

Attachment 1 - OBAG 3 Overview

Introduction

First adopted by the Commission in 2012, the One Bay Area Grant (OBAG) program leverages federal discretionary funds to implement regional priorities, in particular the integrated transportation and land use goals in MTC's long-range regional plan, *Plan Bay Area*. The current cycle of the OBAG program (OBAG 3) establishes 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 the four years covering federal fiscal years (FYs) 2023 through 2026. The initial capacity for the OBAG 3 program was \$766 million, or approximately \$190 million annually.

County Program

Similar to previous cycles, the OBAG 3 framework includes two subcomponents, known as the County and Regional Programs. The County Program funds local priority projects, selected by MTC in close partnership with each of the nine County Transportation Agencies (CTAs). These investments support multimodal improvements throughout the region, with a focus on investing in MTC Growth Geographies and Equity Priority Communities (EPCs). Highlights of the OBAG 3 County Program include:

- Over half the awarded funds support active transportation projects, including bicycle/pedestrian improvements and Safe Routes to School programs (see **Table 1** for a summary by mode),
- Over \$200 million is directed towards projects in Equity Priority Communities (EPCs), and
- 90% of projects are located in or around Priority Development Areas (PDAs).

*Table 1: OBAG 3 County Program Projects by Primary Mode**

Project Category	Amount	Percent
Bicycle/Pedestrian	\$186M	49%
Safe Routes to School	\$25M	6%
Transit	\$50M	13%
Local Roadway	\$65M	17%
CTA Planning	\$54M	14%
Other (Local Plans and Traveler Info)	\$3M	1%
Total	\$383M	100%

**Grouped by primary mode; many projects serve multiple modes*

OBAG 3 County funds also provide an incentive for CTAs and local agency sponsors to comply with various policies and initiatives to reinforce *Plan Bay Area* goals, such as:

- Minimum investments in Priority Development Areas (PDAs) by county,
- Jurisdiction compliance with state housing laws, including state housing element certification,
- Local roadway safety plans for all jurisdictions, and
- Designing roadway projects for all ages and abilities, consistent with MTC's Complete Streets Policy.

Regional Program

The Regional Program supports implementation of MTC priority projects and programs. These investments advance a variety of *Plan Bay Area* goals, including integrated transportation and land use planning, climate change adaptation and resilience, open space conservation, safety and complete streets, equity and community engagement, transit transformation, and multimodal corridor improvements. Many OBAG 3 Regional Programs also include targeted local grant opportunities. See **Table 2** for a summary of OBAG 3 Regional Programs by category.

Table 2: OBAG 3 Regional Program Categories

Category	OBAG 3	Other Sources
Planning and Program Implementation	\$50M	\$12M REAP
Growth Framework Implementation	\$32M	\$58M REAP
Climate, Conservation, and Resilience	\$105M	\$60M CRP
Complete Streets and Community Choice	\$54M	\$3M REAP
Multimodal Systems Operations and Performance	\$163M	\$24M REAP
Totals	\$404M	\$157M Other

In the OBAG 3 period, Regional Program funds are complemented by two one-time funding sources:

- \$60 million in Carbon Reduction Program (CRP) funds, a new federal highway formula program authorized under the Infrastructure Investments and Jobs Act of 2021 (IIJA), and
- \$97 million in Regional Early Action Planning (REAP 2), a one-time state program established in the 2021-22 California Budget.

The Commission has used these funds to supplement OBAG 3 Regional Program investments in climate initiatives, affordable housing, and transit transformation.