

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**