



July 5, 2016

Commissioner Scott Weiner, Chair  
Programming and Allocations Committee  
Metropolitan Transportation Commission  
375 Beale Street, Suite 800  
San Francisco, CA 94105

Re: One Bay Area Grant 2 Program

Dear Commissioner Weiner:

The Napa Valley Transportation Authority (NVTA) appreciates the opportunity to comment on the One Bay Area Grant (OBAG) 2 Program, and specifically the staff recommendation for distributing the \$72 million in new revenues expected as a result of the Fixing America's Surface Transportation (FAST) Act and the \$10 million made available from MTC's existing exchange program.

MTC staff's initial proposal included an option that would distribute the \$72 million on the existing OBAG 2 distribution formula. There was general consensus at the June 1<sup>st</sup> Partnership Board meeting in support of this option. The OBAG distribution is based on the Regional Housing Needs Assessment (RHNA) and concentrates funding in priority development areas. The OBAG policy was specifically crafted to reward housing production. In my letter to Anne Richmond on the same subject dated May 23<sup>rd</sup>, we voiced our concern that deviating from the existing OBAG distribution formula now, before the OBAG program was fully realized was premature as its effects on Bay Area communities was still unclear.

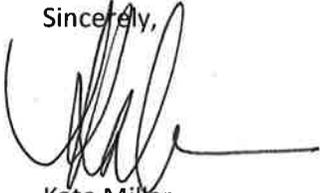
The MTC staff proposal would distribute \$40 million for *Bay Bridge Corridor Capacity Projects* and \$32 million for *Housing Production Incentive*. NVTA is not supportive of this approach. NVTA believes that bridge tolls have a greater nexus to Bay Bridge corridor improvements than do OBAG funds. NVTA further recognizes that the Bay Area has an affordable housing crisis and further understands the need to establish policies and identify revenues to remedy this problem. Napa has one of the most severe affordable housing issues in the Bay Area, yet the proposal would concentrate funding to address the housing problem only in the central Bay Area. What is crucial to this argument is that the Bay Area also has a transportation funding crisis and NVTA is particularly concerned that using critically scarce transportation funds to incentivize housing production not only sets a precarious precedent but does little to solve the housing problem while exacerbating the transportation funding shortfall.

We urge the Committee to reconsider an option that would distribute the \$72 million on the existing OBAG 2 formula, and limit additional affordable housing policies. NVTA is in support of staff's proposal to establish a \$10 million set-aside separate from the \$72 million for Naturally Occurring Affordable Housing (NOAH). This way, MTC can evaluate the NOAH program to understand whether similar incentives make a meaningful contribution to solving the Bay Area housing crisis.

We applaud MTC staff efforts for their creativity on addressing housing and look forward to working with them to identify other potential solutions that would have less of an impact on transportation funding.

Please contact me or Danielle Schmitz, NVTA Planning Manager (707-259-5968) should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kate Miller', with a long horizontal stroke extending to the right.

Kate Miller  
NVTA, Executive Director

cc: NVTA Board  
NVTA Technical Advisory Committee  
Steve Heminger/MTC