



Memorandum

Date: 10.21.15

RE: Citizens Advisory Committee
October 28, 2015

To: Citizens Advisory Committee

From: Amber Crabbe – Assistant Deputy Director for Policy and Programming *Ac*

Subject: **INFORMATION** – Update on One Bay Area Grant Program Cycle 2 Proposal

Summary

The Metropolitan Transportation Commission's (MTC's) One Bay Area Grant (OBAG) program directs federal Surface Transportation Program/Congestion Mitigation and Air Quality Improvement Program funding to projects and programs that support the transportation and land use goals of Plan Bay Area, the region's Regional Transportation Plan/Sustainable Communities Strategy. OBAG is comprised of regional programs administered by MTC and local formula-based programs administered by the Congestion Management Agencies (CMAs), e.g. the Transportation Authority for San Francisco. MTC adopted the OBAG Cycle 1 framework in May 2012. Since we are nearing the end of the 5-year program MTC recently released a draft proposal for how to distribute OBAG Cycle 2 funds for Fiscal Years 2017/18 – 2021/22 (see Attachment 1). The current proposal would maintain the structure of the OBAG Cycle 1 program, adjust program shares to reflect a lower revenue estimate, and make other revisions. We propose to continue our strong support for the overall OBAG program, and for the following Cycle 2-specific points, we propose to: 1) support additional incentives for producing (vs. planning for) housing, in particular affordable housing as proposed by MTC staff; 2) support efforts to use OBAG to address displacement issues in a meaningful way; and 3) ask MTC to take a more transparent and inclusive approach for its regional operations programs, in particular freeway-related programs. These objectives are consistent with our draft Plan Bay Area advocacy goals and objectives, which were acted on by the CAC at the September 30 CAC meeting. We will continue to work with our partner agencies, other San Francisco stakeholders, Bay Area CMAs, and MTC staff to advance our OBAG advocacy as MTC works to refine its proposal through its intended adoption in November 2015. We are seeking input from the Citizens Advisory Committee. This item was continued from the September 30, 2015 CAC meeting due to time constraints.

BACKGROUND

In May 2012, the Metropolitan Transportation Commission (MTC) adopted the One Bay Area Grant Program (OBAG) Cycle 1 framework (Fiscal Year (FY) 2012/13 to 2015/16) for programming federal Surface Transportation Program and Congestion Mitigation and Air Quality Improvement Program funds. This was the first effort to better integrate the region's transportation program with California's climate law and the Plan Bay Area, the region's Regional Transportation Plan/Sustainable Communities Strategy (SCS). OBAG Cycle 1 established funding commitments and policies for various regional and county programs to reward jurisdictions that accept housing allocations through the Regional Housing Need Allocation (RHNA) process and that have historically produced housing. It also promoted transportation investments in Priority Development Areas (PDAs) and increased programming

flexibility for local agencies.

Through the OBAG Cycle 1 County Program the Transportation Authority programmed \$38.8 million (11.7% share of the regional County Program) for CMA Planning activities and seven competitively selected projects. We presented a status update on the OBAG Cycle 1 projects at the September 2 CAC meeting.

DISCUSSION

The purpose of this memorandum is to provide an overview of MTC's latest OBAG Cycle 2 draft proposal, to outline our proposed advocacy as MTC works toward adoption of the Cycle 2 proposal in November 2015, and to seek input from the Citizens Advisory Committee (CAC). In October 2015, MTC brought its revised draft OBAG Cycle 2 framework (FYs 2017/18 to 2021/22) to its Partnership Board. Page 6 of MTC's memo (Attachment 1) provides a table that compares Cycle 1 and 2 by each constituent program. MTC's proposal carries forward the major features of OBAG Cycle 1 and proposes minor refinements as highlighted in sections below.

The OBAG program as a whole faces a 4% decline in revenues (from \$827 million to \$790 million for the five year grant cycle) due to federal budgetary constraints. Consequently, MTC staff is not recommending any new programs and has proposed to either maintain or reduce funding levels for existing programs, with the exception of funding modest increases for regional planning activities (to account for escalation) and for the Priority Conservation Area (PCA) grant program. In general, MTC has made an effort to share the pain of the revenue cuts among local and regional categories and to provide additional flexibility to CMAs by consolidating locally managed programs into the County Program.

As the OBAG framework translates Plan Bay Area's long-range targets and priorities into specific funding recommendations, our OBAG advocacy (detailed below) reflects our proposed San Francisco's goals and objectives for Plan Bay Area 2040, which was acted on by the CAC at the September 30 meeting.

1. Adjust the OBAG County Program formula to reward counties that produced (versus just planned) a greater share of housing, especially affordable housing. MTC staff is recommending changing the County Program formula to give more weight to past housing production and affordable housing share. The latest iterations of the modified formula would increase San Francisco's share of the overall OBAG County Program from 11.7% to 12.3~13.4% and make San Francisco the only county seeing an increase in funding between cycles under all proposed options (from \$43.52 million to \$43.54~47.44million) despite the reduction in total OBAG program-wide funding, reflecting San Francisco's excellent housing production record, including affordable housing, between 2007 and 2014. MTC staff is developing other potential formula options in response to commissioner direction, but they generally all move in a direction that benefits San Francisco (see MTC's attachment 2 within the memo attachment for different options).

This seems to be the most controversial of the changes MTC is proposing. North Bay CMAs disagree with the proposed formula as they feel penalized for having to bear the disproportionately negative impact of the recent recession on their housing production and argue that their county shares should remain at the same level as prior cycles. At the other end of the spectrum, advocates have expressed a desire to see even a stronger link between housing production and the distribution of County Program funds. MTC has attempted to address their concerns by adding pre-recession years (1999-2006) to the housing production period while giving a greater weight to the housing

production in more recent years (2007-2014), as reflected in the currently proposed formula. We believe MTC's adjustment strikes an appropriate balance among each party's needs.

- 2. Link OBAG funding to affordable housing and anti-displacement policies, as appropriate.** Displacement and housing affordability are the focus of planning and policy discussions across the region. Some MTC Commissioners and advocates have expressed a desire to link OBAG Cycle 2 County Program funds to anti-displacement policies and programs, similar to the OBAG Cycle 1's conditioning of funding on local jurisdictions' adoption of a Complete Streets policy. We have also heard suggestions of using Regional PDA Planning funds to support anti-displacement planning and policy work. We support using transportation funding to leverage the adoption of anti-displacement and affordable housing policies, but encourage that it be done thoughtfully given limited OBAG revenues (federal fund projections are on the decline) and because such a proposal would need to work in the varied communities throughout the region to gain support at MTC. For example, representatives of less urban areas have expressed concern that anti-displacement policies that are appropriate for a city like San Francisco are less relevant for smaller jurisdictions and/or places still dealing with significant numbers of foreclosures. A potential "tool box" of policies and programs would need to be able to be adaptable to the diverse communities in the Bay Area.
- 3. Develop a transparent and inclusive Regional Operations Program to address operations needs across the region, including San Francisco.** MTC has assigned almost 40% of regional programming capacity to the Regional Operations Program, which includes the Freeway Performance Initiative, Transportation Management System, and a few regionwide coordination efforts (e.g. Incident Management, 511 and Rideshare). However, it is unclear how projects will be prioritized for funding within these subprograms. For Cycle 2, we ask MTC to make the project selection process more transparent and inclusive, and share a clear scope, schedule and objectives for the subprograms. In addition to increasing transparency, MTC should seek local input as early in the process as possible. Lastly, we encourage MTC to pursue a multi-modal approach to solving freeway capacity issues and consider funding an express bus network as part of this category.
- 4. Prioritize the Transit Priorities Program for any additional federal revenues.** This program includes the Transit Capital Priorities and Transit Performance Initiatives programs – both of which provided significant support for San Francisco's transit operators in Cycle 1 - as well as Clipper and BART cars. Funding for the Transit Priorities Program is proposed to decrease from \$201 million to \$189 million in OBAG 2 due to the declining federal revenue forecasts. Given the importance of investing in transit state of good repair and core capacity improvements to support the goal of focusing growth in PDAs, we would like MTC to prioritize these programs for any additional revenue the region secures over the OBAG Cycle 2 period.

Next Steps: Until MTC Commission's approval in November 2015 we will continue to work with our partner agencies, San Francisco stakeholders, other CMAs, and MTC staff to advance San Francisco's OBAG objectives, which we believe present a balanced approach to strengthen the impact of this important program. Our input is still quite relevant as we expect MTC staff and the Commission to refine the proposal before it is approved. Once MTC has approved the OBAG 2 proposal, we will release a call for projects for San Francisco's County Program share of funding, likely in early to mid-2016.

ALTERNATIVES

None. This is an information item.

FINANCIAL IMPACTS

None. This is an information item.

RECOMMENDATION

None. This is an information item.

Attachment:

1. OBAG Cycle 2 Proposal to MTC's Partnership Board, October 9, 2015

Attachment 1: OBAG Cycle 2 Proposal to MTC's Partnership Board

As presented to the Partnership Board on October 9, 2015



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Memorandum

TO: Bay Area Partnership Board

DATE: October 2, 2015

FR: Anne Richman, Director, Programming and Allocations

RE: One Bay Area Grant Program Cycle 2 Proposal

Background

The inaugural One Bay Area Grant Program (OBAG 1) was approved by the Commission in May 2012 (MTC Resolution No. 4035) to better integrate the region's discretionary federal highway funding program with California's climate statutes and the Sustainable Communities Strategy (SCS). OBAG 1 supported *Plan Bay Area*, the region's Regional Transportation Plan / SCS, by incorporating the following program features:

- Targeting project investments into Priority Development Areas (PDA);
- Rewarding jurisdictions that accept housing allocations through the Regional Housing Need Allocation (RHNA) process and produce housing;
- Supporting open space preservation in Priority Conservation Areas (PCA);
- Providing a larger and more flexible funding pot to the county-level Congestion Management Agencies (CMAs) to deliver transportation projects in categories such as transportation for livable communities, bicycle and pedestrian improvements, local streets and roads preservation, and planning activities, while also providing specific funding opportunities for Safe Routes to School (SRTS).

The successful outcomes of this program are outlined in the "One Bay Area Grant Report Card," which was presented to the MTC Planning Committee in February 2014 (http://files.mtc.ca.gov/pdf/OBAG_Report_Card.pdf).

With only two years remaining of the OBAG 1 cycle (FY2015-16 and FY2016-17), preparations are well underway for the development and implementation of the next round of OBAG. Commission consideration of the OBAG 2 program proposal is anticipated at the November meeting.

Recommendations

Considering the positive results achieved to date in OBAG 1, staff recommends only minor revisions for OBAG 2. Listed below are principles that have guided the proposed program revisions:

1. Maintain Realistic Revenue Assumptions:

OBAG 2 funding is based on anticipated future federal transportation program apportionments. In recent years, the Surface Transportation Program/Congestion Mitigation and Air Quality Improvement programs (STP/CMAQ) have not grown, and changes in the federal and state programs (such as elimination of the Transportation Enhancement (TE) program) have resulted in decreases that were not anticipated when OBAG 1 was developed. For OBAG 2, a 2% annual escalation rate above current federal

revenues is assumed, consistent with the mark-up of the Developing a Reliable and Innovative Vision for the Economy (DRIVE) Act by the Senate Environment and Public Works Committee. Even with the 2% escalation, revenues for OBAG 2 are 4% less than revenues for OBAG 1, due to the projections of OBAG 1 being higher than actual revenues, and the fact that OBAG 1 included Transportation Enhancement (TE) funds which are no longer available to be included in OBAG 2.

2. Support Existing Programs and maintain Regional Commitments while Recognizing Revenue Constraints:

The OBAG Program as a whole is expected to face declining revenues from \$827 million in OBAG 1 to \$790 million in OBAG 2. Therefore, staff recommends no new programs and to strike a balance among the various transportation needs supported in OBAG 1.

- a. The regional pot of funding decreases by 4%. With the exception of regional planning activities (that grows to account for escalation) and the Priority Conservation Area (PCA) program (that receives additional funds redirected from an OBAG 1 project), all other funding programs are either maintained at or decreased from their OBAG 1 funding levels.
- b. The OBAG 2 county program decreases by 4%. As compared to the county program under OBAG 1, largely the same planning and project type activities are proposed to be eligible under OBAG 2.

The proposed OBAG 2 funding levels for the regional and county programs are presented in Table 1 below. See Attachment 1 for more details on these programs and a comparison with the OBAG 1 fund cycle.

Table 1. OBAG 2 Funding Proposal

OBAG 2 Programs	OBAG 2 Proposed Funding (million \$, rounded)
Regional Planning Activities	\$10
Pavement Management Program	\$9
Regional Priority Development Area (PDA) Planning	\$20
Climate Change Initiatives	\$22
Priority Conservation Area (PCA) Program	\$16
Regional Active Operational Management	\$170
Regional Transit Priorities	\$189
County CMA Program	\$354
OBAG 2 Total	\$790

3. Support the Plan Bay Area’s Sustainable Communities Strategy (SCS) by Linking OBAG Funding to Regional Housing Needs Allocation (RHNA), Housing Production, Affordable Housing, and Smart Growth Goals: OBAG 2 continues to support the SCS for the Bay Area by promoting transportation investments in Priority Development Areas (PDAs). A few changes are proposed for OBAG 2, to further improve upon the policies that have worked well in OBAG 1 (see also Attachments 2 and 3).

- a. PDA Investment targets remain at OBAG 1 levels: 50% for the four North Bay counties and 70% for the remaining counties.
- b. PDA Investment Growth Strategies should play a strong role in guiding the County CMA project selection and be aligned with the Plan Bay Area update cycle.
- c. Three alternatives are under consideration for the county OBAG 2 distribution formula in response to a Commission request at the July Programming and Allocations Committee meeting (see Table 2).

Table 2. OBAG Distribution Factor Alternatives

	Population	Housing Production	Housing RHNA	Housing Affordability
OBAG 1	50%	25%	25%	50%
OBAG 2 <i>Affordable Housing</i>	50%	30%	20%	60%
OBAG 2 <i>Affordable + Moderate</i>	50%	30%	20%	60%*
OBAG 2 <i>Housing Production</i>	50%	50%	0%	60%

*Includes moderate as well as low and very low income levels for RHNA and housing production.

Also, the distribution formula is proposed to be based on housing over a longer time frame, considering housing production between 1999 and 2006 (weighted 30%) and between 2007 and 2014 (weighted 70%) in order to mitigate the effect of the recent recession and major swings in housing permit approvals (see Table 3).

Table 3. Housing Production Trends

County	Total Housing Production ¹			
	1999-2006		2007-2014	
Alameda	33,697	15.9%	19,615	15.9%
Contra Costa	47,956	22.6%	16,800	13.6%
Marin	5,772	2.7%	1,543	1.3%
Napa	5,245	2.5%	1,434	1.2%
San Francisco	17,439	8.2%	20,103	16.3%
San Mateo	10,289	4.9%	8,169	6.6%
Santa Clara	52,018	24.5%	44,823	36.4%
Solano	18,572	8.8%	4,972	4.0%
Sonoma	20,971	9.9%	5,639	4.6%
Totals	211,959	100.0%	123,098	100.0%

¹ OBAG 1 total housing production numbers were based on the number of permits issued from 1999-2006. OBAG 2 total housing production numbers are based on the number of permits issued over a longer period from 1999-2006 (weighted 30%) and from 2007-2014 (weighted 70%) and have not been capped to RHNA allocations.

The resulting alternative county distribution formulas are presented in Attachment 2.

4. Continue Flexibility and Local Transportation Investment Decision Making:

OBAG 2 continues to provide the discretion and the same base share of the funding pot (40%) to the CMAs for local decision-making. Also, two previously regional programs, Safe Routes to Schools and the Federal-Aid Secondary (rural roads) programs, have been consolidated into the county program with funding targets to ensure that these programs continue to be funded at specified levels.

5. Cultivate Linkages with Local Land-Use Planning:

As a condition to access funds, local jurisdictions need to continue to align their general plans' housing and complete streets policies as part of OBAG 2 and as separately required by state law (see Attachment 3).

Complete Streets Requirements

Jurisdictions have two options for demonstrating complete streets compliance, which must be met by January 31, 2016:

- a. Adopt a Complete Streets Resolution incorporating MTC's nine required complete streets elements; or
- b. Adopt a significant revision to the circulation element of a General Plan after January 1, 2011 that complies with the California Complete Streets Act of 2008.

Housing Element Requirements

Jurisdictions must have a general plan housing element adopted and certified by the California Department of Housing and Community Development (HCD) for 2014-2022 RHNA by May 31, 2015. Furthermore, under state statute, applicable jurisdictions are required to submit Housing Element Annual Reports by April 1 every year. Jurisdictions receiving OBAG 2 funding must comply with this statute during the entire OBAG 2 funding period or risk de-programming of OBAG 2 funding.

6. Continue Transparency and Outreach to the Public Throughout the Project Selection Process:

CMAs will continue to report on their outreach process as part of their solicitation and selection of projects for OBAG 2. Each CMA will develop a memorandum addressing outreach, coordination and Title VI civil rights compliance.

Outreach and OBAG 2 Development Schedule

To date, MTC staff has made presentations on the OBAG 2 framework to the Policy Advisory Council, Programming and Allocations Committee, the Partnership Technical Advisory Committee and associated working groups. Comments received to date have been reviewed and revisions have been made to the proposal as a result of this stakeholder feedback. Comment letters and summarized stakeholder feedback have been posted at <http://www.mtc.ca.gov/funding/obag2/>.

The final OBAG 2 program is anticipated to be presented to the Commission in November for adoption, which will subsequently kick off the CMAs' project solicitation process. Commission approval of OBAG 2 regional programs and CMA project submittals is anticipated for December 2016 (see Attachment 4 for full schedule).

Other Noted Program Revisions

Regional Safe Routes to School (SRTS) Program: In December 2014, the Committee approved adding a fifth-year (FY 2016-17) to OBAG 1 in order to address program shortfalls due to lower than expected apportionments. After closing those shortfalls, the balance was directed to continue time-critical operations and planning programs at lower levels than prior years. A number of committee members expressed interest in restoring funding up to the SRTS annual funding level of \$5 million. Staff has identified cost savings from prior cycles of federal funding, and is seeking consensus from the Committee to increase FY2016-17 SRTS funding from \$2.7 million to \$5.0 million. Staff will bring back the programming action to the Commission in November. For OBAG 2, recommended funding levels for the program are \$5 million per year (\$25 million total).

Available OBAG 1 Funding from Bikeshare Program: With the transition of the Bikeshare program to a public-private partnership model, \$6.4 million in OBAG 1 funds that were programmed to Bikeshare are now available for reprogramming. Staff proposes to augment the PCA program, providing an additional \$3.2 million each to the North Bay and Regional programs. The revised PCA program total of \$16 million is 60% higher than OBAG 1 funding levels – the only category proposed for such significant growth in OBAG 2.

MTC staff invites discussion and direction on any remaining issues as the OBAG 2 programming policies and procedures are being finalized.



Anne Richman

OBAG 2 Program Considerations		OBAG 1	OBAG 2
Regional Programs		(millions)	
1. Regional Planning Activities	<ul style="list-style-type: none"> Continue regional planning activities for ABAG, BCDC and MTC with 2.0% annual escalation from final year of OBAG 1 	\$8	\$10
2. Pavement Management Program	<ul style="list-style-type: none"> Maintain PMP implementation and PTAP at OBAG 1 funding level 	\$9	\$9
3. PDA Planning and Implementation	<ul style="list-style-type: none"> Maintain Regional PDA/TOD Planning and Implementation at OBAG 1 levels Focus on cities with high risk of displacement 	\$20	\$20
4. Climate Initiatives Program	Continue climate initiatives program to implement the SCS	\$22	\$22
5. Priority Conservation Area (PCA)	<ul style="list-style-type: none"> Increase OBAG 1 Programs: \$8M North Bay & \$8M Regional Program for the five southern counties and managed with the State Coastal Conservancy \$6.4M redirected from OBAG 1 regional bicycle sharing savings. Reduce match requirement from 3:1 to 2:1. MTC funding to be federal funds. Support State Coastal Conservancy to use Cap and Trade and other funds as potential fund source for federally ineligible projects. Regional Advance Mitigation Program (RAMP) activities eligible for funding 	\$10	\$16
6. Regional Operations	<ul style="list-style-type: none"> Freeway Performance Initiatives, Incident Management, Transportation Management System, 511, Rideshare Focus on partnerships for implementation, key corridor investments, and challenge grant to leverage funding 	\$184	\$170
7. Transit Priorities Program	<ul style="list-style-type: none"> BART Car Phase 1 Clipper Next Generation System Transit Capital Priorities (TCP), Transit Performance Initiatives (TPI) 	\$201	\$189
		\$454	\$436
Local Programs			
❖ Local PDA Planning	Eliminate Local PDA Planning as a separate program. <ul style="list-style-type: none"> PDA planning eligible under County program. 	\$20	-
❖ Safe Routes to School (SRTS)	Managed by CMAs. Provide Safe Routes To School grants to local jurisdictions. <ul style="list-style-type: none"> Maintain Safe Routes to School – Add to county shares. Use FY 2013-14 K-12 school enrollment formula \$25M minimum not subject to PDA investment requirements. Counties may opt out if they have their own county SRTS program 	\$25	-
❖ County Federal-Aid Secondary (FAS)	Managed by CMAs. Provide FAS funding to Counties. <ul style="list-style-type: none"> Fully fund county FAS requirement (\$2.5 M per year). Funding not included in OBAG 1 because FAS requirement had been previously satisfied. \$13M guaranteed minimum not subject to PDA investment requirements 	-	-
		\$45	-
County CMA Programs			
❖ County CMA Program	<ul style="list-style-type: none"> Local PDA Planning optional through CMA County OBAG Program SRTS included in County OBAG program (use K-12 school enrollment formula) FAS included in County OBAG program (use FAS formula) Adjustment to ensure county planning is no more than 50% of total amount CMA Planning Base with 2.0% annual escalation from final year of OBAG 1 County CMA 40% of base OBAG program (not including CMA Planning Base) 	-	-
		-	\$25
		-	\$13
		-	\$1
		\$36	\$39
		\$291	\$276
		\$327	\$354
Program Total		\$827	\$790

**OBAG 2
STP/CMAQ
County Final Distribution
October 8, 2015**

Attachment 2

Option	Population	Housing RHNA	Housing Production	Weighting within RHNA and Housing Production		
				Very Low + Low Income RHNA and Housing Production	Very Low + Low + Moderate Income RHNA and Housing Production	Total Housing Production
OBAG 1 Distribution	50%	25%	25%	50%	-	50%
OBAG 2 Affordable Housing	50%	20%	30%	60%	-	40%
OBAG 2 Affordable + Moderate	50%	20%	30%	-	60%	40%
OBAG 2 Production Housing Only	50%	0%	50%	60%	-	40%

Final county distribution includes SRTS & FAS and adjusted so a county CMA's base planning is no more than 50% of total

	Population 2014	1 OBAG 1	2 Affordable	3 Affordable+Moderate	4 Production Only
OBAG Cycle		OBAG 1	OBAG 2	OBAG 2	OBAG 2
Adjustments		Final Distribution	Final Distribution	Final Distribution	Final Distribution
Scenario		Final Distribution	Affordable	Affordable+Moderate	Production Only
RHNA Years (2007-2014)		Draft RHNA	Final RHNA	Final RHNA	No RHNA
Housing Production - 1999-2006		1999-2006 (Capped)	1999-2006 (Uncapped) 30%	1999-2006 (Uncapped) 30%	1999-2006 (Uncapped) 30%
Housing Production - 2007-2014		-	2007-2014 (Uncapped) 70%	2007-2014 (Uncapped) 70%	2007-2014 (Uncapped) 70%
Housing Affordability		Affordable	Affordable	Affordable+Moderate	Affordable
Alameda	21.2%	19.7%	20.1%	19.8%	19.2%
Contra Costa	14.6%	14.2%	13.7%	14.7%	14.1%
Marin	3.4%	3.3%	2.8%	2.8%	3.0%
Napa	1.9%	2.3%	2.2%	2.2%	2.2%
San Francisco	11.3%	11.7%	12.9%	12.3%	13.4%
San Mateo	10.0%	8.4%	8.5%	8.5%	7.9%
Santa Clara	25.2%	27.2%	27.7%	27.1%	27.3%
Solano	5.7%	5.9%	5.2%	5.5%	5.4%
Sonoma	6.6%	7.2%	7.1%	7.2%	7.7%

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- 1: OBAG1 final distribution after applying adjustments and SRTS & FAS categories
2. Affordable Housing Production Weighted - Proposed Distribution
3. Affordable AND Moderate Production Housing Weighted - Proposed Distribution
4. Affordable Housing Production Only - Proposed Distribution

NOTE: Figures have changed since initial July proposal due to updated housing data and changing 1999-2006 from capped to uncapped

OBAG 2 County Program Considerations

❖ **County Generation Formula**

- Continue existing PDA investment targets of 50% for North Bay counties and 70% for all others.
- Consider housing production over a longer time frame, between 1999 and 2006 (weighted 30%) and between 2007 and 2014 (weighted 70%).
- Adjust the county generation formula. Three alternatives are under consideration for the distribution formula:

OBAG Distribution Factor Alternatives

	Population	Housing Production	Housing RHNA	Housing Affordability
OBAG 1	50%	25%	25%	50%
OBAG 2 <i>Affordable Housing</i>	50%	30%	20%	60%
OBAG 2 <i>Affordable + Moderate</i>	50%	30%	20%	60%*
OBAG 2 <i>Housing Production</i>	50%	50%	0%	60%

*Includes moderate as well as low and very low income levels for RHNA and housing production.

❖ **Housing Element**

- Housing element certified by California Department of Housing and Community Development (HCD) by May 31, 2015.
- Annual report on housing element compliance.

Missed Deadline for Certified Housing Element

Jurisdiction	County
Fairfax	Marin
Half Moon Bay	San Mateo
Monte Sereno	Santa Clara
Dixon	Solano

❖ **General Plan Complete Streets Act Update Requirements**

- For OBAG 1, jurisdictions are required to have either a complete streets policy resolution **or** a general plan that complies with the Complete Streets act of 2008 by January 31, 2013.
- For OBAG 2, jurisdictions are required to have either a complete street policy resolution **or** a circulation element of the general plan updated after January 1, 2011 that complies with the Complete Streets Act of 2008. The deadline for compliance with this requirement is January 31, 2016. This modified approach focuses on the local complete streets resolution while acknowledging the jurisdictions that have moved forward with an updated circulation element in good faith of the requirements anticipated for OBAG 2.

❖ **PDA Investment and Growth Strategy**

- Currently, OBAG 1 requires an annual update of the PDA investment and growth strategy. For OBAG 2, updates are required every four years with an interim status report after two years. The update would be coordinated with the countywide plan updates to inform Regional Transportation Plan (RTP) development decisions. The interim report addresses needed revisions and provides an activity and progress status.

❖ **Public Participation**

- Continue using the Congestion Management Agency (CMA) self-certification approach and alter documentation submittal requirements to require a CMA memorandum encompassing three areas: public outreach, agency coordination and Title VI.

❖ **Other**

- BAAQMD "Healthy Places" type considerations allowed, but not required.

OBAG 2 Tentative Development Schedule	
May-June 2015	
<ul style="list-style-type: none"> Outreach <ul style="list-style-type: none"> Refine proposal with Bay Area Partnership and interested stakeholders Policy Advisory Council / ABAG 	
July 2015	
<ul style="list-style-type: none"> Present Approach to Programming and Allocation Committee (PAC) <ul style="list-style-type: none"> Outline principles and programs for OBAG 2 Approve complete streets requirement 	
July-October 2015	
<ul style="list-style-type: none"> Outreach <ul style="list-style-type: none"> Finalize guidance with Bay Area Partnership and interested stakeholders 	
November 2015	
<ul style="list-style-type: none"> Commission Approval of OBAG 2 Procedures <ul style="list-style-type: none"> November Programming & Allocations Committee (PAC) and Policy Advisory Council Commission approval of OBAG 2 procedures & guidance 	
December 2015 - September 2016	
<ul style="list-style-type: none"> CMA Call for Projects <ul style="list-style-type: none"> CMAs develop county programs and issue call for projects CMA project selection process County OBAG 2 projects due to MTC (September 2016) 	
December 2016	
<ul style="list-style-type: none"> Commission Approval of OBAG 2 Projects <ul style="list-style-type: none"> Staff review of CMA project submittals Commission approves regional programs & county projects 	<p>NOTE: 2017 TIP Update: December 2016</p>
February 2017	
<ul style="list-style-type: none"> Federal TIP <ul style="list-style-type: none"> TIP amendment approval 	
October 2017	
<ul style="list-style-type: none"> First year of OBAG 2 (FY 2017-18) <ul style="list-style-type: none"> On-going planning and non-infrastructure projects have access to funding 	<p>NOTE: Plan Bay Area Update: Summer 2017</p>
October 2018	
<ul style="list-style-type: none"> Second year of OBAG 2 (FY 2018-19) <ul style="list-style-type: none"> Capital projects have access to funding 	

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