

Bay Area Partnership Board

December 2, 2024

Agenda Item 4c 24-1489

One Bay Area Grant (OBAG 4) Development

Subject:

Initial considerations and schedule for development of the next One Bay Area Grant (OBAG 4) program, including implementation of MTC's Transit Oriented Communities (TOC) Policy.

Background:

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 Regional Transportation Plan (RTP) and Sustainable Communities Strategy (SCS), collectively known as *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 federal fiscal years (FYs) 2022-23 through 2025-26.

Staff are initiating development of the next OBAG cycle (OBAG 4), currently anticipated to encompass STP/CMAQ programming for FY 2026-27 through 2029-30. Staff will collaborate with County Transportation Agencies (CTAs), eligible sponsors, and other project delivery partners on OBAG 4 development, incorporating the considerations detailed below.

Notably, this item includes an initial high-level proposal for implementation of MTC's Transit Oriented Communities (TOC) Policy in OBAG 4. Staff are introducing this information early in the OBAG 4 development process to give jurisdictions and other project delivery partners sufficient time to provide feedback and come into compliance with the TOC Policy.

Key Considerations

The OBAG 4 program will need to accommodate new regional policies and constraints, including:

- TOC Policy (MTC Resolution No. 4530, Revised), which commits to applying TOC compliance considerations in future OBAG cycles, starting with OBAG 4 (see details below),
- Senate Bill (SB) 125 Regional Funding Framework (MTC Resolution No. 4619, Revised), which commits \$100 million in future STP/CMAQ capacity as part of the region's contribution to the transit fiscal cliff, and

- *Plan Bay Area 2050+* (anticipated for adoption in 2025), including any updates to current Plan strategies.

In addition, staff are identifying existing program features to strengthen and improve for OBAG 4, including:

- Sponsor and project requirements: in collaboration with project delivery partners, staff plan to evaluate the cumulative benefits and burdens of current (OBAG 3) requirements to assess effectiveness in advancing regional goals and make recommendations for modifications if appropriate.
- Project selection criteria and processes: consistent with federal and regional policies, staff plan to consider ways to improve and standardize project selection processes with an emphasis on making data-driven decisions.
- Alignment with MTC's Equity Platform: staff will develop the OBAG 4 program in accordance with MTC's Equity Platform (MTC Resolution No. 4559) and identify effective strategies to ensure that policies and investments are benefitting historically underserved groups.

TOC Policy Implementation

Staff are currently considering the following key features for OBAG 4 TOC Policy implementation:

- Compliance tiers: jurisdictions with TOC areas would be classified into three compliance tiers that would govern eligibility for OBAG 4 funds:
 - Non-compliant jurisdictions would only be eligible for limited planning funds to improve TOC compliance,
 - Substantially compliant jurisdictions would be eligible for most OBAG 4 funding, and
 - Compliant jurisdictions would be eligible for all OBAG 4 funding.

Jurisdictions with no TOC areas would be eligible for most OBAG 4 funding, but not the set-aside (see below). All OBAG 4 funds would be subject to these eligibility tiers, regardless of project sponsor.

- Set-aside: as an additional incentive, a portion of OBAG 4 funds would be set aside exclusively for jurisdictions in the top (compliant) TOC tier.

The TOC Policy does not define how compliance will be measured for MTC funding decisions. To date, the Commission has encouraged staff to incorporate some degree of flexibility into the approach. Staff are still in the beginning stages of developing criteria and requirements for each tier, which will be informed by ongoing outreach with jurisdictions and other project delivery partners.

Timeline

Over the next two years, staff will coordinate and engage with MTC Committees, Commission, and partner agencies on OBAG 4 development topics, including TOC Policy implementation.

The preliminary OBAG 4 timeline includes the following key milestones:

- Committee and Commission review of draft policies in late 2025, following staff outreach and engagement earlier that year,
- Commission adoption of OBAG 4 policies and initiation of the County Program call for projects in early 2026, coinciding with the TOC documentation deadline, and
- Commission approval of the OBAG 4 County Program project list in early 2027.

Issues:

None identified.

Recommendations:

Information.

Attachments:

- Attachment A: Presentation



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