

Date: January 28, 2026
W.I.: 1512
Referred by: Commission

ABSTRACT

Resolution No. 4740

Adoption of the project selection and programming policies for the fourth round of the One Bay Area Grant program (OBAG 4). This resolution supersedes MTC Resolution No. 4678.

The OBAG 4 project selection and programming policies outline the project categories that are to be funded with various fund sources, including federal funding assigned to MTC for programming, to implement the Regional Transportation Plan (*Plan Bay Area 2050+*) and to be included in the federal Transportation Improvement Program (TIP) for the OBAG 4 funding delivery period.

The resolution includes the following attachments:

Attachment A – OBAG 4 Project Selection and Programming Policies

Attachment B – OBAG 4 Project Lists

With the adoption of the project selection and programming policies, Attachments B-1 and B-3 program \$101,164,422 in Transit Operations Program funds to various projects as previously programmed under MTC Resolution No. 4678, \$45,000,000 in Regional Program funds for a Transit-Oriented Communities (TOC) Set-Aside program, and \$5,000,000 in Regional Program funds for a North Bay Augmentation.

Date: January 28, 2026
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RE: One Bay Area Grant Program (OBAG 4) Project Selection and Programming Policies

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4740

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, as the RTPA and MPO for the San Francisco Bay Area, is assigned programming and project selection responsibilities for certain state and federal funds; and

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

WHEREAS, the California Department of Transportation (Caltrans) Obligation Authority (OA) Management Policy allows RTPAs and MPOs to exchange regional Surface Transportation Block Grant Program (STP), Congestion Mitigation and Air Quality Improvement Program (CMAQ), and other federal funds assigned to the RTPA or MPO with Caltrans and other regions, when a region or Caltrans-managed local program has excess or insufficient apportionment available to deliver its annual federal program; and

WHEREAS, Title 23 CFR § 630, Subpart G, allows the advancement of federal-aid projects and expenditure of eligible costs prior to the obligation of funds (referred to as “Advance Construction” or “AC”) with reimbursement of eligible expenditures permitted following conversion of the AC to a regular obligation; and

WHEREAS, MTC, in cooperation with transit operators, Caltrans, the Bay Area Air Quality Management District (BAAQMD), Bay Area County Transportation Agencies (CTAs), counties, cities, and interested stakeholders, has developed policies and procedures to be used in the selection of projects to be funded with various funding including regional federal funds as set

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forth in Attachments A and B 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 Attachment B of this Resolution, incorporated herein as though set forth at length; and

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

RESOLVED that MTC approves the “Project Selection and Programming Policies” for projects to be funded in the OBAG 4 program as set forth in Attachments A and B of this Resolution; and be it further

RESOLVED that the funds assigned to MTC as the RTPA and MPO for programming and project selection shall be pooled and distributed on a regional basis for implementation of project selection criteria, policies, procedures, and programming, consistent with implementation of 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 changes to project sponsor, 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 Attachment B 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 is authorized to execute Advance Construction (AC) Authorizations with Caltrans and/or the Federal Highway Administration (FHWA) for federal projects sponsored or implemented by the Metropolitan Transportation Commission; and be it further

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RESOLVED that the Executive Director or designee is authorized to execute agreements and Letters/Memorandums of Understanding with Caltrans and other MPOs and RTPAs for the exchange of regional Surface Transportation Block Grant Program (STP), Congestion Mitigation and Air Quality Improvement Program (CMAQ) and other federal funds assigned to MTC for programming discretion, consistent with Caltrans' Obligation Authority (OA) Management Policy; and be it further

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

RESOLVED that MTC Resolution No. 4678 is superseded by this resolution.

METROPOLITAN TRANSPORTATION COMMISSION

Sue Noack, Chair

The above resolution was entered into
by the Metropolitan Transportation
Commission at the regular meeting
of the Commission held in San Francisco,
California and at other remote locations
on January 28, 2026

Date: January 28, 2022
W.E.: 1512
Referred by: Commission

Attachment A
Resolution No. 4740

One Bay Area Grant (OBAG 4) Program

Project Selection and Programming Policies

One Bay Area Grant (OBAG 4) Program

Project Selection and Programming Policies

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Overview

Summary

The One Bay Area Grant Program (OBAG 4) establishes the policy framework and commitments for investing federal Surface Transportation Block Grant Program (STP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds for a four-year period covering federal fiscal year (FY) 2026-27 through FY 2029-30. Attachment A outlines the OBAG 4 program principles and objectives, revenue estimates, program architecture, and programming policies. Attachment B details the projects, funding amounts, and project sponsors, as they are approved by the Commission.

Purpose and Background

The purpose of the OBAG program is to collaboratively implement *Plan Bay Area* priorities for transportation, housing, and the environment through complementary local and regional investments that improve connectivity, equity, and sustainability. The inaugural OBAG 1 program was designed to support the first *Plan Bay Area* (adopted by the Commission in 2012 and 2013, respectively). Pursuant to Senate Bill 375 (Steinberg 2008), the initial Plan and subsequent editions align long-range regional transportation planning with housing and land use, in part to achieve state greenhouse gas reduction targets. The OBAG framework leverages discretionary federal highway funding to advance these interrelated *Plan Bay Area* goal areas.

Previous OBAG cycles included:

- OBAG 1: FY 2012-13 through FY 2016-17 (MTC Resolution No. 4035)
- OBAG 2: FY 2017-18 through FY 2021-22 (MTC Resolution No. 4202)
- OBAG 3: FY 2022-23 through FY 2025-26 (MTC Resolution No. 4505)

The OBAG 4 cycle will continue to support *Plan Bay Area* implementation through complementary and mutually reinforcing county and regional program components, applying the principles listed below.

Principles

The OBAG 4 County Program is designed to:

- Provide a flexible funding source to deliver local priority projects that support shared objectives, with an emphasis on local road safety, complete streets, and state of good repair.
- Encourage local partner agencies to advance *Plan Bay Area* policies and goals through effective incentives.

The OBAG 4 Regional Program is designed to:

- Implement effective regional initiatives and services, with an emphasis on housing access, reduced emissions, and an optimized experience for all travelers.
- Advance local agency progress towards regional goals through coordinated planning, technical assistance, and targeted capital investment.
- Address interjurisdictional challenges and improve key multimodal corridors with regional leadership and strategic support.

Capacity

Initial Estimate

Initial OBAG 4 programming capacity is \$820 million, based on anticipated federal transportation program apportionments from the regional STP and CMAQ programs for the four-year cycle period covering FY 2026-27 through FY 2029-30. Actual apportionments will be subject to federal reauthorization and/or extension(s) of the surface transportation program, and the Commission may adjust OBAG 4 programming capacity accordingly. Such adjustments include increasing or decreasing funding amounts to one or more programs, postponement of projects, expansion of existing programs, development of new programs, or adjustments to subsequent program cycles.

As federal programs are subject to change with each federal surface transportation authorization, any reference to specific fund sources in the OBAG 4 programming resolution (i.e. STP/CMAQ) serve as a proxy for replacement or new federal fund sources for which MTC has project selection and programming authority. However, MTC may elect to program replacement or new federal fund sources outside of the OBAG 4 program resolution.

OBAG 4 programming capacity is based upon apportionment rather than obligation authority. As the amount of obligation authority available to the region is less than the region's annual apportionments, there is typically a carryover balance of apportionment each year. MTC's successful project delivery in recent years has allowed the region to capture additional, unused obligation authority from other states, enabling the region to advance the delivery of additional projects each year. MTC staff will continue to monitor apportionment and obligation authority balances throughout the OBAG 4 period to support the accelerated delivery of programmed projects.

SB 125 Transit Operations Commitment

In December 2024, the Commission committed approximately \$100 million in future STP/CMAQ capacity (MTC Resolution No. 4678) as part of the region's contribution to sustaining near-term transit operations through the Senate Bill 125 (Skinner 2023) framework.

In recognition of both the regional importance and the local benefits of an effective transit system, the SB 125 commitment is deducted off the top of the OBAG 4 program. As in OBAG 3, the remaining \$720 million in available OBAG 4 capacity is divided evenly between the regional and county components (\$360 million each).

The OBAG 4 program supersedes MTC Resolution No. 4678, and the transit operating projects previously programmed by the Commission are incorporated herein.

Structure

As in previous cycles, the OBAG 4 program is divided into regional and county components.

Project Lists

Attachments B-1, B-2, and B-3 to this resolution list projects selected by the Commission through the OBAG 4 regional program, county program, and SB 125 transit operating programs, respectively.

[Note: additional details on program structure to be adopted by future Commission action.]

General Policies

[Note: policies to be adopted by future Commission action.]

Regional Program Policies

TOC Incentive Program

MTC's Transit-Oriented Communities (TOC) Policy (MTC Resolution No. 4530) was adopted in 2022 as a mechanism to advance the *Plan Bay Area* goal of walkable, mixed-use neighborhoods near transit that support ridership, reduce greenhouse gas emissions, and expand access to opportunity. The policy sets standards for density, affordable housing policies, parking management, and multimodal access in the half-mile areas surrounding rail, ferry, and bus rapid transit stops and stations. In recognition that local jurisdictions need sufficient time to fully implement these standards, the OBAG 4 program incorporates a balanced, incentive-based approach to reward TOC Policy progress.

TOC Set-Aside

To incentivize jurisdiction progress on TOC Policy standards, MTC has set aside \$45 million in regional OBAG 4 funds for top performers. The methodology for TOC compliance score calculations is subject to Commission approval and associated administrative guidance.

North Bay Augmentation

To support the unique land use and transportation needs of rural communities, particularly among North Bay counties with limited transit service and few or no TOC areas, the OBAG 4 regional program also includes an additional \$5 million North Bay augmentation. MTC will target to distribute these funds approximately evenly between the four North Bay Counties of Marin, Napa, Solano, and Sonoma. The call for projects for North Bay augmentation funds will be coordinated with the TOC set-aside (above).

[Note: additional policies to be adopted by future Commission action.]

County Program Policies

[Note: policies to be adopted by future Commission action.]

Attachment B-1
MTC Resolution No. 4740
OBAG 4 Regional Programs
FY 2026-27 through FY 2029-30
January 2026

MTC Res. No. 4740 Attachment B-1
Adopted: 01/28/26-C

OBAG 4 Regional Programs Project List

PROJECT CATEGORY AND TITLE	SPONSOR	Total STP/CMAQ	Total Other
OBAG 4 REGIONAL PROGRAMS		\$360,000,000	\$0
<u>TOC Set-Aside (Added)</u>	<u>MTC</u>	<u>\$45,000,000</u>	
<u>North Bay Augmentation (Added)</u>	<u>MTC</u>	<u>\$5,000,000</u>	
UNPROGRAMMED BALANCE		\$310,000,000	\$0
OBAG 4 REGIONAL PROGRAMS		TOTAL: \$360,000,000	\$0

Attachment B-2
MTC Resolution No. 4740
OBAG 4 County Programs
FY 2026-27 through FY 2029-30
January 2026

MTC Res. No. 4740 Attachment B-2
Adopted: 01/28/26-C

OBAG 4 County Programs Project List

PROJECT CATEGORY AND TITLE	SPONSOR	Total STP/CMAQ
OBAG 4 COUNTY PROGRAMS		\$360,000,000
UNPROGRAMMED BALANCE		\$360,000,000
OBAG 4 COUNTY PROGRAMS	TOTAL:	\$360,000,000

Attachment B-3**MTC Resolution No. 4740****OBAG 4 Transit Operations Program****FY 2026-27 through FY 2029-30****January 2026**

MTC Res. No. 4740 Attachment B-3

Supersedes MTC Res. No. 4678 Attachment B

Adopted: 1/28/26-C

OBAG 4 Transit Operations Program Project List

PROJECT CATEGORY AND TITLE	SPONSOR	Total STP/CMAQ	Other
OBAG 4 TRANSIT OPERATIONS PROGRAM			
40' and 60' Motor Coach Replacement Procurement (for Transit Operations)	SFMTA	\$12,300,496	
Light Rail Vehicle Procurement (for Transit Operations)	SFMTA	\$6,901,617	
Preventive Maintenance	SFMTA	\$14,098,258	
Regional Vanpool Program (for SFMTA Preventive Maintenance)	MTC	\$7,864,051	
Transbay Core Capacity (for Transit Operations)	BART	\$60,000,000	
OBAG 4 TRANSIT OPERATIONS PROGRAM			\$101,164,422