

**Metropolitan Transportation Commission
Programming and Allocations Committee**

April 8, 2026

Agenda Item 5a-26-0462

MTC Resolutions Nos. 3989, Revised, 4505, Revised, and 4740, Revised

Subject:

Revisions to the One Bay Area Grant (OBAG 3 and 4) and MTC exchange programs, including programming \$11,607,000 to Caltrans for the Resilient SR 37 project, \$10,000,000 to MTC for the Community Action Resource and Empowerment Participatory Budgeting and Implementation- program, and \$2,000,000 to MTC for Pavement Management programs.

Background:

The OBAG 3 and 4 programs establish the policy and programming framework for investing federal Surface Transportation Block Grant Program (STP) and Congestion Mitigation and Air Quality Improvement program (CMAQ) funds for federal fiscal year (FY) 2023 through FY 2030.

MTC's fund exchange program provides greater flexibility to deliver select priority projects within the broader OBAG framework. The program facilitates funding agreements with partner agencies to exchange federal STP/CMAQ funds with non-federal local funds. These exchanges do not increase the total amount of funds available to the region but enable MTC to support key investments within the OBAG policy framework that are ineligible for STP/CMAQ funds.

With adoption of the OBAG 4 funding framework in January, the Commission dedicated \$360 million for regional programs, including \$45 million set aside for the Transit-Oriented Community (TOC) Incentive and \$5 million for the North Bay Augmentation programs. In February, the Commission established categories and goal areas for the remaining \$310 million in OBAG 4 regional funds.

This month, staff recommend programming \$23.6 million in OBAG 4 regional funds to select time-sensitive projects as detailed below. Staff plan to return to the Commission this summer with more comprehensive recommendations on the full suite of OBAG 4 regional programs.

OBAG 4 Resilient SR 37

State Route (SR) 37 is a vital corridor for the North Bay and greater region, providing connections to jobs and affordable housing. Resilient SR 37 is a partnership between MTC, Caltrans, and the North Bay County Transportation Agencies (CTAs) to implement a series of improvements on the corridor that address chronic congestion, sea level rise, and sensitive wetland habitats. This approach involves a suite of near-term projects to reduce flooding, including the Sears Point to Mare Island Improvement Project.

To date, MTC and partner agencies have secured \$135 million from various sources for Phase 1 of this project, the Tolay Creek Bridge Replacement and Operational Improvements. An

additional \$55 million is needed to complete the funding plan, which includes contingency. The Resilient 37 Program partners proposed that MTC and the North Bay CTAs contribute \$27.9 million and the State contribute the remaining \$27.5 million. In addition to regional State Transportation Improvement Program (STIP) funds and \$3.5 million in state funds provided to the Sonoma County Transportation Authority for SR 37 through the State Budget Act of 2021 (SB 170), MTC staff recommend programming \$11.6 million in OBAG 4 funds to Caltrans to satisfy the regional share of the remaining funding gap, including:

- \$6.5 million from the proposed OBAG 4 Priority Conservation Area (PCA) Grant program, to be used on marsh restoration, sea-level rise protection, and advance mitigation elements of the project, and
- \$5.1 million from the proposed OBAG 4 Multimodal Corridor Capital program.

The recommendation to use OBAG 4 funds from the PCA and Multi-Modal Corridor Capital programs was developed in partnership with the CTAs. The proposal reflects both the environmental benefits of the Tolay Creek Bridge replacement, particularly to establish wetlands and facilitate baylands restoration, and the limited alternative funding options available to North Bay counties for the SR 37 project.

These funds must be committed this month to secure additional state contributions to complete the project funding plan and ensure existing grant funds are not lost due to timely use of funds restrictions. Should the additional funds from the State not become available, the project is unlikely to proceed to construction due to the lack of a full funding plan and loss of grant funding. If this is the case, MTC reserves the right to return the \$11.6 million in OBAG 4 funds back to the original PCA Grant and Multimodal Corridor Capital programs.

As part of this action, staff recommend that the PCA Grant program contribution for SR 37 be deducted from the North Bay target (50% in recent cycles), reflecting the shared commitment from MTC and North Bay CTA partners.

OBAG 4 Participatory Budgeting

In November 2023, the Commission established the Community Action Resource and Empowerment (CARE) program (MTC Resolution No. 4604) to support community-led transportation enhancements in MTC Equity Priority Communities using OBAG 3 and Regional Early Action Planning (REAP 2) funds. The CARE program includes three components: Power-Building and Engagement, Community-Based Transportation Plan (CBTP) Technical Assistance, and Participatory Budgeting and Implementation (PBI).

In November 2024, the Commission reprogrammed the \$5 million in REAP 2 funds previously set aside for PBI to address state funding reductions and delivery constraints. With this action,

the Commission committed to backfilling the PBI program with future regional discretionary funds.

This month, staff recommend programming \$10 million in proposed OBAG 4 Regional Complete Streets funds to MTC for PBI. Committing these funds now will allow the PBI program to be coordinated with previously approved CARE components, in particular the CBTP Technical Assistance call for projects which will be administered by CTAs this year.

As part of this action, staff recommend changing the fund source for \$7.6 million of these funds from federal STP/CMAQ to non-federal MTC exchange. This will provide sponsors with additional administrative support and flexibility to design processes and projects that meet community needs and priorities, including projects that are likely ineligible or poorly suited for federal funding, consistent with MTC conventions for the use of exchange funds.

Staff will return to the Commission in the coming months to recommend guidelines and county-specific funding targets for the OBAG 4 PBI program.

OBAG 4 Pavement Management

For decades, MTC has provided resources to help local jurisdictions make cost-effective improvements to local streets and roads and maintain facilities in a state of good repair. These include planning and training related to the StreetSaver® pavement management program (PMP) software and the annual Pavement Management Technical Assistance Program (P-TAP) for local jurisdictions. To ensure that MTC can continue to provide these critical services to local partners without interruption, staff recommend programming \$2 million in OBAG 4 funds for Pavement Management this month, including:

- \$1 million for MTC's StreetSaver® Pavement Management Program (PMP) planning and training, and
- \$1 million for MTC's Pavement Technical Assistance Program (P-TAP).

Staff will return to the Commission this summer with additional recommendations for the proposed OBAG 4 Pavement Management program.

OBAG 3 Safety Planning

In September 2022, the Commission programmed OBAG 3 funds to the Napa Valley Transportation Authority (NVTa) and other CTAs to support the development of countywide Local Roadway Safety Plans (LRSPs). These plans align with MTC's safety goals, ensure that jurisdictions are eligible for state Highway Safety Improvement Program (HSIP) funds, and fulfill OBAG 3 and 4 county program requirements. NVTa recently completed their countywide LRSP plan under budget, with a remaining OBAG 3 grant balance available.

This month, staff recommend expanding the scope of NVTAs LRSP development project to include related safety planning activities, leveraging these OBAG 3 savings to further regional safety goals and advancing important priorities identified in the plan.

Issues:

None.

Recommendations:

Refer MTC Resolutions Nos. 3989, Revised, 4505, Revised, and 4740, Revised to the Commission for approval.

Attachments:

- MTC Resolution No. 3989, Revised
 - Attachment B
- MTC Resolution No. 4505, Revised
 - Attachment B-1
- MTC Resolution No. 4740, Revised
 - Attachment B-1
- Presentation: Resilient SR 37



Andrew B. Fremier

Date: January 28, 2026
W.I.: 1512
Referred By: Commission
Revised: 02/25/26-C 04/22/26-C

ABSTRACT

Resolution No. 4740, Revised

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.

On February 25, 2026, Attachments A, B-1, and B-2 were revised to incorporate additional policies, program \$41,000,000 in County Program funds to MTC for base planning and implementation activities by various County Transportation Agencies (CTAs), and program \$40,000,000 in Regional Program funds to MTC for planning and implementation activities.

On April 22, 2026, Attachment B-1 was revised to program \$11,607,000 to Caltrans for the Resilient State Route (SR) 37 project, consisting of \$6,500,000 in Regional Environment funds from the Priority Conservation Area (PCA) program and \$5,107,000 in Regional Multimodal Networks funds from the Multimodal Corridor Capital program; \$10,000,000 in Regional Complete Streets funds to MTC for the Community Action Resource and Empowerment (CARE) Participatory Budgeting and Implementation (PBI) program, changing the fund source

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MTC Resolution No. 4740, Revised

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for \$7,600,000 of these funds from federal STP/CMAQ to non-federal MTC exchange; \$1,000,000 in Regional Complete Streets funds to MTC for the Pavement Technical Assistance Program (PTAP); and \$1,000,000 in Regional Complete Streets funds to MTC for the Pavement Management Program (PMP).

Further discussion of the project selection and programming policy is contained in memorandums to the Metropolitan Transportation Commission dated January 28, 2026 and the Programming and Allocations Committee dated February 11, 2026 and April 8, 2026.

Date: January 28, 2026
W.I.: 1512

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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MTC Resolution No. 4740, Revised

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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

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

MTC Res. No. 4740 Attachment B-1
 Adopted: 01/28/26-C
 Revised: 02/25/26-C 04/22/26-C

OBAG 4 Regional Programs Project List

PROJECT CATEGORY AND TITLE	SPONSOR	Total STP/CMAQ	Total Other
OBAG 4 REGIONAL PROGRAMS		\$360,000,000	\$7,600,000
1. PLANNING AND IMPLEMENTATION			
Regional Planning and Program Implementation	MTC	\$40,000,000	
1. PLANNING AND IMPLEMENTATION		\$40,000,000	\$0
2. GROWTH FRAMEWORK			
Growth Framework Balance	TBD	\$35,000,000	
2. GROWTH FRAMEWORK		\$35,000,000	\$0
3. ENVIRONMENT			
Priority Conservation Area (PCA) Program			
Resilient SR 37 (Added)	Caltrans	\$6,500,000	
Environment Balance (Revised)	TBD	\$83,500,000	
3. ENVIRONMENT		\$90,000,000	\$0
4. COMPLETE STREETS			
Pavement Management (PTAP/PMP)			
Pavement Technical Assistance Program (PTAP) (Added)	MTC	\$1,000,000	
Pavement Management Program (PMP) (Added)	MTC	\$1,000,000	
Community Action Resource and Empowerment (CARE)			
CARE Participatory Budgeting and Implementation (PBI) (Added)	MTC	\$2,400,000	\$7,600,000
Complete Streets Balance (Revised)	TDB	\$18,000,000	
4. COMPLETE STREETS		\$22,400,000	\$7,600,000
5. MULTIMODAL NETWORKS			
Multimodal Corridor Capital			
Resilient SR 37 (Added)	Caltrans	\$5,107,000	
Multimodal Networks Balance (Revised)	TBD	\$109,893,000	
5. MULTIMODAL NETWORKS		\$115,000,000	\$0
6. SET-ASIDES			
TOC Set-Aside	TBD	\$45,000,000	
North Bay Augmentation	TBD	\$5,000,000	
6. SET-ASIDES		\$50,000,000	\$0
OBAG 4 REGIONAL PROGRAMS	TOTAL:	\$352,400,000	\$7,600,000