

Attachment B: Proposed OBAG 4 Policy Summary

General Policies

Policy Area	Change(s)	OBAG 4 Proposal
Structure	<ul style="list-style-type: none"> Clarify and simplify program categories from OBAG 3 Add new regional set-aside category for TOC incentives 	<ul style="list-style-type: none"> Organize the regional program into six simplified categories by project type and goal area: planning and implementation, growth framework, environment, complete streets, multimodal networks, and set-asides Continue to organize the county program by county
Project Delivery	<ul style="list-style-type: none"> Introduce new obligation deadline extension request process to formalize current practice and respond to requests for flexibility and clarity 	<ul style="list-style-type: none"> Continue implementation of the Regional Project Delivery Policy (MTC Resolution No. 3606), including requirements related to the Single Point of Contact (SPOC), Resolution of Local Support, Transportation Improvement Program (TIP), and Annual Obligation Plan (AOP) and associated corrective actions Establish September 30, 2031 obligation deadline Formalize obligation deadline extension request process for unforeseen and extraordinary circumstances, subject to staff approval and limited to one extension of up to 24 months
Project Requirements	<ul style="list-style-type: none"> Accommodate MTC's new Transit Priority Policy for Roadways and associated updates to the Complete Streets checklist and procedures Minor updates consistent with federal requirements 	<ul style="list-style-type: none"> Continue to ensure that projects comply with applicable state and federal requirements, including federal STP/CMAQ eligibility, <i>Plan Bay Area</i> consistency, public participation and civil rights compliance, minimum non-federal match, TIP inclusion, Air Quality Conformity, environmental clearance, and CMAQ air quality benefit calculations Continue to ensure that projects comply with applicable regional policies and requirements, including: <ul style="list-style-type: none"> MTC's Complete Streets Policy (MTC Resolution No. 4493) MTC's Transit Priority Policy for Roadways (MTC Resolution No. 4739)
Fund Exchanges	<ul style="list-style-type: none"> No changes from OBAG 3 	<ul style="list-style-type: none"> Continue to allow STP/CMAQ exchanges with non-federal funds on a case-by-case basis consistent with MTC's exchange policy (MTC Resolution No. 3331)
Regional Fund Management	<ul style="list-style-type: none"> No changes from OBAG 3 	<ul style="list-style-type: none"> Continue regional management of OBAG 4 programming years and fund source assignment subject to availability and consistent with longstanding priorities Continue to pursue interregional STP/CMAQ apportionment loans when mutually beneficial for delivery Continue to permit MTC projects to expedite project delivery using Advance Construction (AC) procedures when appropriate

Regional Program Policies

Policy Area	Change	OBAG 4 Proposal
TOC Incentives	<ul style="list-style-type: none"> Introduce a regional TOC set-aside incentive and North Bay Augmentation (approved January 2026) 	<ul style="list-style-type: none"> Introduce a \$45 million TOC set-aside for top performers (approved January 2026) Introduce a \$5 million North Bay augmentation (\$1.25 million targets for Marin, Napa, Solano, and Sonoma Counties) (approved January 2026) Administer the North Bay augmentation through the county call for project process
Calls for Projects	<ul style="list-style-type: none"> Formalize best practices for regional calls for projects coordination 	<ul style="list-style-type: none"> Introduce the following guidelines for regional calls for projects: <ul style="list-style-type: none"> Outreach: standard call for project notice to working groups and on website Coordination: standard of one coordinated call for projects per year Timeliness: standard to conduct calls for projects between FY 2027 and 2029

County Program

Policy Area	Change	OBAG 4 Proposal
Roles	<ul style="list-style-type: none"> No changes from OBAG 3 	<ul style="list-style-type: none"> Continue to implement the county call for projects as a partnership between MTC and the CTAs, with <ul style="list-style-type: none"> CTAs responsible for administering the call for projects within their respective counties, including public outreach, initial project screening and evaluation, project nominations to MTC, and sponsor support and coordination throughout project delivery MTC responsible for administering the overall call for projects, final project evaluation and selection, and implementation of regional requirements throughout project delivery
Eligible Activities	<ul style="list-style-type: none"> Minimal clarifications from OBAG 3 	<ul style="list-style-type: none"> Continue broad project eligibility consistent with federal fund sources Continue to exclude select project types consistent with regional priorities, including air quality non-exempt projects, new roadways, roadway extensions, right-of-way acquisition for future expansion, operations, and routine maintenance
CTA Planning	<ul style="list-style-type: none"> Revise the CTA base planning formula to rely on total program capacity and other independent factors, rather than escalation from prior cycles 	<ul style="list-style-type: none"> Continue county program funding to support CTA planning and program implementation activities, including: <ul style="list-style-type: none"> Base planning amounts for each county determined by formula Optional augmentations to base planning funds, by CTA request Update the formula for determining CTA base planning amounts to incorporate: <ul style="list-style-type: none"> \$41 million in total funding (5% of OBAG 4 capacity) \$3.5 million minimum funding for each county Proportionate distribution of remaining funds over \$3.5 million minimum relative to county nomination target shares

Policy Area	Change	OBAG 4 Proposal
Nomination Targets	<ul style="list-style-type: none"> Update nomination targets using current population and housing data with the same formula as prior cycles Incorporate regional North Bay augmentation targets 	<ul style="list-style-type: none"> Continue the same CTA nomination target formula and factors using updated data, establishing target shares based on: <ul style="list-style-type: none"> Population (50%) Recent housing production (30%) by building permits Planned growth (20%) by Regional Housing Needs Allocation (RHNA) targets Additional weight in housing production and RHNA target factors for affordability Continue to set CTA nomination targets based on 120% of available county program funds, excluding CTA base planning amounts Incorporate regional North Bay augmentation targets into the county call for projects
Outreach	<ul style="list-style-type: none"> Minor updates consistent with federal requirements 	<ul style="list-style-type: none"> Continue to require CTAs to conduct equitable public engagement and agency coordination for their county call for projects consistent with MTC's Public Participation Plan (MTC Resolution No. 4174) and applicable federal requirements
Sponsor Requirements	<ul style="list-style-type: none"> Introduce new compliance escalation process to formalize current practice and respond to requests for flexibility and clarity Clarify update frequency for safety plans (LRSPs) per state requirements (every 5 years) Eliminate self-certification resolution for state housing laws (MTC to monitor state reporting) 	<ul style="list-style-type: none"> Continue sponsor requirements from previous cycles, including: <ul style="list-style-type: none"> Compliance with general project requirements and delivery processes (above) State housing law compliance: ongoing state housing element certification, Annual Progress Report submission, compliance with the Housing Accountability Act and state laws related to surplus lands, accessory dwelling units, and density bonuses Safety planning: complete and maintain a Local Roadway Safety Plan (LRSP) that satisfies California Highway Safety Improvement Program (HSIP) requirements, including updates within 5 years Pavement management: ongoing MTC certification of a Pavement Management Program (PMP), participation in statewide local streets and roads needs assessment surveys Performance reporting: submission of annual traffic count data for the federal Highway Performance Monitoring System (HPMS) Eliminate the state housing law self-certification resolution requirement Formalize a process for delaying, withholding, and rescinding awards from sponsors that do not comply with ongoing requirements listed above
Project Requirements	<ul style="list-style-type: none"> No changes from OBAG 3 	<ul style="list-style-type: none"> Continue project requirements from previous cycles, including: <ul style="list-style-type: none"> Compliance with general project requirements and delivery processes Minimum award size of \$500,000 for counties with a population over 1 million (Alameda, Contra Costa, and Santa Clara Counties) and \$250,000 for remaining counties (Marin, Napa, San Francisco, San Mateo, Solano, Sonoma Counties)

Policy Area	Change	OBAG 4 Proposal
Geographic Minimums	<ul style="list-style-type: none"> Introduce TOCs as an eligible geography (in addition to PDAs) and increase thresholds for counties outside of the North Bay (70% to 80%) Remove other targets for active transportation and safe routes to school investment 	<ul style="list-style-type: none"> Modify the minimum investment thresholds for projects supporting growth geographies to include projects within a mile or less of a Priority Development Area (PDA) or Transit-Oriented Community (TOC), requiring that: <ul style="list-style-type: none"> 50% of investments in each of the North Bay counties (Marin, Napa, Solano, and Sonoma) are PDA or TOC supportive 80% of investments in each of the remaining counties (Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara) are PDA or TOC supportive Continue to require that CTA nominations meet or exceed these minimum thresholds, excluding countywide programs or activities
CTA Evaluation	<ul style="list-style-type: none"> Simplify CTA minimum criteria to increase flexibility and emphasize local expertise, addressing other considerations through the MTC evaluation process Include specific references in support of stormwater management and ADA transition plans Formalize CTA nomination requirements for clarity Extend the nomination deadline from OBAG 3 	<ul style="list-style-type: none"> Continue to require CTAs to screen applications for eligibility with project requirements Reduce and simplify the minimum CTA evaluation criteria to include: <ul style="list-style-type: none"> Need and benefits: safety, multi-modal accessibility, emission reduction, resilience, stormwater management, and state of good repair Local priorities: community support demonstrated through Community-Based Transportation Plans, PDA plans, other local planning or project prioritization processes, letters of support, and/or other means determined by the CTA Equity impacts: benefits to Equity Priority Communities or similar local designations, alignment with agency ADA transition plans, and/or other means determined by the CTA Continue to permit CTAs to incorporate additional considerations and criteria Formalize and clarify the requirement that CTAs nominate a single list of projects, scored on a scale from 0 to 75 points Establish an October 31, 2026 CTA nomination deadline

Policy Area	Change	OBAG 4 Proposal
MTC Evaluation	<ul style="list-style-type: none"> • Incorporate regional considerations previously included in the minimum CTA criteria 	<ul style="list-style-type: none"> • Modify and clarify regional evaluation criteria to include: <ul style="list-style-type: none"> ○ CTA priorities (75 points): CTA scores normalized across counties ○ Regional alignment (10 points): support for <i>Plan Bay Area</i> strategies, the Regional Safety/Vision Zero Policy (MTC Resolution No. 4400), the Complete Streets Policy (MTC Resolution No. 4493), the Bay Area Transit Transformation Action Plan, and the regional Transit Priority Policy for Roadways (anticipated) ○ Federal performance goals (5 points): safety, infrastructure condition, system reliability, freight movement and economic vitality, congestion reduction, and environmental sustainability ○ Deliverability and risk (10 points): sponsor capacity and expertise, recent delivery of regional funds, and risks to the project schedule or delivery plan ○ Air quality benefits (10 points): relative cost-effectiveness in reducing criteria air pollutants, for CMAQ-eligible projects for the purpose of assigning CMAQ funding • Continue program balancing procedures to adjust award recommendations as needed to: <ul style="list-style-type: none"> ○ Satisfy minimum growth geography investment targets by county ○ Accommodate the relative availability of STP and CMAQ funds ○ Represent an equitable distribution of project types and geographic spread