



November 7, 2019

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**RE: Sub-HIP Project Proposals – North Bay Counties**

**To: Bay Area County Transportation Agencies**

On October 23, 2019, the Commission approved revisions to the Housing Incentive Pool (HIP) framework (MTC Resolution No. 4348), including project and eligibility guidelines for the \$5 million Sub-HIP set-aside.

In adopting the program guidelines for the \$76 million HIP program in October 2018, the Commission carved out \$5 million for a pilot competitive program and directed staff to develop guidelines. The pilot program, now referred to as Sub-HIP is intended to fund eligible transportation infrastructure to support affordable housing projects in Priority Development Areas (PDAs) or Transit Priority Areas (TPAs).

Resolution 4348 directs \$4 million in Sub-HIP funds for eligible projects in Solano County. The remaining \$1 million in Sub-HIP funds are available to projects in Marin, Napa, and Sonoma counties. Consistent with the overall One Bay Area Grant (OBAG 2) County Program, grants must be a minimum of \$250,000 and Surface Transportation Block Grant Program/Congestion Mitigation Air Quality Improvement Program (STP/CMAQ) eligible. The full program guidelines are attached to this letter.

County Transportation Agencies (CTAs) in the four North Bay counties are expected to submit project proposals that conform to the Sub-HIP program guidelines to MTC staff by **May 1, 2020**. CTAs are also required to develop county-specific guidelines and manage a call for projects. Given the relatively small amount of funding available for Marin, Napa, and Sonoma counties, MTC staff encourages CTA coordination prior to submitting project proposals to MTC.

Please reach out to Mallory Atkinson at [matkinson@bayareametro.gov](mailto:matkinson@bayareametro.gov) or (415) 778-6793 with any questions or concerns related to this program.

Sincerely,

Ross McKeown  
Acting Director,  
Programming & Allocations

Attachment – Sub-HIP Project and Eligibility Guidelines

**OBAG 2 SUB-HIP Program**  
**\$5 Million Set-Aside Eligibility and Programming Guidelines**  
**(per MTC Resolution No. 4348)**

The following framework will guide the distribution of the \$5 million set-aside from the HIP program. The set-aside is intended to help finance eligible infrastructure that will support affordable housing projects in Priority Development Areas (PDAs) and Transit Priority Areas (TPAs).

Funding Distribution:

1. Funds will be apportioned \$4 million to the Solano Transportation Authority (STA) and \$1 million for the other North Bay counties (Marin, Napa, and Sonoma) to be distributed after evaluation of proposals from the County Transportation Agencies (CTAs) in those counties for eligible projects, due to MTC by May 1, 2020.
2. Eligible counties will be responsible for developing county-specific guidelines, managing a call for projects, and submitting project recommendations to MTC that are consistent with these guidelines.

Project Eligibility:

1. Project must be a transportation investment directed within or connected directly to a PDA or TPA.
2. Project must meet the eligibility guidelines for the OBAG 2 County Program.
3. Project must be able to obligate funds by the end of FY2022, consistent with OBAG 2.
4. Project must be eligible for Federal Surface Transportation Block Grant/ Congestion Mitigation and Air Quality Improvement (STP/CMAQ) funding.
5. The minimum grant size to be awarded is \$250,000.

Jurisdiction Eligibility:

Project sponsors for selected transportation projects must be compliant with OBAG 2 County Program policies (such as Housing Element annual reporting, Surplus Lands Act, Complete Streets Requirements.)