

**Metropolitan Transportation Commission
Programming and Allocations Committee**

October 8, 2025

Agenda Item 2b-25-1215

MTC Resolutions Nos. 3989, Revised; 4202, Revised; 4505, Revised; and 4540, Revised

Subject:

Various revisions to the One Bay Area Grant (OBAG 2 and 3), Carbon Reduction Program (CRP), and MTC exchange programs, including programming \$35.5 million in advanced OBAG 4 capacity to support ongoing MTC and County Transportation Agency (CTA) planning and program implementation activities during the anticipated air quality conformity lapse grace period.

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. As part of the broader OBAG 3 regional investment strategy, MTC's Carbon Reduction Program (CRP) similarly guides the investment of federal CRP funds for FY 2022 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, CRP, and MTC exchange programs as summarized below and detailed in **Attachment A**.

OBAG 4 Advances

Staff are currently developing the next cycle of the OBAG program (OBAG 4) and plan to bring a final policy to the Commission for adoption in early 2026, as described in the July OBAG 4 information item to this Committee. Current and previous OBAG cycles have supported ongoing planning and program implementation work by MTC and County Transportation Agencies (CTAs). With OBAG 4 adoption in early 2026, the Commission will have the opportunity to continue funding these ongoing efforts.

However, MTC and CTAs will be unable to access any new OBAG funds programmed in early 2026, due to the current statewide conformity lockdown and MTC's anticipated regional

conformity lapse grace period. As described in further detail to this Committee at its September meeting, MTC will not be able to program new funds in the Transportation Improvement Program (TIP) after early December, preventing sponsors from accessing new funds until the statewide conformity lockdown is resolved.

To ensure that MTC and CTAs have access to funds for high-priority and ongoing planning and program implementation as we enter the conformity lapse grace period, staff recommend advancing \$35.5 million in initial OBAG 4 capacity this month, which includes funding for CTA and MTC Planning, as well as for ongoing Safe Routes to School Non-Infrastructure (SRTS NI) programs.

This action increases the overall OBAG 3 program capacity for a limited period of time, as the advanced capacity will be shifted to OBAG 4 once the latter program is adopted. These actions would address near-term needs during the conformity lapse grace period without pre-committing any future OBAG 4 programming policies or priorities, which will be subject to Commission review and approval as part of the OBAG 4 development process.

TIFIA Balance

The federal Fiscally Responsible Highway Funding Act of 2024 provides for the redistribution of unused Transportation Infrastructure Finance and Innovation Act Program (TIFIA) funds through the STP program. Earlier this year, the Federal Highway Administration (FHWA) redistributed an initial \$1.8 billion in TIFIA apportionment to the states, including \$15.8 million for the Bay Area via Caltrans. Staff recommend applying this additional STP apportionment towards the \$35.5 million OBAG 4 advance described above.

CRP Balance

Following the Commission approval of the CRP program in 2022, annual CRP apportionments have slightly exceeded initial estimates. Caltrans has estimated the final CRP program capacity for the Bay Area (covering FY 2021-22 through 2025-26 apportionment) to total \$70.2 million, \$10.2 million above the initial adopted program capacity of \$60 million. Staff recommend programming this \$10.2 million CRP balance to existing OBAG projects that are eligible for CRP funds and ready to deliver in the upcoming year, including:

- \$1.9 million to San Leandro's Lewelling Boulevard Call IV Bikeways project, replacing Housing Incentive Pool (HIP) funds previously awarded to the City's MacArthur Superior Roundabout project, and
- \$8.3 million to MTC's Bay Skyway: West Oakland Link project, replacing a portion of the \$10.0 million previously programmed to this project with no net change in funding.

Staff recommend reprogramming the \$10.2 million in resulting OBAG 2 capacity to MTC for planning and program implementation, augmenting the \$12.7 million in OBAG 4 advances as recommended above to provide a total of \$22.9 million or approximately two years of total funding at OBAG 3 levels. This CRP balance swap would not add capacity to the OBAG 4 program, but it would reduce the need for MTC planning and program implementation funds during the OBAG 4 period.

Other Programming Recommendations

Additional OBAG 2 and 3 and MTC exchange program recommendations are listed in **Table 1** (below) and described in **Attachment A**.

Table 1: Select Programming Recommendations by Fund Source

Project	OBAG	MTC Exchange	Other Local	Net Change
Bay Bridge Forward Preliminary Engineering	\$4.0	-	-	\$4.0
I-580 WB to I-80 EB Connector Bus Lane	\$3.6	-	-	\$3.6
I-80 EB HOV Connector Bus on Shoulder	\$3.6	-	-	\$3.6
I-80 HOV Lane Access Restrictions	\$4.3	-	-	\$4.3
I-80 Localized Transit Priority/HOV Strategies	\$6.3	-	-	\$6.3
Subtotal OBAG 3 Bay Bridge Forward	\$21.8	-	-	\$21.8
BBF: I-80 HOV Lane Access Restrictions	\$4.6	-	-	\$4.6
BBF: I-80, SFOBB, & Carquinez Bridge HOV Hours	\$3.1	-	-	\$3.1
Smart Transbay Transit	\$5.4	-	-	\$5.4
Subtotal OBAG 3 Transit Priority Highway	\$13.0	-	-	\$13.0
US 101 SCL & SM Optimized Corridor Operations	\$3.0	-	-	\$3.0
Adaptive Ramp Metering on I-680 CC	\$2.0	-	-	\$2.0
Subtotal OBAG 3 Freeway Operations	\$5.0	-	-	\$5.0
Bay Wheels Procurement Strategy	\$0.5	-	-	\$0.5
Regional TDM Strategy	\$0.3	-	-	\$0.3
Bikeshare Station Electrification	-\$0.6	\$0.6	-	-
Subtotal OBAG 3 TDM	\$0.2	\$0.6	-	\$0.8
New Flyer Bus Midlife Overhaul Phase II	-	-	\$4.4	\$4.4
Howard Streetscape	-	-	\$1.0	\$1.0
29 Sunset Muni Forward	-	-	\$2.4	\$2.4
N-Judah Transit Priority	-	-	\$6.5	\$6.5
West Side Bridges Seismic Retrofit (for YBI MUP)	-\$2.3	-	-	-\$2.3
Bay Skyway: Yerba Buena Island Multi-Use Path	\$2.3	-	-	\$2.3
Subtotal OBAG 2 HIP	-	-	\$14.3	\$14.3
San Pablo Ave Bus/Bike Lanes	-\$10.0	-	-	-\$10.0
SPA Bus/Bike Lanes (for Safety/Bus Bulbs)	-\$5.9	-	-	-\$5.9
East Bay Greenway (for SPA Bus/Bike Lanes)	\$10.0	-	-	\$10.0
East Bay Greenway (for SPA Safety/Bus Bulbs)	\$5.9	-	-	\$5.9

Project	OBAG	MTC Exchange	Other Local	Net Change
Subtotal OBAG 3 County Program	-	-	-	-
Grand Total	\$40.0	\$0.6	\$14.3	\$54.8

Note: All amounts in millions.

Issues:

Caltrans has not yet finalized the regional apportionment amounts associated with the initial TIFIA redistribution; therefore, the exact amount available to MTC and/or the administrative process for distribution may differ from MTC staff expectations at the time of writing. After Caltrans releases this information, expected later this Fall, staff may recommend additional revisions to MTC Resolution No. 4505, Revised, Attachments B-1 and B-2 as necessary to reflect the final TIFIA apportionment amount and fund source.

Recommendations:

Refer MTC Resolution Nos. 3989, Revised, 4202, Revised, 4505, Revised, and 4540, Revised to the Commission for approval.

Attachments:

- Attachment A: Proposed Programming Details
- MTC Resolution No. 4505, Revised
 - Attachment B-1
 - Attachment B-2
- MTC Resolution No. 3989, Revised
 - Attachment B
- MTC Resolution No. 4202, Revised
 - Attachment B-1
- MTC Resolution No. 4540, Revised
 - Attachment B



Andrew B. Fremier