

**Metropolitan Transportation Commission  
Programming and Allocations Committee**

September 10, 2025

Agenda Item 2d-25-1089

**MTC Resolutions Nos. 3989, Revised; 4202, Revised; and 4505, Revised**

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**Subject:**

Various revisions to the One Bay Area Grant (OBAG 2 and 3) and MTC exchange programs, including reprogramming \$5 million in MTC exchange funds from BAHFA's county election costs to BAHFA's mixed income loan fund.

**Background:**

The OBAG 2 and 3 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 FY 2018 through FY 2026.

MTC's fund exchange program provides greater flexibility to deliver select priority projects within the broader OBAG framework. MTC Resolution No. 3989, Revised, describes the procedures governing MTC's exchange program and details the agreements and commitments that have been made to date. 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.

This month, staff recommend revisions to the OBAG 2 and 3 and MTC exchange programs as summarized below and detailed in **Attachment A**.

***BAHFA Programs***

Most notably, staff recommend reprogramming \$5 million in MTC exchange funds from BAHFA's county election costs. In June 2024, the Commission programmed \$5 million in MTC exchange funds to the BAHFA for county election costs related to a planned ballot measure for an affordable housing general obligation bond. However, in August 2024, the BAHFA Board voted to withdraw the bond measure from the November 2024 general election ballots in the Bay Area.

This month, staff recommend reprogramming the \$5 million in unused funds to BAHFA's new mixed-income financing program, which is also ineligible for federal transportation funds. The Chan Zuckerberg Initiative (CZI) recently made a \$6 million conditional award to BAHFA for the mixed-income financing program, contingent on MTC providing \$5 million in matching capital funds. The recommended action would fulfill CZI's condition, multiplying the benefits of MTC exchange funds and retaining the Commission's original intent to advance BAHFA

affordable housing programs. The terms of the mixed-income financing program are anticipated to be finalized by early 2026 and are subject to approval by the BAHFA Board.

***Other OBAG and Exchange Revisions***

As detailed in Attachment A, additional recommended changes to the OBAG 2 and 3 and MTC exchange programs include the following actions:

- Reprogram a total of \$11.1 million from MTC's Regional Communications Infrastructure Upgrade project to MTC's West Oakland Link project (\$10 million OBAG 2) and the Pacific Flyway Center's Walk in the Marsh project (\$1.1 million in OBAG 3 capacity using MTC exchange funds),
- Deprogram approximately \$52,000 in project savings from Alameda County's Niles Canyon Trail (Phase 1) Priority Conservation Area (PCA) project,
- Reprogram a total of \$600,000 within the OBAG 3 Bay Trail Program, including:
  - Program \$250,000 in MTC exchange funds for Oakland's Doolittle Drive Bay Trail Gap Closure project and
  - Shift \$350,000 in MTC exchange funds between two Bay Trail projects to better support the Bay Trail Equity Strategy scope of work. This action changes the fund source of \$350,000 on MTC's Bay Trail Implementation project from MTC exchange to OBAG 3 funds and \$350,000 on MTC's Bay Trail Planning project from OBAG 3 to MTC exchange funds, with no net change to the total amount programmed to these projects.

***FY 2025 Apportionment Exchange Agreements***

In addition to the programming changes summarized above, this month staff are also providing an informational update on federal apportionment exchange agreements executed in 2025. The OBAG 3 policy authorizes MTC's Executive Director to execute federal apportionment exchange agreements with other California Regional Transportation Planning Agencies (RTPAs). Apportionment exchanges benefit both regions by advancing projects in one region that may be stalled due to a lack of funding, while also avoiding the loss or lapse of funds in the other region.

Exchange agreements over \$2 million must be reported to a standing Committee of the Commission for information. Consistent with this policy, staff are reporting that MTC has entered into several exchange agreements for a total of \$18.7 million in FY 2025 CMAQ apportionment from the following RTPAs:

- \$16.0 million from Southern California Association of Governments (SCAG),
- \$1.8 million from Tehama County Transportation Commission (TCTC), and
- \$0.9 million from Nevada County Transportation Commission (NCTC).

Caltrans, on behalf of MTC, will repay each loan with an equal amount of MTC's FY 2026 CMAQ apportionment on October 1, 2025.

**Issues:**

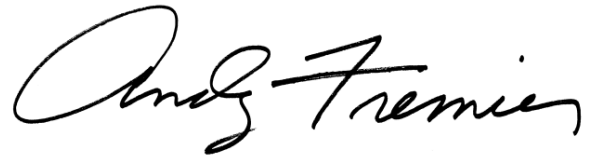
None.

**Recommendations:**

Refer MTC Resolution Nos. 3989, Revised, 4202, Revised, and 4505, Revised to the Commission for approval.

**Attachments:**

- MTC Resolution No. 3989, Revised
  - Attachment B
- MTC Resolution No. 4202, Revised
  - Attachment B-1
- MTC Resolution No. 4505, Revised
  - Attachment B-1



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Andrew B. Fremier