

Metropolitan Transportation Commission Programming and Allocations Committee

February 10, 2016

Agenda Item 5a

MTC Resolution No. 4202. OBAG 2 Framework Status Update

- Subject:** Informational status updates on the One Bay Area Grant (OBAG 2) Program including increased revenue estimates from the new federal surface transportation authorization and look-ahead at potential approaches for anti-displacement and affordable housing policies.
- Background:** On November 18, 2015 the Commission adopted MTC Resolution No. 4202, establishing the project selection criteria, programming policies, and program funding amounts for the OBAG 2 program, covering the five-year period of Fiscal Years 2017-18 through 2021-22.
- On December 4, 2015, shortly after adoption of the OBAG 2 program, President Obama signed into law a new five-year surface transportation authorization. On the whole, Fixing America's Surface Transportation Act (FAST) maintains core highway and transit funding programs and policies established by its predecessor, Moving Ahead for Progress in the 21st Century (MAP-21), and provides stability to the federal surface transportation policy and funding landscape over the short-term. In addition, FAST directs increased funding to the two programs that support OBAG 2, the Surface Transportation Program (renamed by FAST as the Surface Transportation Block Grant Program) and the Congestion Mitigation and Air Quality Improvement Program (CMAQ). Early estimates indicate that the Bay Area's share of these funds will increase by approximately \$72 million through the end of OBAG 2.
- In adopting the OBAG 2 program, the Commission also directed staff to develop a recommendation for anti-displacement and affordable housing policies to incorporate into OBAG 2, and investigate the possibility of establishing a housing preservation fund.
- Issues:**
- 1. Distribution of Increased Revenues.** Staff is currently developing options for the use of the additional revenues, to present to the Commission for consideration. In developing a set of proposals, staff is relying on the principles adopted in the OBAG 2 framework, while also balancing other regional objectives such as supporting affordable housing and combatting climate change. Initial concepts include:
 - Distributing the additional revenues according to the adopted OBAG 2 framework, with 45% being directed to the county programs (\$32 million) and the remaining 55% directed to various regional programs (\$40 million).
 - For the additional revenues to the regional programs, consider restoring funding for existing programs to OBAG 1 levels, augmenting certain programs related to housing affordability and climate change needs, or a combination of these options.

Staff welcomes feedback on these preliminary concepts. We had a preliminary consultation with the Bay Area Partnership last month and expect to return to that group for additional advice before this item returns to the Committee for approval. As a reminder, the table below illustrates the inaugural OBAG1 program as well as the OBAG2 program – before the FAST Act approval – in November 2015.

OBAG 1 and 2 Program Amounts

\$ in millions

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
Regional Programs	\$454	\$436
County Programs	\$372	\$354
County Programs	\$372	\$354
Total	\$827	\$790

2. Approach for Affordable Housing/Anti-Displacement. Staff has been exploring approaches to present to the Commission for consideration. The range of approaches includes (a) an incentives approach to reward jurisdictions that address the issues of affordable housing and displacement, (b) a regulatory approach in which jurisdictions must adopt housing policies or develop plans to address housing stability and affordability, and (c) an investment approach to directly invest in the production or preservation of affordable housing.

On February 20, 2016, MTC and the Association of Bay Area Governments (ABAG) are scheduled to convene a regional forum with local jurisdictions, residents, business organizations, and other stakeholders to further consider the role of regional agencies in addressing displacement and affordable housing. Although the forum will not focus specifically on OBAG, the discussion will inform staff's recommendation for potential policies to incorporate into OBAG 2. A flyer for this forum is provided as an attachment. We encourage your attendance at this event.

3. Timeline. Staff plans to return to this Committee in April with proposed revisions to the OBAG 2 program related to the increased FAST revenues and an approach to affordable housing and displacement. Final approval of the program revisions by the Commission is tentatively scheduled for consideration in April. Additional detail on the timeline is provided below.

January-February	Outreach, information and discussion with the Bay Area Partnership Board, advisory and working groups
March	Staff development of draft proposals/options
April	Final OBAG 2 policy revisions presented to Committee and Commission for adoption

Recommendation: Information. No action required.

Attachments: Flyer for MTC/ABAG's forum on affordable housing and displacement



You're Invited! Special Forum

Calling the Bay Area Home: Tackling the Affordable Housing and Displacement Challenge

Saturday, February 20, 2016, 9 a.m. to 1:30 p.m.

Oakland Marriott City Center 1001 Broadway, Oakland (at 12th St. City Center BART Station)

Please join us at a half-day event bringing together community and business leaders, housing developers, elected officials and city planners for a timely and important dialogue on the role that Bay Area local governments and regional agencies — as well as the state and federal government — can play in addressing skyrocketing housing costs and displacement of long-time residents.

Who should attend?

- Elected officials and local agency staff
- Community and business leaders
- For-profit and affordable housing developers
- Advocates

This half-day forum will focus on:

- Regional trends and community impacts
- Common challenges and barriers
- Local and regional strategies, solutions and implementable actions
- Appropriate role for local jurisdictions, regional agencies, and state and federal government

Participants will also break out into four smaller groups to discuss specific challenges and strategies for (1) San Francisco, (2) the Peninsula and South Bay, (3) the East Bay and (4) the North Bay. Your comments will help inform future discussions and actions.

To learn more and register, visit PlanBayArea.org. This forum is provided at no charge; we need your registration information to ensure sufficient space and lunches.

Do you need an interpreter or any other assistance to participate? Please call 510.817.5757 or 510.817.5769 for TDD/TTY three days in advance.

¿Necesita un intérprete u otra asistencia para participar? Por favor llámenos con tres días de anticipación al 510.817.5757 o 510.817.5769 para TDD/TTY.

您是否需要翻譯員或任何其他幫助才能參加呢？請提前三天致電 510.817.5757或聽障專線(TDD/TTY) 510.817.5769

