

One Bay Area Grant (OBAG 4) and Transit Oriented Communities (TOC) Policy Review and Next Steps



Metropolitan Transportation Commission
Agenda Item 10a-25-1509
November 19, 2025

Agenda

- October workshop review
 - OBAG and TOC context
 - Workshop proposals
 - Commission feedback
- Discussion
 - Potential refinements
 - OBAG regional programs (informational attachment)
 - Next steps



OBAG and TOC Context

Common Purpose: collaboratively implement Plan Bay Area by linking regional investments to local progress on shared goals

OBAG Program

- First adopted in 2012 (OBAG 1)
- Funds transportation and land use plans, projects, and programs

Key Consideration

- Reduced OBAG 4 capacity
 - SB 125 commitment
 - Loss of complementary funds

TOC Policy

- Adopted in 2022
- Sets standards for well-connected, mixed-use communities around transit stations

Key Consideration

- How to tie to regional funding starting with OBAG 4

October Workshop Review: Key Themes

Reaffirm **long-term commitment to TOC Policy** while incorporating feedback:

- Provide **more time** for jurisdictions to demonstrate TOC progress
- Recognize evolving policy landscape for **housing protection policies**
- Support the unique transportation needs of **rural communities**



Credit: Karl Nielsen

October Workshop Review: OBAG 4

Workshop Proposals

- Take SB 125 off the top as a shared commitment to sustaining transit
- Provide county program points for TOC progress
- Incorporate a regional TOC set-aside for top performers
- Leverage limited remaining funds through a balanced investment framework

Commission Feedback

- Focus on TOC incentives (carrots over sticks)
- Preserve support for local projects
- Provide more information on regional programs/outcomes
- Address rural transportation needs, esp. in the North Bay

October Workshop Review: TOC Policy

Workshop Proposals

- Adjust scoring for specific TOC standards in response to feedback
- Adjust funding expectations and expand eligible funding sources for affordable housing policies
- Award full points for work-in-progress efforts (including recent TOC Policy grants)

Commission Feedback

- More flexibility might be needed for housing protection policies as well as consideration of changes in state law
- Mixed feedback about full points for work-in-progress
- Varying opinions about how robustly TOC progress should be factored into OBAG 4 funding

Discussion: Proposed Refinements

- Retain up to \$50 million regional **TOC set-aside in 2028** and remove TOC points from the county program
 - Provide more time for jurisdictions to show TOC progress without changing the timeframe of the OBAG 4 county program
- Align TOC **credit for housing protections** with state laws and acknowledge county programs
- Expand OBAG 4 **investment in rural transportation** in the North Bay through new or existing regional programs, e.g. PCA grants

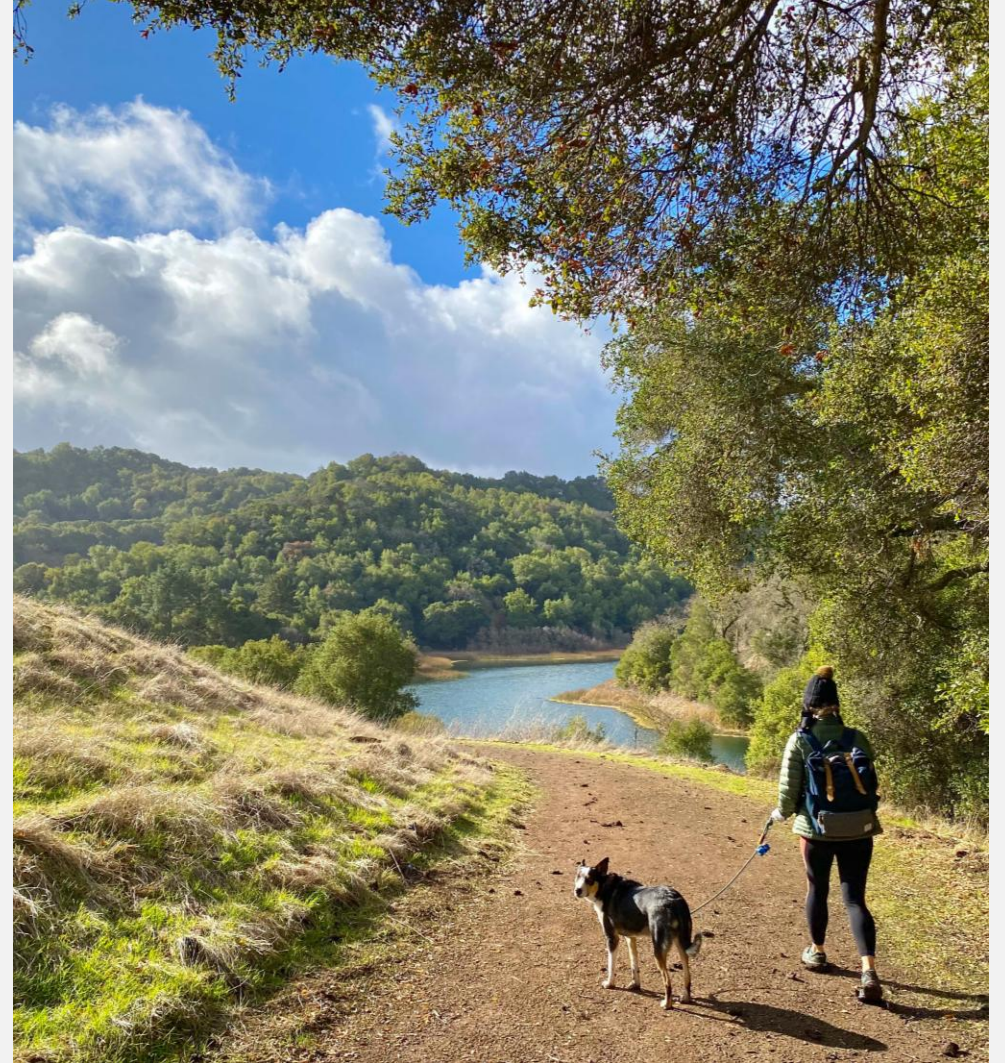
Related Funding Decisions

- Affirm **shared commitment to sustaining transit** with SB 125 off the top of the OBAG 4 framework

Discussion: North Bay Investment

Options for Consideration

- Augment PCA program
 - Supports areas outside of growth geographies
 - Current 50% North Bay target
- Establish new regional program
 - Eligibility could include PDAs without rail/ferry service and/or areas outside of growth geographies
 - Criteria could include safety, state of good repair, equity, resilience
- \$5-10 million proposed



Information: Proposed OBAG 4 Regional Program Focus Areas

- Substantial reductions proposed for all areas
- Focus on high performing initiatives
- Consolidates programs where possible

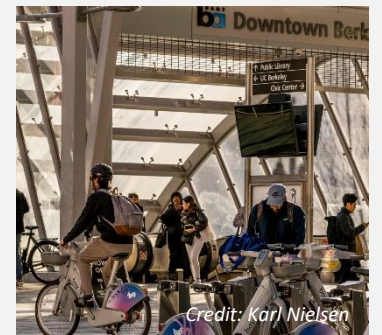
Category	OBAG 4 Draft	Reduction from OBAG 3
Planning and Implementation	\$40M	-\$22M
Growth Framework	\$70M	-\$15M
Environment	\$95M	-\$70M
Complete Streets	\$30M	-\$25M
Seamless Travel Network	\$125M	-\$62M
TOTAL	\$360M	-\$194M

Note: OBAG 3 Framework total includes state REAP and Carbon Reduction Program funding. OBAG 4 fund estimate subject to change.

Information: OBAG Regional Programs

Program Factsheet

- Describes regional programs in further detail as requested by Commissioners
- Includes quantifiable outcomes and metrics when available
- Intended to further inform discussions on OBAG 4 funding framework and trade-offs



Discussion: Next Steps

Date	Recommended Actions
Today	• Commission: provide direction on SB 125 and policy refinements
Dec 2025	• Staff: outreach to CTAs and other stakeholders • Staff: update and streamline TOC Administrative Guidance • Expand credit for housing protection • Address other state laws (e.g., SB 79)
Jan/Feb 2026	• Commission: adopt OBAG 4 and TOC implementation • Incorporate North Bay augmentation • Commission: revise TOC Policy resolution to defer compliance for transit extensions to 2028 (to align with set-aside)
Early 2026	• MTC/CTA Staff: release OBAG 4 county call for projects
2028	• Commission: reward top performers with OBAG 4 TOC set-aside