Metropolitan Transportation Commission
Programming and Allocations Committee

April 9, 2025 **Agenda Item 4a-24-0934**

MTC Resolution No. 4202, Revised

Subject:

Revisions to the One Bay Area Grant (OBAG 2) program to program $23.5 million for Housing Incentive Pool (HIP) projects.

Background:

The OBAG 2 program 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 FY 2017-18 through FY 2021-22.

This month, staff recommend revisions to the OBAG 2 program as detailed below.

Housing Incentive Pool

In December 2023, the Commission awarded $71 million in Housing Incentive Pool (HIP) funds to 15 jurisdictions that produced or preserved the greatest number of eligible affordable housing units over the previous five years. HIP capacity consists of $52.7 million OBAG 2 funds and $18.3 million in San Francisco County transportation sales tax funds incorporated into San Francisco's overall HIP award as part of a swap for Regional Transportation Improvement Program (RTIP) funds. As part of the December 2023 action, the Commission approved eligibility and programming guidelines for HIP funds, including a rolling call for letters of interest from awarded jurisdictions through 2024. The guidelines require that HIP awardees submit multiple project applications that exceed their total award amount, for evaluation and selection by MTC.

To date, the Commission has awarded $33.3 million in HIP funds to six jurisdictions. The remaining nine jurisdictions have submitted letters of interest to MTC, and staff have evaluated these applications based on adopted HIP criteria. This month, staff recommend programming the remaining $23.5 million in OBAG 2 HIP funds to 12 projects (see **Attachments 1 and 2**).

Staff will return to the Commission in the coming months to recommend projects for the remaining $14.3 million in local San Francisco HIP funds, pending the outcome of SFMTA grant applications for other funds (consistent with the HIP letter of interest from the City of San Francisco). As part of the HIP programming action in December 2024, the Commission

approved directing the first $4 million in local funds to the San Francisco Municipal Transportation Agency (SFMTA) for the Powell Street Improvements project.

Issues:

None.

Recommendations:

Refer MTC Resolution No. 4202, Revised to the Commission for approval.

Attachments:

- Attachment A: HIP Applications and Recommended Awards
- Attachment B: HIP Summary by Jurisdiction
- MTC Resolution No. 4202, Revised
    - Attachment B-1

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