



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

TO: Partnership Technical Advisory Committee

DATE: May 16, 2016

FR: Mallory Atkinson

RE: One Bay Area Grant Program 2 (OBAG 2) Update

As discussed at several working group meetings this spring, preliminary estimates indicate that the Bay Area's share of federal Surface Transportation Program (STP) and Congestion Mitigation and Air Quality Improvement Program (CMAQ) funds will increase approximately \$72 million through the end of the second cycle of the One Bay Area Grant program (OBAG 2). These unexpected additional revenues present an opportunity to supplement the adopted OBAG 2 program to address near-term opportunity to address critical challenges facing the Bay Area.

Housing and the One Bay Area Grant Program

At the April 2016 Commission workshop, staff outlined three initial investment concepts to distribute additional OBAG 2 revenues. These include:

- Distribution according to the adopted OBAG 2 framework, with 45% being directed to the county programs through the existing formula (\$32 million) and the remaining 55% being directed to various regional programs (\$40 million);
- Invest the increase on near-term regional transportation priorities that can deliver congestion and transit crowding relief in key corridors, specifically through the Bay Bridge Core Capacity projects including potential near-term operational strategies.
- Focus the increase on direct housing investments or a bonus for local jurisdictions that produce housing to help address the region's housing crisis. There are a number of different approaches to use OBAG funding to support housing, including a transportation grant reward, direct investment in housing preservation, or conditioning the receipt of OBAG funds on local housing policies.

Additional information on these options, as presented to the Commission at the workshop is provided as Attachment A.

Timeline

Additional information on these options, including a staff recommendation for the Commission's consideration, will be presented to the committees and various working groups in June.

Given that the additional FAST revenues and policy discussions related to anti-displacement strategies and affordable housing will affect the county call for projects, staff proposes to delay

the schedule for project submittal. A revised county program schedule will be presented to the Commission this spring as part of the proposed OBAG 2 revisions.

2016
March/April/May/June
Develop Draft Proposal/Options <ul style="list-style-type: none">• Further discussion of FAST revenues, anti-displacement/affordable housing<ul style="list-style-type: none">○ Commission Workshop - April○ Bay Area Partnership, advisory and working groups○ Policy Advisory Council• Develop and refine OBAG 2 proposal based on feedback
July
Adopt OBAG 2 Revisions (& Regional Housing Approach) <ul style="list-style-type: none">• Finalize proposed OBAG 2 program revisions<ul style="list-style-type: none">○ Policy Advisory Council○ Partnership advisory and working groups• Present OBAG 2 program revisions for adoption<ul style="list-style-type: none">○ PAC, Commission

Program Status

November 18, 2015

OBAG 2 adopted

MTC Resolution No. 4202

- Placeholder for potential affordable housing policies
- County CMA process delayed accordingly

December 4, 2015

FAST Act signed

New 5-year authorization



\$72 million in additional program revenues

July 2016

OBAG 2 Revisions

(tentative)

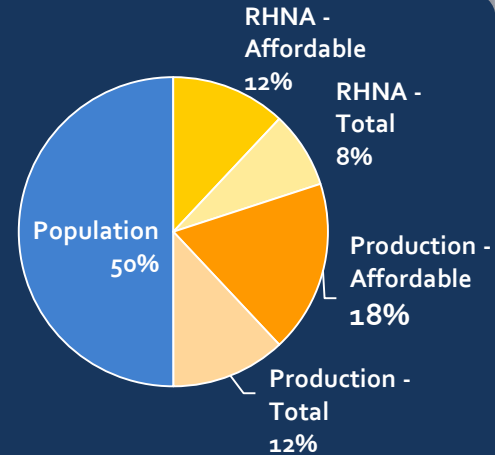
- Potential housing policies
- Distribution of FAST revenues
- Revise deadlines for County CMA process

OBAG 2 Overview

Program Funding

	OBAG 1	OBAG 2*
Regional Planning Activities	\$8	\$10
Pavement Management Program	\$9	\$9
Regional PDA Planning	\$20	\$20
Climate Initiatives Program	\$22	\$22
Priority Conservation Area (PCA)	\$10	\$16
Regional Operations Programs	\$184	\$170
Transit Priorities Program	\$201	\$189
County CMA Program	\$372	\$354
Regional Subtotal	\$454	\$436
County CMA Subtotal	\$372	\$354
Total OBAG Program	\$827	\$790

County Distribution



* As adopted on November 18, 2015.

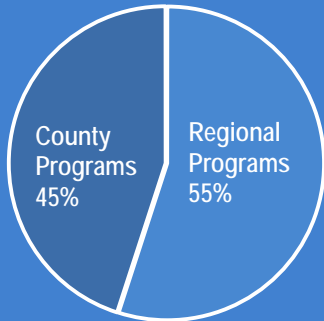
Millions \$, rounded

Additional FAST Revenue — \$72 million: Distribution Options

OBAG Framework

Stay the Course (Not Recommended)

Distribute \$72 million by
OBAG 2 framework



Option A.
Transportation Focus
Bay Bridge Corridor Capacity

Direct a portion of
\$72 million to address
core capacity constraints



Option B.
Housing Focus

Direct all
\$72 million to
support housing



A. Transportation Focus

Bay Bridge Core Capacity

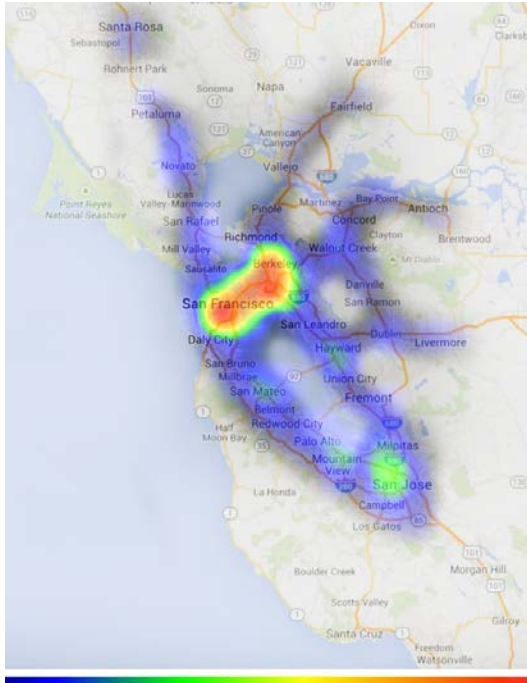
- ▶ Bridge is at maximum vehicle capacity in peak hours, but increasing vehicle occupancy can address growing demand
- ▶ Goal to increase *person* throughput [move more people in fewer cars]
 - **HOV improvements**
 - **Transit core improvements**
 - **Shared mobility services**
- ▶ Tie-in with Core Capacity Transit Study, Bay Area Express Lanes Network, All Electronic Tolling Study



Photo: Noah Berger

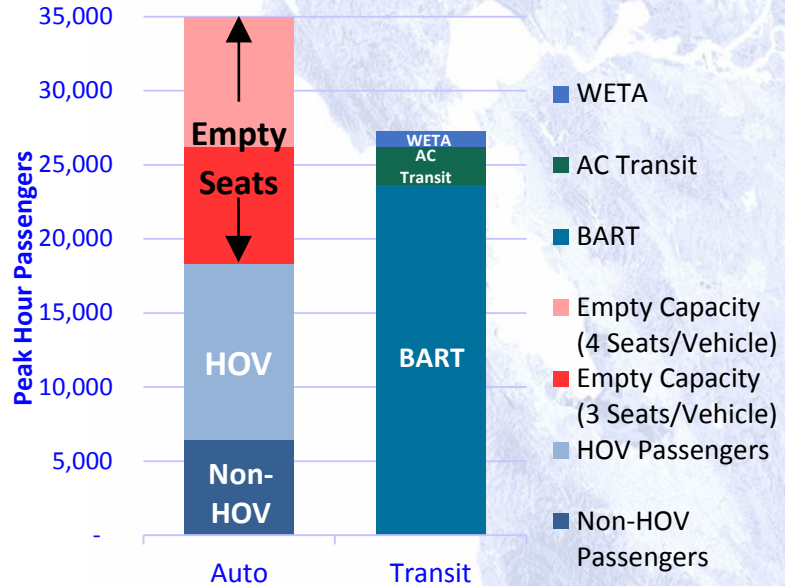
Opportunity: Utilize Empty Seats

Where do Bay Area residents experience the most traffic frustration?



Source: 2015 Bay Area Council Poll

Transbay WB Peak Hour



4 seats/vehicle → 48% seats are empty

16,000+ empty seats/hour = 70% of BART Tube Capacity

Source: BATA 2015, Caltrans 2014, MTC 2015

Bay Bridge Core Capacity Project

\$40 Million Near-Term Strategies

	Cost (\$M)*
Operational	\$20
1 West Grand HOV/Bus Only Lane	
2 Sterling St On-Ramp Express Lane	
3 Casual Carpooling	
4 Bridge Corridor Management Technologies	
Transit Core	\$19
5 Higher-Capacity Express Bus Fleets	
6 Pilot Express Bus Routes	
7 Transit-Focused Arterial	
8 Operational Improvements	
8 Commuter Parking	
Shared Mobility	\$1
9 Vanpooling	
10 Flexible, On-Demand Transit	
11 Shared Mobility (not shown)	
Total: \$40 M	

Existing Transbay Routes

*Preliminary estimate subject to further refinement



B. Housing Focus

Conceptual Approaches

- ▶ **Reward Jurisdictions**
Bonus for cities/counties (2015 – 2019)
- ▶ **Direct Investment**
Pilot preservation loan fund
- ▶ **Regulatory Approach**
Additional funds conditioned on adopted housing policies, affordable housing production, and/or current affordability



Photo: Bridge Housing, Armstrong Place

Moving Forward – OBAG 2 & Short-term

July 2016 (tentative)

Adopt OBAG 2 program revisions:

- Distribute additional FAST revenues (\$72 million)
- Address placeholder for affordable housing policies

Option A. Transportation Focus

Bay Bridge Corridor Capacity



Option B. Housing Focus



Decision on Conceptual Approaches

- ▶ Reward/bonus for jurisdictions
- ▶ Direct investment (preservation fund)
- ▶ Regulatory Approach (condition funds on affordability factors)