



One Bay Area Grant OBAG 3 Framework

MTC Programming & Allocations Committee

January 12, 2022

Program Estimates

Program Revenues

- ❖ Regional shares of Federal Highway Administration (FHWA) funds:
 - ❖ Surface Transportation Block Grant Program (STP)
 - ❖ Congestion Mitigation Air Quality Improvement (CMAQ)
- ❖ STP/CMAQ account for 1.3% of *Plan Bay Area 2050 (PBA 2050)* transportation revenues

OBAG 3 Programming Capacity

- ❖ 4-year program, FY 2023 – FY 2026
- ❖ \$750 million total, or \$188 million/year
 - Assumes 2% annual increase over OBAG 2 STP/CMAQ revenues
 - Does *not* reflect additional apportionments anticipated from Infrastructure Investment and Jobs Act (IIJA)/Bipartisan Infrastructure Law (BIL)
- ❖ The programming of additional STP/CMAQ apportionments from IIJA/BIL will be considered through future Commission action



O BAG 3 Principles

- Preserve effective program features to support regional objectives
- Advance *PBA 2050* implementation
- Incorporate recent policy initiatives and adapt to current landscape
- Advance equity through policies and investments
- Address federal requirements, including performance & recertification
- Coordinate with complementary fund sources
- Emphasize a shared, partnership approach through implementation

Program Categories

Planning & Program Implementation	Growth Framework Implementation	Climate Initiatives, Conservation & Resilience	Complete Streets & Community Choice	Multimodal Systems Operations & Performance
<p>Performance-based planning and programming activities</p>	<p>Assist efforts to create housing options in <i>PBA 2050</i> growth areas</p> <p>Studies and pilots to advance growth framework</p>	<p>Reduce emissions and solo vehicle trips</p> <p>Promote land conservation and access to open space</p> <p>Protect transportation assets from impacts of climate change</p>	<p>Build and maintain complete streets with focus on safety and active transportation</p> <p>Support community-led transportation enhancements in Equity Priority Communities (EPCs)</p>	<p>Increase transit ridership and efficiency and mobility options</p> <p>Optimize multimodal performance of existing roadway system</p>

Regional Programs

Regional Program Highlights

- ❖ \$375 million - 50% of OBAG 3 program
- ❖ Investments organized around OBAG 3 program categories
- ❖ Targeted to address climate and focused growth goals of *PBA 2050*
- ❖ Coordinate and deploy *PBA 2050* strategies well-suited to regional implementation

Regional Program Investments	Total (4 Yr.)	Annual
Planning & Program Implementation	\$50	\$12
Growth Framework Implementation	\$25	\$6
Climate, Conservation, & Resilience	\$98	\$25
Complete Streets & Community Choice	\$54	\$14
Multimodal Systems Operations & Performance	\$149	\$37
Regional Programs	\$375	\$94

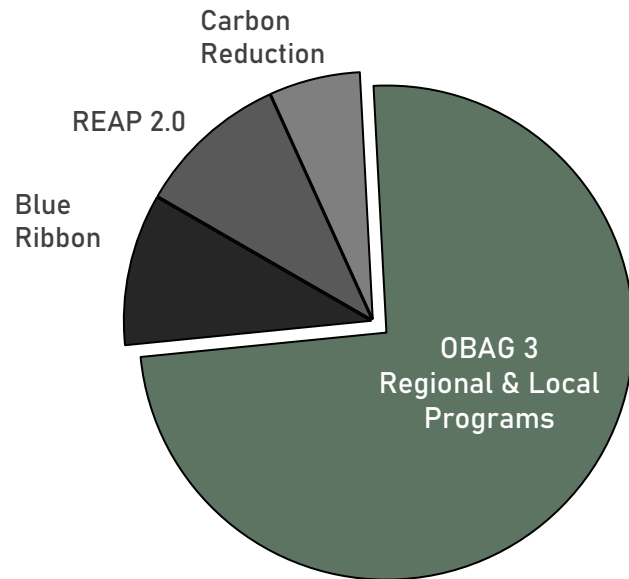
Notes: Amounts in millions. Totals may not add due to rounding.

Updates to OBAG 3 Proposal After November PAC

- Planning & Program Implementation
 - (+) \$4M - Implementation resources for near-term Blue Ribbon Transit Transformation Action Plan initiatives (OBAG 3 share of \$9M identified in the action plan's Implementation Roadmap)
 - (+) \$6M - 4 new positions authorized in FY22 MTC agency budget (over four years)
- Multimodal Systems Operations & Performance
 - (-) \$10M - Corresponding decrease in program total; revenues from other complementary funding programs will be needed to deliver regional initiatives

Complementary Funding Backdrop

Leverage complementary funding to augment OBAG 3 and deliver regional priorities:



Amount	Fund Source	Purpose
\$750 million	OBAG 3 - STP/CMAQ <i>FHWA formula funds</i>	STP: Flexible federal fund source CMAQ: Emissions reductions focus
\$85 million	Blue Ribbon <i>One-time funding</i>	State and federal fund sources identified for near-term Blue Ribbon projects
\$103 million	REAP 2.0 <i>One-time funding from State budget surplus</i>	Flexible source for projects that advance the Sustainable Communities Strategy
\$60 million	Carbon Reduction <i>Potential new FHWA formula program</i>	Flexible source for projects that reduce greenhouse gas emissions
~\$1 billion	Total	

County & Local Programs

County & Local Program Highlights

- ❖ \$375 million - 50% of OBAG 3 program
- ❖ Includes \$35 million base amount for countywide planning and programming activities; may be augmented through the call for projects
- ❖ Remaining \$340 million programmed through a call for projects process prescribed by MTC
- ❖ Focuses investments in PDAs and other select geographies
- ❖ Allows for broad range of project types to address *PBA 2050* goals
- ❖ Emphasizes:
 - Bicycle/pedestrian projects and programs, including Safe Routes to School (SRTS) and other safety efforts
 - Projects within EPCs or that otherwise benefit equity
 - Transit access and other improvements to accelerate transit-oriented development

County & Local Programs

Updates to OBAG 3 Proposal After November PAC

- ❖ Uniform definition for PDA-supportive projects
 - Located within one mile of a PDA boundary; with allowance for exceptions
- ❖ \$25 million regionwide SRTS investment target, replaces county-specific SRTS targets
- ❖ \$200 million regionwide active transportation investment target considered within broader context of increased ATP, other active transportation fund sources
- ❖ Requirement for Highway Safety Improvement Program (HSIP)-compliant Local Roadway Safety Plans (LRSPs)
- ❖ Clarifications and deadlines for compliance with various state housing laws
- ❖ Cost-effectiveness assessments incorporated into CMAQ project selection process

County & Local Programs – Call for Projects

Changes necessary to address federal requirements:

- ❖ MTC adopts County & Local Program guidelines & nomination targets (March 2022)
- ❖ Call for projects - CTAs assist with local outreach and initial project screening process, using processes reviewed by MTC for consistency with guidelines
- ❖ Countywide nomination targets guide CTAs in the maximum amount of funding requests that they can submit to MTC for project selection
- ❖ MTC selects projects based on initial screening & prioritization by CTAs and additional regional considerations (Jan. 2023)

Nomination targets

- ❖ 120% of the total amount available for County & Local Program, minus base amounts for county planning activities
- ❖ Based on housing outcomes and planned growth of local jurisdictions; and are based on considerations required to be addressed in MTC's performance-based planning process
- ❖ Do not imply guaranteed amounts for individual jurisdictions

Key Policy Provisions

Growth Framework

Maintain PDA investment targets at OBAG 2 levels

- 50% North Bay counties
- 70% elsewhere
- ❖ Uniform definition for projects that are credited towards PDA targets
- ❖ Investments in new *PBA 2050* growth areas also emphasized

Local Policy Adoption

For fund eligibility, local jurisdictions must maintain:

- ❖ Certified Housing Element and annual progress reporting
- ❖ Compliance with current state laws governing surplus lands, density bonus, and accessory dwelling units, including the Housing Accountability Act
- ❖ Compliance with regional Complete Streets policy & checklist, and state LRSP

CMAQ Process

For all projects seeking CMAQ funding, MTC will:

- ❖ Assess emissions benefits and cost-effectiveness of projects prior to project selection
- ❖ Document CMAQ programming process in OBAG 3 resolution

Key Policy Provisions

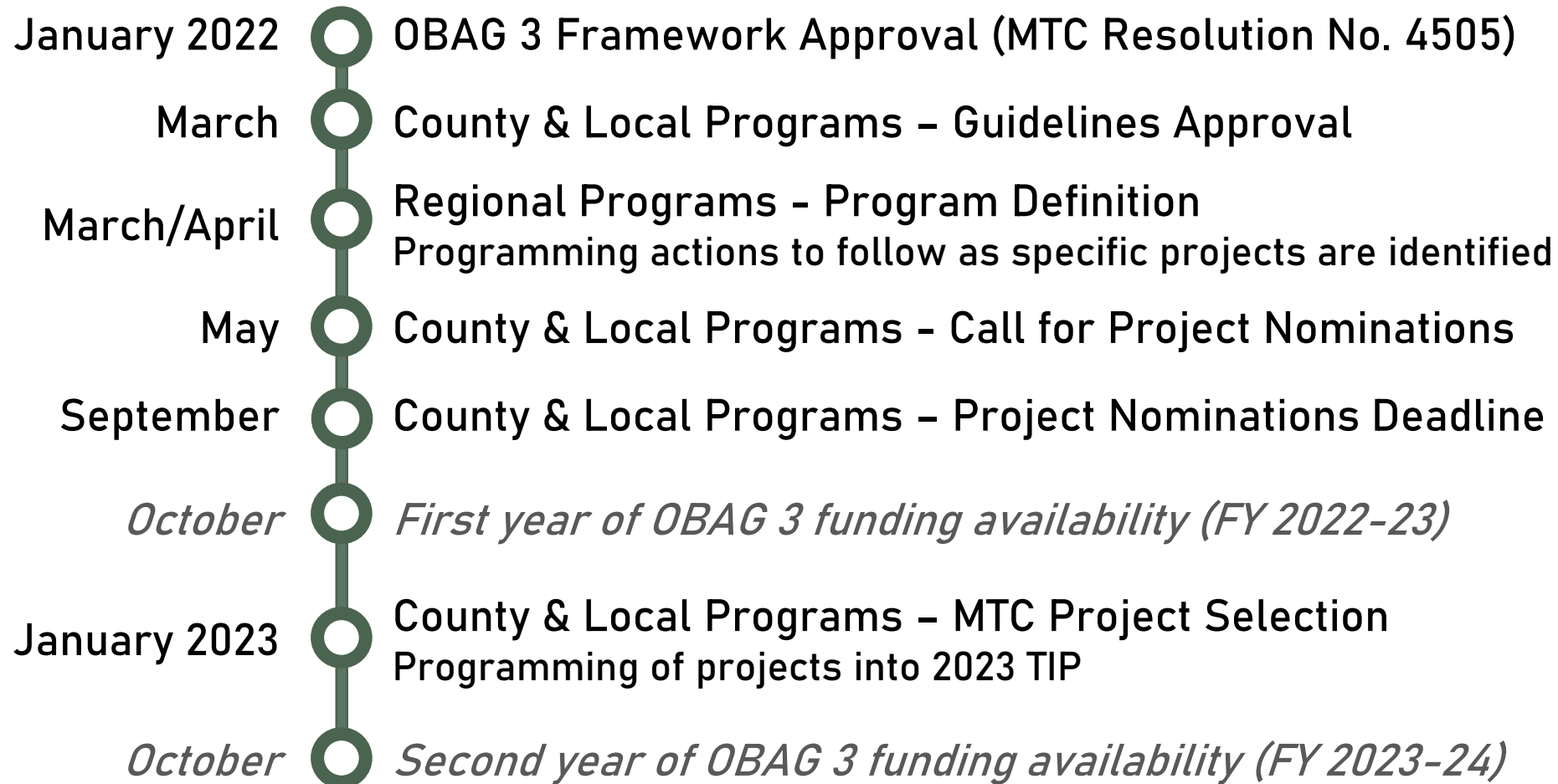
Equity Opportunities

- ❖ Equity lens will be woven throughout program
- ❖ Increases investment in community-based planning and participatory budgeting efforts
- ❖ Dedicates funding to develop community projects for implementation
- ❖ Prioritize projects within EPCs or that directly benefit low-income or minority residents

Alignment with Updated Regional Policies (underway)

- ❖ Active Transportation Plan (AT Plan) Update
 - Updated Complete Streets checklist requirements
 - Active transportation & SRTS investment targets
 - OBAG 3 policy may be revised to align with updated AT Plan and Complete Streets Policy
- ❖ Transit Oriented Development (TOD) / Transit Oriented Communities (TOC) Policy Update
 - Planning grants to meet updated residential and commercial density requirements
 - OBAG 3 framework may be revised to align with updated TOC Policy

Planned Implementation Schedule



Near-Term Actions: Complementary Funding Programs

	2022	Jan	Feb	Mar	Apr
OBAG 3					
\$750M	• <i>Framework approval (this Agenda Item)</i>	+			
	• County & Local Program: Guidelines			+	
	• Regional Programs: Development, Programming				+
Blue Ribbon Near-Term Implementation Roadmap					
\$85M	• Transit Capital Priorities (TCP) Program*			+	
	• Fund Estimate: State Transit Assistance (STA)*		+		
	• Project programming; staffing plan				+
REAP 2.0					
\$103M	• Overview and draft framework				
	• Funding Proposal: Initial 10% of REAP 2.0 funds				+
Carbon Reduction					
\$60M	• Program considerations and proposed framework**				

MTC Commission action is denoted by “+” symbol.

Notes:

* Combined \$85M in TCP and STA proposed to be programmed for BR near-term implementation, in accordance with ARP funding exchange approved in October 2021.

** Proposed framework for the new FHWA Carbon Reduction program is pending release of federal apportionment amounts and state IJA implementation guidelines.

Recommendation

Refer MTC Resolution No. 4505 to the Commission for approval

- ❖ **Adopts the overall OBAG 3 program framework**
- ❖ **Directs funding for ongoing planning & programming activities:**
 - **\$49.5 million – Regional planning & programming, OBAG 3 program implementation, and transit transformation activities**
 - **\$35.2 million – Countywide planning and programming activities**