

# Housing Element Compliance and Related One Bay Area Grant (OBAG 2 and 3) Policies

November 13, 2024  
Programming and  
Allocations Committee  
Agenda Item 4a-24-1303



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**



# Background

- Previous Commission actions and updates on Housing Element requirements for One Bay Area Grant (OBAG) programs include:
  - January 2022: Commission adopted 12/31/2023 deadline for Housing Element approval (11 months after state deadline)
  - December 2023: Commission approved one-year grace period, extending MTC's deadline to 12/31/2024
  - June 2024: staff provided status updates to the Commission on Housing Element certifications and OBAG grants
  - November 2024: as requested by the Commission, staff will provide this update on non-compliant jurisdictions

# Funding Withheld

MTC is currently withholding a total of **\$16 million** in OBAG grant funding from the following jurisdictions due to Housing Element noncompliance:

Sponsor	Project Name	Amount
Alameda County	Upper San Lorenzo Creekway Trail	\$9,621,000
Alameda County	San Lorenzo Village Specific Plan	\$600,000
Daly City	Housing Incentive Pool (Projects TBD)	\$1,304,000
San Mateo County	Bay Road Complete Street Rehabilitation	\$3,807,000
Vallejo	Sacramento Street Road Diet - Phase II	\$850,000

Under current adopted policies, MTC will rescind funds from any jurisdiction that does not have an HCD-certified housing element by December 31, 2024.

# Reasons for Noncompliance

- **Common challenges:** staffing and consultant shortages
- **Unique circumstances:**
  - **Alameda County:** Each draft presented to multiple Municipal Advisory Councils that meet under the Brown Act
  - **Daly City:** Required rezoning not completed on time
  - **San Mateo:** Challenges in identifying suitably developable land given its topography and Coastal Zone
  - **Vallejo:** Challenges engaging a very diverse population
- **Late starts:** all submitted first drafts to the state between six and sixteen months later than recommended by ABAG.

# Timing of First Drafts

Jurisdiction	First Draft Submitted	Delay from ABAG Recommendation
Alameda County	10/6/2023	15 months
Daly City	6/28/2023	12 months
San Mateo County	1/20/2023	7 months
Vallejo	11/2/2023	16 months

# Next Steps

- To help noncompliant jurisdictions meet the Housing Element certification deadline, HCD staff have agreed to:
  - **Expedite review** of submissions
  - **Preview rezoning** proposals
- MTC staff will **continue to coordinate** with noncompliant jurisdictions and HCD to expedite approvals if possible
- MTC staff will return to the Commission early next year with a final update and to recommend any programming actions necessary to **rescind funds**