

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

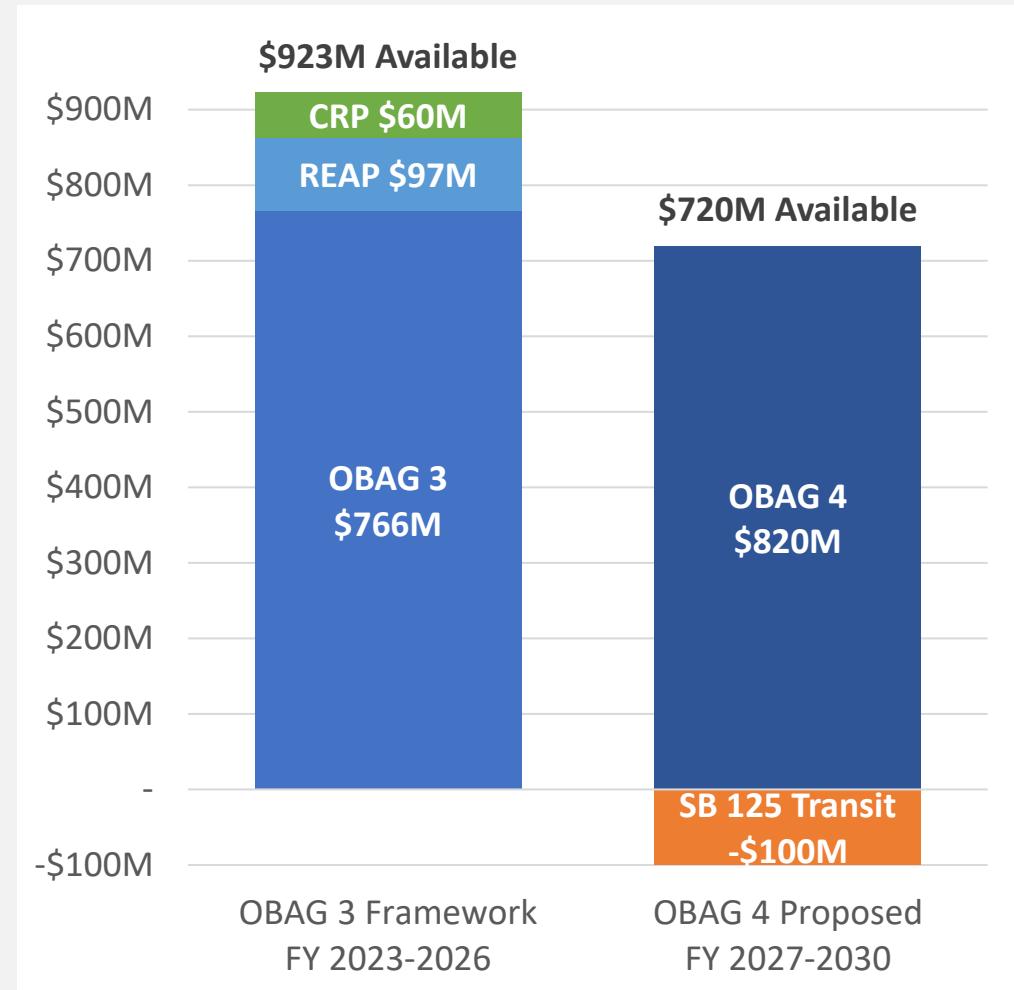


OBAG 4 Context

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 programmingJan: 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 reviewAug-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/TOCNov: OBAG 4/TOC refinementsDec: OBAG 4/TOC ad hoc discussion	<ul style="list-style-type: none">Oct: CTA workshop preview and discussionDec: CTA OBAG 4 county recap
Winter 2026	<ul style="list-style-type: none">Jan: OBAG 4/TOC ad hoc discussionJan: OBAG 4 framework adoptionFeb: TOC requirement adoption, OBAG 4 guidelines, regional programs	<ul style="list-style-type: none">Jan-Feb: CTA/stakeholders review draft OBAG 4 guidelinesMar: 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

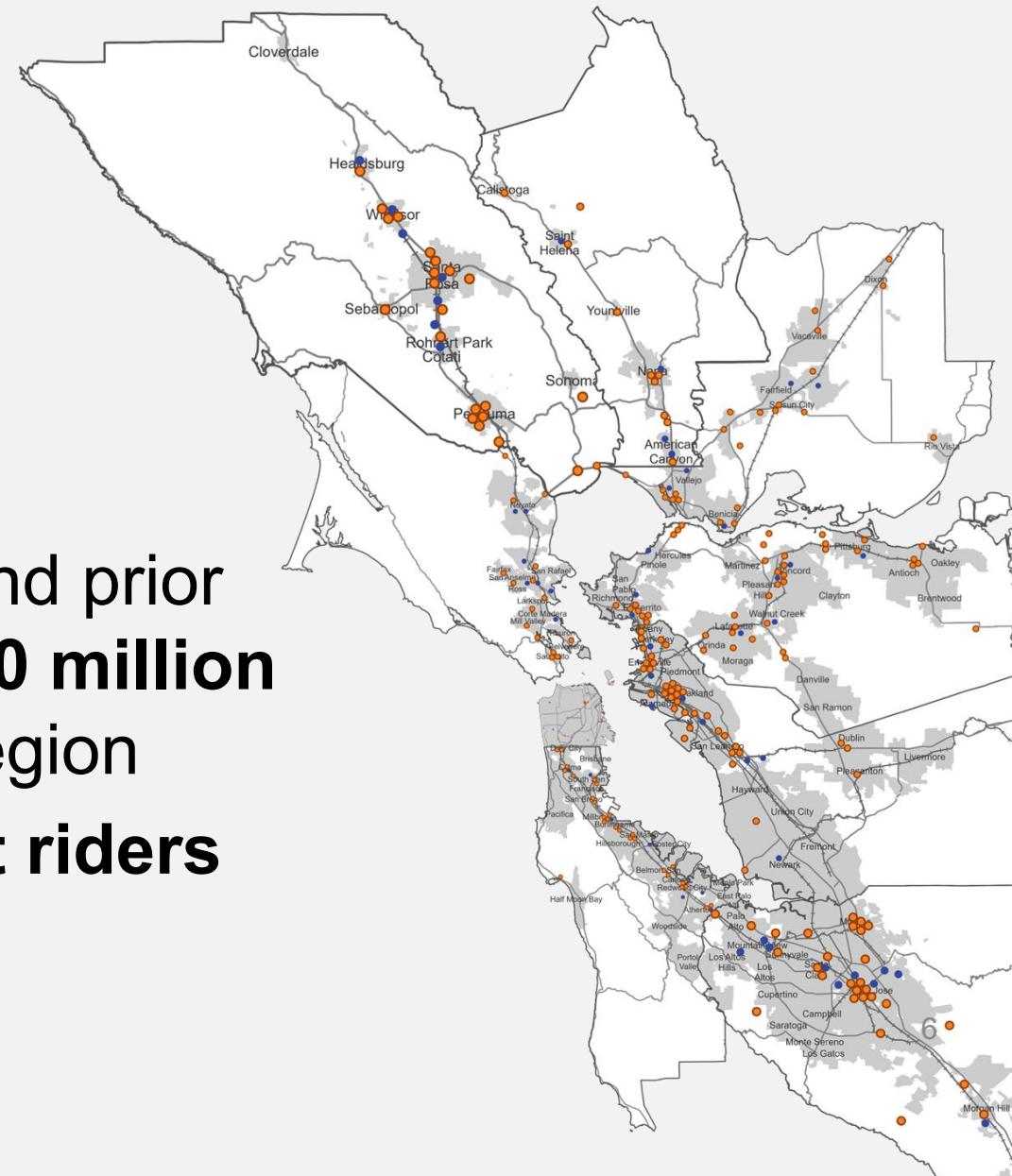
- Implement **effective initiatives and services** that advance housing, environment, and mobility goals
- Offer **targeted local grants** that complement county investments
- Provide **regional leadership and strategic support** for inter-jurisdictional challenges



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



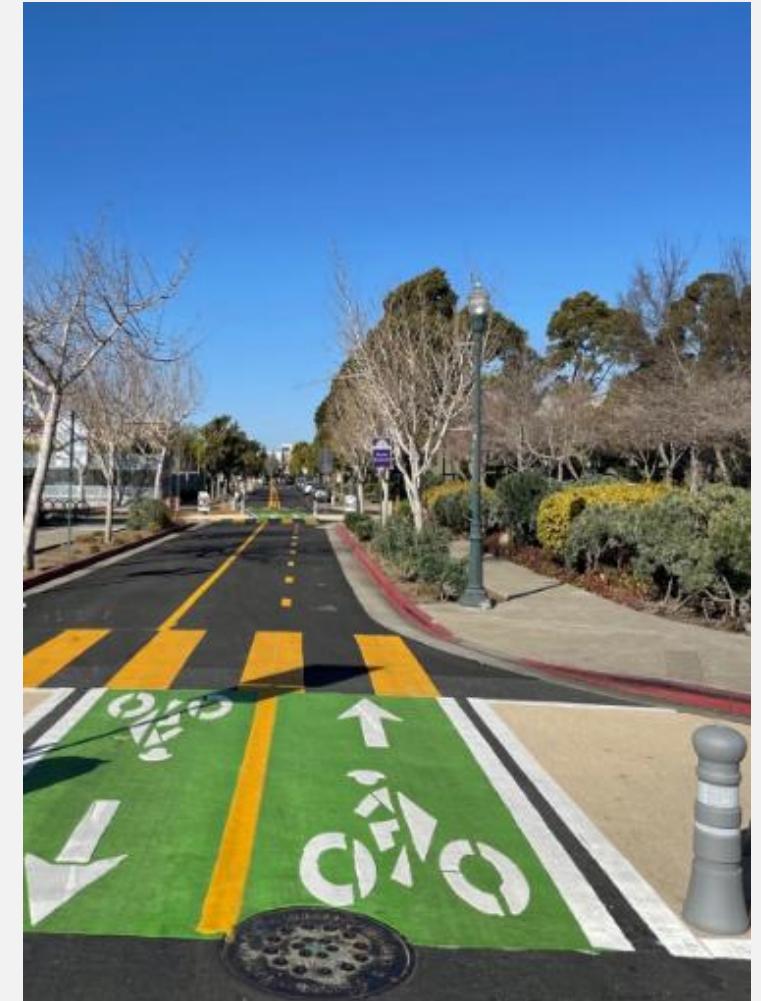
Proposed Approval Process

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

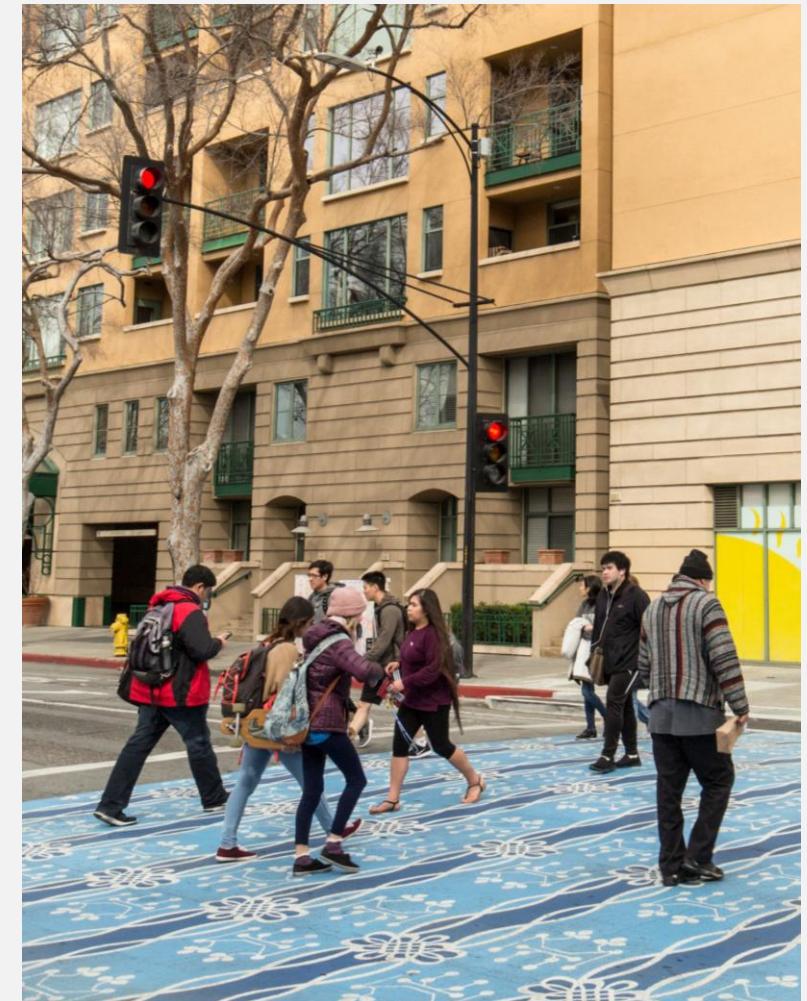
February Preview – Draft OBAG 4 Guidelines

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 **OBAG 4 framework** (Reso 4740), including:

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