

## MTC Transportation and Land Use Initiatives



Over the past two decades, the Metropolitan Transportation Commission (MTC) has increasingly used flexible federal highway funding to provide Bay Area jurisdictions with incentives to increase housing near jobs and transit. In recent years, MTC began programming flexible federal highway funds through the One Bay Area Grant Program (OBAG). MTC awarded \$327 million in grants from 2013 – 2017 and expects to award \$386 million in the second five-year grant cycle for 2018 – 2022, known as OBAG 2\*

### Transportation for Livable Communities (TLC)

\$250 million in planning and capital grants to improve connectivity between housing and public transit

(1997–2011)

### Transit-Oriented Development (TOD) Policy

conditions regional discretionary funds for transit expansion on transit-supportive zoning

(2001)

### Transit-Oriented Affordable Housing (TOAH)\*

\$10 million commitment to seed a \$50 million revolving loan fund to finance land purchases for affordable housing near transit

(2011)

### Naturally-Occurring Affordable Housing (NOAH)\*

\$10 million commitment to pilot a revolving loan fund to purchase and preserve existing housing

(2016)

### Affordable Housing Jumpstart\*

\$10 million loan program to reward Bay Area counties that have voter-approved affordable housing funds

(2016)

### One Bay Area Grant (OBAG)

\$715 million in discretionary transportation grants to county-level congestion management agencies over 10 years. Funding directly rewards permitting and construction of new housing.

(2013–2022)

\* Possible through local fund exchanges

\* MTC's OBAG 2 is divided into a Regional Program, managed by MTC, and a County Program, managed by the nine Bay Area Congestion Management Agencies (CMAs). This fact sheet refers to the County Program portion of the OBAG funding.

## One Bay Area Grant Program: Housing Production Incentives

*The One Bay Area Grant Program (OBAG) incentivizes housing production by rewarding high-performing jurisdictions with flexible federal highway funds.*

MTC's five-year, \$386 million OBAG 2 program provides Bay Area cities and counties with funding for a wide range of transportation projects, from Safe Routes to School to local streets and roads maintenance. Local project selection is managed by the nine Bay Area Congestion Management Agencies (CMAs) and MTC establishes program eligibility requirements and formula distribution. The program incentivizes Bay Area jurisdictions to make progress toward achieving housing production goals by 1) incorporating housing components into the funding formula and 2) conditioning eligibility to compete for OBAG 2 funding on meeting certain housing requirements.

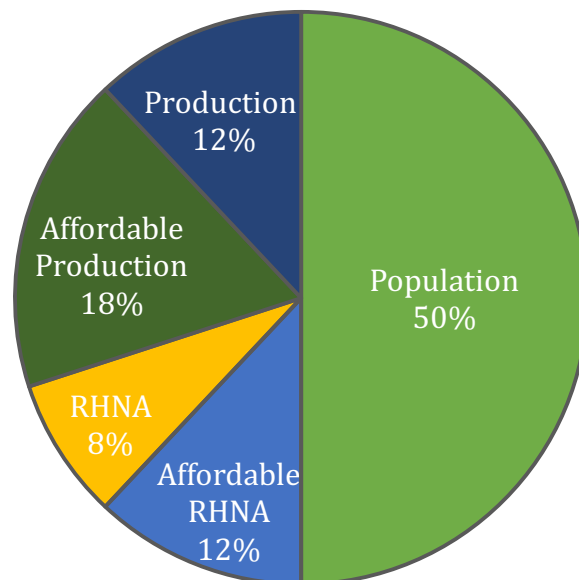
### Housing and Formula Distribution

The OBAG 2 formula distributes funding to the nine Bay Area counties based on a composite of their jurisdiction's population and performance in the following housing factors:

- past housing production; and
- future housing commitments, as determined by Regional Housing Needs Allocation (RHNA).

This includes weighting to reward affordable housing production.

### OBAG 2 Funding Distribution Formula



### OBAG 2 Program Totals by County

Alameda	\$77 million
Contra Costa	\$56 million
Marin	\$11 million
Napa	\$8 million
San Francisco	\$48 million
San Mateo	\$33 million
Santa Clara	\$104 million
Solano	\$21 million
Sonoma	\$28 million
<b>Total</b>	<b>\$386 million</b>

### Housing Eligibility Requirements

**Housing Element** – A jurisdiction is required to have its general plan housing element adopted and certified by the State Department of Housing and Community Development.

**Surplus Lands Act Resolution** – Applicable cities and counties must affirm compliance with the Surplus Lands Act, which requires public agencies to give first priority to affordable housing developers when disposing of public land.

In addition, CMAs must target awards to projects within locally-identified Priority Development Areas (PDAs). A desired outcome is that over time, the incentive to build housing through the allocation of transportation funding will help increase housing supply, particularly affordable housing in PDAs.

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