, agency coordination and Title VI.

OBAG 2 Tentative Development Schedule

May-June 2015

- **Outreach**
  - Refine proposal with Bay Area Partnership and interested stakeholders
  - Policy Advisory Council / ABAG

July 2015

- **Present Approach to Programming and Allocation Committee (PAC)**
  - Outline principles and programs for OBAG 2

July-October 2015

- **Outreach**
  - Finalize guidance with Bay Area Partnership and interested stakeholders

November 2015

- **Commission Approval of OBAG 2 Procedures**
  - November Programming & Allocations Committee (PAC) and Policy Advisory Council
  - Commission approval of OBAG 2 procedures & guidance

December 2015 - October 2016

- **CMA Call for Projects**
  - CMAs develop county programs and issue call for projects
  - CMA project selection process
  - County OBAG 2 projects due to MTC (October 2016)

December 2016

- **Commission Approval of OBAG 2 Projects**
  - Staff review of CMA project submittals
  - Commission approves regional programs & county projects

NOTE:
2017 TIP Update: December 2016

February 2017

- **Federal TIP**
  - TIP amendment approval

October 2017

- **First year of OBAG 2 (FY 2017-18)**
  - On-going planning and non-infrastructure projects have access to funding

NOTE:
Plan Bay Area Update: Summer 2017

October 2018

- **Second year of OBAG 2 (FY 2018-19)**
  - Capital projects have access to funding

OBAG 2 Stakeholder Feedback Comment Log

May-October 2015

Policy Advisory Council		
5/13/2015		
Naomi Armenta	Representing the Disabled Community of Alameda County	Felt that it was unclear in the previous OBAG cycle that funds were eligible for mobility management projects. If such projects will be eligible under OBAG 2, recommended making that clear in the guidance.
Shireen Malekafzali	Representing the Low-Income Community of San Mateo County	Felt that the program was a successful incentive-based approach in terms of complete streets. Would like to see that incentive-based approach applied towards other goals, such as housing stability and affordability and ensuring that affordable housing can be incorporated into PDAs. Not sure how it might look, but would like to see an effort to address this challenging topic.
Alan Talansky	Economy Representative	Would like to see MTC making more of an effort to share the OBAG program and its link to Plan Bay Area to the public. People following Plan Bay Area and the PDAs would be interested to see what we are doing (like OBAG) to implement the plan.
Cathleen Baker	Environment Representative	Supported the continued incentive-based approach of the OBAG program. Would like to see this used to address the barriers and challenges to PDA implementation (referenced the presentation on PDA feasibility at May 8 MTC Planning-ABAG Administrative meeting).
		Appreciated upping the affordable housing element to 60%.
Bob Glover	Economy Representative	Reiterating Cathleen's comment, would like to see OBAG used to incentivize reducing the impediments and barriers to development of all types of housing and would also like to incentivize efforts that go above and beyond the levels of affordability required.
Richard Hedges	Representing the Senior Community of San Mateo	Noted that some of the impediments to developing affordable housing would need to be addressed in Sacramento. Cites example of 25% density bonus for providing below market housing, which overrides local land use for additional height and density.

Partnership Technical Advisory Committee		
5/18/2015		
Seana Gause	SCTA	Asked if the funding levels come in higher than projected, would MTC make the north bay counties whole (fund at OBAG 1 levels)?
		Asked about the new documentation requirements for outreach since some CMAs did extensive outreach for OBAG 1.

Brad Beck	CCTA	Suggested reaching out to CMA staff during the July-October outreach efforts to get insight and input on their experiences from the past cycle.
Bob Macaulay	STA	Regarding Attachment 1 - Noted that rolling the Local PDA program into the County program masked the big cuts to the County program, and that the increase in the Regional Planning Program didn't seem appropriate relative to the substantial cuts to the County program.

Active Transportation Working Group		
5/21/2015		
Marty Martinez	Safe Routes to School National Partnership	Concerned about how the SRTS program opt-out provisions and requested that safeguards be incorporated to ensure the continuation of SRTS programs.
Dan Dawson	Marin County	Agreed that the resolution approach for Complete Streets is a much more effective and workable strategy than General Plan policies.

CMA Executive Directors Meeting		
5/29/2015		
Bob Macaulay	STA	Concerned about the SRTS distribution formula being changed from student enrollment to the OBAG county distribution formula.
John Ristow	VTA	Discussion about PDAs and re-definitions of PDAs. Several areas are commercial/jobs-oriented and not residential, and should agencies should be able to consider these areas for focused investment.
		Commented that it makes sense to connect PDA Planning to the local level and delegate the program back to CMAs.
Art Dao	ACTC	Discussion about the name of the OBAG program. The word "One" was removed from the Plan Bay Area planning process but not the funding program. Concerned about dividing the inner vs. outer Bay Area.

Regional Advisory Working Group		
6/2/2015		
Bob Macaulay	STA	Cannot support the OBAG 2 program as proposed. The proposal amounts to additional responsibilities with less funding. Concerned about maintaining staffing levels.

Bob Macaulay	STA	Supported rewarding jurisdictions that are providing affordable housing, but not as currently presented. Would like to see all CMAs receive at least the same funding level as under OBAG 1. Additional funding could be used to reward those providing affordable housing.
Janet Spilman	SCTA	Reiterated the concern on the impacts of the proposed program on the North Bay counties.
		Concerned about the SRTS formula being changed from the original student enrollment formula.
Matt Vander Sluis	Greenbelt Alliance	Supported the revised county distribution formula. Would like to see that adjustment also occurring at the local level, since there is a great deal of variability within each county in terms of which jurisdictions are doing the most in terms of housing development.
		Supported the continued PCA grant program. Would like to see the program increased, and continue to focus on the areas with the most significant impact around the region.
Jeff Levin	East Bay Housing Authority	Supported the revised county distribution formula. Concerned about local level performance, and would like to see more emphasis on housing development efforts made at the local level rather than county level.
		Would like to see a requirement that jurisdictions submit their annual progress reports to the State and holding public hearings to ensure these housing plans are being assessed on a regular basis.
		Would like to see better oversight of the local planning grants to ensure they have adequate affordable housing and anti-displacement strategies.
		Requested better guidance be given to CMAs on how to assess housing components of PDA investments.
David Zisser	Public Advocates Inc., Attorney	Supported the additional weight for affordable housing production. Would like to encourage creating incentives for anti-displacement policies and programs.
Ellen Smith	BART	Concerned about cuts to the Transit Capital Program. Asked if additional funds become available, would the program be made whole or would it be directed to other programs?
Martin Engelmann	CCTA	Wanted clarification as to why the local PDA planning program was eliminated as a stand-alone program for the CMAs. Asked where the money was directed to in case we wanted to restore the program.
Clarrissa Cabansagan	TransForm	Appreciated the added emphasis on affordable housing production in the county distribution formula. Requested more regional leadership on the issue of displacement, and addressing displacement in the PDA process.

Brianne Riley	Bay Area Council	Felt that the program needed more teeth and more focus on performance outcomes. Ex.: Agencies that miss their RHNA production targets by a wide margin should repay funds received through the OBAG program.
Michelle Rodriguez	City of San Pablo	Wanted to ensure that the program focuses on improvements in key corridors - Regional PDA Program and SRTS Program.

Transit Finance Working Group		
6/3/2015		
Dierdre Heitman	BART	Did not support the TPI/TCP reduction in funds, especially relative to other programs that are either kept whole or increased.
		Felt that reductions should come from other programs rather than system preservation needs. Options include: (1) suspending the Climate Initiatives Program; and (2) cutting the regional PDA planning program, as there are fewer opportunities to use this funding and CMAs hands are already full with currently funded PDA Planning. Also, in Contra Costa it is hard to see PDA Planning impacts on funding decisions as the OBAG funding is at the outset split four ways among the sub-regions.
		Requested that if funding levels increase (i.e. through the reauthorization), the funds to be used to augment transit system preservation as the top program priority.

Email Correspondence		
6/4/2015		
Todd Morgan	BART	Recommended that the reduction to the Transit Priorities Program of $19M ($201M to $182M) be taken entirely from the $27M of TPI-Investment Round 3. The remaining $8M can then be added to TPI-Incentive to be distributed by the formula in place.

Planning Directors Meeting		
6/5/2015		
Bob Macauley	STA	Did not support reducing regional rideshare funding.
		Would like to keep PDA Planning at County level rather than Regional level.
Tess Lengyel	ACTC	Concerned more is being funded through OBAG as the revenues for OBAG are decreasing
		Commented regarding the 70% and employer outreach. Ross explained that projects like planning and outreach are split 30%-70% in OBAG

Tess Lengyel	ACTC	Asked about the timeline for the call for projects, and asked if it could be aligned with their own call. It was noted that the funds are federal and must comply with federal requirements and timelines. Asked if calls they had made for other programs could count for the call for OBAG as long as they have met all the requirements. Ross informed her that we would need appropriate documentation.
Martin Engelmann	CCTA	Commented regarding a dashboard and PDA evaluation. We do not have a PDA evaluation with regard to housing and investments yet, where is the resurgence in housing going? Is it going into PDAs?
Bob Macaulay	STA	Appreciated that the OBAG2 discussions started at the Executive Directors meeting.

Email Correspondence		
6/25/2015		
Marty Martinez	Safe Routes to School National Partnership	Regarding the distribution of funds for SRTS, sees the benefits of using either enrollment or the County distribution formula. Pleased with the recommendation to continue the full SRTS funding amount at $5 million.

Email Correspondence		
10/5/15		
Chema Hernandez Gil	San Francisco Bicycle Coalition	Requests that all or a significant fraction of the savings from the OBAG 1 Bikeshare project remain dedicated to bikeshare promotion or activation in OBAG 2.

Regional Advisory Working Group		
10/6/15		
Duane Dewitt	Sonoma County Resident	Concerned with the CMA outreach efforts (mentioned difficulty of attending workday daytime meetings)
Cynthia Armour	Bike East Bay	Would like to see OBAG 2 continue efforts related to complete streets, namely, requiring annual complete streets compliance reviews of local jurisdictions and updating and expanding the complete streets checklist
Carl Anthony	Breakthrough Communities	Would like to see increasing outreach, particularly in communities and cities most affected by displacement.

Ken MacNab	City of Napa	Thanked MTC and ABAG for the OBAG program
Jeff Levin	East Bay Housing Organizations	Appreciates the additional weight being given to housing production and affordability, but would like to see these factors being applied at the local level.
		Concerned that the language "applicable jurisdictions" in the housing reporting requirements excludes charter cities; would like all cities to be required to do annual reporting.
Derek McGill	Transportation Authority of Marin	Appreciates the increase in the PCA program, but overall feels the requirements on the local jurisdictions are too burdensome for the amount of funding they receive.
Alberto Esqueda	NCTPA	Seconded the previous commenter and raised concerns about the 50% minimum guarantee to CMAs; MTC staff pointed out that the minimum guarantee will be included in future OBAG 2 documents.
David Zisser	Public Advocates	Concerned that the linkage between the formula and the distribution is too vague; references letter from Six Wins that includes recommendations for how OBAG 2 can reward jurisdictions with the strongest anti-displacement policies.
Janet Spillman	Sonoma County Transportation Authority	Emphasized that OBAG projects are important to the local jurisdictions and neighborhoods where they are constructed, and that an important purpose of the program is to improve mobility.
Louise Auerhahn	Working Partnerships USA	Recommended adding more structure to the PDA Investment and Growth Strategies and using them as a place to address issues that are hard to include in the OBAG program directly (such as living wage jobs, requirements for improved outreach efforts)
Peter Cohen	Six Wins	Emphasized that the RTP/SCS acknowledges that housing, land use, transportation, etc. are all connected; OBAG should also address all of these elements

Bay Area Partnership Board		
10/9/15		
Daryl Halls	Solano Transportation Authority	Concerned that SRTS is no longer a regional program.
Sandy Wong	City/County Associate of Governments of San Mateo County	Asked why the county distribution formula is proposed to change with OBAG 2. Concerned with the affordability factor.
Craig Tackabery	Marin County & PTAC Chair	Shared concern from the PTAC meeting that the county programs had taken a bigger hit in the OBAG 2 proposal; staff

		responded that both the regional and county programs were both reduced by roughly 4%.
Suzanne Smith	Sonoma County Transportation Authority	Asked to see a pie chart showing how all of the funds from OBAG 1 were distributed, not just the county programs.
Daryl Halls	Solano Transportation Authority	Concern about including housing in the county distribution formula, since housing in their county is already affordable. Frustrated that the formula doesn't reflect what their county is doing for housing, since there have been so many foreclosures. Asked how MLIP and freight are included in OBAG. Thinks the PDA process is working well at the county level. Concerned that the PDA program in OBAG 2 is only a regional program.
Art Dao	Alameda County Transportation Commission	Discussed the tension between PDA investments and anti-displacement. MTC wants to encourage investment in PDAs, but an unintended consequence of that could be the increased the risk of displacement in PDAs. Urges MTC to be consistent in our message to local jurisdictions to continue focusing investment in PDAs; cautions adding additional parameters such as those related to anti-displacement. Pointed out the inconsistency in messaging from the state, which is more focused on the backlog of maintenance.
Derek McGill	Transportation Authority of Marin	Concerned about adding additional restrictions on how OBAG funds can be spent, since the amount of annual funding in Marin County is relatively nominal.
Tilly Chang	San Francisco County Transportation Authority	Issues in San Francisco are regional and will require a regional approach. Pointed out that regional operations program is becoming more multi-modal and state of good repair focused.
Suzanne Smith	Sonoma County Transportation Authority	Commented on how federal transportation funding has become increasingly the source of funds for all of the region's woes. Would like to see the State distribute Cap and Trade funds to the regions to manage, rather than making us rely solely on STP/CMAQ to address all of our regional issues.
Daryl Halls	Solano Transportation Authority	Reiterated Suzanne's comments.

Partnership Technical Advisory Committee		
10/19/2015		
Amber Crabbe	San Francisco County Transportation Authority	Would like to have more information on how the regional programs (transit and operations) will be put together and administered. Also asked how the needs assessments from Plan Bay Area will inform project selection in OBAG.
Bob Macaulay	STA	Would like to see the housing production in the county distribution formula give equal weight to previous production (1999-2006) and recent production (2007-2014), rather than additional weight to recent production.
		Does not agree with the revised complete streets requirements.
Amber Crabbe	San Francisco County Transportation Authority	Requested that MTC give additional time for compliance with the new complete streets requirements.
Marcella Rensi	VTA	Appreciated that the proposal does not include additional requirements to tie funding to the local level.

Letters Received
July – October 2015
Letters received following the July PAC Meeting, attached

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To: Ken Kirkey; Anne Richman
Cc: David Zisser; Miriam Chion (MiriamC@abag.ca.gov)
Subject: OBAG Recommendations

Hi Ken and Anne,

Following up on the letter submitted by the 6 Wins and allies in July and the discussion we had with you in August, we have attached some more detailed recommendations about how some of our suggested improvements to the One Bay Area Grant program could be implemented. They relate specifically to local affordable housing production, local anti-displacement and housing policies, and jobs data. For your reference, our original letter is also attached.

We understand that the OBAG program will be coming before the RAWG next week. We would also welcome another opportunity to sit down with you this month to discuss our suggestions in more detail.

Thanks for your attention,
Sam

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Sam Tepperman-Gelfant
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Recommended Modifications to the One Bay Area Grant Program to Advance Investment without Displacement, Affordable Housing, and Economic Opportunity:

September 30, 2015

This memo offers specific suggestions for operationalizing several of the improvements to the One Bay Area Grant (OBAG) Program recommended in our letter of July 2, 2015. As explained in that letter, the OBAG Program is one of the most important and innovative elements of Plan Bay Area, creating vital links between the regional plan and local implementation. When the OBAG program was first conceived, it was described as a mechanism to use transportation funding as an incentive to encourage local jurisdictions to do more to preserve and expand affordable housing, particularly since Plan Bay Area allocates substantial amounts of transportation funds but not affordable housing funds. The need for these incentives is all the more urgent given the loss of redevelopment funding and deep cuts in federal housing funds. Moreover, in adopting Plan Bay Area in 2013, MTC and ABAG committed to strengthening the ties between OBAG funding and "jurisdiction-level affordable housing planning, production, acquisition and rehabilitation" and "neighborhood stabilization and anti-displacement policies." [1] Now is the time to implement those changes and to ensure that critical data about jobs and wages is collected for this major expenditure of public dollars.

(1) <u>Strengthen the ties between *local* affordable housing production and OBAG funds.</u> We recommend adopting both of the following approaches to realizing OBAG's promise as an incentive and support to local jurisdictions that are embracing their role in meeting the regional need for affordable housing:

- Provide data about what percentage of each county's OBAG funding pool is attributable to every jurisdiction within that county, and direct CMAs to take this into account in evaluating project proposals. Currently, MTC and ABAG evaluate a variety of factors, including past and planned affordable and overall housing production, to determine each county's share of OBAG funding, but CMAs aren't required to take into account local policies and performance in determining local allocations of OBAG funds. The county-level allocation formula should be run for each local jurisdiction so that it is clear which cities accounted for the greatest weight in securing the county's share of OBAG funding. CMAs should then be given clear direction to prioritize projects in jurisdictions that have performed more strongly against these criteria.

- Direct CMAs to prioritize projects in jurisdictions that have produced a relatively greater percentage of lower-income (very low and low income) housing compared their target percentage over the last two RHNA cycles. That is, if lower-income housing constituted 50% of a jurisdiction's RHNA over this period, that jurisdiction would be performing well if substantially more than 50% of the housing actually produced was lower-income, and poorly if substantially less than 50% of the housing produced was lower-income. Jurisdictions should be evaluated based on how close they come to meeting, or how far they exceed, against this metric relative to other jurisdictions in that county. We specifically recommend measuring the low- and very-low income share of total production rather than absolute numbers for this metric in order to account for the difference in size of different jurisdictions. This metric would allow smaller jurisdictions with strong affordable-housing track records to compete against larger jurisdictions and also avoid "penalizing" jurisdictions with weaker markets where total production may have lagged.

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[1] Plan Bay Area 2013, page 122.

(2) Ensure that all local jurisdictions that receive funding have a locally appropriate set of anti-displacement and affordable housing policies in place, and prioritize funding to those jurisdictions that have particularly strong policies. In order to accomplish this goal, we recommend that a jurisdiction must have adopted and implemented a minimum number of key anti-displacement and affordable housing policies, and that a bonus be given to jurisdictions that exceed this minimum. This recommendation is similar to what we have proposed for the project performance evaluation process, as we believe that both processes should be mutually reinforcing.

ABAG maintains an inventory that lists every Bay Area jurisdiction and which of 30 policies or programs they have, as well as definitions of each policy or program.[2] Based on our experience, 8 of these policies or programs are generally the most effective at preventing displacement and creating affordable housing opportunities and should be used to assess project support: (1) condominium conversion ordinance, (2) just cause eviction, (3) rent stabilization, (4) mobile home preservation, (5) SRO preservation, (6) housing development impact fee or in-lieu fee, (7) commercial linkage fee, and (8) inclusionary/below market rate housing policy. We suggest adding a 9th policy to this list: local minimum wage above the state's minimum wage, because it addresses the other side of affordability – income. A summary of the number and percentage of jurisdictions that have these 9 policies and programs is attached as Appendix A, and a detailed list of the jurisdictions that have each policy or program is attached as Appendix B.[3]

- **Require that jurisdictions have at least 2 policies in order to qualify for project funding. Using these criteria, 87 local jurisdictions would qualify for funding.** The remaining jurisdictions should be given sufficient time to adopt policies from this list to qualify for funding. As with the Housing Element requirement for the first round of OBAG funding, the goal would be to encourage all jurisdictions to qualify for funding rather than preventing any jurisdiction from accessing funds.
- In addition, **jurisdictions with more policies from this list should be given funding priority.** Jurisdictions should be rewarded for strong performance. While having minimum standards for OBAG eligibility is important, it is also critical to reward jurisdictions that are going above that minimum to promote the regional imperative to stem the tide of displacement and create affordable housing.
- Lastly, bonus points should be given for jurisdictions that have rent stabilization and just cause policies, as these are particularly effective anti-displacement policies.

(3) Track and report on the number and wage levels of jobs directly created by OBAG expenditures, including construction, operations, and other jobs funded by either planning or project grants.

- Implement a pilot program to track and report on the jobs directly created by OBAG expenditures, including construction, operations, and other jobs funded by either planning or project grants. Reporting should include number, duration and wage range of direct jobs, as well as available data on employment of local and/or disadvantaged residents in those jobs. The pilot might focus on gathering data for a few representative projects of different types in order to help inform future rounds of OBAG and other investment activities.

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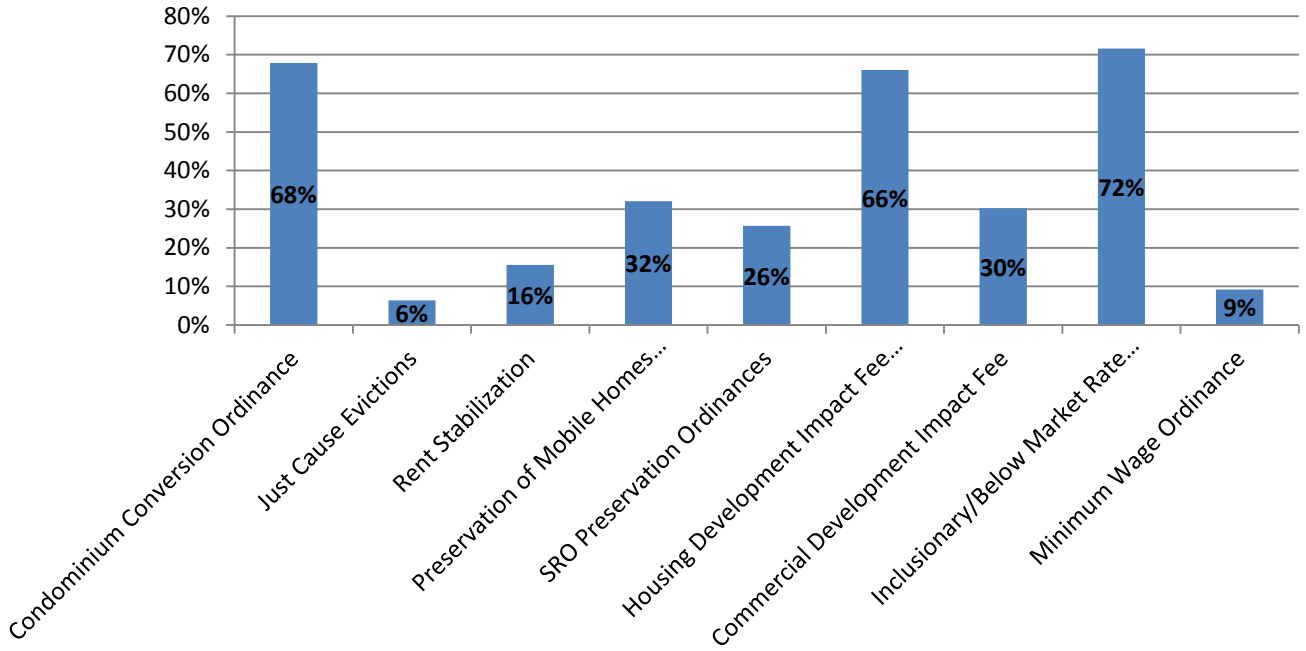
[2] See ABAG, Housing Research: Bay Area Housing Policy Database v.1.0 (January 2015), available at http://www.abag.ca.gov/planning/housing/research.html.

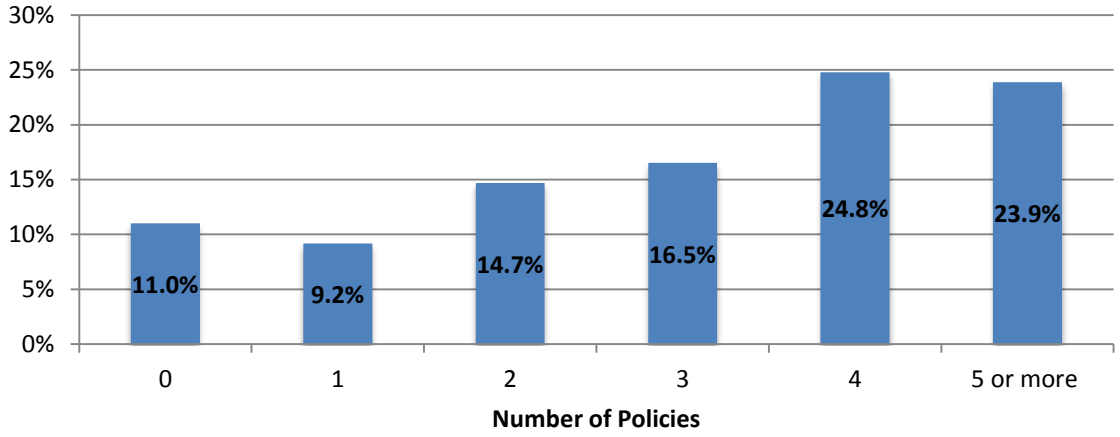
[3] Data on the minimum wage ordinances come from Working Partnerships USA. Data on the other 8 policies come from ABAG.

Appendix A:
Summary of Anti-Displacement and Affordable Housing Policies in the Bay Area

T1. Percentage of Jurisdictions in the Bay Area with Specific Key Policies



T2. Percentage of Jurisdictions with Key Policies Already in Place by Number of Policies



Number of policies	0	1	2	3	4	5 or more
Number of jurisdictions	12	10	16	18	27	26
Percentage of jurisdictions	11.0%	9.2%	14.7%	16.5%	24.8%	23.9%

Appendix B:
Anti-Displacement and Affordable Housing Policies by Jurisdiction

Alameda County																TOTAL YES (15)
Affordable Housing Policies and Programs	**Alameda**	**Albany**	**Berkeley**	**Dublin**	**Emeryville**	**Fremont**	**Hayward**	**Livermore**	**Newark**	**Oakland**	**Piedmont**	**Pleasanton**	**San Leandro**	**Union City**	**Unincorporated Alameda County**	
Condominium Conversion Ordinance	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	N	13
Just Cause Evictions	N	N	Y	N	N	N	Y	N	N	Y	N	N	Y	N	N	4
Rent Stabilization	N	N	Y	N	N	N	Y	N	N	Y	N	N	N	N	N	3
Preservation of Mobile Homes (Rent Stabilization ordinances)	N	N	N	N	N	Y	Y	N	N	Y	N	N	Y	Y	Y	6
SRO Preservation Ordinances	N	Y	N	N	N	N	N	N	N	Y	N	N	N	N	N	2
Housing Development Impact Fee and/or In Lieu Fees	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	14
Commercial Development Impact Fee	Y	Y	Y	Y	Y	N	N	Y	Y	Y	N	N	N	N	N	8
Inclusionary/Below Market Rate Housing Policy	Y	Y	Y	Y	Y	Y	Y	Y	N	N	N	Y	Y	Y	N	11
	N	N	Y	N	Y	N	N	N	N	Y	N	N	N	N	N	3
Total Yes	**4**	**5**	**7**	**4**	**5**	**4**	**6**	**4**	**2**	**8**	**1**	**3**	**5**	**4**	**1**	

Contra Costa County																					TOTAL YES (20)
Affordable Housing Policies and Programs	**Antioch**	**Brentwood**	**Clayton**	**Concord**	**Danville***	**El Cerrito***	**Hercules***	**Lafayette**	**Martinez**	**Moraga**	**Oakley**	**Orinda***	**Pinole***	**Pittsburg**	**Pleasant Hill***	**Richmond**	**San Pablo**	**San Ramon**	**Walnut Creek**	**Unincorporated Contra Costa County**	
Condominium Conversion Ordinance	Y	Y	Y	Y	Y	Y	N	N	Y	Y	N	N	N	Y	Y	Y	N	Y	Y	Y	14
Just Cause Evictions	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	N	N	N	1
Rent Stabilization	N	N	N	Y	Y	N	Y	N	N	N	N	N	N	N	N	Y	N	N	N	N	4
Preservation of Mobile Homes (Rent Stabilization	N	N	N	Y	N	N	N	N	N	N	Y	N	N	N	N	N	N	N	N	N	2
SRO Preservation Ordinances	Y	N	Y	Y	Y	N	Y	N	N	Y	Y	N	N	N	Y	Y	Y	Y	N	Y	12
Housing Development Impact Fee and/or In Lieu Fees	Y	Y	Y	Y	N	Y	Y	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	N	15
Commercial Development Impact Fee	Y	Y	N	N	N	N	N	N	Y	N	N	N	Y	N	N	Y	N	Y	Y	N	7
Inclusionary/Below Market Rate Housing Policy	N	Y	N	Y	Y	Y	Y	N	Y	N	Y	N	Y	Y	Y	Y	Y	Y	Y	Y	15
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	N	N	N	1
Total Yes	**4**	**4**	**3**	**6**	**4**	**3**	**4**	**0**	**4**	**2**	**4**	**0**	**3**	**3**	**4**	**8**	**3**	**5**	**4**	**3**	

Marin County													TOTAL YES (12)
Affordable Housing Policies and Programs	Belvedere	Corte Madera*	Fairfax	Larkspur*	Marin County	Mill Valley*	Novato*	Ross	San Anselmo*	San Rafael	Sausalito*	Tiburon	
Condominium Conversion Ordinance	Y	Y	N	N	Y	Y	Y	N	Y	Y	Y	Y	9
Just Cause Evictions	N	N	N	N	N	N	N	N	N	N	N	N	0
Rent Stabilization	N	N	N	N	N	N	N	N	N	N	N	N	0
Preservation of Mobile Homes (Rent Stabilization ordinances)	N	N	N	N	N	N	Y	N	N	Y	N	N	2
SRO Preservation Ordinances	N	N	N	N	N	N	N	N	N	Y	N	N	1
Housing Development Impact Fee and/or In Lieu Fees	N	N	Y	N	Y	Y	Y	N	Y	Y	N	UC	6
Commercial Development Impact Fee	N	Y	N	UC	Y	N	N	N	N	N	N	UC	2
Inclusionary/Below Market Rate Housing Policy	N	N	N	Y	Y	Y	Y	N	Y	Y	Y	Y	8
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	N	N	N	N	0
Total Yes	1	2	1	1	4	3	4	0	3	5	2	2	

Napa County							TOTAL YES (6)
Affordable Housing Policies and Programs	American Canyon	Calistoga	Napa	St. Helena*	Yountville	Unincorporated Napa County*	
Condominium Conversion Ordinance	Y	N	Y	Y	Y	N	4
Just Cause Evictions	N	N	N	N	N	N	0
Rent Stabilization	Y	N	N	N	N	N	1
Preservation of Mobile Homes (Rent	Y	Y	N	N	Y	Y	4
SRO Preservation Ordinances	N	N	Y	N	N	Y	2
Housing Development Impact Fee and/or In	N	Y	Y	Y	Y	Y	5
Commercial Development Impact Fee	N	Y	Y	N	Y	Y	4
Inclusionary/Below Market Rate Housing	Y	Y	Y	Y	Y	N	5
Minimum Wage Ordinance	N	N	N	N	N	N	0
Total Yes	4	4	5	3	5	4	

San Francisco County		TOTAL YES (1)
Affordable Housing Policies and Programs	**San Francisco**	
Condominium Conversion Ordinance	Y	1
Just Cause Evictions	Y	1
Rent Stabilization	Y	1
Preservation of Mobile Homes (Rent Stabilization	N	0
SRO Preservation Ordinances	Y	1
Housing Development Impact Fee and/or In Lieu Fees	Y	1
Commercial Development Impact Fee	Y	1
Inclusionary/Below Market Rate Housing Policy	Y	1
Minimum Wage Ordinance	Y	1
Total Yes	8	

San Mateo County																						TOTAL YES (21)
Affordable Housing Policies and Programs	**Atherton***	**Belmont***	**Brisbane**	**Burlingame**	**Colma**	**Daly City**	**East Palo Alto**	**Foster City**	**Half Moon Bay**	**Hillsborough**	**Menlo Park**	**Millbrae***	**Pacifica**	**Portola Valley***	**Redwood City**	**San Bruno***	**San Carlos**	**San Mateo**	**South San Francisco***	**Woodside**	**Unincorporated San Mateo County**	
Condominium Conversion Ordinance	N	Y	Y	Y	N	Y	Y	Y	Y	N	Y	Y	Y	N	N	N	N	N	Y	N	Y	12
Just Cause Evictions	N	N	N	N	N	N	Y	N	N	N	N	N	N	N	N	N	N	N	N	N	N	1
Rent Stabilization	N	N	N	N	N	N	Y	N	N	N	N	N	N	N	N	N	N	N	N	N	N	1
Preservation of Mobile Homes (Rent Stabilization	N	N	Y	N	N	N	Y	N	N	N	N	N	Y	N	N	N	N	N	N	N	Y	4
SRO Preservation Ordinances	N	N	Y	N	N	N	N	N	N	N	N	N	N	N	N	N	Y	N	Y	N	N	3
Housing Development Impact Fee and/or In Lieu Fees	N	N	Y	UC	N	Y	Y	N	N	N	Y	Y	Y	Y	Y	Y	Y	N	N	N	Y	11
Commercial Development Impact Fee	N	N	N	UC	N	N	N/A*	N	N	N	Y	N	N	N	Y	N	N	N	UC	N	N	2
Inclusionary/Below Market Rate Housing Policy	N	N	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	Y	Y	Y	Y	N	N	Y	N	Y	15
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	0
Total Yes	**0**	**1**	**5**	**2**	**1**	**3**	**6**	**2**	**2**	**0**	**4**	**3**	**4**	**2**	**3**	**2**	**2**	**0**	**3**	**0**	**4**	

Santa Clara County

Affordable Housing Policies and Programs	Campbell*	Cupertino	Gilroy	Los Altos	Los Altos Hills	Los Gatos	Milpitas	Monte Sereno	Morgan Hill	Mountain View	Palo Alto	San Jose	Santa Clara	Saratoga*	Sunnyvale	Unincorporated Santa Clara County*	TOTAL YES (16)
Condominium Conversion Ordinance	N	Y	Y	Y	N	N	Y	N	Y	Y	Y	N	Y	N	Y	N	9
Just Cause Evictions	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	0
Rent Stabilization	Y	N	Y	N	N	Y	N	N	N	N	N	Y	N	N	N	N	4
Preservation of Mobile Homes (Rent Stabilization ordinances)	N	N	Y	N	N	Y	Y	N	Y	Y	Y	Y	N	N	Y	N	8
SRO Preservation Ordinances	Y	Y	N	N	N	N	N	N	N	N	N	N	N	Y	N	N	3
Housing Development Impact Fee and/or In Lieu Fees	N	Y	Y	N	N	Y	N	N	Y	Y	Y	Y	Y	Y	Y	N	10
Commercial Development Impact Fee	N	Y	Y	N	N	N	N	N	N	Y	Y	N	N	N	Y	N	5
Inclusionary/Below Market Rate Housing Policy	Y	Y	Y	Y	N	Y	N	N	Y	Y	Y	Y	Y	N	Y	N	11
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	N	Y	Y	Y	Y	N	Y	N	5
Total Yes	**3**	**5**	**6**	**2**	**0**	**4**	**2**	**0**	**4**	**6**	**6**	**5**	**4**	**2**	**6**	**0**	

Solano County

Affordable Housing Policies and Programs	Benicia	Dixon	Fairfield	Rio Vista*	Suisun City*	Vacaville*	Vallejo*	Unincorporated Solano County*	TOTAL YES (8)
Condominium Conversion Ordinance	Y	N	Y	N	N	Y	Y	N	4
Just Cause Evictions	N	N	N	N	N	N	N	N	0
Rent Stabilization	N	N	N	N	N	N	N	N	0
Preservation of Mobile Homes (Rent Stabilization	Y	N	N	N	N	N	N	N	1
SRO Preservation Ordinances	N	N	Y	N	N	N	UC	Y	2
Housing Development Impact Fee and/or In Lieu Fees	Y	N	N	N	N	N	N	N	1
Commercial Development Impact Fee	N	N	N	N	N	N	N	N	0
Inclusionary/Below Market Rate Housing Policy	Y	Y	Y	N	N	N	UC	N	3
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	0
Total Yes	**4**	**1**	**3**	**0**	**0**	**1**	**1**	**1**	

Sonoma County											TOTALYES (10)
Affordable Housing Policies and Programs	**Cloverdale**	**Cotati**	**Healdsburg***	**Petaluma**	**Rohnert Park**	**Santa Rosa**	**Sebastopol**	Sonoma	**Windsor**	**Unincorporated Sonoma County***	
Condominium Conversion Ordinance	Y	Y	Y	Y	Y	Y	Y	Y	N	N	8
Just Cause Evictions	N	N	N	N	N	N	N	N	N	N	0
Rent Stabilization	N	Y	Y	Y	N	N	N	N	N	N	3
Preservation of Mobile Homes (Rent Stabilization	N	Y	Y	Y	Y	Y	Y	Y	N	Y	8
SRO Preservation Ordinances	Y	N	N	N	N	N	N	N	N	Y	2
Housing Development Impact Fee and/or In Lieu Fees	Y	Y	Y	Y	Y	Y	Y	N	Y	Y	9
Commercial Development Impact Fee	Y	Y	N	Y	N	N	Y	N	N	N	4
Inclusionary/Below Market Rate Housing Policy	Y	Y	Y	Y	Y	Y	Y	Y	Y	N	9
Minimum Wage Ordinance	N	N	N	N	N	N	N	N	N	N	0
Total Yes	**5**	**6**	**5**	**6**	**4**	**4**	**5**	**3**	**2**	**3**	

October 7, 2015

Mr. Steve Heminger
Executive Director
Metropolitan Transportation Commission
101 Eighth Street
Oakland, CA 94607

Re: Metropolitan Transportation Commission's (MTC) Support for a Bay Area Preservation Fund for Affordable Housing and Community Stabilization

Dear Mr. Heminger:

While housing costs soar across the region, long-time residents are increasingly at-risk of being displaced from their neighborhood or the region. Plan Bay Area 2040 will begin to address these issues with targets that include housing and transportation affordability and displacement. Building upon MTC's historic investments in the Transit-Oriented Affordable Housing Fund (TOAH), we are requesting that MTC set aside $10 million of One Bay Area Grant (OBAG) funding for two years to explore the creation of a Bay Area Preservation Fund that would target the preservation of affordable homes throughout the region's Priority Development Areas (PDAs).

Communities throughout the region are undergoing significant and rapid change. We recognize that change is inevitable especially in a region that is expected to grow by 2 million people by 2040. However, in many of these communities, the drivers of change include speculation, cash-only buyers, and surge of evictions coupled with strong market and demographic trends of living in urban neighborhoods well-serviced by transit. According to the Urban Displacement Project, 53% of Bay Area neighborhoods are at risk or already have experienced displacement. The Bay Area region has lost 50% of its homes affordable to low-income households while the number of low-income households has increased by 10% between 2000-2013.[1] Nobody feels this pinch more than Bay Area working families who pay astronomical rents, work several jobs to pay their bills—of which rent and transportation accounts for 59% of their income — and worry about their stability with rampant evictions.[2]

Cities and regions across the country are realizing that building affordable homes is not sufficient to address displacement: they also need to preserve existing affordable homes to achieve community stabilization. *Preservation generally costs half as much and takes half the time to build compared to new construction* and serves a wider range of incomes, from very low- to low-income households. Furthermore, preservation retains affordability in communities with limited sites available for new affordable construction.

MTC was forward-thinking in 2008 when creating TOAH which has been instrumental in securing the scarce and well-sought after sites near transit for affordable homes in our communities. Affordable housing has proven to be one of the best uses of this precious land because it both creates a permanent affordability and ensures ridership—lower-income households drive 25-30% fewer miles when living within a half-mile of transit than those living in non-transit-oriented development (TOD) areas.[3] With new state resources through the Greenhouse Gas Reduction Fund, specifically the Affordable Housing and Sustainable Communities program, TOAH will see an uptick in utilization helping to ensure the long-term affordability of a community.

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[1] Urban Displacement Project, http://www.urbandisplacement.org/
[2] Urban Land Institute, Bay Area Burden, 2009.
[3] California Housing Partnership and TransForm, Why Creating and Preserving Affordable Homes Near Transit Is A Highly Effective Climate Protection Strategy, 2014.

With TOAH focusing on new construction, the next wave of MTC's investment should focus on preservation of existing affordable homes. There are generally two types of homes that fall into this category, which include homes that are currently affordable because of deed restrictions and naturally-occurring affordable homes in the market. Through the Bay Area Prosperity Plan, the California Housing Partnership Corporation identified 5,495 units that are at risk of converting to market-rate because their deed restrictions are set to expire as determined by financing terms.

There is no estimate of the number of naturally-occurring affordable homes in the region, but Enterprise Community Partners and the Low-Income Investment Fund, who have been instrumental in the conceptualization of TOAH, have embarked on an in-depth preservation study of market-rate affordable housing. The case studies of three Bay Area neighborhoods of West San Carlos in San Jose, Monument Corridor in Concord, and Hegenberger Road in Oakland have yielded some interesting preliminary findings. The majority of naturally-occurring affordable units are in multi-family properties with 5 or less units. However, there are key properties next to transit that are 20 to 100 units that are appropriate for preservation since they are financially feasible to acquire and manage by non-profit housing developers. *There is a finite supply of these ideal properties for preservation, and now is the time to act before speculators and cash-only buyers prevail.*

Across the country we are seeing nascent preservation funds emerge in Los Angeles as the metro system expands, in Washington DC as the *Stake Your Claim* campaign is gaining cross-sector interest, and even in smaller cities like Austin, TX. Closer to home, the East Bay Asian Local Development Corporation (EBALDC) is piloting a preservation fund through a partnership with NeighborWorks where a line of credit has allowed EBALDC to compete with the same advantages as for-profit buyers.

We have learned from these cities and regions that in order for a preservation fund to be effective, there are two attributes that are paramount:

1. Nimble and quick—access to credit that allows non-profit housing developers to make all-cash offers with short escrow periods. In other words, level the playing field with for-profit buyers who have deep pockets.
2. Low-cost and patient—more favorable financing compared to conventional lenders such as low interest with a 10-year term. This allows for calculated risks, innovation, and flexibility as non-profit housing developers undertake preservation.

Leverage is the true power of a fund. We have seen this firsthand with an initial $10 million in seed investment by MTC in TOAH which is now capitalized at $87 million. As such, we propose that at the end of two years, cities and funders have a business plan and additional funding to operationalize the Bay Area Preservation Fund. Should no such proposal prove forthcoming, these funds can be returned to the OBAG program for distribution to deserving projects.

We recognize a Bay Area Preservation Fund alone will not stop displacement and gentrification, but we strongly believe that it is a critical next step MTC needs to embark on as inequality grows in the region. We look forward to MTC's leadership on this issue.

Sincerely,

Mayor Libby Schaaf
City of Oakland

Mayor Tom Butt
City of Richmond

Mayor John McAlister
City of Mountain View

Council Member David J. Canepa
City of Daly City

Kate Hartley
Deputy Director—Housing, Mayor's Office of Housing and Community Development
City and County of San Francisco

Jacky Morales-Ferrand
Interim Director—Department of Housing
City of San José

Kara Douglas
Affordable Housing Program Manager
Contra Costa County

Margot Ernst
Housing Program Manager
City of Walnut Creek

Kelly Wallace
Acting Director—Health, Housing & Community Services Department
City of Berkeley

Fred Diaz
City Manger
City of Fremont

Ross McKeown

From: Robert Macaulay <rmacaulay@sta.ca.gov>
Sent: Friday, October 23, 2015 3:30 PM
To: Ross McKeown
Subject: City of Dixon OBAG 2 Eligibility
Attachments: City of Dixon Housing Element Letter Oct 23 2015.pdf

On behalf of the City of Dixon, the STA is requesting that the City be deemed eligible to apply for and receive OBAG Cycle 2 funds with regards to the requirement to have a certified Housing Element. Please forward this letter to the appropriate staff and Committees at MTC.

Attached is a letter from the City of Dixon regarding the status of their Housing Element. The City received a letter from HCD on August 6, 2015, conditionally approving their Housing Element.

The OBAG guidelines set deadlines for cities to have approved Housing Elements in order to be eligible for OBAG 2 funds, and Dixon has had difficulties meeting these deadlines. I believe that the City's letter clearly spells out the challenges they have faced, including staffing issues, and the actions they have been taking to construct affordable housing in their community.

The City's letter also spells out a timeline for making the final change specified in the August 6 letter, and that timeline exceeds the January 31, 2016 deadline set by MTC. The City's timeline anticipates completion of the specific plan and zoning changes in the second quarter of 2016. Given the statutory and practical needs for notices, public input, and both Planning Commission and City Council action, I believe this is a realistic timeframe. The presence of numerous holidays between now and the end of January 2016, with the resultant reduction in the number of Planning Commission and City Council meetings, makes achievement of the specific plan and zoning changes in the next 90 days all but impossible.

Please feel free to call me or Dixon's Public Work Director Joe Leach at 707-678-7031 x 305 if we can provide you with any additional information.

Robert Macaulay
Director of Planning
rmacaulay@sta.ca.gov
(o) 707 399-3204
(c) 707 580-0458

MAYOR JACK BATCHELOR, JR.
VICE MAYOR JERRY CASTAÑON, SR.
COUNCILMEMBER STEVEN BIRD

COUNCILMEMBER SCOTT PEDERSON
COUNCILMEMBER TED HICKMAN
CITY TREASURER DANE BESNEATTE

October 23, 2015

Robert Macauley
Director of Planning
Solano Transportation Authority
One Harbor Center, Suite 130
Suisun City, CA 94585
rmacaulay@sta.ca.gov

RE: Dixon's 5th Cycle (2015-2023) Adopted Housing Element Implementation Schedule

Mr. Macauley,

Per our discussion over the last week, we understand that the Metropolitan Transportation Commission (MTC) staff has expressed to STA staff their concern that the City's Housing Element has been "conditionally" approved by the Department of Housing and Community Development (HCD) per the attached August 6, 2015 letter (Attachment 1) from Mr. Glen A. Campora, Assistant Deputy Director. MTC desires to gain information regarding how the City intends to completely fulfill the Housing Element requirements by the noted deadline of January 31, 2016.

In order to answer the questions of schedule, I believe it imperative that MTC understand the efforts the City has undertaken to achieve 234 planned/constructed units of the 250-unit Regional Housing Need Allocation (RHNA) requirement (Attachment 2, Table IV-2 on page IV-3).

1. Heritage Commons
    a. Phase 1 (***60 units***) – Construction completed in 2013
    b. Phase 2 (***54 units***) – under construction; scheduled to be completed in 2016
    c. Phase 3 (***6 units***) – planned
2. Valley Glen Apartments
    a. ***59 units*** – Construction completed in 2013
3. Various existing sites
    a. Zoned PMU-2-PD with allowable densities between 14.53 and 21.78 units/acre.
    b. Map ID No's. 1 through 7 – ***55 units*** (Attachment 2)

As detailed in the House Element Update (Attachment 2, Table IV-5, pps. V-19, V-20 & V-45), the balance of the 16 units would need to come from the Southwest Dixon Specific Plan Area (SWDSPA). Currently the SWDSPA reflects a Zoning Designation for the two parcels totaling 10.7 acres as RM-2 as a result of a rezone action in 2005 (see Attachment 3). These two

City of Dixon
600 East A Street • Dixon, California • 95620-3697
(707) 678-7030 • FAX (707) 678-7039 • TTY (707) 678-1489

parcels would need to be rezoned to RM-4 to yield total 231 units, 16 of which would be applied to the RHNA Cycle 4 shortfall.

It should be noted that as the site plans and infrastructure plans for SWDSPA were being developed in the mid-2000s, it was anticipated that the area in question would be rezoned to a higher density, as evidenced by the Conceptual Site Plan dated October 2006 (Attachment 4 denotes the clouded area yielding 231 units).

Additionally, and of extreme significance, the City has accomplished the above with temporary and/or part-time staff working aggressively with consultants. Amidst ongoing recruitment efforts, the City has been without a full time Community Development Director (CDD) since Fall 2012. The Department has been challenged by staff turnover: the departure of a part-time Associate Planner and a contract, part-time CDD (8+ years of local institutional knowledge); the addition of a CDD consultant (since August 2015) and full time Associate Planner (since September 2015). As it is not difficult to image, the result of these transitions has been the delay in processing projects. The recruitment effort for the position of CDD has been increased with the retaining of a professional placement consultant with the expectation of filling the position during the first quarter of 2016.

In an effort to continue to demonstrate the City's commitment to adhere the HCD requirements, we are proposing the Process/Schedule below:

Proposed Process/Tentative Schedule

1Q 2016 Complete Environmental Analysis for rezone of two parcels totaling 10.7 acres within the SWDSPA and impacts to Specific Plan Amendment and General Plan Amendment

1Q 2016 Noticing of Planning Commission Public Hearing

2Q 2016 Planning Commission Public Hearing of Rezone, SP/GP Amendments; City Council Adoption of Rezone/Amendments

It is acknowledged that the above schedule does not conform to the schedule noted in the HCD approval letter. It is the City's hope and expectation that MTC staff would consider both the level of effort demonstrated to date and the extenuating circumstances this municipality has weathered during the last several years.

Please contact me at 707-678-7031 x 305 or jleach@ci.dixon.ca.us if you have any questions or require any additional information.

Sincerely,

Joe Leach, PE
City Engineer/Public Works Director

Attachments

1 – HCD's approval letter of Dixon's Adopted Housing Element August 6, 2015
2 – City of Dixon Housing Element Update 2015-2023 (select pages)
3 – Ordinance No. 05-011 rezone of Southwest Dixon Specific Plan Area
4 – Conceptual Site Plan dated October 2006

CC: Jim Lindley, City Manager
Joan Michaels Aguilar, Deputy City Manager/Administrative Services
Douglas L. White, Churchwell White LLP, Legal Counsel
George Osner, Interim Community Development Director
Scott Greeley, Associate Planner
Jennifer Gastelum, PMC

STATE OF CALIFORNIA - BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY EDMUND G. BROWN JR., Governor
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT
2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov

August 6, 2015

Mr. Jim Lindley, City Manger
City of Dixon
600 East A Street
Dixon, CA 95620

Dear Mr. Lindley:

RE: City of Dixon's 5th Cycle (2015-2023) Adopted Housing Element

Thank you for submitting the City of Dixon's housing element adopted May 26, 2015 which was received for review on May 29, 2015. Pursuant to Government Code (GC) Section 65585(h), the Department is reporting the results of its review.

The adopted element conditionally meets the statutory requirements of State housing element law (GC, Article 10.6). The Department's review found the adopted element to be substantially the same as the revised draft element the Department's April 8, 2015 review determined met statutory requirements. The finding of compliance is conditioned on the City zoning adequate sites to address the unaccommodated housing need from the prior planning period.

Please be aware, for the housing element to continue to demonstrate adequate sites after January 31, 2016, the City must complete Program 5.3.1 actions. This program commits to rezone sites to accommodate the 16 unit carryover of housing need not met in the 4th cycle by January 31, 2016. Pursuant to GC Section 65584.09, a jurisdiction that failed to identify or make available adequate sites to accommodate all of the previous cycle's housing need must zone or rezone adequate sites to accommodate all of the previous cycle's unmet housing need within the first year of the next housing element cycle. The City must monitor and report on the results of this and other programs through the annual progress report, required pursuant to GC Section 65400.

Please note the City of Dixon now meets specific requirements for State funding programs designed to reward local governments for compliance with State housing element law. For example, the Department's Housing Related Parks Program includes housing element compliance as a threshold requirement. Please see the Department's website for specific information about this and other State funding programs at http://www.hcd.ca.gov/hpd/hrc/plan/he/loan_grant_hecompl011708.pdf.

Attachment 1

The Department appreciates the work provided by Mss. Jennifer Gastelum and Amy Sinshimer, the City's consultants, throughout the course of the housing element review. The Department wishes the City of Dixon success in implementing its housing element. If the Department can provide assistance in implementing the housing element, please contact Melinda Coy, of our staff, at (916) 263-7425.

Sincerely,

Glen A. Campora
Assistant Deputy Director

City of Dixon Housing Element Update 2015–2023

Draft

February 2015

Prepared by:

PMC®

2729 Prospect Park Drive, Suite 220
Rancho Cordova, CA 95670

Attachment 2

2. Options for Complying with the Adequate Site Requirement

State law requires jurisdictions to demonstrate that "adequate sites" will be made available over the planning period (2015–2023 for the ABAG region) to facilitate and encourage a sufficient level of new housing production. Jurisdictions must also demonstrate that appropriate zoning and development standards, as well as services and facilities, will be in place to facilitate and encourage housing. The Housing Element must inventory land suitable for residential development, including vacant and underutilized sites, and analyzes the relationship of zoning and public facilities and services to these sites.

In complying with the adequate site requirement, jurisdictions can take credit for the number of new units built during the RHNA cycle of 2014–2022 toward the RHNA. This includes new housing units either built or approved since January 1, 2014.

State law also allows jurisdictions to fulfill a portion of the RHNA with existing housing units. Under Assembly Bill (AB) 438, jurisdictions can fulfill up to 25 percent of the RHNA for lower-income households through the acquisition/rehabilitation of qualified substandard units that would otherwise be demolished. Given the stringent criteria of AB 438, few communities in the state have been able to take advantage of this provision.

AB 438 also authorizes jurisdictions to fulfill a portion of the RHNA through the preservation of affordable units that would otherwise revert to market rents (at-risk units) but are preserved through committed assistance from the jurisdiction. However, the high cost of preserving the at-risk units is beyond the current financial resources of the City.

The following discussion identifies how the City may provide for a sufficient number of sites to facilitate housing production commensurate with the 2014–2022 RHNA. In evaluating the adequacy of sites to fulfill the RHNA by income level, HCD assesses a jurisdiction's development potential by zoning district and corresponding density level.

3. Progress Toward Meeting Housing Needs

An important component of the Housing Element is the identification of sites for future housing development and evaluation of the adequacy of these sites in fulfilling Dixon's share of the Regional Housing Needs Allocation, as determined by ABAG.

In the 4th cycle Housing Element update, the City included Program 5.3.1, stating that the City would accommodate its remaining lower-income RHNA by rezoning enough sites to RM-4 to address a shortfall of 250 units. The City has since rezoned property and approved projects to accommodate all but 16 units of the 250. **Table IV-2** details the projects/sites that have addressed the requirements of Program 5.3.1.

TABLE IV-2
PROGRESS TOWARD ADDRESSING THE 4TH CYCLE RHNA SHORTFALL

APN	Project Description	Acreage	Units	Income-Category
116-030-150	Heritage Commons Affordable Senior Apartments	5.07	120	Extremely Low and Very Low
114-030-033	Valley Glen Rental Apartment Complex (farmworker housing)	5.00	59	Extremely Low and Very Low
Multiple	Upzoning of seven parcels to PMU-2	7.12	55	Extremely Low, Very Low and Low based on default density
Remaining RHNA			16	

In addition to the two approved projects in the table above, the City provided Redevelopment funds to two homes (on the same lot) that that care for up to 12 homeless veterans. The facility opened in 2009. This facility is considered transitional housing which is temporary by definition therefore the 12 beds don't count towards the 4th cycle RHNA.

In order to accommodate the 16 remaining units, rezoning of the Southwest Affordable Housing site is proposed. The two parcels that make up the site total 10.7 acres and are currently zoned RM-2. An affordable housing project for 131 units has been approved on a portion of the site. Per the Development Agreement, the units will be affordable to low-income households or lower depending on the final plans for development. In order to accommodate the densities allowed under the project, the site will need to be rezoned to RM-4, which allows densities between 22 and 29 units per acre, densities feasible to facilitate development of housing affordable to lower-income households in Dixon. Although a project has been approved on the site, building permits have not been approved and the project is not currently moving forward. Program 5.3.1 proposes to rezone the entire 10.7 acres; the City estimates that the site has a realistic capacity of 231 units (131 of these units have already been approved as part of the approved project as described above). The RM-4 zoning will have a minimum allowed density of 22 units per acre with a maximum of 29 units per acre. This program will be implemented within one year of the beginning of the 5th cycle planning period or January 31, 2016, and the remaining 215 units that can realistically be accommodated on the site will be available as part of the 5th cycle land inventory.

As part of the 2015–2023 Housing Element update, an analysis of the residential development potential in Dixon was conducted. City staff performed a parcel-specific vacant and underutilized sites analysis. The results of this analysis are summarized in **Table IV-3** and compared to the City's share of the RHNA.

TABLE IV-5
CITY OF DIXON LAND INVENTORY

Map ID	APN	Zone	Proposed Zone	Area	Allowable Density	General Plan Designation	Acres	Realistic Unit Capacity 75 percent	Existing Use	Infrastructure Capacity	Constraints	Exempt from Measure B
	HIGH DENSITY SITES											
1	115-060-120	PMU-2-PD	n/a	North First & East F Street	14.53- 21.78	Planned Mixed Use	0.15	11	Vacant	Yes	None	Yes
2	115-060-140			North First & East F Street		Planned Mixed Use	1.30		Vacant	Yes	None	Yes
3	115-070-160	PMU-2-PD	n/a	North First/Second Street	14.53- 21.78	Planned Mixed Use	1.67	17	Single family house	Yes	None	Yes
4	115-070-170						0.25		Vacant	Yes	None	Yes
5	115-070-180	PMU-2-PD	n/a				0.25		Vacant	Yes	None	Yes Yes
6	113-066-130	PMU-2-PD	n/a	Jefferson & West D Street	14.53- 21.78	Planned Mixed Use	2.56	20	Vacant	Yes	Drainage	Yes
7	113-066-020	PMU-2-PD	n/a	Jefferson & West D Street	14.53- 21.78	Planned Mixed Use	0.94	7	Grain silos	Yes	Drainage	Yes
							7.12	**55**				
	APPROVED BUT NOT APPROPRIATELY ZONED HIGH DENSITY SITES											
8	114-011-010	RM-2	RM-4	Southwest Dixon Specific Plan	21.78-29.04	MDH	10.70	115	Vacant	Yes	None	Yes, through 2020
9	114-011-040	RM-2	RM-4	Southwest Dixon Specific Plan	21.78-29.04	LD		100	Vacant	Yes	None	Yes, through 2020
	Total High Density						**17.80**	**215[1]**				
	SPECIFIC PLANS/PLANNED DEVELOPMENTS											
10	116-030-140	PMR	n/a	Brookfield Subdivision	5.46	MDL	3.48	19	Vacant	Yes	None	No
11	116-030-160	PMR	n/a	Brookfield Subdivision	8.33	MDL	12.12	101	Vacant	Yes	None	No
12	116-030-170	PMR	n/a	Brookfield Subdivision	8.46	MDL	9.81	83	Vacant	Yes	None	No
13	116-030-180	PMR	n/a	Brookfield Subdivision	5.06	MDL	15.20	77	Vacant	Yes	None	No
	Total Medium Density						**40.61**	**280**				
14	116-030-190	PMR	n/a	Brookfield Subdivision	3.46	LD	2.89	10	Vacant	Yes	None	No
15	116-030-200	PMR	n/a	Brookfield Subdivision	4.18	LD	11.70	49	Vacant	Yes	None	No
16	116-030-210	PMR	n/a	Brookfield Subdivision	3.80	LD	16.31	62	Vacant	Yes	None	No
17	114-030-230, 240 and 250	PMR-PD,R1-PD	n/a	Valley Glen Planned Development	3.53	VLD,LD,MDL,G	89.28	316	Vacant	Yes	None	No
	Total Low Density						**120.18**	**437**				

Source: City of Dixon, 2014
Note 1: The Development agreement for this project is for 231 units. 16 of those units are not shown in this table as they have been counted towards the 4th cycle RHNA.

Housing Program	Five-Year Objective	Progress	Continue/ Modify/Delete
development of affordable housing. ***Responsible Agency:*** Community Development Department ***Time Frame:*** Annually ***Funding:*** General Fund	unused allotment to be used in the following five-year period would apply in addition to the 15 percent already allowed.	development. Therefore, communication with developers interested in affordable housing regarding the availability of unused Measure B allotments has not been appropriate. The Council has not passed a resolution stating that unused allotments used in the following five-year period would apply in addition to the 15 percent already allowed. **Appropriate:** Modify to clarify language in objective and continue.	
5.3.1 **Program to Rezone Sites:** The City's residential sites inventory currently provides vacant land for 2,338 units within the planning period of this Housing Element. To meet the adequate sites requirement for the Regional Housing Need Allocation (RHNA), the sites inventory falls short of the lower-income housing production requirement by 250 units, as shown in Table IV-3 of the Resources section of the Housing Element. The City has identified approximately 30.13 acres of land to rezone to RM-4 (High Density Multi-family Residential, allowing 22-29 units per acre) that can potentially facilitate the development of approximately 489 units affordable to lower-income households.	The City will amend the Zoning Ordinance by June 2010 to include both a RM-3 and RM-4 district. The City plans to rezone 30.13 acres of land to the RM-4 district to facilitate the development of affordable housing. The City also plans to rezone the High Density Senior site (Simpson Senior Housing) to the new RM-4 district.	**Effectiveness:** This program was substantially effective. **Progress:** In 2009, the Core Area Mixed Use land use allowable density was changed from a maximum of 8.7 units per acre to a range of 6.23 to 21.78 units per acre. The City has rezoned property and approved projects to accommodate all but 16 units of the 250. The projects/sites that have addressed the program requirements include: • Rezone of seven parcels, totaling 7.12 acres from PMU-1 to the newly created PMU-2 (allowing up to 21.78 units per acre)	Modify

Housing Program	Five-Year Objective	Progress	Continue/ Modify/Delete
The City has in the past rezoned property to address the need for housing, particularly for housing that would serve lower-income and special needs groups. Both the sites for the La Esperanza project and the Dixon Second Street Senior Apartments were rezoned from nonresidential uses to permit housing development. The City will monitor compliance with the City's share of the regional housing need. Within one year of adoption of the Housing Element, the City will undertake steps to ensure that adequate sites are available to meet the City's share of the regional housing need through rezoning of land for multi-family development and/or increasing the density of sites. All rezoned sites permit owner-occupied and rental multi-family developments by right and do not require a conditional use permit, planned development permit or any other discretionary review. All sites to be rezoned to meet the City's shortfall will have a capacity of at least 16 units per site. ***Responsible Agency:*** Community Development Department ***Time Frame:*** June 2010		• Rezone of 5.07 acres to RM-4 and approving the 120-unit very low-income Heritage Commons senior apartment project. Phase I (60 units) has been constructed. • Approval of a farmworker affordable housing project on 5 acres for 59 units. **Appropriateness:** This program will be modified and continued to address the 16 remaining RHNA units from the 4th cycle.	

Policy 5.3: **Ensure that adequate sites are available for affordable housing development throughout the city.**

Program 5.3.1 **Program to Rezone Sites:** Program to Rezone Sites: The City made substantial progress toward rezoning sites and approving projects to address the 250-unit Regional Housing Need Allocation (RHNA) shortfall from the 4th cycle Housing Element as shown in Table IV 2 of the Resources section of the Housing Element. After taking these efforts into account, a shortfall of 16 units affordable to lower-income households remains for the 4th cycle. In order to accommodate the 16 remaining units, redesignation and rezoning of the Southwest Affordable Housing site is proposed. The two parcels that make up the site total 10.7 acres and are currently designated MDH and zoned RM-2. An affordable housing project for 131 units has been approved on a portion of the site. In order to accommodate the densities allowed under the project, the site will need to be rezoned to RM-4, which allows densities between 22 and 29 units per acre, densities feasible to facilitate development of housing affordable to lower-income households in Dixon. A General Plan Amendment will also be required for the site to redesignate it to HD allowing 21.78 to 29.04 units per acre. Although a project has been approved on the site, building permits have not been approved and the project is not currently moving forward. This program proposes to redesignate/rezone the entire 10.7 acres; the City estimates that the site has a realistic capacity of 231 units (131 of these units have already been approved as part of the approved project as described above). The HD designation/RM-4 zoning will have a minimum allowed density of 21.78 units per acre with a maximum of 29.04 units per acre and allows residential uses only. This program will be implemented within one year of the beginning of the 5th cycle planning period or January 31, 2016.

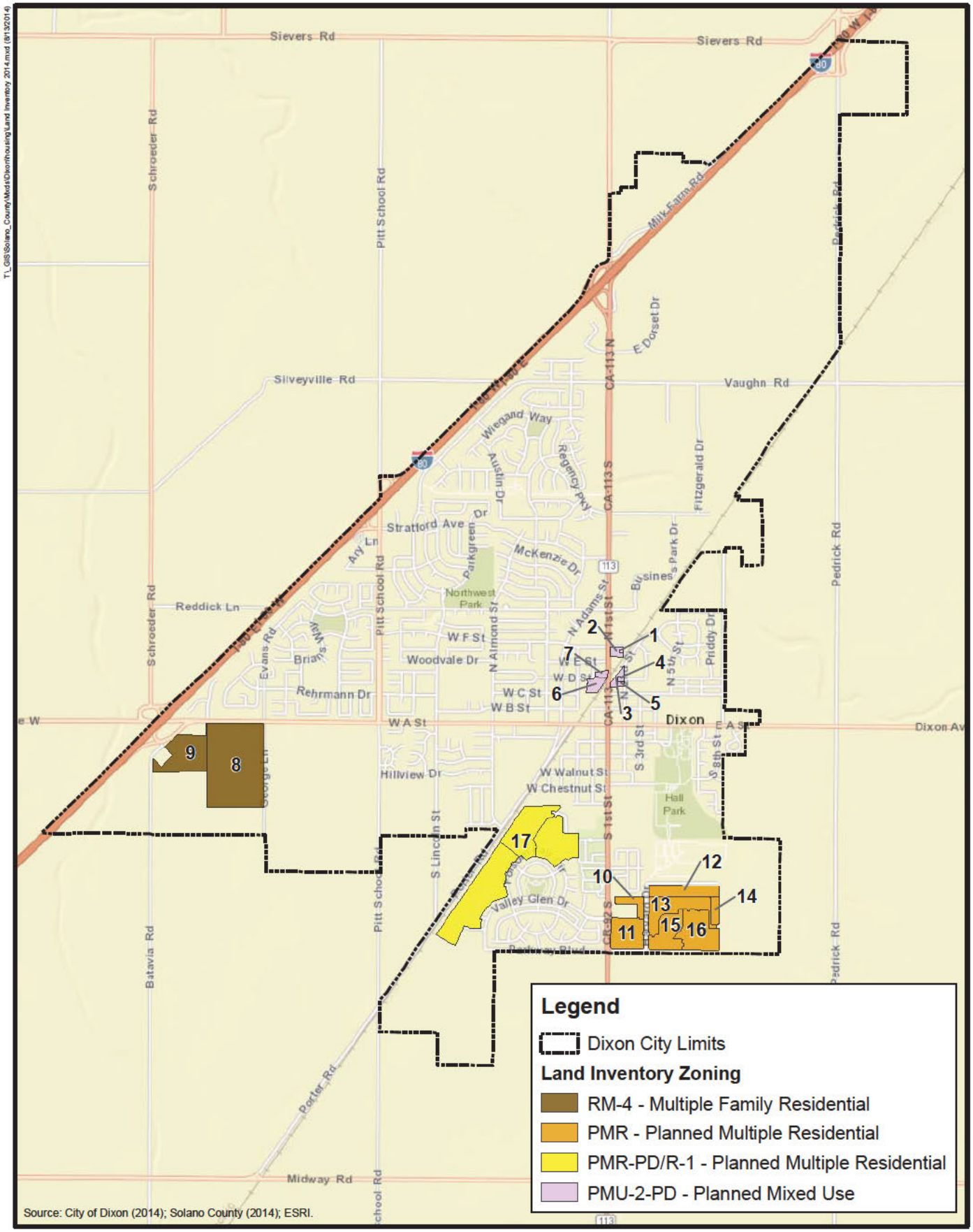
The City will monitor compliance with Dixon's share of the regional housing need. Within one year of adoption of the Housing Element, the City will undertake steps to ensure that adequate sites are available to meet the City's share of the regional housing need by rezoning of land for multi-family development and/or increasing the density of sites. The site proposed for rezoning permits owner-occupied and rental multi-family developments by right and does not require a conditional use permit, planned development permit, or any other discretionary review.

Eight-Year Objective: The City will rezone the 10.7-acre Southwest Affordable Housing site within one year of the beginning of the 5th cycle Housing Element planning period, by January 31, 2016. The City will also prepare a General Plan Amendment to redesignate the land use category to High Density (HD) for consistency with the RM-4 zoning.

Responsible Agency: Community Development Department

Time Frame: January 31, 2016

Funding: General Fund



Appendix A
Land Inventory Map

PMC

Attachment 2

ORDINANCE NO. 05-011

AN ORDINANCE REZONING APPROXIMATELY 477 ACRES IN THE SOUTHWEST DIXON SPECIFIC PLAN AREA (ASSESSOR'S PARCEL NO.'s: 114-011-010, 030, & 040; 114-012-020; 114-011-020; 114-011-080; 114-141-240; 114-040-020 & 030; 114-011-050; 114-141-230; 114-011-130; 114-011-040 & 060; 109-030-090 & 100; 114-141-250; 114-012-030; 114-020-010; 114-011-120; AND 114-012-040) AND DIRECTING THAT THE OFFICIAL ZONING MAP OF THE CITY BE AMENDED ACCORDINGLY

THE CITY COUNCIL OF THE CITY OF DIXON ORDAINS AS FOLLOWS:

Section 1. The City Council finds and determines as follows:

(a) An application was made to the City for the rezoning of several properties located in the Southwest Dixon Specific Plan Area (the "Southwest Properties" consisting of Assessor's Parcel No.'s 114-011-010, 030, & 040; 114-012-020; 114-011-020; 114-011-080; 114-141-240; 114-040-020 & 030; 114-011-050; 114-141-230; 114-011-130; 114-011-040 & 060; 109-030-090 & 100; 114-141-250; 114-012-030; 114-020-010; 114-011-120; and 114-012-040). The proposed rezoning of the Southwest Properties is depicted in Exhibit "A" attached hereto and made a part hereof.

(b) The acting Community Development Director made an investigation of the proposed rezoning pursuant to Section 12.30.06 of the City of Dixon Zoning Ordinance ("Zoning Ordinance") and submitted a report thereon to the Planning Commission.

(c) The Planning Commission held a properly noticed public hearing on the proposed rezoning on September 12, 2005, and after considering all of the evidence, made specific findings that the proposed rezoning is necessary to achieve the objectives of the Zoning Ordinance as prescribed in Section 12.01.01 and the proposed rezoning is consistent with the City of Dixon's General Plan, as amended, and the revised Southwest Dixon Specific Plan and recommended approval of the proposed rezoning.

(d) The City Council held a properly noticed public hearing on the proposed rezoning on October 11, 2005, and considered the Planning Commission recommendations, the report of the acting Community Development Director, any public comments and all documents or testimony received.

Section 2. The City Council specifically finds and determines as follows:

(a) The proposed rezoning is necessary to achieve the objectives of the Zoning Ordinance as prescribed in Section 12.01.01.

(b) The proposed rezoning is consistent with the City of Dixon's General Plan, as amended, and the revised Southwest Dixon Specific Plan.

(c) The City Council certified the Southwest Dixon Specific Plan Environmental Impact Report which covers the proposed rezoning on September 28, 2004 and no additional environmental review of this rezoning is required by law, ordinance, or regulation.

Section 3. Pursuant to the provisions of Section 12.30 of the Zoning Ordinance and Government Code Section 65853, the Southwest Properties are hereby rezoned as depicted on the attached Exhibit "A".

Section 4. Pursuant to Section 12.30.09, the City Clerk is hereby directed to cause the Official Zoning Map of the City of Dixon to be revised to reflect the rezoning approved by this ordinance.

Section 5. This Ordinance shall become effective thirty (30) days after its adoption.

Section 6. The City Clerk shall cause this Ordinance to be published in the Dixon Tribune, a newspaper of general circulation in the City of Dixon, within fifteen (15) days of its enactment; shall certify to the enactment and publication of this Ordinance, and shall cause this Ordinance and its certifications to be entered in the Book of Ordinances of the City.

***

The foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Dixon duly held on the 11th day of October, 2005 and was approved and enacted at a duly held regular meeting or adjourned regular meeting of the City Council held on the 8th day of November, 2005 by the following roll call vote:

AYES: Alexander, Ferrero, Smith, Vega, Courville

NOES: None

ABSTAIN: None

ABSENT: None

ATTEST:

Janice M. Beaman
City Clerk

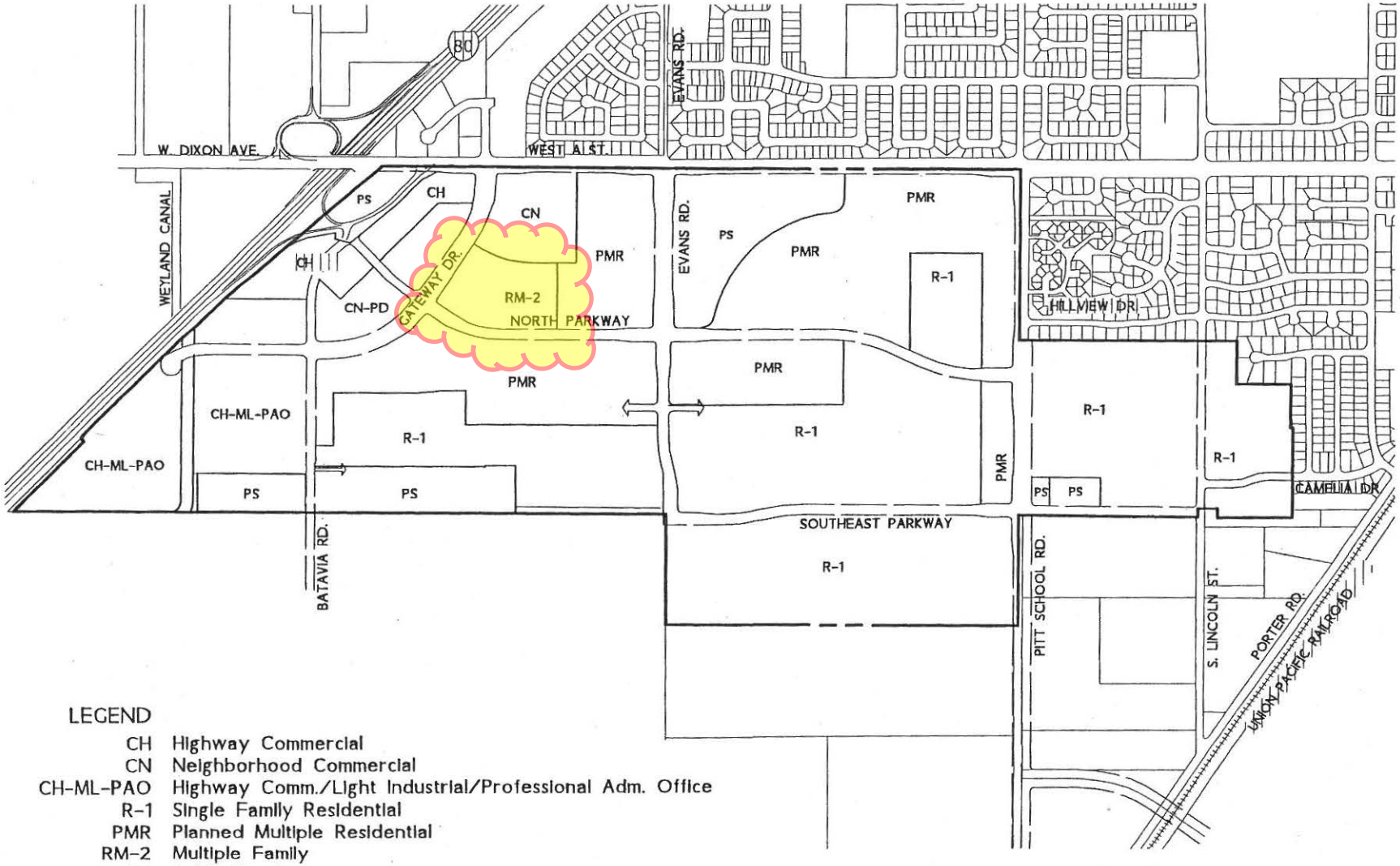
Mary Ann Courville
Mayor

N:\City Clerk\Ordinances\Southwest Rezone 10.11.05.doc

Attachment 3

ORDINANCE NO.: 05-011

DATE: NOV 08 2005



LEGEND

CH	Highway Commercial
CN	Neighborhood Commercial
CH-ML-PAO	Highway Comm./Light Industrial/Professional Adm. Office
R-1	Single Family Residential
PMR	Planned Multiple Residential
RM-2	Multiple Family
PS	Public Service
———	Southwest Dixon Plan Area

EXHIBIT A - ZONING

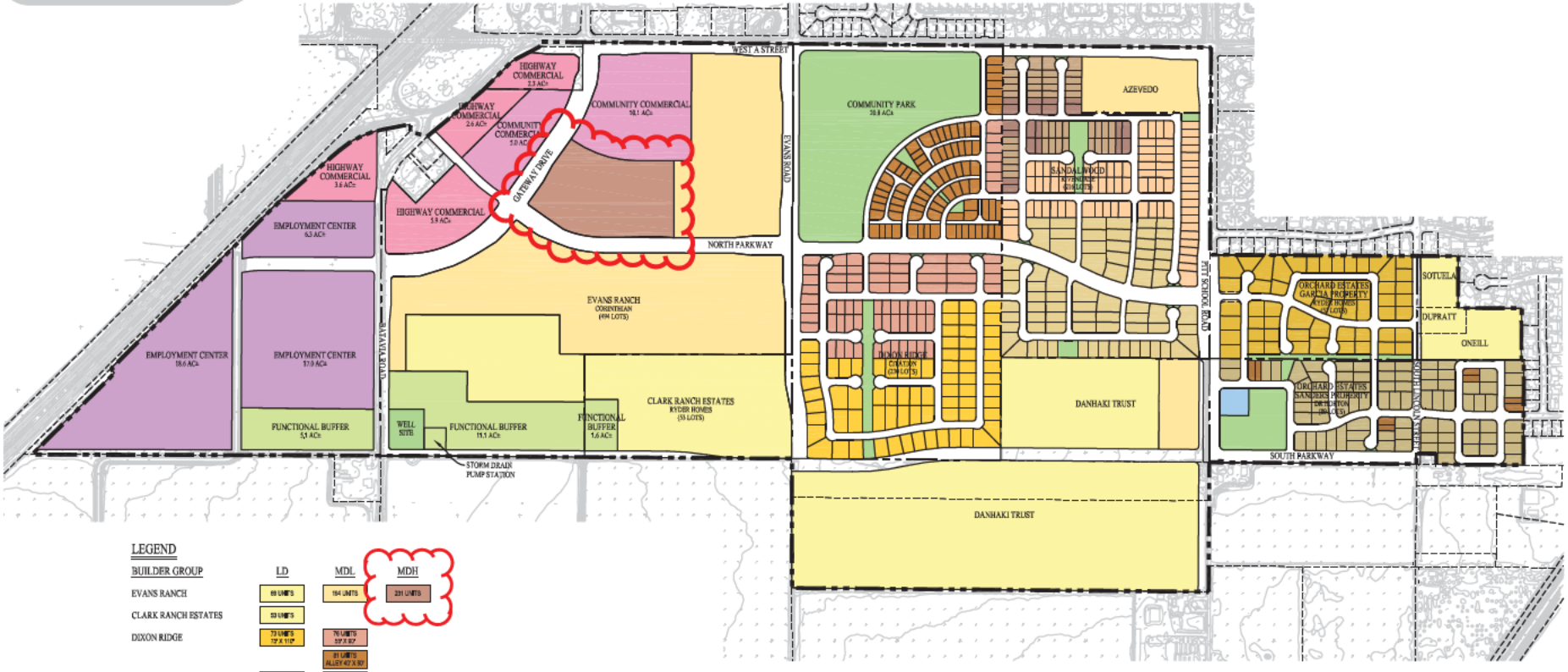
SOURCE: NOLTE ASSOC., INC.

Attachment 3

ORDINANCE NO.: 05-011

DATE: NOV 08 2005

DRAFT



LEGEND

BUILDER GROUP	LD	MDL	MDH
EVANS RANCH	68 UNITS	194 UNITS	231 UNITS
CLARK RANCH ESTATES	53 UNITS		
DIXON RIDGE	73 UNITS 73' X 110'	76 UNITS 55' X 90'	
		81 UNITS ALLEY 40' X 90'	
SANDALWOOD	73 UNITS 60' X 110'	81 UNITS 50' X 100'	
		42 UNITS Z LOT 40' X 100'	
		70 UNITS DUETS 40' X 100'	
ORCHARD ESTATES (GARCIA)	57 UNITS 60' X 100'		
ORCHARD ESTATES (SANDERS)	61 UNITS 60' X 110'	4 UNITS DUETS 40' X 100'	
TOTAL	498	592	231 = 1139

FUTURE DEVELOPMENT

LD

MDL

CONCEPTUAL SITE PLAN

SOUTHWEST DIXON SPECIFIC PLAN

CITY OF DIXON SOLANO COUNTY CALIFORNIA

0' 300' 900' 1200'

SCALE: 1" = 300' DATE: OCTOBER 2006

Carlson, Barbee & Gibson, Inc.

Attachment 4

CITY OF HALF MOON BAY

City Hall • 501 Main Street • Half Moon Bay • 94019

October 20, 2015

Ms. Anne Richman
Programming and Allocations Committee
Metropolitan Transportation Commission
101 8th Street, Oakland, CA 94607

Subject: One Bay Area Grant Program (OBAG 2) Funding

Dear Ms. Richman,

On behalf of the City of Half Moon Bay I am respectfully requesting that the Metropolitan Transportation Commission (MTC) consider either an exception, waiver or an extension to the May 31, 2015 Housing Element certification deadline. Half Moon Bay has made steady and diligent progress in completing the Department of Housing and Community Development (HCD) Housing Element certification process as noted below:

- March 3, 2015 City Adoption of the Housing Element
- April 14, 2015 HCD Conditional Approval of the Housing Element
- September 15, 2015 City Adoption of Housing Ordinance Amendments
- October 5, 2015 HCD Certification of Housing Element

As you can see from the above timeline, the City was well on our way towards completing the HCD certification process in advance of the May 31, 2015 MTC deadline as demonstrated by the City's adoption in March, 2015, and the conditional HCD approval in April, 2015.

As you may know, the City of Half Moon Bay has experienced significant financial constraints and hardships, and we have just recently been able to rebuild our revenues and catch up on badly needed infrastructure maintenance and capital improvement projects. These OBAG 2 grant funded projects represent opportunities for serious improvements in the lives of residents, businesses and visitors to this community and the coastside in general. I urge you to favorably consider allowing us to continue to be eligible for this cycle of OBAG 2 funding.

Sincerely,

Magda Gonzalez, For
City Manager

cc: Mayor and City Council
John Doughty, Interim Community Development Director
Mo Sharma, City Engineer
Bruce Ambo, Planning Manager
Ross McKeown, MTC
Eliza Yu, MTC

Transportation Authority of Marin

900 Fifth Avenue
Suite 100
San Rafael
California 94901

Phone: 415/226-0815
Fax: 415/226-0816

www.tam.ca.gov

Belvedere
Sandra Donnell

Corte Madera
Diane Furst

Fairfax
John Reed

Larkspur
Dan Hillmer

Mill Valley
Stephanie Moulton-Peters

Novato
Madeline Kellner

Ross
P. Beach Kuhl

San Anselmo
Ford Greene

San Rafael
Gary Phillips

Sausalito
Tom Theodores

Tiburon
Alice Fredericks

County of Marin
Damon Connolly
Katie Rice
Kathrin Sears
Steve Kinsey
Judy Arnold

October 22, 2015

Mr. Steve Heminger
Executive Director
Metropolitan Transportation Commission
101 Eighth Street
Oakland, California 94607

Dear Mr. Heminger:

TAM has actively participated in numerous discussions regarding the upcoming One Bay Area Grant program, OBAG 2. The most recent discussions include policy consideration by MTC of more closely tying the distribution of funds within each county to the estimated production of housing. TAM extends our concerns over further restrictions on this vital resource. We rely on this resource to further our substantial progress towards greenhouse gas emissions reduction in the transportation sector.

In the first round of OBAG, TAM received $7.7 million for projects and programs. Engaging in a robust outreach process, TAM recommended programming the $7.7 million to a variety of multi-modal projects. TAM was able to capture nearly $19 million in other local and regional funds resulting in a portfolio of projects under OBAG1 exceeding $25 million. This would not be possible under a formulaic share scenario.

The submission and selection of specific projects follows local jurisdiction planning processes that bring the top priority projects forward for consideration. This prioritization enables local governments to better match funds that they seek from the OBAG program. The resultant program that TAM developed under OBAG1 exceeded by over 200% the funds made available by MTC alone. TAM believes that retaining that process of planning, prioritizing, and local government support has worked exceptionally well and should not be hampered under OBAG 2.

We have been able to effectively reduce greenhouse gas emissions with transportation investments such as our very successful Safe Routes to Schools and Electric Vehicle support programs. We would be remiss in believing that the best projects for our community and the best reduction of greenhouse gas emissions could be met under a more stringent and limited formulaic process. We do not support going down this path.

We will continue to participate in the process of seeking input and appreciate your consideration of this recommendation.

Sincerely,

Dianne Steinhauser

DS/dmm

Date: November 18, 2015
W.I.: 1512
Referred by: Programming & Allocations

ABSTRACT

Resolution No. 4202

Adoption of the project selection policies and project programming for the second round of the One Bay Area Grant program (OBAG 2). The project selection criteria and programming policy contain the project categories that are to be funded with various fund sources including federal surface transportation act funding available to MTC for its programming discretion to be included in the federal Transportation Improvement Program (TIP) for the OBAG 2 funding period.

The resolution includes the following attachments:

Attachment A – Project Selection Criteria and Programming Policy
Attachment B-1 – Regional Program Project List
Attachment B-2 – County Program Project List

Further discussion of the project selection criteria and programming policy is contained in the memorandum to the Programming and Allocations Committee dated November 4, 2015.

Date: November 18, 2015
W.I.: 1512
Referred By: Programming & Allocations

RE: One Bay Area Grant Program Second Round (OBAG 2) Project Selection Criteria and Programming Policy

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4202

WHEREAS, the Metropolitan Transportation Commission (MTC) is the Regional Transportation Planning Agency (RTPA) for the San Francisco Bay Area pursuant to Government Code Section 66500 et seq.; and

WHEREAS, MTC is the designated Metropolitan Planning Organization (MPO) for the nine-county San Francisco Bay Area region and is required to prepare and endorse a Transportation Improvement Program (TIP) which includes federal funds; and

WHEREAS, MTC is the designated recipient for state and federal funding assigned to the RTPA/MPO of the San Francisco Bay Area for the programming of projects; and

WHEREAS, state and federal funds assigned for RTPA/MPO programming discretion are subject to availability and must be used within prescribed funding deadlines regardless of project readiness; and

WHEREAS, MTC, in cooperation with the Association of Bay Area Governments (ABAG), the Bay Area Air Quality Management District (BAAQMD), the Bay Conservation and Development Commission (BCDC), California Department of Transportation (Caltrans), Congestion Management Agencies (CMAs), county Transportation Authorities (TAs), transit operators, counties, cities, and interested stakeholders, has developed criteria, policies and procedures to be used in the selection of projects to be funded with various funding including regional federal funds as set forth in Attachments A, B-1 and B-2 of this Resolution, incorporated herein as though set forth at length; and

WHEREAS, using the policies set forth in Attachment A of this Resolution, MTC, in cooperation with the Bay Area Partnership and interested stakeholders, will develop a program of projects to be funded with these funds for inclusion in the federal TIP, as set forth in Attachments B-1 and B-2 of this Resolution, incorporated herein as though set forth at length; and

WHEREAS the federal TIP and subsequent TIP amendments and updates are subject to public review and comment; now therefore be it

RESOLVED that MTC approves the "Project Selection Criteria and Programming Policy" for projects to be funded in the OBAG 2 Program as set forth in Attachments A, B-1 and B-2 of this Resolution; and be it further

RESOLVED that the regional discretionary funding shall be pooled and distributed on a regional basis for implementation of project selection criteria, policies, procedures and programming, consistent with the Regional Transportation Plan (RTP); and be it further

RESOLVED that the projects will be included in the federal TIP subject to final federal approval and requirements; and be it further

RESOLVED that the Executive Director or designee may make technical adjustments and other non-substantial revisions, including updates to fund sources and distributions to reflect final funding criteria and availability; and be it further

RESOLVED that the Executive Director or designee is authorized to revise Attachments B-1 and B-2 as necessary to reflect the programming of projects as the projects are selected, revised and included in the federal TIP; and be it further

RESOLVED that the Executive Director or designee shall make available a copy of this resolution, and attachements as may be required and appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

_____

Dave Cortese, Chair

The above resolution was entered into
by the Metropolitan Transportation
Commission at the regular meeting
of the Commission held in Oakland,
California, on November 18, 2015

Date: November 18, 2015
W.I.: 1512
Referred by: P&A

Attachment A
Resolution No. 4202

OBAG 2
One Bay Area Grant Program
Project Selection Criteria and Programming Policy

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OBAG 2 – One Bay Area Grant Program
Project Selection Criteria and Programming Policy

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Appendix A-3 Regional and County Planning Activities
Appendix A-4 County Federal-Aid Secondary (FAS)
Appendix A-5 County Safe Routes to School (SRTS)
Appendix A-6 Priority Conservation Area (PCA)
Appendix A-7 CMA Call for Projects Guidance
Appendix A-8 County PDA Investment and Growth Strategy
Appendix A-9 Priority Conservation Area (PCA) Implementation
Appendix A-10 Checklist for CMA and Local Jurisdiction Compliance with MTC Resolution 4202

The One Bay Area Grant Program (OBAG 2) is the second round of the federal funding program designed to support the implementation of *Plan Bay Area,* the region's first Sustainable Communities Strategy (SCS). OBAG 2 covers the five-year period from FY 2017-18 to FY 2021-22. The proposed revenue estimates, funding approach, programming policies, project guidance, and timeline for OBAG 2 are outlined in this attachment.

BACKGROUND

The inaugural One Bay Area Grant Program (OBAG 1) was approved by the Commission in May 2012 (MTC Resolution 4035). The OBAG 1 program incorporated the following program features:

- Targeting project investments to the region's Priority Development Areas (PDAs);
- Rewarding jurisdictions that accept housing allocations through the Regional Housing Need Allocation (RHNA) process and produce housing;
- Supporting open space preservation in Priority Conservation Areas (PCAs); and
- Providing a larger and more flexible funding pot to deliver transportation projects in categories such as Transportation for Livable Communities (TLC), bicycle and pedestrian improvements, local streets and roads preservation, and planning activities, while also providing dedicated funding opportunities for Safe Routes to School activities and PCAs.

The early outcomes of the OBAG 1 program are documented in the One Bay Area Grant Report Card located at: (http://files.mtc.ca.gov/pdf/OBAG_Report_Card.pdf). The key findings of the report highlight a variety of improvements as compared to previous federal highway funding programs, including: increased grant and project size, complexity, and multi-modality; significant investments in active transportation and TLC projects; region wide achievement of PDA investment targets; and compliance with local performance and accountability requirements. Considering the positive results achieved in OBAG 1, and in order to further extend the timeframe for OBAG to meet its policy goals, OBAG 2 maintains largely the same framework and policies.

REVENUE ESTIMATES AND PROGRAM ARCHITECTURE

OBAG 2 funding is based on anticipated future federal transportation program apportionments from the regional Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement (CMAQ) Programs. The programming capacity estimated for OBAG 2 amounts to $790 million (down from $827 million programmed with OBAG 1). The decrease in revenues between program cycles reflects annual apportionment amounts in the federal surface transportation act (Moving Ahead for Progress in the 21st Century Act, or MAP-21) authorized after approval of OBAG 1 not keeping pace with estimated growth rates, as well as changes in state and federal programs that impacted estimated regional funding levels (such as the elimination of the Transportation Enhancements (TE) program).

The OBAG 2 program continues to integrate the region's federal transportation program with California's climate statutes and the Sustainable Communities Strategy (SCS), and contributes to

the implementation of the goals and objectives of the Regional Transportation Plan. Funding distribution formulas to the counties will continue to encourage land-use, housing and complete streets policies that support the production of housing with supportive transportation investments. This is accomplished through the following principles:

1. **Realistic Revenue Assumptions:**

   OBAG 2 funding is based on anticipated future federal transportation program apportionments. In recent years, the Surface Transportation Program/Congestion Mitigation and Air Quality Improvement programs (STP/CMAQ) have not grown, and changes in the federal and state programs (such as elimination of the Transportation Enhancement (TE) program) have resulted in decreases that were not anticipated when OBAG 1 was developed. For OBAG 2, a 2% annual escalation rate above current federal revenues is assumed, consistent with the mark-up of the Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act by the Senate Environment and Public Works Committee. Even with the 2% escalation, revenues for OBAG 2 are 4% less than OBAG 1 revenues.

   If there are significant changes in federal apportionments over the OBAG 2 time period, MTC will return to the Commission to recommend adjustments to the program. These adjustments could include increasing or decreasing funding amounts for one or more programs, postponement of projects, expansion of existing programs, development of new programs, or adjustments to subsequent programming cycles.

   Upon enactment and extension of the federal surface transportation authorizations expected during the OBAG funding period, MTC will need to closely monitor any new federal programs, their eligibility rules, and how funding is distributed to the states and regions. It is anticipated that any changes to the current federal programs would likely overlap to a large extent with projects that are currently eligible for funding under 23 U.S.C., although the actual fund sources may no longer mirror the current STP and CMAQ programs. Therefore, any reference to a specific fund source in the OBAG 2 programming serves as a proxy for replacement fund sources for which MTC has discretionary project selection and programming authority.

   OBAG 2 programming capacity is based on apportionment rather than obligation authority. Because obligation authority (the amount actually received) is less than the apportionment level, there is typically a carryover balance from year to year of unfunded commitments. MTC's current negative obligation authority imbalance is $52 million, and has held steady the past few years as a result of the region's excellent delivery record. Successful project delivery has allowed MTC to capture additional, unused obligation authority (OA) from other states, enabling the region to deliver additional projects each year. Because this negative balance has held steady, there does not appear to be a need to true-up the difference at this time. MTC staff will continue to monitor this OA shortfall throughout the OBAG 2 period and make adjustments as necessary in the next round of programming.

2. Support Existing Programs:

The OBAG program as a whole is expected to face declining revenues from $827 million in OBAG 1 to $790 million in OBAG 2. Therefore, no new programs are introduced with OBAG 2 and the funding reduction is spread among the various transportation needs supported in OBAG 1.

- The regional pot of funding decreases by 4%. With the exception of regional planning activities (which grows to account for escalation) and the Priority Conservation Area (PCA) program (which receives additional funds redirected from an OBAG 1 project), all other funding programs are either maintained at, or decreased from, their OBAG 1 funding levels.
- The base OBAG 2 county program decreases by 4%, primarily due to the elimination of the federal Transportation Enhancement (TE) program which contributed to the OBAG 1 funding pot. As compared to the county program under OBAG 1, largely the same planning and project type activities are proposed to be eligible under OBAG 2.

The OBAG 2 program categories and commitments for the regional and county programs are outlined in Appendix A-1.

3. Support Plan Bay Area's Sustainable Communities Strategy by Linking OBAG Funding to Housing:

County Program Distribution Formula

OBAG 1's county distribution formula leveraged transportation dollars to reward jurisdictions that produce housing and accept housing allocations through the Regional Housing Need Allocation (RHNA) process. The formula also considered the share of affordable housing within housing production and RHNA allocations.

In OBAG 2, the county distribution formula is updated to use the latest housing data from the Association of Bay Area Government (ABAG). The formula is also based on housing over a longer time frame, considering housing production between 1999 and 2006 (weighted 30%) and between 2007 and 2014 (weighted 70%) in order to mitigate the effect of the recent recession and major swings in housing permit approvals.

At the request of the Commission at the July 2015 meeting of the Programming and Allocations Committee, staff developed three alternative OBAG 2 county distribution formulas for consideration (the alternatives are depicted in Attachment 2 to the November 4, 2015 Programming and Allocations Committee item). In comparison to the OBAG 1 formula, each of these alternatives place an additional emphasis on affordable housing. One of the alternatives expands the definition of affordable housing to include housing for moderate income households. Another alternative focuses on housing production, removing consideration of RHNA from the formula. This section will be updated to reflect the county distribution adopted by the Commission.

The distribution formula is further adjusted to ensure that CMA base planning funds are no more than 50% of the total distribution for that county. The resulting proposed county program formula distributions are presented in Appendix A-2.

Priority Development Areas (PDAs)

OBAG 2 continues to support the SCS for the Bay Area by promoting transportation investments in Priority Development Areas (PDAs).

- PDA Investment targets remain at OBAG 1 levels: 50% for the four North Bay counties and 70% for the remaining counties.
- PDA Investment and Growth Strategies should play a strong role in guiding the County CMA project selection and be aligned with the Plan Bay Area update cycle.

Priority Conservation Areas (PCAs)

OBAG 2 maintains the two separate Priority Conservation Area (PCA) programs as introduced in OBAG 1, with one program dedicating funding to the four North Bay counties and one competitive program for the remaining counties.

4. Continue Flexibility and Local Transportation Investment Decision Making:

OBAG 2 continues to provide the same base share of the funding pot (40%) to the county CMAs for local decision-making. The program allows CMAs the flexibility to invest in various transportation categories, such as Transportation for Livable Communities (TLC), bicycle and pedestrian improvements, local streets and roads preservation, and planning and outreach activities.

In addition to the base county program, two previously regional programs, Safe Routes to School and the Federal-Aid Secondary (rural roads), have been consolidated into the county program with guaranteed minimum funding amounts to ensure the programs continue to be funded at specified levels.

5. Cultivate Linkages with Local Land-Use Planning:

As a condition to access funds, local jurisdictions need to continue to align their general plans' housing and complete streets policies as a part of OBAG 2 and as separately required by state law.

Complete Streets Requirements

Jurisdictions must adopt a complete streets resolution by the date the CMAs submit their OBAG 2 project recommendations to MTC, incorporating MTC's required complete streets elements as outlined in MTC's Complete Streets Guidance.

Alternatively, to recognize local jurisdictions' efforts to update their general plan circulation element to incorporate the provisions of the 2008 Complete Streets Act in response to the provisions stated in OBAG 1, a jurisdiction may adopt a significant revision to the circulation element of the general plan that complies with the Act after January 1, 2010 and before the date the CMAs submit their OBAG 2 project recommendations to MTC.

The approach above focuses on the adoption of local complete streets resolutions, while acknowledging the jurisdictions that took efforts to update their circulation element in anticipation of future OBAG requirements.

Housing Elements Requirements

Jurisdictions (cities and counties) must have a general plan housing element adopted and certified by the California Department of Housing and Community Development (HCD) for 2014-2022 RHNA by May 31, 2015. Furthermore, under state statute, jurisdictions are required to submit Housing Element Annual Reports by April 1 every year. All cities and counties receiving OBAG 2 funding must comply with this requirement during the entire OBAG 2 funding period or risk deprogramming of OBAG 2 funding.

The complete streets and housing requirements are not required for jurisdictions with no general plan or land use authority such as Caltrans, CMAs or transit agencies under a JPA or district (not under the governance of a local jurisdiction). However, in such instances the jurisdiction in which the project is physically located must meet these requirements, except for transit/rail agency property such as, track, rolling stock or a maintenance facility.

6. **Continue Transparency and Outreach to the Public Throughout the Process:**

   CMAs will continue to report on their outreach process as part of their solicitation and selection of projects for OBAG. Each CMA will develop a memorandum addressing outreach efforts, agency coordination, distribution methodology and Title VI compliance. CMA reporting requirements are provided in Appendix A-10, the Checklist for CMA and Local Jurisdiction Compliance with MTC Resolution 4202.

PROGRAM CATEGORIES AND PROJECT LIST

Appendix A-1 outlines the OBAG 2 program categories and commitments.

Attachment B of Resolution 4202 contains the list of projects to be programmed under the OBAG 2 program. Attachments B-1 and B-2 list the projects receiving OBAG 2 funding through the regional programs and county programs respectively. The project lists are subject to project selection actions (conducted by MTC for most of the regional programs and by the CMAs for the county programs and other funds distributed to them). MTC staff will update Attachments B-1 and B-2 as projects are selected or revised by the Commission and CMAs and are included in the federal Transportation Improvement Program (TIP).

GENERAL PROGRAMMING POLICIES

The following programming policies apply to all projects funded in OBAG 2:

1. **Public Involvement.** MTC is committed to a public involvement process that is proactive and provides comprehensive information, timely public notice, public access to key

decisions, and opportunities for continuing involvement. MTC provides many methods to fulfill this commitment, as outlined in the *MTC Public Participation Plan*, Resolution No. 4174. The Commission's adoption of the OBAG 2 program, including policy and procedures, meets the provisions of the *MTC Public Participation Plan*. MTC's advisory committees and the Bay Area Partnership have been consulted in the development of funding commitments and policies for this program; and opportunities to comment have been provided to other stakeholders and members of the public.

Furthermore, investments made in the OBAG 2 program must be consistent with federal Title VI requirements. Title VI prohibits discrimination on the basis of race, color, income, and national origin in programs and activities receiving federal financial assistance. Public outreach to and involvement of individuals in low income and minority communities covered under Title VI of the Civil Rights Act and the Executive Order pertaining to Environmental Justice is critical to both local and regional decisions. Additionally, when CMAs select projects for funding at the county level, they must consider equitable solicitation and selection of project candidates in accordance with federal Title VI requirements (as set forth in Appendix A-7).

2. **Commission Approval of Programs and Projects and the Transportation Improvement Program (TIP).** Projects approved as part of the OBAG 2 program must be amended into the TIP. The federally-required TIP is a comprehensive listing of all San Francisco Bay Area surface transportation projects that receive federal funds, and/or are subject to a federally required action, such as federal environmental clearance, and/or are regionally significant for air quality conformity or modeling purposes. It is the project sponsor's responsibility to ensure their project is properly programmed in the TIP in a timely manner. Where CMAs are responsible for project selection, the Commission will revise the TIP to include the resulting projects and Attachment B to this Resolution may be updated by MTC staff to reflect these revisions. Where responsibility for project selection is assigned to MTC, TIP amendments and a revision to Attachment B to add or delete a project will be reviewed and approved by the Commission. Changes to existing projects in Attachment B may be made by MTC staff following approval of a related TIP revision.

3. **Minimum Grant Size.** Funding grants per project must be a minimum of $500,000 for counties with a population over 1 million (Alameda, Contra Costa, and Santa Clara counties) and $250,000 for counties with a population under one million (Marin, Napa, San Francisco, San Mateo, Solano, and Sonoma counties). The objective of a grant minimum requirement is to maximize the efficient use of federal funds and minimize the number of federal-aid projects which place administrative burdens on project sponsors, CMAs, MTC, Caltrans, and Federal Highway Administration (FHWA) staff.

   To provide flexibility, an alternative averaging approach may be used. For this approach, a CMA may program grant amounts no less than $100,000 for any project, provided that the overall average of all grant amounts within their County CMA Program meets the county minimum grant amount threshold. This lower threshold of $100,000 also applies to Safe Routes to School projects, which are typically of smaller scale.

Furthermore, all OBAG 2 programming amounts must be rounded to thousands.

4. **Air Quality Conformity.** In the Bay Area, it is the responsibility of MTC to make a regional air quality conformity determination for the TIP in accordance with federal Clean Air Act requirements and Environmental Protection Agency (EPA) conformity regulations. MTC evaluates the impact of the TIP on regional air quality during the update of the TIP. Non-exempt projects that are not incorporated in the current finding for the TIP will not be considered for funding in the OBAG 2 program until the development of a subsequent air quality finding for the TIP. Additionally, the U.S. Environmental Protection Agency has designated the Bay Area as a non-attainment area for fine particulate matter ($PM_{2.5}$). Therefore, based on consultation with the MTC Air Quality Conformity Task Force, projects deemed Projects of Air Quality Concern (POAQC) must complete a hot-spot analysis as required by the Transportation Conformity Rule. Generally, POAQC are those projects that result in significant increases in, or concentrations of, emissions from diesel vehicles.

5. **Environmental Clearance.** Project sponsors are responsible for compliance with the requirements of the California Environmental Quality Act (Public Resources Code § 21000 et seq.), the State Environmental Impact Report Guidelines (14 California Code of Regulations Section § 15000 et seq.), and the National Environmental Protection Act (42 U.S.C. § 4321 et seq.) standards and procedures for all projects with federal funds.

6. **Application and Resolution of Local Support.** Once a project has been selected for funding, project sponsors must submit a completed project application for each project through MTC's Funding Management System (FMS). The project application consists of two parts: 1) a project submittal and/or TIP revision request to MTC staff through FMS, and 2) a Resolution of Local Support approved by the project sponsor's governing board or council and submitted in FMS. A template for the Resolution of Local Support can be downloaded from the MTC website using the following link: http://www.mtc.ca.gov/funding/obag2

7. **Project Screening and Compliance with Regional and Federal Requirements.** MTC staff will perform a review of projects proposed for OBAG 2 to ensure 1) eligibility; 2) consistency with the region's long-range plan; and 3) project readiness. In addition, project sponsors must adhere to directives such as the Complete Streets Requirements, Housing Element Requirements, and the Regional Project Funding Delivery Policy (MTC Resolution No. 3606), as outlined below, and provide the required matching funds. Project sponsors should note that fund source programs, eligibility criteria, and regulations may change as a result of the passage of new surface transportation authorization legislation. In this situation, MTC staff will work to realign new fund sources with the funding commitments approved by the Commission.

   - Federal Project Eligibility: STP is the most flexible source of federal funding, with a wide range of projects that may be considered eligible. Eligible projects include roadway and bridge improvements (construction, reconstruction, rehabilitation, resurfacing, restoration), public transit capital improvements, pedestrian and bicycle facilities, transportation system management, transportation demand management, transportation control measures, mitigation related to an STP project, surface

transportation planning activities, and safety. More detailed eligibility requirements can be found in 23 U.S.C § 133 and at: http://www.fhwa.dot.gov/map21/factsheets/stp.cfm.

CMAQ is a more targeted funding source. In general, CMAQ funds may be used for new or expanded transportation projects, programs, and operations that help reduce emissions. Eligible project categories that meet this basic criteria include: Transportation activities in an approved State Implementation Plan (SIP), Transportation Control Measures (TCMs), alternative fuels, traffic flow improvements, transit expansion projects, new bicycle and pedestrian facilities and programs, travel demand management, outreach and rideshare activities, telecommuting programs, intermodal freight, planning and project development activities, and experimental pilot projects. For more detailed information, refer to FHWA's revised guidance provided at: http://www.fhwa.dot.gov/environment/air_quality/cmaq/policy_and_guidance/.

MTC reserves the right to assign specific fund sources to projects based on availability and eligibility requirements. In the event that a new surface transportation authorization is enacted during implementation of OBAG 2 that materially alters these programs, MTC staff will work with the CMAs and project sponsors to match projects with appropriate federal fund programs.

- RTP Consistency: Projects funded through OBAG 2 must be consistent with the adopted Regional Transportation Plan (currently *Plan Bay Area*). Project sponsors must identify each project's relationship with meeting the goals and objectives of the RTP, including the specific RTP ID number or reference. RTP consistency will be verified by MTC staff for all OBAG 2 projects. Projects in the County program will also be reviewed by CMA staff prior to submitting selected projects to MTC.

- Complete Streets Policy: Federal, state and regional policies and directives emphasize the accommodation of bicyclists, pedestrians, and persons with disabilities when designing transportation facilities. MTC's Complete Streets Policy (MTC Resolution No. 3765) created a checklist that is intended for use on projects to ensure the accommodation of non-motorized travelers is considered at the earliest conception or design phase. The county CMAs ensure that project sponsors complete the checklist before projects are considered by the county for OBAG 2 funding and submitted to MTC. The CMAs are required to make completed checklists available to their Bicycle and Pedestrian Advisory Committee (BPAC) for review prior to CMAs' project selection actions.

  Related state policies include: Caltrans Complete Streets Policy Deputy Directive 64 R1, which stipulates pedestrians, bicyclists and persons with disabilities must be considered in all programming, planning, maintenance, construction, operations, and project development activities and products; and the California Complete Streets Act of 2008, which requires local agency general plan circulation elements to address all travel modes.

- Project Delivery and Monitoring: OBAG 2 funding is available in the following five federal fiscal years: 2017-18, 2018-19, 2019-20, 2020-21, and 2021-22. Funds may be programmed in any of these years, conditioned upon the availability of federal apportionment and obligation authority (OA), and subject to TIP financial constraint requirements. In addition, in order to provide uninterrupted funding to ongoing efforts and to provide more time to prepare for the effective delivery of capital projects, priority of funding for the first year of programming apportionment (FY 2017-18) will be provided to ongoing programs, such as regional and CMA planning, non-infrastructure projects, and the preliminary engineering phase of capital projects.

  Specific programming timelines will be determined through the development of the Annual Obligation Plan, which is developed by MTC staff in collaboration with the Bay Area Partnership technical working groups and project sponsors. Once programmed in the TIP, the funds must be obligated by FHWA or transferred to the Federal Transit Administration (FTA) within the federal fiscal year the funds are programmed in the TIP. Additionally, all OBAG 2 funds must be obligated no later than January 31, 2023.

  Obligation deadlines, project substitutions and redirection of project savings will continue to be governed by the MTC Regional Project Funding Delivery Policy (MTC Resolution No. 3606 and any subsequent revisions). All funds are subject to obligation, award, invoicing, reimbursement and project close-out requirements. The failure to meet these deadlines may result in the de-programming and redirection of funds to other projects.

  To further facilitate project delivery and ensure all federal funds in the region are meeting federal and state regulations and deadlines, every recipient of OBAG 2 funding is required to identify and maintain a staff position that serves as the single point of contact (SPOC) for the implementation of all FHWA-administered funds within that agency. The person in this position must have sufficient knowledge and expertise in the federal-aid delivery process to coordinate issues and questions that may arise from project inception to project close-out. The agency is required to identify the contact information for this position at the time of programming of funds in the TIP, and to notify MTC immediately when the position contact has changed. This person will be expected to work closely with FHWA, Caltrans, MTC and the respective CMA on all issues related to federal funding for all FHWA-funded projects implemented by the recipient.

  Project sponsors that continue to miss delivery milestones and funding deadlines for any federal funds are required to prepare and update a delivery status report on all projects with FHWA-administered funds they manage, and participate, if requested, in a consultation meeting with the county CMA, MTC and Caltrans prior to MTC approving future programming or including any funding revisions for the agency in the TIP. The purpose of the status report and consultation is to ensure the local public agency has the resources and technical capacity to deliver FHWA federal-aid projects,

is fully aware of the required delivery deadlines, and has developed a delivery timeline that takes into consideration the requirements and lead-time of the federal-aid process within available resources.

By applying for and accepting OBAG 2 funding, the project sponsor is acknowledging that it has and will maintain the expertise and staff resources necessary to deliver the federal-aid project within the project-funding timeframe.

- Funding Exchange: Sometimes federal funds may not be the best fit for projects being implemented to meet plan and program goals and objectives. In such cases, federal OBAG funding may be exchanged with non-federal funds. MTC staff will work with the CMAs when such opportunities arise. Such exchanges must be consistent with MTC's fund exchange policy (MTC Resolution No. 3331) and the locally-funded project must be included in the federal TIP.
- Local Match: Projects funded with STP or CMAQ funding require a non-federal local match. Although local match requirements are subject to change, the current local match requirement for STP and CMAQ funded projects in California is 11.47% of the total project cost, with FHWA providing up to 88.53% of the total project cost through reimbursements. For capital projects, sponsors that fully fund the project development or Preliminary Engineering (PE) phase with non-federal funds may use toll credits in lieu of a match for the construction phase. For these projects, sponsors must still meet all federal requirements for the PE phase.
- Fixed Program and Specific Project Selection: Projects are chosen for the program based on eligibility, project merit, and deliverability within established deadlines. The OBAG 2 program is project-specific and the funds programmed to projects are for those projects alone.

  The OBAG 2 program funding is fixed at the programmed amount; therefore, any project cost increases may not be covered by additional OBAG 2 funds. Project sponsors are responsible for securing the necessary match, and for cost increases or additional funding needed to complete the project, including contingencies.

REGIONAL PROGRAMS

The programs below comprise the OBAG 2 Regional Programs, managed by MTC. Funding amounts for each program are included in Appendix A-1. Individual projects will be added to Attachment B-1 and B-2 as they are selected and included in the federal TIP.

1. Regional Planning Activities

This program provides funding to support regional planning and outreach activities.

Appendix A-3 details the funding amounts and distribution for planning and outreach activities.

2. Pavement Management Program

This continues the region's acclaimed Pavement Management Program (PMP) and related activities including the Pavement Technical Assistance Program (PTAP), training, and regional

and statewide local streets and roads needs assessment. MTC provides grants to local jurisdictions to perform regular inspections of their local streets and roads networks and to update their pavement management systems which is a requirement to receive certain funding. MTC also assists local jurisdictions in conducting associated data collection and analysis efforts including local roads needs assessments and inventory surveys and asset management analysis that feed into regional planning efforts. MTC provides, training, research and development of pavement and non-pavement preservation management techniques, and participates in the statewide local streets and roads needs assessment effort.

To support the collection and analysis of local roads asset conditions for regional planning efforts and statewide funding advocacy, to be eligible for OBAG 2 funding for local streets and roads, a jurisdiction must:

- Have a certified Pavement Management Program (StreetSaver® or equivalent) updated at least once every three years (with a one-year extension allowed); and
- Fully participate in the statewide local streets and road needs assessment survey (including any assigned funding contribution); and
- Provide updated information to the Highway Performance Monitoring System (HPMS) at least once every 3 years (with a one-year grace period allowed).

3. Regional Priority Development Area (PDA) Planning & Implementation

Funding in this program implements the following:

Regional PDA Planning and Implementation: The PDA Planning Program places an emphasis on intensifying land uses at and near transit stations and along transit corridors in PDAs. The key goals of the program are to: increase supply of affordable and market rate housing, jobs and services within the PDA planning area; boost transit ridership and thereby reduce vehicle miles traveled by PDA residents, employees and visitors; increase walking and bicycling by improving multi-modal access and effectively managing parking; and locate key services and retail within the PDA planning area. Funding is available for regional planning and implementation efforts and grants to jurisdictions to provide PDA planning support, and typically fund specific plans and programmatic Environmental Impact Reports. PDA plans funded through the program focus on a range of transit-supportive elements including market demand analysis, affordable housing strategies, multi-modal connectivity including pedestrian-friendly design standards, parking demand analysis, infrastructure development, implementation planning and financing strategies and strategies to advance the Air District's Planning Healthy Places guidelines[1]. The PDA Planning Program will give priority to cities with high risk of displacement in order to support the development of local policies and programs.

4. Climate Initiatives Program

The purpose of the OBAG 2 Climate Initiatives Program is to support the implementation of strategies identified in Plan Bay Area to achieve the required CO_2 emissions reductions per

[1] Guidance will be developed in partnership with BAAQMD, CMAs, ABAG, and city staff pending the release of these guidelines in early 2016.

SB375 and federal criteria pollutant reductions. Investments focus on projects and programs with effective greenhouse gas emission reduction results.

5. Priority Conservation Area (PCA) Program

The Priority Conservation Area (PCA) Program provides funding for the development of plans and projects to assist in the preservation and enhancement of rural lands. Specifically, projects must support Plan Bay Area by preserving and enhancing the natural, economic and social value of rural lands and open space amidst a growing population across the Bay Area, for residents and businesses. The PCA program includes one approach for the North Bay counties (Marin, Napa, Solano, and Sonoma) and a second approach for the remaining five counties.

In the North Bay, each of the four CMAs will take the lead to develop a county-wide program, building on PCA planning conducted to date to select projects for funding.

For the remaining counties, MTC will partner with the Coastal Conservancy, a California State agency, to program the PCA funds. MTC will provide federal funding which will be combined with the Coastal Conservancy's own program funds in order to support a broader range of projects (i.e. land acquisition and easement projects) than can be accommodated with federal transportation dollars alone. The Coastal Conservancy, MTC, and ABAG staff will cooperatively manage the call for proposals.

The minimum non-federal match required for PCA-program funding is 2:1.

As a part of the update to *Plan Bay Area*, MTC is exploring implementing a Regional Advance Mitigation Planning (RAMP) Program. RAMP would mitigate certain environmental impacts from multiple planned transportation projects, rather than mitigating on a less-efficient per-project level. Partnering arrangements can be established to leverage multiple fund sources in order to maximize benefits of the RAMP and PCA programs. As such, PCA funds may be used to deliver net environmental benefits to a RAMP program project.

In instances where federal funds may not be used for this purpose, sponsors may exchange OBAG 2 funds with eligible non-federal funds. Such exchanges must be consistent with MTC's fund exchange policy (MTC Resolution No. 3331).

Appendix A-9 outlines the framework for this program including goals, project screening, eligibility, eligible sponsors, and project selection.

6. Regional Active Operational Management

This program is administered at the regional level by MTC to actively manage congestion through cost-effective operational strategies that improve mobility and system efficiency across freeways, arterials and transit modes. Funding continues to be directed to evolving MTC operational programs such as next generation 511, Freeway Service Patrol (FSP), incident management program, managed lanes and regional rideshare program. Funding will also be directed to new initiatives such as the Columbus Day Initiative that deploys advanced technologies and Transportation Management Systems that ensures the existing and new technology infrastructure is operational and well-maintained.

Columbus Day Initiative

The Columbus Day Initiative (CDI) builds on the proven success of its predecessor program (the Freeway Performance Initiative), which implemented traditional fixed time-of-day freeway ramp metering and arterial signal timing projects that achieved significant delay reduction and safety on Bay Area freeways and arterials at a fraction of the cost of traditional highway widening projects. The CDI aims to deliver cost-effective, technology-driven operational improvement projects such as, adaptive ramp metering, hard shoulder running lanes, queue warning signs, connected vehicle technologies, shared mobility technologies, and regional arterial operations strategies. Projects would target priority freeway and arterial corridors with significant congestion. Funding for performance monitoring activities and corridor studies is included to monitor the state of the system and to identify and assess the feasibility of operational strategies to be deployed.

Transportation Management Systems

This program includes the operations and management of highway operations field equipment; critical freeway and incident management functions; and Transportation Management Center (TMC) staff resources needed to actively operate and maintain the highway system.

7. Transit Priorities Program

The objective of the Transit Priorities Program is to assist transit operators to fund major fleet replacements, including the BART Car Replacement Phase 1 project, fixed guideway rehabilitation and other high-scoring capital needs, including replacement of Clipper equipment and development of Clipper 2.0, that are consistent with MTC's Transit Capital Priorities policy for programming federal transit funds (MTC Resolution 4140 or successor resolution).

The program also implements elements of the Transit Sustainability Project by making transit-supportive investments in major transit corridors that can be carried out within two years through the Transit Performance Initiative (TPI). The focus of TPI is on making cost-effective operational improvements on significant trunk lines which carry the largest number of passengers in the Bay Area including transit signal prioritization, passenger circulation improvements at major hubs, boarding/stop improvements and other improvements to improve the passenger experience.

COUNTY PROGRAMMING POLICIES

The policies below apply to the programs managed by the county Congestion Management Agencies (CMAs) or substitute agency:

- Program Eligibility: The CMA, or substitute agency, may program funds from its OBAG 2 county fund distribution to projects that meet the eligibility requirements for any of the following transportation improvement types:
    - Planning and Outreach Activities
    - Local Streets and Roads Preservation
    - Bicycle and Pedestrian Improvements

- Transportation for Livable Communities
- Safe Routes To School
- Priority Conservation Areas
- Federal Aid Secondary (FAS) Improvements

▶ Fund Sources & Formula Distribution: OBAG 2 is funded primarily from two federal fund sources: STP and CMAQ. The CMAs will be provided a breakdown of specific OBAG 2 fund sources, with the understanding that actual fund sources are subject to change. Should there be significant changes to federal fund sources, MTC staff will work with the CMAs to identify and realign new fund sources with the funding commitments approved by the Commission. Furthermore, due to strict funding availability and eligibility requirements, the CMAs must adhere to the fund source limitations provided. Exceptions may be granted by MTC staff based on actual fund source availability and final federal apportionment levels.

Consistent with OBAG 1, 60% of available OBAG 2 funding is assigned to Regional Programs and 40% assigned to the base County CMA Programs. The Safe Routes to School (SRTS) and Federal Aid Secondary (FAS) programs augment the county base funding, bringing the final proportionate share to 55% regional and 45% county. The Base county funds (SRTS & FAS have their own formula distribution) are distributed to each county based on the OBAG 2 county distribution formula (see page 3). Counties are further guaranteed that the funding amount for planning purposes will not exceed 50% of their total distribution. This results in the county of Napa receiving additional funding. This planning guarantee clause results in a slight deviation in the final OBAG 2 fund distribution for each county. The base County CMA Program fund distribution after the planning guarantee adjustment is shown in Appendix A-2.

▶ Priority Development Area (PDA) Policies

- PDA minimum investment: CMAs in larger counties (Alameda, Contra Costa, San Mateo, San Francisco, and Santa Clara) shall direct at least 70% of their OBAG 2 investments to PDAs. For North Bay counties (Marin, Napa, Solano, and Sonoma) this minimum target is 50% to reflect the more rural nature of these counties. CMA planning and outreach costs partially count towards PDA minimum investment targets (70% or 50%, in line with each county's PDA minimum investment target). The guaranteed minimum for Priority Conservation Area (PCA), Safe Routes to School (SRTS), and Federal Aid Secondary (FAS) do not count towards PDA targets. The PDA/non-PDA funding split is shown in Appendix A-2.

- PDA boundary delineation: Refer to http://gis.mtc.ca.gov/interactive_maps/ which provides a GIS overlay of the PDAs in the Bay Area to exact map boundaries including transportation facilities. This map is updated as ABAG approves new PDA designations.

- Defining proximate access to PDAs: The CMAs may determine that a project located outside of a PDA provides proximate access to the PDA, and thus

counts towards the county's minimum PDA investment target. The CMA is required to map these projects along with the associated PDA(s) and provide a policy justification for designating the project as supporting a PDA through proximate access. This information should assist decision makers, stakeholders, and the public in evaluating the impact of the investment on a nearby PDA, to determine whether or not the investment should be credited towards the county's PDA minimum investment target. This information must be presented for public review when the CMA board acts on OBAG programming decisions.

- PDA Investment & Growth Strategy: Updates to each county's PDA Investment & Growth Strategy are required every four years and must be adopted by the CMA Board. The updates should be coordinated with the countywide plan and Regional Transportation Plan (RTP) updates to inform RTP development decisions. Interim status reports are required two years after each update to address needed revisions and provide an activity and progress status. See Appendix A-8 for details.

- Project Selection: County CMAs or substitute agencies are given the responsibility to develop a project selection process. The process should include solicitation of projects, identifying evaluation criteria, conducting outreach, evaluating project applications, and selecting projects.
    - Public Involvement: In selecting projects for federal funding, the decision making authority is responsible for ensuring that the process complies with federal statutes and regulations. In order to ensure that the CMA process for administering OBAG 2 is in compliance with federal regulations, CMAs are required to lead a public outreach process as directed by Appendix A-7.
    - Unified Call for Projects: CMAs are requested to issue one unified call for projects for their OBAG 2 program. Final project lists are due to MTC by October 31, 2016, with all associated project information submitted to MTC using the Fund Management System (FMS) by November 30, 2016. On a case-by-case basis and as approved in advance by MTC staff, these deadlines may be waived to allow coordination with other county-wide call for projects or programming needs. The goal is to coordinate the OBAG2 call for projects, and provide project sponsors the maximum time to deliver projects.
    - Project Programming Targets and Delivery Deadlines: CMAs must program their block grant funds over the OBAG 2 period (FY 2017-18 through FY 2021-22). In general, the expectation is that on-going activities such as CMA planning, non-infrastructure projects and the Preliminary Engineering (PE) phase of projects would use capacity in the first year, followed by the capital phases of project in later years.
    - OBAG 2 funding is subject to the provisions of the Regional Project Delivery Policy (MTC Resolution 3606, or its successor) including the deadlines for

Request for Authorization (RFA) submittal and federal authorization/ obligation. Additionally, the following funding deadlines apply for each county, with earlier delivery strongly encouraged:

- At least half of the OBAG 2 funds, must be obligated (federal authorization/FTA Transfer) by January 31, 2020.
- All remaining OBAG 2 funds must be obligated by January 31, 2023.

- Performance and Accountability Policies: Jurisdictions need to comply with the following policies, as well as other requirements noted in the document, in order to be eligible recipients of OBAG 2 funds.

  - Adopt a complete streets resolution by the date the CMAs submit their OBAG 2 project recommendations to MTC, incorporating MTC's required complete streets elements as outlined in MTC's Complete Streets Guidance.

    Alternatively, to recognize local jurisdiction's efforts to update their general plan circulation element to incorporate the provisions of the 2008 Complete Streets Act in response to the provisions stated in OBAG 1, a jurisdiction may adopt a significant revision to the circulation element of the general plan that complies with the Act after January 1, 2010.

    For compliance, a substantial revision of the circulation element, passed after January 1, 2010, shall "…plan for a balanced, multimodal transportation network that meets the needs of all users of streets, roads, and highways for safe and convenient travel in a manner that is suitable to the rural, suburban, or urban context of the general plan," while complying with the other provisions of CA Government Code Section 65302 and Complete Streets Act of 2008.

    The approach above focuses on the adoption of local complete streets resolutions, while acknowledging the jurisdictions that took efforts to update their circulation element in anticipation of future OBAG requirements.

  - Jurisdictions (cities and counties) must have a general plan housing element adopted and certified by the California Department of Housing and Community Development (HCD) for 2014-2022 RHNA by May 31, 2015. Furthermore, under state statute, jurisdictions are required to submit Housing Element Annual Reports by April 1 every year. All cities and counties receiving OBAG 2 funding must comply with this statute during the entire OBAG 2 funding period or risk deprogramming of OBAG 2 funding.

  - For jurisdictions with local public streets and roads, to be eligible for OBAG 2 funding, the jurisdiction must:

    - Have a certified Pavement Management Program (StreetSaver® or equivalent) updated at least once every three years (with a one-year extension allowed);

  - Fully participate in the statewide local streets and road needs assessment survey; and
  - Provide updated information to the Highway Performance Monitoring System (HPMS) at least once every 3 years (with a one-year grace period allowed).

- For a transit agency project sponsor under a Joint Powers Authority (JPA) or district (not under the governance of a local jurisdiction), or an agency where housing and complete streets policies do not apply, the jurisdiction where the project is located (such as station/stop improvements) will need to comply with the policies and other requirements specified in this attachment before funds may be programmed to the project sponsor. However, this is not required if the project is transit/rail agency property such as, track, rolling stock or a transit maintenance facility.
- OBAG 2 funds may not be programmed to any jurisdiction out of compliance with the policies and other requirements specified in this attachment.
- The CMA will be responsible for tracking progress towards all OBAG 2 requirements and affirming to MTC that a jurisdiction is in compliance prior to MTC programming OBAG 2 funds to its projects in the TIP. CMAs will provide the following prior to programming projects in the TIP (see Appendix A-10):
  - Documentation of the approach used to select OBAG 2 projects including outreach efforts, agency coordination, Title VI compliance, and the methodology used for distributing funds within the county;
  - The board adopted list of projects recommended for OBAG 2 funding;
  - Self-certification that all projects recommended for funding are consistent with the current RTP (including documentation) and have completed project-specific Complete Streets Checklists (including documentation);
  - Identification of the Single-Point of Contact assigned by the jurisdiction for all FHWA-funded projects, including OBAG 2 projects;
  - Documentation of local jurisdiction compliance with MTC's Complete Streets Policy, including a list of the status of each jurisdiction, a letter from the CMA for each jurisdiction describing how the jurisdiction meets the policy requirements, and supporting documentation for each local jurisdiction (resolutions and/or circulation elements)
  - Documentation of local jurisdiction compliance with MTC's Housing Element requirements, including a list of the status of each jurisdiction's Annual Housing Element Progress Report as well as any supporting documentation for each jurisdiction (progress reports and copies of submittal letter to HCD). This documentation will be required annually

from CMAs (April 30 each year) throughout the OBAG 2 programming period;

- Documentation for any projects recommended for funding that apply toward the county's minimum PDA investment target. This includes mapping of all mappable projects (projects with a physical location). For projects that are not physically located within a PDA, the CMA is required to map each project along with the associated PDA(s) and provide a policy justification for designating each project as supporting a PDA through proximate access. CMAs must also document that this information was used when presenting its program of projects to their board and the public; and
- Self-certification that the PDA Investment and Growth Strategy has been completed and adopted by the CMA Board, or will be adopted in coordination with the RTP update. Documentation of required updates and interim progress reports must also be submitted by the CMAs throughout the OBAG 2 period.

COUNTY PROGRAMS

The categories below comprise the eligible OBAG 2 County Programs, administered by the nine county CMAs. The CMAs should ensure that the project selection process and selected projects meet all of eligibility requirements throughout this document as well as in federal statutes and regulations. MTC staff will work with CMAs and project sponsors to resolve any eligibility issues which may arise, including air quality conformity exceptions and requirements.

County CMA Program

The base OBAG 2 County program accounts for 40% of the total funding available through OBAG 2 and is distributed to each county according to the OBAG 2 county formula after accounting for the CMA Planning minimum guarantee (see Appendices A-2 and A-3). This program includes CMA planning and outreach as well as the various projects selected through each county's competitive call for projects. Projects selected through the base county program are subject to the PDA investment minimum requirements.

1. CMA Planning and Outreach

This category provides funding to the county Congestion Management Agency (CMA) or substitute agency to support programming, monitoring and outreach activities. Such efforts include, but are not limited to: county-based planning efforts for development of the RTP/Sustainable Communities Strategy (SCS); development of PDA growth strategies; development and implementation of a complete streets compliance protocol; establishing land use and travel forecasting process and procedures consistent with ABAG/MTC; ensuring the efficient and effective delivery of federal-aid local projects; and undertaking the programming of assigned funding and solicitation of projects.

The minimum funding level for the CMA planning and outreach program continues OBAG 1 commitments by escalating FY 2016-17 amounts at 2% per year. In addition, counties are guaranteed that the base funding level for the CMA's planning and outreach program will not exceed 50% of the county's total OBAG 2 County Program distribution. Actual CMA planning and outreach amounts for each county, are shown in Appendix A-3.

At their discretion, the CMAs may choose to designate additional funding from their County Program to augment their planning and outreach efforts.

All funding and activities will be administered through an interagency agreement between MTC and the respective CMA.

2. Local Streets and Roads Preservation

This category is for the preservation of local streets and roads on the federal-aid system. To be eligible for funding of any Local Streets and Roads (LSR) preservation project, the jurisdiction must have a certified Pavement Management Program (StreetSaver® or equivalent). In addition, selected pavement projects should be based on the needs analysis resulting from the established Pavement Management Program (PMP) for the jurisdiction. This requirement ensures that streets selected for investment are cost effective. MTC is responsible for verifying the certification status of jurisdictions. The current certification status of area jurisdictions can be found at http://www.mtc.ca.gov/services/pmp/.

Furthermore, to support the collection and analysis of local roads asset conditions for comprehensive regional planning efforts and statewide funding advocacy, a jurisdiction must fully participate in the statewide local streets and road needs assessment survey to be eligible for OBAG 2 funding for pavement rehabilitation.

Eligibility requirements for specific project types are included below:

- Pavement Rehabilitation:

  All pavement rehabilitation projects, including projects with pavement segments with a Pavement Condition Index (PCI) below 70, must be consistent with segments recommended for treatment within the programming cycle by the jurisdiction's PMP.

- Preventive Maintenance:

  Only projects where pavement segments have a PCI of 70 or above are eligible for preventive maintenance. Furthermore, the local agency's PMP must demonstrate that the preventive maintenance strategy is a cost effective method of extending the service life of the pavement.

- Non-Pavement:

  Eligible non-pavement activities and projects include rehabilitation or replacement of existing features on the roadway facility, such as bridge structures, storm drains, National Pollutant Discharge Elimination System (NPDES), curbs, gutters, culverts, medians, guardrails, safety features, signals, signage, sidewalks, ramps, complete streets elements and features that bring the facility to current standards. Jurisdictions

must have a certified PMP to be eligible to receive funding for improvements to non-pavement features.

Activities that are not eligible for funding include: Air quality non-exempt projects (unless granted an exception by MTC staff), new roadways, roadway extensions, right of way acquisition for future expansion, operations, routine maintenance, spot application, enhancements that are above and beyond repair or replacement of existing assets (other than bringing roadway to current standards or implementing compete streets elements) and any pavement application not recommended by the PMP unless otherwise allowed above.

Federal-Aid Eligible Facilities: Federal-aid highways as defined in 23 U.S.C. 101(a)(6) are eligible for local streets and roads preservation funding. A federal-aid highway is a public road that is not classified as a rural minor collector or local road (residential) or lower. Project sponsors must confirm the eligibility of their roadway through the Highway Performance Monitoring System (HPMS) prior to the application for funding.

3. Bicycle and Pedestrian Improvements

This category funds a wide range of bicycle and pedestrian improvements including Class I, II and III bicycle facilities; cycle tracks; bicycle education, outreach, sharing and parking; sidewalks, ramps, pathways and pedestrian bridges; user safety and supporting facilities; and traffic signal actuation. Bicycle and pedestrian projects may be located on or off the federal-aid highway system.

Additional eligibility requirements will apply to bicycle and pedestrian projects that are funded with CMAQ funds rather than STP funds, given the more limited scope of the CMAQ funding program. According to CMAQ eligibility requirements, bicycle and pedestrian facilities must not be exclusively recreational and should reduce vehicle trips resulting in air pollution reductions. Also, the hours of operation need to be reasonable and support bicycle/pedestrian needs, particularly during commute periods. For example, the policy that a trail be closed to users before sunrise or after sunset may limit users from using the facility during the portions of peak commute hours, particularly during times of the year with shorter days.

4. Transportation for Livable Communities

The purpose of Transportation for Livable Communities (TLC) projects is to support community-based transportation projects that bring new vibrancy to downtown areas, commercial cores, high-density neighborhoods, and transit corridors; enhancing their amenities and ambiance and making them places where people want to live, work and visit. The TLC program supports the RTP/SCS by investing in improvements and facilities that promote alternative transportation modes rather than the single-occupant automobile.

General project categories include the following:

- Transit station improvements such as plazas, station access, pocket parks, and bicycle parking.
- Transit expansions serving PDAs.
- Complete Streets improvements that improve bicycle and pedestrian access and encourage use of alternative modes.

- Cost-effective, technology-driven active operational management strategies for local arterials and for highways when used to augment other fund sources or match challenge grants.
- Transportation Demand Management (TDM) projects including car sharing, vanpooling traveler coordination and information, and Clipper®-related projects.
- Transit access projects connecting high density housing/jobs/mixed land use to transit, such as bicycle/pedestrian paths and bridges and safe routes to transit.
- Streetscape projects focusing on high-impact, multi-modal improvements or associated with high density housing/mixed use and transit, such as bulb outs, sidewalk widening, crosswalk enhancements, audible signal modification, mid-block crossing and signals, new striping for bicycle lanes and road diets, pedestrian street lighting, medians, pedestrian refuges, wayfinding signage, tree grates, bollards, permanent bicycle racks, signal modification for bicycle detection, street trees, raised planters, planters, costs associated with on-site storm water management, permeable paving, and pedestrian-scaled street furniture including bus shelters, benches, magazine racks, garbage and recycling bins.
- Mobility management and coordination projects that meet the specific needs of seniors and individuals with disabilities and enhance transportation access for populations beyond those served by one agency or organization within a community. Examples include the integration and coordination of services for individuals with disabilities, seniors, and low-income individuals; individualized travel training and trip planning activities for customers; the development and operation of one-stop transportation traveler call centers to coordinate transportation information on all travel modes and to manage eligibility requirements and arrangements for customers among supporting programs; and the operation of transportation brokerages to coordinate providers, funding agencies and passengers. Selected projects may need to transfer the STP/CMAQ funds received to FTA.
- PDA planning and implementation, including projects that incentivize local PDA transit oriented development housing (within funding eligibility limitations unless exchanged).
- Density incentives projects and non-transportation infrastructure improvements that include density bonuses, sewer upgrade, land banking or site assembly (these projects require funding exchanges to address federal funding eligibility limitations).

Activities that are not eligible for funding include: air quality non-exempt projects (unless granted an exception by MTC staff), new roadways, roadway extensions, right of way acquisition for future expansion, operations, and routine maintenance.

Additional County Programs

In addition to the base County CMA Program, OBAG 2 directs additional funds to the CMAs to distribute to eligible project types. These programs are the Safe Routes to School (SRTS) program, the Federal Aid Secondary Shares Continuation (FAS) program, and for the North Bay Counties, the Priority Conservation Area (PCA) program.

1. Safe Routes to School

Eligible projects for the Safe Routes to School (SRTS) program include infrastructure and non-infrastructure projects that facilitate reduction in vehicular travel to and from schools. It is important to note that this program is funded exclusively by the CMAQ funding program. Given the intent of the CMAQ program to reduce vehicular emissions, the OBAG 2 SRTS program is targeted towards air quality improvement rather than the health or safety of school-aged children. Despite this limitation, project eligibility under CMAQ largely overlaps with typical eligibility requirements for Safe Routes to School programs. Detailed examples of eligible projects are provided below:

<u>Eligible Non-Infrastructure Projects</u>

Public Education and Outreach Activities

- Public education and outreach can help communities reduce emissions and congestion by inducing drivers to change their transportation choices
- Activities that promote new or existing transportation services, developing messages and advertising materials (including market research, focus groups, and creative), placing messages and materials, evaluating message and material dissemination and public awareness, technical assistance, programs that promote the Tax Code provision related to commute benefits, and any other activities that help forward less-polluting transportation options
- Air quality public education messages: Long-term public education and outreach can be effective in raising awareness that can lead to changes in travel behavior and ongoing emissions reductions; therefore, these activities may be funded indefinitely
- Non-construction outreach related to safe bicycle use
- Travel Demand Management (TDM) activities including traveler information services, shuttle services, carpools, vanpools, parking pricing, etc.

<u>Eligible Infrastructure Projects</u>

- Constructing bicycle and pedestrian facilities (paths, sidewalks, bike racks, support facilities, etc.), that are not exclusively recreational and reduce vehicle trips
- Programs for secure bicycle storage facilities and other facilities, including bicycle lanes, for the convenience and protection of bicyclists, in both public and private areas
- New construction and major reconstructions of paths, tracks, or areas solely for the use by pedestrian or other non-motorized means of transportation when economically feasible and in the public interest
- Traffic calming measures

<u>Exclusions found to be ineligible uses of CMAQ funds</u>

- Walking audits and other planning activities (Upon the CMA's request and availability of funds, STP funds will be provided for these purposes)
- Crossing guards, vehicle speed feedback devices, and traffic control that is primarily oriented to vehicular traffic rather than bicyclists and pedestrians
- Material incentives that lack an educational message or exceed a nominal cost

Within the SRTS program, funding is distributed among the nine Bay Area counties based on K-12 total enrollment for private and public schools as reported by the California Department of Education for FY 2013-14 (see Appendix A-5). SRTS funding distributed to CMAs based on enrollment is not subject to the PDA minimum investment requirements. However, if a CMA chooses to augment the SRTS program with additional funding from their base OBAG 2 County CMA program, this additional funding is subject to the PDA minimum investment requirements.

Before programming projects into the TIP, the CMAs shall provide the SRTS projects, recommended county program scope, budget, schedule, agency roles, and federal funding recipient.

In programming the funds in the TIP, project sponsors may consider using non-federal funds to fund SRTS activities ineligible for federal funding. In such instances, the sponsor is allowed to use toll credits for the federal project, conditioned upon a minimum of 11.47% in non-federal funds being dedicated for SRTS activities. Separate accounting of a federalized project and a non-federalized project to fund a single program can be challenging, so care should be taken when using this option.

CMAs with an established SRTS program may choose to program local funds for SRTS projects in lieu of OBAG 2 funds and use the OBAG 2 funding for other eligible OBAG 2 projects. In such instances the local SRTS project(s) must be identified at the time the CMA submits the county OBAG 2 program to MTC and subsequently programmed in the federal TIP.

2. Federal Aid Secondary (FAS) Shares

The Federal Aid Secondary (FAS) program, which directed funding to rural roads, was eliminated in 1991 with the passage of the Intermodal Surface Transportation Efficiency Act (ISTEA). However, California statutes provide for the continuation of minimum funding levels to counties, guaranteeing their prior FAS shares for rural county roads.

The county CMAs are required to ensure the counties receive their guaranteed annual funding through the CMA-managed OBAG county program. The county of San Francisco has no rural roads, and therefore does not receive FAS funding. In addition, the counties of Marin, Napa, and San Mateo may exchange their annual guaranteed FAS funding with state funding from Caltrans, as permitted by state statute. Caltrans takes these federal funds "off the top" before distributing regional STP funds to MTC. The CMAs for these three counties are not required to provide FAS guaranteed funding to these three counties for years in which these counties request such an exchange, as the statutory requirement is met through this exchange with Caltrans.

Counties may access their FAS funding at any time within the OBAG 2 period for any project eligible for STP funding. Guaranteed minimum FAS funding amounts are determined by California's Federal-Aid Secondary Highways Act (California Code § 2200-2214) and are listed in Appendix A-4. This FAS funding is not subject to the minimum PDA investment requirement. Any additional funding provided by the CMAs to the counties from the OBAG 2 county base formula distribution is subject to the minimum PDA investment requirements.

3. Priority Conservation Area (PCA)

The Priority Conservation Area (PCA) Program provides funding for the development of plans and projects to assist in the preservation and enhancement of rural lands and open space. Generally, eligible projects include PCA planning activities, bicycle and pedestrian access to open space and parklands, visual enhancements and habitat/environmental enhancements. Specifically, projects must support Plan Bay Area by preserving and enhancing the natural, economic and social value of rural lands amidst a growing population across the Bay Area, for residents and businesses.

Land acquisition for preservation purposes is not federally eligible, but may be facilitated through CMA-initiated funding exchanges.

The PCA funding program includes one approach for the North Bay program (Marin, Napa, Solano, and Sonoma) and a second for the remaining five counties. In the North Bay, each CMA will receive dedicated funding, lead a county-wide program building on PCA planning conducted to date, and select projects for funding. For the remaining counties, MTC will partner with the Coastal Conservancy, a California State agency, to program the PCA funds. Appendix A-9 outlines the framework for this program including goals, project screening eligibility, eligible sponsors, and project selection.

Any CMA may use additional funding from its base OBAG 2 County Program to expand its dedicated PCA program (North Bay counties), augment grants received from the regionally competitive PCA program (remaining counties), or develop its own county PCA program (all counties).

The PCA program requires a 2:1 minimum non-federal match.

As a part of the update to *Plan Bay Area*, MTC is exploring implementing a Regional Advance Mitigation Planning (RAMP) Program. RAMP would mitigate certain environmental impacts from multiple planned transportation projects, rather than mitigating on a less-efficient per-project level. Partnering arrangements can be established to leverage multiple fund sources in order to maximize benefits of the RAMP and PCA programs. As such, PCA funds may be used to deliver net environmental benefits to a RAMP program project.

In instances where federal funds may not be used for this purpose, sponsors may exchange OBAG 2 funds with eligible non-federal funds. Such exchanges must be consistent with MTC's fund exchange policy (MTC Resolution No. 3331).

Appendix A-1 thru Appendix A-6

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Appendix A-1

OBAG 2
Program Categories
FY 2017-18 through FY 2019-22
November 2015

Regional Program		OBAG 1		OBAG 2		
		Regional Distribution			% Share	Amount
Regional Categories			**$499**			**$436**
1	Regional Planning Activities	2%	$8		2%	$10
2	Pavement Management Program	2%	$9		2%	$9
3	Regional PDA Planning & Implementation	4%	$20		5%	$20
4	Climate Initiatives	4%	$22		5%	$22
5	Priority Conservation Area	2%	$10		4%	$16
6	Regional Active Operational Management	37%	$184		39%	$170
7	Transit Capital Priorities	40%	$201		43%	$189
			$454	**Regional Program Total:**	**55%**	**$436**
	Local PDA Planning *(within county program for OBAG 2)*	4%	$20			
	Safe Routes To School *(Moved to county program for OBAG 2)*	5%	$25			
	Federal-Aid Secondary - FAS *(within county program for OBAG 2)*	-	-			
		9%	**$45**			
	Regional Program Total:		**$499**	**OBAG 2 Total:**	**55%**	**$436**

County Program	OBAG 1		OBAG 2				
	Base Formula STP/CMAQ/TE * with adjustments	Final Distribution Including SRTS & PDA	Base Formula - Proposed - with adjustments	SRTS **	FAS **	Total - Proposed - Distribution ***	
Counties Total							
Total:	**$327**	**$372**	**$316**	**$25**	**$13**	**45%**	**$354**

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OBAG Total: OBAG 1: **$827** OBAG 2: **$790**

*** OBAG 1:** In OBAG 1, the county CMAs received $327 M with $18 M in RTIP-TE and $309 M in STP/CMAQ
*** OBAG 1:** RTIP-TE funding is no longer part of OBAG 2
**** SRTS:** SRTS moved to County Program and distributed based on FY 2013-14 K-12 school enrollment
**** FAS:** Federal-Aid Secondary (FAS) distributed based by statutory requirements.
**** FAS:** San Francisco has no rural roads and therefore is not subject to State Statute requriements regarding Federal-Aid Secondary (FAS) guarantee
***** OBAG2:** Final county distribution includes SRTS & FAS and adjusted so a county CMA's base planning is no more than 50% of total

Appendix A-2

OBAG 2
County Fund Distribution
FY 2017-18 through FY 2021-22
November 2015

OBAG 2 - Base Funding Formula Distribution

County	OBAG 2 Base *	PDA Percentage	PDA/Anywhere Split	PDA	Anywhere
Alameda	TBD	70%	70/30	TBD	TBD
Contra Costa	TBD	70%	70/30	TBD	TBD
Marin	TBD	50%	50/50	TBD	TBD
Napa	TBD	50%	50/50	TBD	TBD
San Francisco	TBD	70%	70/30	TBD	TBD
San Mateo	TBD	70%	70/30	TBD	TBD
Santa Clara	TBD	70%	70/30	TBD	TBD
Solano	TBD	50%	50/50	TBD	TBD
Sonoma	TBD	50%	50/50	TBD	TBD
Total:	**TBD**			**TBD**	**TBD**

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* OBAG 2 County Base amount subject to PDA investment - does not include SRTS, FAS or PCA
* Includes adjustment to ensure a county's base planning activites is no more than 50% of the total distribution

Appendix A-3

OBAG 2
Planning & Outreach
FY 2017-18 through FY 2021-22
November 2015

OBAG 2 - County CMA Planning

County	Agency	2.0% 2016-17	OBAG 2 County CMA Planning - Base * 2017-18	2018-19	2019-20	2020-21	2021-22	Total
Alameda	ACTC	$1,034,000	$1,055,000	$1,076,000	$1,097,000	$1,119,000	$1,142,000	**$5,489,000**
Contra Costa	CCTA	$818,000	$834,000	$851,000	$868,000	$885,000	$904,000	**$4,342,000**
Marin	TAM	$720,000	$734,000	$749,000	$764,000	$779,000	$796,000	**$3,822,000**
Napa	NCTPA	$720,000	$734,000	$749,000	$764,000	$779,000	$796,000	**$3,822,000**
San Francisco	SFCTA	$753,000	$768,000	$783,000	$799,000	$815,000	$832,000	**$3,997,000**
San Mateo	SMCCAG	$720,000	$734,000	$749,000	$764,000	$779,000	$796,000	**$3,822,000**
Santa Clara	VTA	$1,145,000	$1,168,000	$1,191,000	$1,215,000	$1,239,000	$1,265,000	**$6,078,000**
Solano	STA	$720,000	$734,000	$749,000	$764,000	$779,000	$796,000	**$3,822,000**
Sonoma	SCTA	$720,000	$734,000	$749,000	$764,000	$779,000	$796,000	**$3,822,000**
County CMAs Total:		**$7,350,000**	**$7,495,000**	**$7,646,000**	**$7,799,000**	**$7,953,000**	**$8,123,000**	**$39,016,000**

OBAG 2 - Regional Planning

	2.0% 2016-17	OBAG 2 Regional Agency Planning - Base * 2017-18	2018-19	2019-20	2020-21	2021-22	Total
Regional Planning Total:	**$1,800,000**	**$1,835,000**	**$1,873,000**	**$1,910,000**	**$1,948,000**	**$1,989,000**	**$9,555,000**

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* 2% escalation from FY 2016-17 Planning Base

$48,571,000

Appendix A-4

OBAG 2
Federal-Aid Secondary
FY 2017-18 through FY 2021-22
November 2015

OBAG 2 - Federal-Aid Secondary (FAS)

County	FAS Regional Percentage	Annual FAS Funding *	5-Year FAS Funding	Total OBAG 2 Rounded
			5	
Alameda	14.2%	$355,761	$1,778,805	**$1,779,000**
Contra Costa	10.7%	$268,441	$1,342,205	**$1,343,000**
Marin	6.7%	$167,509	$837,545	**$838,000**
Napa	9.5%	$237,648	$1,188,240	**$1,189,000**
San Francisco **	0.0%	$0	$0	**$0**
San Mateo	7.1%	$178,268	$891,340	**$892,000**
Santa Clara	13.6%	$340,149	$1,700,745	**$1,701,000**
Solano	12.0%	$301,159	$1,505,795	**$1,506,000**
Sonoma	26.1%	$652,790	$3,263,950	**$3,264,000**
Total:	**100.0%**	**$2,501,725**	**$12,508,625**	**$12,512,000**

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* As provided by Caltrans per State Statute

** San Francisco has no rural roads

Appendix A-5

OBAG 2
Safe Routes to School County
FY 2017-18 through FY 2021-22
November 2015

OBAG 2 - Safe Routes To School County Distribution

County	Public School Enrollment (K-12) *	Private School Enrollment (K-12) *	Total School Enrollment (K-12) *	FY 2013-14 Percentage	Total OBAG 2 Rounded
Alameda	222,681	24,036	246,717	21.4%	**$5,340,000**
Contra Costa	173,020	15,825	188,845	16.4%	**$4,088,000**
Marin	32,793	7,104	39,897	3.5%	**$864,000**
Napa	20,868	2,913	23,781	2.1%	**$515,000**
San Francisco	58,394	24,657	83,051	7.2%	**$1,797,000**
San Mateo	94,667	15,927	110,594	9.6%	**$2,394,000**
Santa Clara	276,175	41,577	317,752	27.5%	**$6,878,000**
Solano	63,825	4,051	67,876	5.9%	**$1,469,000**
Sonoma	70,932	5,504	76,436	6.6%	**$1,655,000**
Total:	**1,013,355**	**141,594**	**1,154,949**	**100%**	**$25,000,000**

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* From California Department of Education for FY 2013-14

Appendix A-6

OBAG 2
Priority Conservation Area
FY 2017-18 through FY 2021-22
November 2015

OBAG 2 - Priority Conservation Area (PCA)

PCA Program	Total OBAG 2
Northbay Program	
Marin	$2,050,000
Napa	$2,050,000
Solano	$2,050,000
Sonoma	$2,050,000
Subtotal:	$8,200,000
Remaining Counties Competitive Program	
Subtotal:	$8,200,000
Total	
Total:	$16,400,000

Appendix A-7: OBAG 2 – CMA One Bay Area Grant County Program Outreach

The Metropolitan Transportation Commission (MTC) delegates authority for the county program project selection to the nine Bay Area Congestion Management Agencies (CMAs). The existing relationships the CMAs have with local jurisdictions, elected officials, transit agencies, community organizations and stakeholders, and members of the public within their respective counties make them best suited for this role. As one of the requirements for distributing federal transportation funding, MTC expects the CMAs to plan and execute an effective public outreach and local engagement process during development of the PDA Investment and Growth Strategy and the solicitation and project selection for the OBAG 2 program. CMAs also serve as the main point of contact for local sponsoring agencies and members of the public submitting projects for consideration for inclusion in the Transportation Improvement Program (TIP).

To comply with federal regulations, the CMAs must conduct a transparent process for the Call for Projects, and include the following activities:

1. **Public Involvement and Outreach**

   Conduct countywide outreach to stakeholders and the public to solicit project ideas. CMAs are expected to implement their public outreach efforts in a manner consistent with MTC's Public Participation Plan (MTC Resolution No. 4174), which can be found at http://www.mtc.ca.gov/get_involved/participation_plan.htm. CMAs are expected at a minimum to:

   - Execute effective and meaningful local engagement efforts during the call for projects by working closely with local jurisdictions, elected officials, transit agencies, community-based organizations, and the public through the project solicitation process;
   - Explain the local call for projects process, informing stakeholders and the public about the opportunities for public comments on project ideas and when decisions are to be made on the list of projects to be submitted to MTC;
   - Hold public meetings and/or workshops at times that are conducive to public participation to solicit public input on project ideas to submit;
   - Post notices of public meetings and hearing(s) on their agency website; include information on how to request language translation for individuals with limited English proficiency. If agency protocol has not been established, please refer to MTC's Plan for Assisting Limited English Proficient Populations at http://www.mtc.ca.gov/get_involved/lep.htm;
   - Offer language translations and accommodations for people with disabilities, if requested at least three days in advance of the meeting; and
   - Hold public meetings in central locations that are accessible for people with disabilities and by public transit.

Document the outreach effort undertaken for the local call for projects. CMAs are to provide MTC with a:

- Description of how the public was involved in the process for nominating and/or commenting on projects selected for OBAG 2 funding.

2. Agency Coordination

- ***Work closely with local jurisdictions, transit agencies, MTC, Caltrans, federally recognized tribal governments, and stakeholders to identify projects for consideration in the OBAG 2 Program.*** CMAs will assist with agency coordination by:
  - Communicating this call for projects guidance to local jurisdictions, transit agencies, federally recognized tribal governments, and other stakeholders.
  - Documenting the steps taken to engage the above-listed organizations.

3. Title VI Responsibilities

- ***Ensure the public involvement process provides underserved communities access to the project submittal process in compliance with Title VI of the Civil Rights Act of 1964.***
  - Assist community-based organizations, communities of concern, and any other underserved community interested in having projects submitted for funding.
  - Remove barriers for persons with limited-English proficiency to have access to the project submittal process.
  - Document the steps taken to engage underserved communities.
  - For Title VI outreach strategies, please refer to MTC's Public Participation Plan found at: http://www.mtc.ca.gov/get_involved/participation_plan.htm.
  - Additional resources are available at:
    - i. http://www.fhwa.dot.gov/civilrights/programs/tvi.htm
    - ii. http://www.dot.ca.gov/hq/LocalPrograms/DBE_CRLC.html#TitleVI
    - iii. http://www.mtc.ca.gov/get_involved/rights/index.htm

Appendix A-8: PDA Investment & Growth Strategy

The purpose of a PDA Investment & Growth Strategy is to ensure that CMAs have a transportation project priority-setting process for OBAG 2 funding that supports and encourages development in the region's PDAs, recognizing that the diversity of PDAs will require a range of different strategies. Some of the planning activities noted below may be appropriate for CMAs to consider for jurisdictions or areas not currently designated as PDAs if those areas are still considering future housing and job growth. Regional agencies will provide support, as needed, for the PDA Investment & Growth Strategies. From time to time, MTC shall consult with the CMAs to evaluate progress on the PDA Investment and Growth Strategy. This consultation may result in specific work elements shifting among MTC, ABAG and the CMAs. Significant modifications to the scope of activities may be formalized through future revisions to this resolution. The following are activities CMAs need to undertake in order to develop a project priority-setting process:

(1) <u>Engaging Regional/Local Agencies</u>

- Develop or continue a process to regularly engage local planners and public works staff. Understand the needs of both groups and share information with MTC and ABAG.
- Encourage community participation throughout the development of the Investment and Growth Strategy, consistent with the OBAG 2 Call for Projects Guidance (Appendix A-7).
- The CMA governing boards must adopt the final Investment & Growth Strategy.
- Participate as a TAC member in local jurisdiction planning processes funded through the regional PDA Planning Program or as requested by jurisdictions. Partner with MTC and ABAG staff to ensure that regional policies are addressed in PDA plans. Look for opportunities to support planning processes with technical or financial assistance.

(2) <u>Planning Objectives</u> – to Inform Project Priorities

- Keep apprised of ongoing transportation and land-use planning efforts throughout the county
- Encourage local agencies to quantify transportation infrastructure needs and costs as part of their planning processes
- Encourage and support local jurisdictions in meeting their housing objectives established through their adopted Housing Elements and RHNA.

  PDA Investment & Growth Strategies will assess local jurisdiction efforts in approving sufficient housing for all income levels and, where appropriate, assist local jurisdictions in implementing local policy changes to facilitate achieving these goals[2]. The locally crafted policies should be targeted to the specific circumstances of each PDA. For example, if the PDA currently has few moderate- or low-income households, any recommend policy changes should be aimed at promoting affordable housing. If the PDA currently is mostly low-income housing, any needed policy changes should be aimed at community stabilization.

[2] Such as inclusionary housing requirements, city-sponsored land-banking for affordable housing production, "just cause eviction" policies, policies or investments that preserve existing deed-restricted or "naturally" affordable housing, condo conversion ordinances that support stability and preserve affordable housing, etc.

(3) <u>Establishing Local Funding Priorities</u>

Develop funding guidelines for evaluating OBAG projects that support multi-modal transportation priorities based on connections to housing, services, jobs and commercial activity. Emphasis should be placed on the following factors when developing project evaluation criteria:

- **Projects located in high impact project areas**. Favorably consider projects in high impact areas, defined as:
  a. PDAs taking on significant housing growth in the SCS (total number of units), including RHNA allocations, as well as housing production, especially those PDAs that are delivering large numbers of very low, low and moderate income housing units,
  b. Dense job centers in proximity to transit and housing (both current levels and those included in the SCS) especially those which are supported by reduced parking requirements and TDM programs,
  c. Improved transportation choices for all income levels (reduces VMT), proximity to quality transit access, with an emphasis on connectivity (including safety, lighting, etc.)
- **Projects located in Communities of Concern (COC)** – favorably consider projects located in a COC as defined by MTC or as defined by CMAs or Community Based Transportation Plans.
- **PDAs with affordable housing preservation, creation strategies** and community stabilization policies – favorably consider projects in jurisdictions with affordable housing preservation, creation strategies and community stabilization policies.
- **Investments that are consistent with Air District's Planning Healthy Places**[3]
- **PDAs that overlap or are co-located with: 1) populations exposed to outdoor toxic air contaminants as identified in the Air District's Community Air Risk Evaluation (CARE) Program and/or 2) freight transport infrastructure** – Favorably consider projects in these areas where local jurisdictions employ best management practices to mitigate PM and toxic air contaminants exposure.

Process/Timeline

CMAs will develop a new PDA Investment & Growth Strategy every four years, consistent with the update of the Regional Transportation Plan/Sustainable Communities Strategy. The Investment & Growth Strategy must be adopted by the CMA Board (new for OBAG 2). CMAs will provide a status report update every two years.

[3] Guidance will be developed in partnership with BAAQMD, CMAs, ABAG, and city staff pending the release of these guidelines in early 2016, please see: http://www.baaqmd.gov/plans-and-climate/california-environmental-quality-act-ceqa/planning-healthy-places.

APPENDIX A-9: Priority Conservation Area (PCA) Program

Program Goals and Eligible Projects

The goal of the Priority Conservation Area (PCA) Program is to support Plan Bay Area by preserving and enhancing the natural, economic and social value of rural lands and open space in the Bay Area, for residents and businesses. These values include globally unique ecosystems, productive agricultural lands, recreational opportunities, urban greening, healthy fisheries, and climate protection (mitigation and adaptation), among others.

The PCA Program should also be linked to SB 375 goals which direct MPOs to prepare sustainable community strategies which consider resource areas and farmland in the region as defined in Section 65080.01. One purpose of the PCA program is to reinforce efforts to target growth in existing neighborhoods (PDAs), rather than allowing growth to occur in an unplanned "project-by-project" approach.

The PCA program is split into two elements:

1. North Bay Program ($8 million)
2. Peninsula, Southern and Eastern Counties Program ($8 million)

The North Bay program framework is to be developed by the four North Bay county Congestion Management Agencies (CMAs), building on their PCA planning and priorities carried out to date. Project eligibility is limited by the eligibility of federal surface transportation funding; unless the CMA can exchange these funds or leverage new fund sources for their programs.

The Peninsula, Southern and Eastern Counties Program will be administered by the Coastal Conservancy* in partnership with MTC based on the proposal provided below. The table below outlines screening criteria, eligible applicants, and the proposed project selection and programming process for the Peninsula, Southern and Eastern Counties.

Funding Amount	• $8 million
Screening Criteria	• **PCA Designation**: Eligible projects must be within a designated PCA. The list of adopted PCAs can be found at: http://abag.ca.gov/priority/conservation/. • **Regionally Significant**: Indicators of regional significance include a project's contribution to goals stated in regional habitat, agricultural or open space plans (i.e. *San Francisco Bay Area Upland Habitat Goals Project Report* at http://www.bayarealands.org/reports/), countywide Plans or ABAG's PCA designations. Applicants should describe who will benefit from the project and the regional (greater-than-local) need it serves. • **Open Space Protection In Place**: Linkages to or location in a Greenbelt area that is policy protected from development. Land acquisition or easement projects would be permitted in an area without open space policy protections in place. • **Non-Federal Local Match**: 2:1 minimum match

	• **Meets Program Goals:** Projects that meet one of the following program goals (subject to funding eligibility—see below): o Protects or enhances "resource areas" or habitats as defined in California Government Code § 65080.01(a). o Provides or enhances bicycle and pedestrian access to open space / parkland resources. Notable examples are the Bay and Ridge Trail Systems. o Supports the agricultural economy of the region. o Includes existing and potential urban green spaces that increase habitat connectivity, improve community health, capture carbon emissions, and address stormwater.
Eligible Applicants	• Local governments (cities, counties, towns), county congestion management agencies, tribes, water/utility districts, resource conservation districts, park and/or open space districts, land trusts and other land/resource protection nonprofit organizations in the nine-county San Francisco Bay Area are invited to nominate projects. Applicants are strongly encouraged to collaborate and partner with other entities on the nomination of projects, and partnerships that leverage additional funding will be given higher priority in the grant award process. **Partnerships are necessary with cities, counties, or CMAs in order to access federal funds. Federally-funded projects must have an implementing agency that is able to receive a federal-aid grant (master agreement with Caltrans).**
Emphasis Areas / Eligible Projects	**Eligible Projects** 1. **Planning Activities** 2. **Pedestrian and Bicycle Facilities/ Infrastructure:** On-road and off-road trail facilities, sidewalks, bicycle infrastructure, pedestrian and bicycle signals, traffic calming, lighting and other safety related infrastructure, and ADA compliance, conversion and use of abandoned rail corridors for pedestrians and bicyclists. 3. **Visual Enhancements**: Construction of turnouts, overlooks and viewing areas. 4. **Habitat / Environmental Enhancements**: Vegetation management practices in transportation rights-of-way, reduce vehicle-caused wildlife mortality or to restore and maintain connectivity among terrestrial or aquatic habitats, mitigation of transportation project environmental impacts funded through the federal-aid surface transportation program. 5. **Protection (Land Acquisition or Easement) or Enhancement of Natural Resources, Open Space or Agricultural Lands**: Parks and

	open space, staging areas or environmental facilities; or natural resources, such as listed species, identified priority habitat, wildlife corridors, wildlife corridors watersheds, or agricultural soils of importance. 6. **Urban Greening**: Existing and potential green spaces in cities that increase habitat connectivity, improve community health, capture carbon emissions, and address stormwater. **Note:** MTC encourages PCA project applicants to partner with other agencies and programs to leverage other funds in order to maximize benefits. As such, PCA funded projects may become eligible to deliver net environmental benefits to a future Regional Advance Mitigation Planning (RAMP) program project, above any required mitigation requirements. Note that such projects may need to rely on funding exchanges with eligible non-federal funds because most land acquisition and habitat restoration projects that are not mitigation for transportation projects are not eligible for federal transportation funds. Any such funding exchange must be consistent with MTC's fund exchange policy (MTC Resolution No. 3331).
Project Selection	**Coastal Conservancy Partnership Program:** MTC will provide $8 million of federal transportation funds which will be combined with the Coastal Conservancy's own program funds in order to support a broader range of projects (i.e. land acquisition and easement projects) than can be accommodated with federal transportation dollars alone. The Coastal Conservancy, MTC, and ABAG staff will cooperatively manage the call for projects. This approach would harness the expertise of the Coastal Conservancy, expand the pool of eligible projects, and leverage additional resources through the Coastal Conservancy.

*The Coastal Conservancy is a state agency and the primary public land conservation funding source in the Bay Area, providing funding for many different types of land conservation projects. For more information see http://scc.ca.gov/.

APPENDIX A-10: Checklist for CMA and Local Jurisdiction Compliance with MTC Resolution No. 4202

One Bay Area Grant (OBAG 2) Checklist for CMA Compliance with MTC Resolution No. 4202

Federal Program Covering FY 2017-18 through FY 2021-22

The intent of this checklist is to delineate the requirements included in the OBAG 2 Grant Program (Resolution No. 4202), as adopted by MTC on November 18, 2015. This checklist must be completed by Congestion Management Agencies (CMAs) and submitted to MTC to certify compliance with the OBAG 2 requirements. MTC will not take action to program projects recommended by a CMA until a checklist demonstrating compliance has been submitted to MTC.

CMA Call for Projects Guidance: Appendix A-7

1. Public Involvement and Outreach, Agency Coordination, and Title VI	YES	NO	N/A
a. Has the CMA conducted countywide outreach to stakeholders and the public to solicit project ideas consistent with Appendix A-7?	☐	☐	☐
b. Has the CMA performed agency coordination consistent with Appendix A-7?	☐	☐	☐
c. Has the CMA fulfilled its Title VI responsibilities consistent with Appendix A-7?	☐	☐	☐
d. Has the CMA documented the efforts undertaken for Items 1a-1c, above, and submitted these materials to MTC as an attachment to this Checklist?	☐	☐	☐

PDA Investment and Growth Strategy: Appendix A-8

2. Engage with Regional and Local Jurisdictions	YES	NO	N/A
a. Has the CMA developed a process to regularly engage local planners and public works staff in developing a PDA Investment and Growth Strategy that supports and encourages development in the county's PDAs?	☐	☐	☐

b.	Has the CMA encouraged community participation throughout the development of the Investment and Growth Strategy, consistent with the OBAG 2 Call for Projects Guidance (Appendix A-7)?	☐	☐	☐
c.	Has the CMA governing board adopted the final Investment and Growth Strategy?	☐	☐	☐
d.	Has the CMA's staff or consultant designee participated in TAC meetings established through the local jurisdiction's planning processes funded through the regional PDA planning program?	☐	☐	☐
e.	Has the CMA worked with MTC and ABAG staff to confirm that regional policies are addressed in PDA plans?	☐	☐	☐
3.	**Planning Objectives to Inform Project Priorities**	**YES**	**NO**	**N/A**
a.	Has the CMA kept itself apprised of ongoing transportation and land-use planning efforts throughout the county?	☐	☐	☐
b.	Has the CMA encouraged local agencies to quantify transportation infrastructure needs and costs as part of their planning processes?	☐	☐	☐
c.	Has the CMA encouraged and supported local jurisdictions in meeting their housing objectives established through their adopted Housing Elements and RHNA?			
	1. By May 1, 2013, has the CMA received and reviewed information submitted to the CMA by ABAG on the progress that local jurisdictions have made in implementing their housing element objectives and identifying current local housing policies that encourage affordable housing production and/or community stabilization?	☐	☐	☐
	2. Starting in May 2014 and in all subsequent updates of its PDA Investment & Growth Strategy, has the CMA assessed local jurisdiction efforts in approving sufficient housing for all income levels through the RHNA process and, where appropriate, assisted local jurisdictions in implementing local policy changes to facilitate achieving these goals?	☐	☐	☐

4. Establishing Local Funding Priorities	YES	NO	N/A
a. Has the CMA developed funding guidelines for evaluating OBAG 2 projects that support multi-modal transportation priorities based on connections to housing, jobs and commercial activity and that emphasize the following factors?	☐	☐	☐

1. Projects located in high impact project areas – favorably consider projects in high impact areas, defined as:
   a) PDAs taking on significant housing growth (total number of units) in the Sustainable Communities Strategy (SCS), including RHNA allocations, as well as housing production, especially those PDAs that are delivering large numbers of very low, low and moderate income housing units;
   b) Dense job centers in proximity to transit and housing (both current levels and those included in the SCS) especially those which are supported by reduced parking requirements and Travel Demand Management (TDM) programs;
   c) Improved transportation choices for all income levels (reduces VMT), proximity to quality transit access, with an emphasis on connectivity (including safety, lighting, etc.).
2. Projects located in Communities of Concern (COC) as defined by MTC:
   a) CMAs may also include additional COCs beyond those defined by MTC, such as those defined by the CMAs according to local priorities or Community Based Transportation Plans.
3. PDAs with affordable housing preservation, creation strategies and community stabilization policies.
4. Investments that are consistent with the Air District's Planning Healthy Places guidelines.[1]
5. PDAs that overlap or are co-located with: 1) populations exposed to outdoor toxic air contaminants, as identified in the Air District's Community Air Risk Evaluation (CARE) Program and/or 2) freight transport infrastructure.

[1] Guidance will be developed in partnership with BAAQMD, CMAs, ABAG, and city staff pending the release of these guidelines in early 2016, please see: http://www.baaqmd.gov/plans-and-climate/california-environmental-quality-act-ceqa/planning-healthy-places.

b. Has the CMA provided a status report on their PDA Investment & Growth Strategy (required two years after the adoption of a PDA Investment and Growth Strategy)?	☐	☐	☐
c. Has the CMA committed to developing a new PDA Investment & Growth Strategy by May 1, 2017 (new PDA required every four years), consistent with the update of the RTP/SCS?	☐	☐	☐

PDA Policies

5. PDA Minimum Investment Targets	**YES**	**NO**	**N/A**
a. Has the CMA met its minimum PDA investment target (70% for Alameda, Contra Costa, San Francisco, San Mateo, Santa Clara and 50% for Marin, Napa, Sonoma, and Solano)?	☐	☐	☐
b. Has the CMA defined the term "proximate access," for projects located outside of a PDA that should be counted towards the county's minimum PDA investment target?	☐	☐	☐
c. Has the CMA designated and mapped projects recommended for funding that are not geographically within a PDA but provide "proximate access" to a PDA, along with policy justifications for those determinations, and presented this information for public review when the CMA board acts on OBAG 2 programming decisions?	☐	☐	☐
d. Has the CMA submitted the documentation from item 6c, above, to MTC as part of this Checklist?	☐	☐	☐

Project Selection Policies

6. Project Selection	**YES**	**NO**	**N/A**
a. Has the CMA documented and submitted the approach used to select OBAG 2 projects including outreach, coordination, and Title VI compliance?	(See 1 & 2)		
b. Has the CMA issued a unified call for projects?	☐	☐	☐
c. Has the CMA submitted a board adopted list of projects to MTC by October 31, 2016?	☐	☐	☐

d. Does the CMA acknowledge that all selected projects must be submitted into MTC's Fund Management System (FMS) along with a Resolution of Local Support no later than November 30, 2016?	☐	☐	☐
e. Does the CMA affirm that the projects recommended for funding meet the following requirements? 1. Are consistent with the current Regional Transportation Plan (Plan Bay Area); 2. Have completed project-specific Complete Streets Checklists;	☐	☐	☐
f. Does the CMA acknowledge the that OBAG 2 funding is subject to MTC's Regional Project Delivery Policy (Resolution No. 3606, or successor resolution) in addition to the following OBAG 2 deadlines? 1. Half of the CMA's OBAG 2 funds, must be obligated by January 31, 2020; and 2. All remaining OBAG 2 funds must be obligated by January 31, 2023.	☐	☐	☐

Performance and Accountability Policies

7. Ensuring Local Compliance	**YES**	**NO**	**N/A**
a. Has the CMA received confirmation that local jurisdictions have met, or are making progress in meeting, the Performance and Accountability Policies requirements related to Complete Streets, local Housing Elements, local streets and roads, and transit agency project locations as set forth in pages 16-18 of MTC Resolution 4202? *Note: CMAs can use the Local Jurisdiction OBAG 2 Requirement Checklist to help fulfill this requirement.*	☐	☐	☐
b. Has the CMA affirmed to MTC that a jurisdiction is in compliance with the requirements of MTC Resolution 4202 prior to programming OBAG 2 funds to its projects in the TIP?	☐	☐	☐

8. Completion of Checklist	YES	NO	N/A
Has the CMA completed all section of this checklist?	☐	☐	☐

If the CMA has checked "NO" or "N/A" to any checklist items, please include which item and a description below as to why the requirement was not met or is considered Not Applicable:

Attachments

- ☐ Documentation of CMA efforts for public outreach, agency coordination, and Title VI compliance (Checklist Items 1, 2).
- ☐ Documentation of CMA compliance with PDA minimum investment targets, including documentation that the information was presented to the public during the decision-making process (Checklist Item 6).

Review and Approval of Checklist

This checklist was prepared by:

_____ _____
Signature Date

_____
Name & Title (print)

_____ _____
Phone Email

This checklist was approved for submission to MTC by:

_____ _____
Signature Date

_____
CMA Executive Director

One Bay Area Grant (OBAG 2) Checklist for Local Compliance with MTC Resolution No. 4202

Federal Program Covering FY 2017-18 through FY 2021-22

The intent of this checklist is to delineate the requirements for local jurisdictions included in the OBAG Grant Program (Resolution No. 4202), as adopted by MTC on November 18, 2015. This checklist must be completed by local jurisdictions and submitted to the CMA to certify compliance with the OBAG 2 requirements listed in MTC Resolution No. 4202. MTC will not take action to program projects for a local jurisdiction until the CMA affirms that the jurisdiction has met all requirements included in OBAG 2.

1. Compliance with the Complete Streets Act of 2008	YES	NO	N/A
a. Has the jurisdiction met MTC's Complete Street Requirements for OBAG 2 prior to the CMA submitting its program to MTC through either of the following methods? 1. Adopting a Complete Streets resolution incorporating MTC's nine required complete streets elements; or 2. Adopting a significant revision to the General Plan Circulation Element after January 1, 2010 that complies with the California Complete Streets Act of 2008.	☐	☐	☐
b. Has the jurisdiction submitted documentation of compliance with Item a. (copy of adopted resolution or circulation element) to the CMA as part of this Checklist?	☐	☐	☐
c. Has the jurisdiction submitted a Complete Streets Checklist for any project for which the jurisdiction has applied for OBAG 2 funding?	☐	☐	☐

2. Housing Element Certification	YES	NO	N/A
a. Has the jurisdiction's General Plan Housing Element been certified by the California Department of Housing and Community Development (HCD) for 2014-2022 RHNA prior to May 31, 2015?	☐	☐	☐
b. Has the jurisdiction submitted the latest Annual Housing Element Report to HCD by April 1, 2016?	☐	☐	☐
c. Does the jurisdiction acknowledge that the Annual Housing Element Report must be submitted to HCD each year through the end of the OBAG 2 program (FY22) in order to be eligible to receive funding?	☐	☐	☐

d. Has the jurisdiction submitted documentation of compliance with Item 2 (copy of certified housing element or annual report, or letter of compliance from HCD) to the CMA as part of this Checklist?	☐	☐	☐

3. Local Streets and Roads	**YES**	**NO**	**N/A**
a. Does the jurisdiction have a certified Pavement Management Program (StreetSaver® or equivalent) updated at least once every three years (with a one-year extension allowed)?	☐	☐	☐
b. Does the jurisdiction fully participate in the statewide local streets and roads needs assessment survey?	☐	☐	☐
c. Does the jurisdiction provide updated information to the Highway Performance Monitoring System (HPMS) at least once every 3 years (with a one-year grace period allowed)?	☐	☐	☐

4. Projects Sponsored by Other Agencies	**YES**	**NO**	**N/A**
a. Does the jurisdiction acknowledge that the jurisdiction in which a project is located must comply with OBAG 2 requirements (MTC Resolution No. 4202) in order for any project funded with OBAG 2 funds to be located within the jurisdiction, even if the project is sponsored by an outside agency (such as a transit agency)?	☐	☐	☐

5. Regional Project Delivery Requirements	**YES**	**NO**	**N/A**
a. Does the jurisdiction acknowledge that it must comply with the regional Project Delivery Policy and Guidance requirements (MTC Resolution No. 3606) in the implementation of the project, and that the jurisdiction must identify and maintain a Single Point of Contact for all projects with FHWA-administered funding?	☐	☐	☐

6. Completion of Checklist	**YES**	**NO**	**N/A**
Has the jurisdiction completed all sections of this checklist?	☐	☐	☐

If the jurisdiction has checked "NO" or "N/A" to any of the above questions, please provide an explanation below as to why the requirement was not met or is considered not applicable:

Attachments

- ☐ Documentation of local jurisdiction's compliance with MTC's Complete Streets Requirements, including copy of adopted resolution or circulation element (Checklist Item 1).
- ☐ Documentation of compliance with MTC's Housing Element Requirements, such as a copy of certified housing element or annual report, or a letter of compliance from HCD (Checklist Item 2).

Review and Approval of Checklist

This checklist was prepared by:

_____ _____
Signature Date

_____
Name & Title (print)

_____ _____
Phone Email

This checklist was approved for submission to <INSERT NAME>City/County by:

_____ _____
Signature Date

_____
City Manager/Administrator or designee

One Bay Area Grant

OBAG 2 Proposal

Programming and Allocations Committee

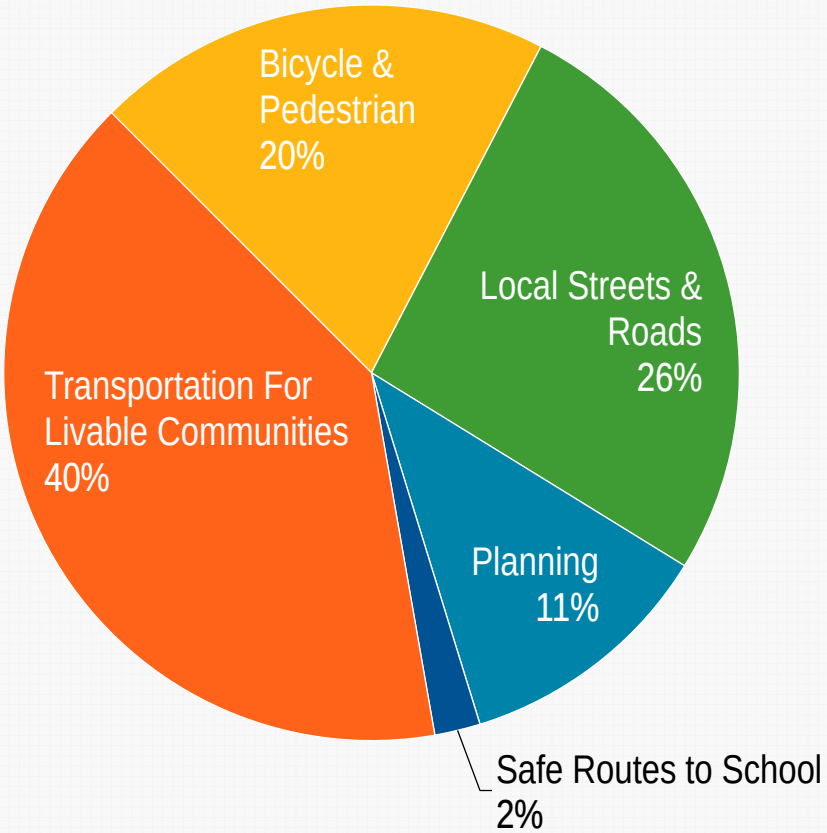
November 4, 2015

OneBayArea Grant: A Comprehensive Funding Approach

- Reward jurisdictions that accept and produce housing near transit
- Target OBAG investments in Priority Development Areas (PDAs) to support the Sustainable Communities Strategy
- Provide local funding and more flexibility on how money can be spent
- Distribute funding through a model that considers housing
- Support open space preservation in Priority Conservation Areas (PCAs)
- Complete Street policies to better incorporate active transportation elements and transit

OBAG 1 County Program: Project Summary

County Program Categories



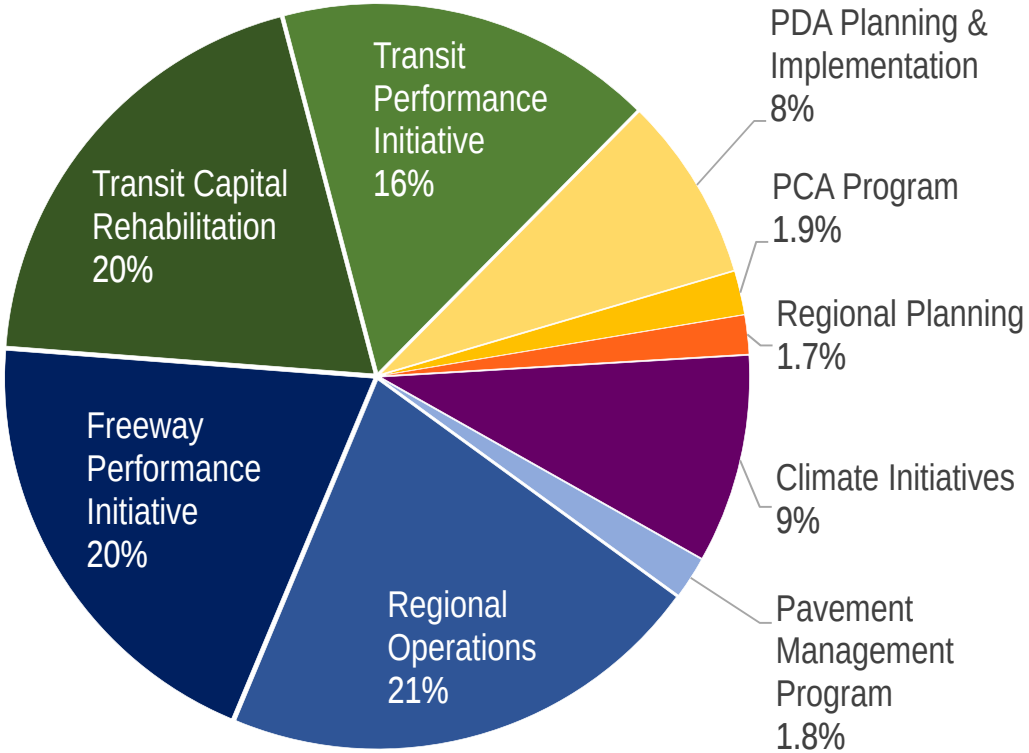
Percentages may not add to 100% due to rounding.

- Overall funding increased from previous cycle ($126.8M to $320M)
- More projects received grants (133 to 195)
- Average grant size increased ($1.0M to $1.6M)
- Average project size increased ($2.1M to $3.3M)
- Greater project complexity / multi-modalities and active transportation elements
- 60% of local projects contained complete streets elements

Source: OBAG Report Card, February 7, 2014

OBAG 1 Regional Program: Program Summary

Regional Program Categories



Percentages may not add to 100% due to rounding.

- Transit & Regional Operations (FPI, Clipper, 511):

  Largest Shares

- Planning (PDA & Regional):

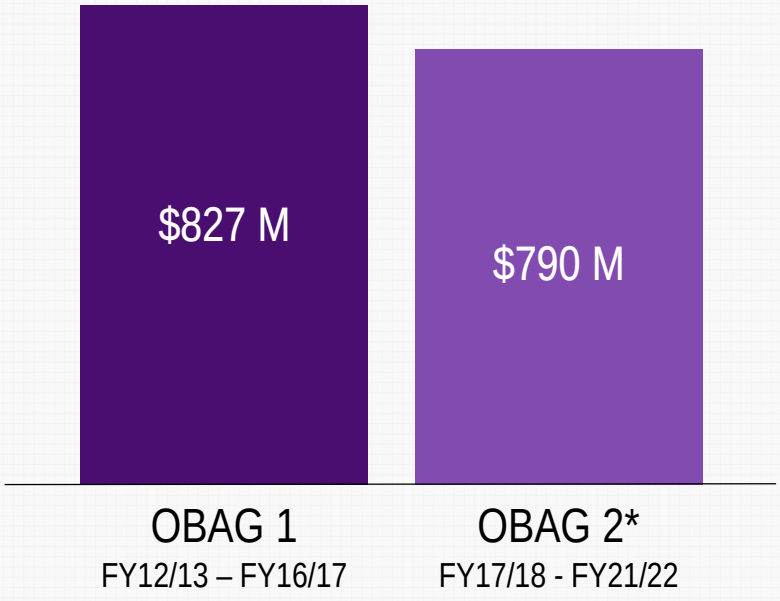
  ~10%

- PCA, Climate, PMP:

  ~14%

OBAG 2: Funding Assumptions

- OBAG 1 revenues were below expectations
- 2% annual escalation for future federal revenues, consistent with introduction of DRIVE Act
- STP/CMAQ funds only, no STIP or TE
- Five-year program from federal FY 2017-18 through FY 2021-22 to maintain program size
- $790M available for OBAG 2
- No new programs
- Balance needs of existing programs



OBAG 2: Regional Program Recommendations

Millions $, rounded

Program	OBAG 1	OBAG 2
Regional Planning Activities	$8	$10
Pavement Management Program	$9	$9
Priority Development Area (PDA) Planning and Implementation	$20	$20
Climate Initiatives Program	$22	$22
Priority Conservation Area (PCA)	$10	$16
Regional Operations Programs	$184	$170
Transit Priorities Program	$201	$189
Totals	$454	$436

OBAG 2: Regional PDA Planning Program

<u>Regional PDA Planning Program:</u>
Implements *Plan Bay Area* by supporting neighborhood-level plans that link local aspirations and regional objectives

- Planning results to-date:
  - ❑ 51 projects
  - ❑ 60,000 + housing units
  - ❑ 103,000 + new jobs
  - ❑ 26 million sq. ft. commercial development

PDA Planning → Zoning / EIR → Jobs & Housing

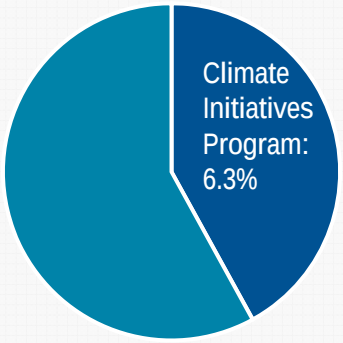
- Focus on cities with high risk of displacement
- Collaborate with CMAs and other stakeholders on program development

OBAG 2: Climate Initiatives and PCA Programs

Climate Initiatives

- Identifies and implements strategies to reduce transportation-related GHG emissions mandated by SB 375
- Accounts for 6.3% of the 15% per capita Plan Bay Area GHG required emission reductions by the year 2035
- Future funding will continue to support successful efforts from pilots

Plan Bay Area
GHG Reduction Target
(15% per capita)



PCA Program

- Program increases with $8M to the North Bay, $8M to the Regional Program (other counties) – includes $6.4 million in savings from OBAG 1 Bikeshare project

OBAG 2:
Regional Operations & Transit Priorities

Regional Operations

- Supports 511, Columbus Day Initiative, Transportation Management Systems, Rideshare
- Focus on partnerships, key corridors
- "Challenge grant" concept to leverage funding

Transit Priorities

- Support key commitments
  - ❑ BART car replacement
  - ❑ Clipper next generation system
- Contribute to Transit Capital Priorities and Transit Performance Initiative programs

OBAG 2:
County Share Formula Options

County Distribution Formula: three options for discussion

County Distribution Formula Alternatives

Program	Population	Housing Production	Housing RHNA	Housing Affordability
OBAG 1	50%	25%	25%	50%
OBAG 2 *1. Affordable Housing*	50%	30%	20%	60%
OBAG 2 *2. Affordable + Moderate*	50%	30%	20%	60%*
OBAG 2 *3. Housing Production*	50%	50%	0%	60%

Note: OBAG 2 based on housing over a longer time frame, considering housing production between 1999 and 2006 (weighted 30%) and between 2007 and 2014 (weighted 70%).

*Includes moderate as well as low and very low income levels for RHNA and housing production.

OBAG 2: County Share Formula Options, continued

Alternative County Distributions

County	OBAG 1	OBAG 2 *1. Affordable Housing*	OBAG 2 *2. Affordable + Moderate*	OBAG 2 *3. Production Only*
Alameda	19.7%	20.1%	19.8%	19.2%
Contra Costa	14.2%	13.7%	14.7%	14.1%
Marin	3.3%	2.8%	2.8%	3.0%
Napa	2.3%	2.2%	2.2%	2.2%
San Francisco	11.7%	12.9%	12.3%	13.4%
San Mateo	8.4%	8.5%	8.5%	7.9%
Santa Clara	27.2%	27.7%	27.1%	27.3%
Solano	5.9%	5.2%	5.5%	5.4%
Sonoma	7.2%	7.1%	7.2%	7.7%

Notes: OBAG 1 final distribution after applying adjustments and SRTS
OBAG 2 distributions include SRTS and FAS categories and an adjustment to ensure a county's CMA base planning is no more than 50% of the county's total

OBAG 2: Cultivate Linkages with Local Land Use Planning

- PDA investment targets remain at 50% for the four North Bay counties and 70% for the other counties
- For OBAG 2, jurisdictions need to either have updated their circulation elements after January 1, 2010 to meet the State's Complete Streets Act of 2008, or adopt a complete streets resolution per the MTC model used for OBAG 1
- HCD-certified housing elements required; 4 jurisdictions did not meet deadline

OBAG 2: Next Steps

November 2015	PAC/Commission review/decision on county distribution options, approval of OBAG 2 procedures and guidance
December 2015 – October 2016	CMA project solicitation and selection followed by MTC staff review of projects
December 2016	Commission approves county and regional OBAG 2 projects