

One Bay Area Grant (OBAG 4) Framework Adoption



Metropolitan Transportation Commission
Agenda Item 13a-26-0112
January 28, 2026

Agenda

Topics

- OBAG 4 review
 - Context
 - Development timeline
 - Principles
 - Regional programs
- Proposal
 - Approval process
 - OBAG 4 funding framework
- Next steps
 - TOC Policy decisions
 - OBAG 4 guidelines

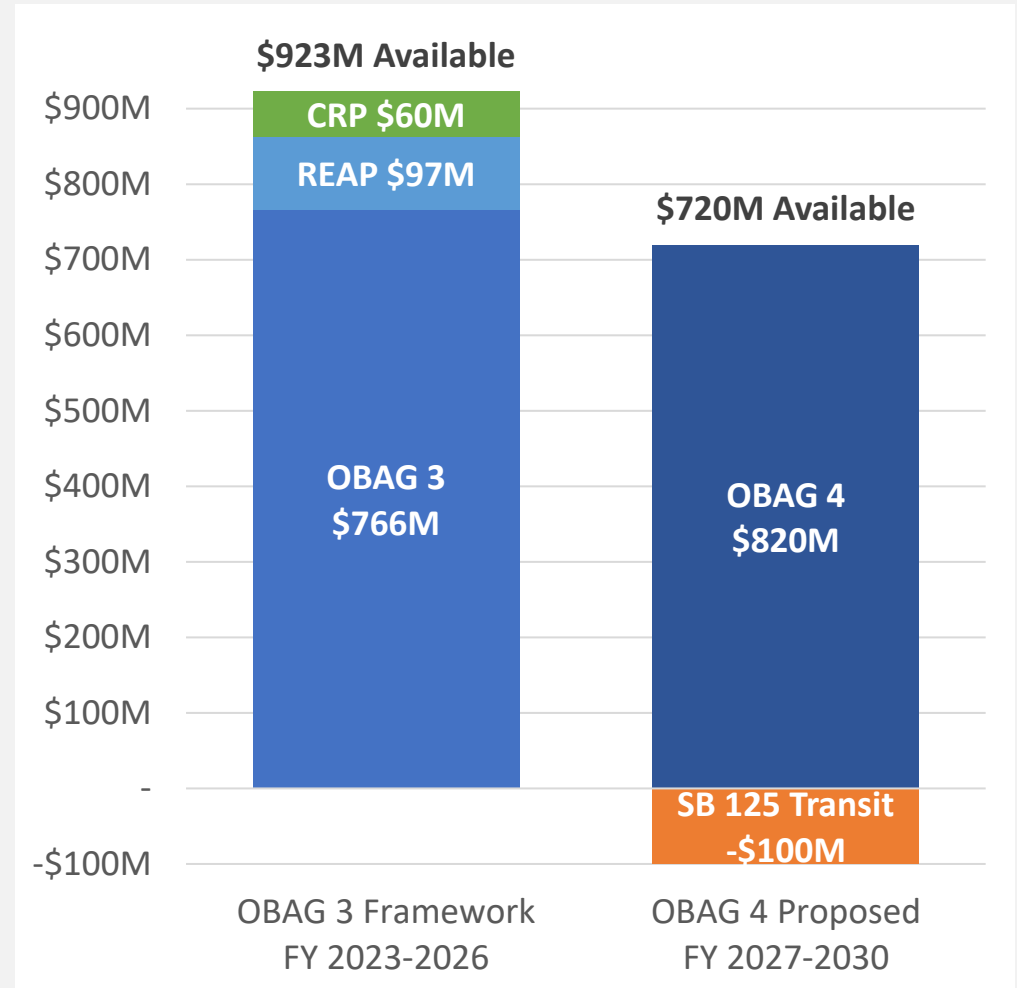


OBAG 4 Context

Key Considerations

- Reduced capacity
 - \$100 million pre-commitment to sustaining transit (SB 125)
 - ~\$160 million loss of complementary funds (REAP/CRP)
- TOC Policy implementation
 - Set-aside incentive
 - North Bay augmentation
 - Credit for work in progress, housing protection policies, recent state laws

OBAG 4 Capacity



OBAG 4 Development Timeline

Quarter	Commission	Stakeholders
Winter 2025	<ul style="list-style-type: none"> Dec 2024: SB 125 programming Jan: OBAG 4 update 	<ul style="list-style-type: none"> Dec 2024: Partnership Board OBAG 4 kickoff
Spring 2025	<ul style="list-style-type: none"> Mar: OBAG 4 overview and key considerations 	<ul style="list-style-type: none"> Feb-Apr: CTA county program options and discussion
Summer 2025	<ul style="list-style-type: none"> Jul: OBAG 4 update, OBAG 3 regional program review Aug-Sept: TOC kitchen cabinet mtgs 	<ul style="list-style-type: none"> Jul 2025: CTA regional programs review and discussion
Fall 2025	<ul style="list-style-type: none"> Oct workshop: OBAG 4/TOC Nov: OBAG 4/TOC refinements Dec: OBAG 4/TOC ad hoc discussion 	<ul style="list-style-type: none"> Oct: CTA workshop preview and discussion Dec: CTA OBAG 4 county recap
Winter 2026	<ul style="list-style-type: none"> Jan: OBAG 4/TOC ad hoc discussion Jan: OBAG 4 framework adoption Feb: TOC requirement adoption, OBAG 4 guidelines, regional programs 	<ul style="list-style-type: none"> Jan-Feb: CTA/stakeholders review draft OBAG 4 guidelines Mar: MTC/CTA review and initiate OBAG 4 county calls for projects

OBAG 4 Principles

Purpose: collaboratively **implement *Plan Bay Area 2050+*** priorities for transportation, housing, and the environment through complementary local and regional investments that improve connectivity, equity, and sustainability.

County Program

- Partner with **County Transportation Agencies** on planning and implementation
- Fund **local priority projects** including roadway safety, complete streets, and state of good repair improvements
- Provide **effective incentives** for progress on regional goals

*Balanced
and mutually
reinforcing*

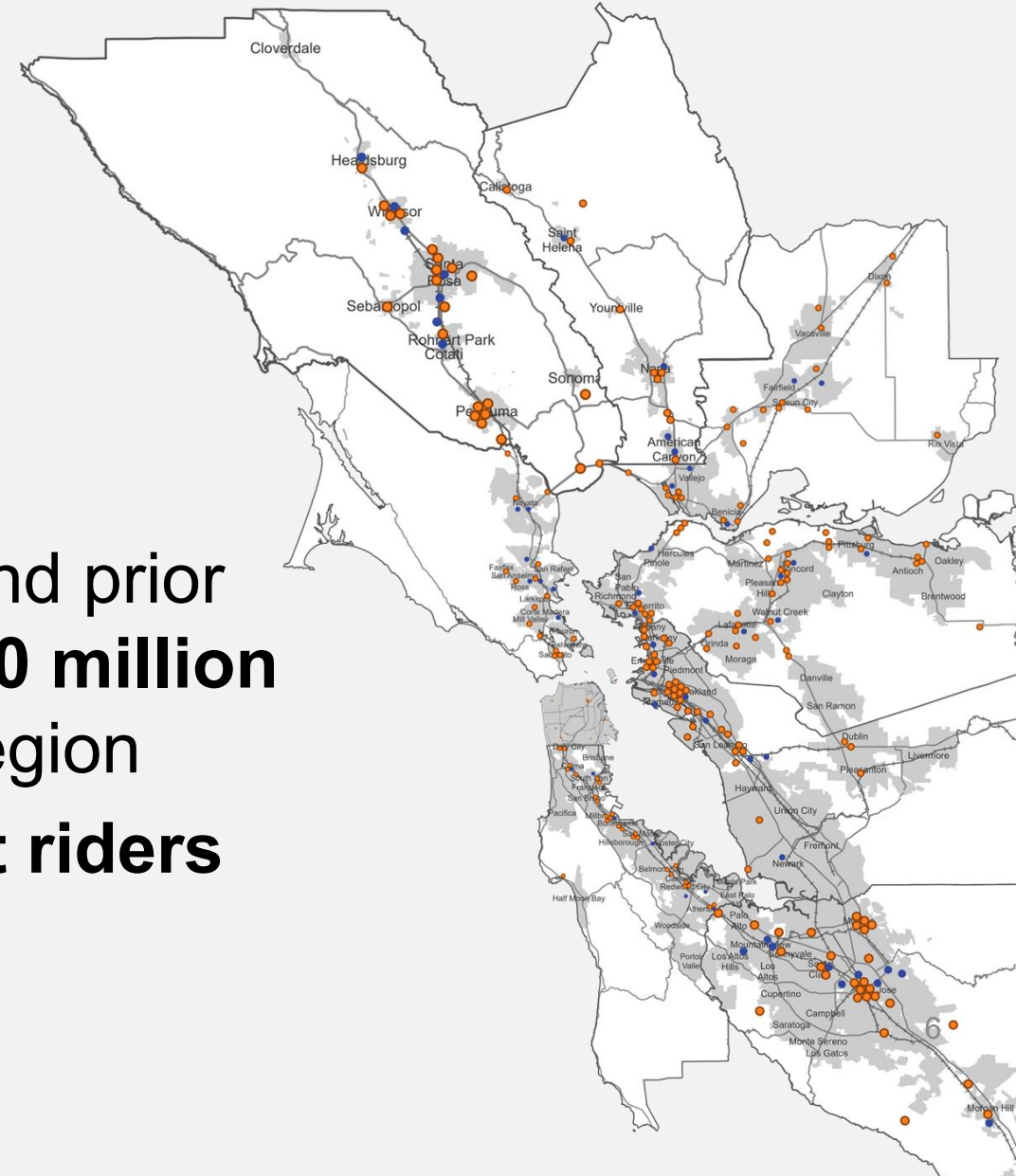
Regional Program

- Implement **effective initiatives and services** that advance housing, environment, and mobility goals
- Offer **targeted local grants** that complement county investments
- Provide **regional leadership and strategic support** for inter-jurisdictional challenges

OBAG Regional Programs

Regional Investment, Local Benefits

- Approximately **75%** of OBAG 3 funding is dedicated to **local or countywide projects** (including ~50% of regional program funds)
- Regional program funds from current and prior OBAG cycles have supported over **\$580 million in strategic investments** across the region
- SB 125 commitments benefitted **transit riders from all counties** across the Bay Area



Proposed Approval Process

Two-step approval for OBAG 4:

- **Funding (January):** funding framework, including SB 125 distribution and TOC incentive program amounts
- **Policies (February):** OBAG 4 guidelines, TOC evaluation framework

Benefits of proposed approach:

- Discrete decisions on key topics
- Timely OBAG 4 county call for projects
- More certainty for jurisdictions and partners



Proposed OBAG 4 Funding Framework

Recommendation: adopt the OBAG 4 framework (Reso 4740), including:

- **SB 125 off the top:** deduct the transit pre-commitment 50/50 from the regional and county components, leaving \$360 million each
- **Regional TOC incentive program:** set aside \$50 million in regional funds for TOC implementation, including:
 - \$45 million TOC set-aside incentive
 - \$5 million North Bay augmentation

Program Element	Amount
Initial county capacity	\$410M
SB 125 transit gap	(\$50M)
Remaining county capacity	\$360M
Initial regional capacity	\$410M
SB 125 transit gap	(\$50M)
TOC set-aside	(\$45M)
North Bay augmentation	(\$5M)
Remaining regional capacity	\$310M

- **No county program TOC impacts:** OBAG 4 county program would *not* incorporate TOC progress

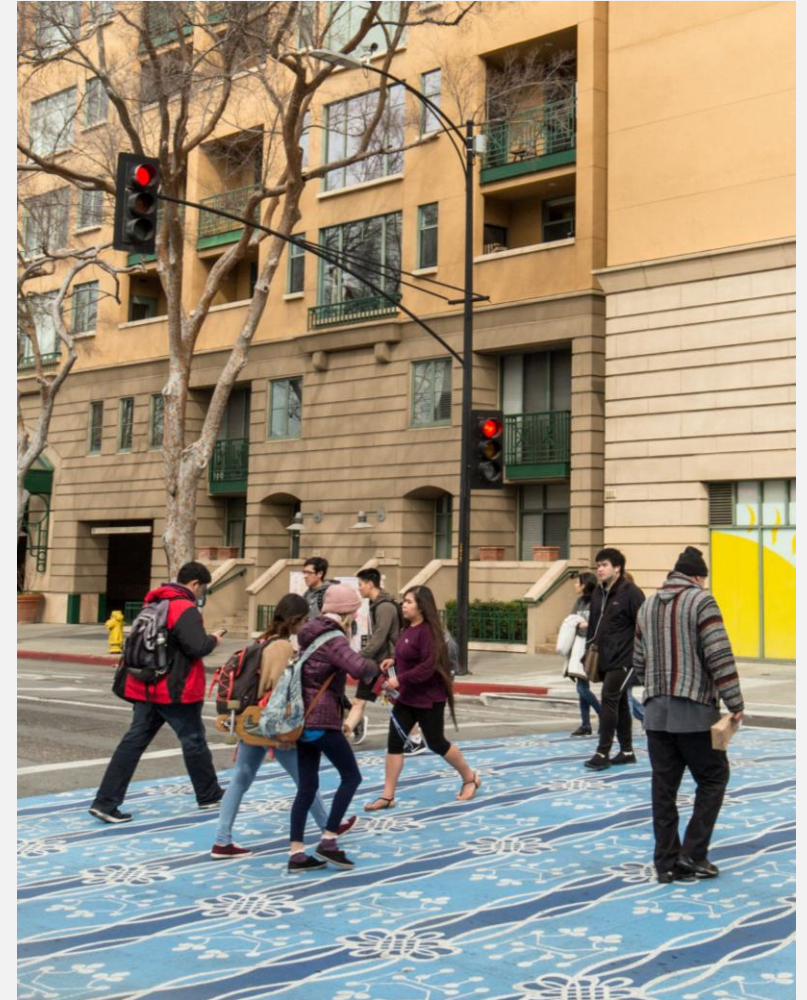
February Preview – Draft OBAG 4 Guidelines

Simplify and standardize expectations and processes to **respond to feedback** and reflect **current best practices**

- County evaluations
- Regional calls for projects
- Flexible requirements

Accommodate **new regional policies**

- Transit Priority Policy (anticipated)
- Complete Streets Policy (updates)



February Preview – Draft County Program

County	CTA Base Planning	County Target Share	Illustrative County Award*	North Bay Augment Target**	Illustrative County Total
Alameda	\$5.4M	20.3%	\$64.8M	-	\$70.1M
Contra Costa	\$4.9M	13.6%	\$43.4M	-	\$48.3M
Marin	\$3.9M	2.9%	\$9.3M	\$1.3M	\$14.4M
Napa	\$3.9M	1.5%	\$4.8M	\$1.3M	\$9.9M
San Francisco	\$5.0M	14.8%	\$47.2M	-	\$52.2M
San Mateo	\$4.6M	9.5%	\$30.2M	-	\$34.8M
Santa Clara	\$5.8M	26.7%	\$85.3M	-	\$91.1M
Solano	\$3.9M	4.8%	\$15.3M	\$1.3M	\$20.4M
Sonoma	\$3.9M	5.9%	\$18.7M	\$1.3M	\$23.8M
Total	\$41.0M	100%	\$319.0M	\$5.0M	\$365.0M

**Targets do not guarantee shares for any county; idealized scenario amounts shown for reference only*

***Regional program targets for reference*

February Preview – Draft Regional Programs

Category and Goal Area	Draft Amt
Planning and Implementation: Carry out OBAG 4 programs and other performance-based planning and programming activities	\$40M
Growth Framework: Assist local efforts to create a range of housing options that align with Plan Bay Area growth geographies	\$35M
Environment: Reduce greenhouse gas emissions from transportation and protect and enhance open space	\$90M
Complete Streets: Maintain and improve local streets and roads for all users, with a focus on safety and equity	\$35M
Multimodal Network: Improve mobility options and services across the multimodal system, emphasizing transit transformation	\$115M
Set-Asides: incentivize and reward TOC implementation progress, address unique transportation and land use needs in North Bay	\$50M
Total	\$360M

February Preview – TOC Policy Topics

1. TOC Policy Evaluation Framework *(action)*

Regarding eligibility for the \$45 million TOC set-aside, consider TOC credit for work in progress, State housing protection laws, County housing protection programs, SB 79 density standards

2. TOC Policy Submission Deadline *(action)*

Establish timeline for demonstrating TOC Policy progress and Commission distribution of OBAG 4 incentive program funds

3. TOC Policy Resolution No. 4350 Amendment *(action)*

Amend TOC consistency deadline for transit extensions

4. TOC Policy Administrative Guidance Updates

Staff Recommendation

Adopt the **O BAG 4 framework** (Reso 4740), including:

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