



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Ristow

**SUBJECT: ONE BAY AREA GRANT CYCLE 2
RESOLUTION OF LOCAL SUPPORT**

DATE: February 7, 2022

Approved

Date

2/18/2022

COUNCIL DISTRICT: 3

RECOMMENDATIONS

Adopt a “Resolution of Local Support” to receive One Bay Area Grant Funds (OBAG) Cycle 2 from the Metropolitan Transportation Commission (MTC) that indicates the City will:

- (a) Follow all grant program requirements
- (b) Provide required local match
- (c) Authorize the City Manager or designee to negotiate and execute grant agreements and all documents necessary to effectuate the grant agreements with MTC, including the authority to negotiate and execute any documents that increase the amount of the grant award or require an increase of local matching funds, subject to the appropriation of such funds, in an amount not to exceed \$2,067,572 for reimbursement for the Julian and St. James Couplet Conversion project with a local match of \$565,271.

OUTCOME

Acceptance of the funds will provide \$2,067,572 in grant funding to support development of up to 30% design plans. Adoption of the above resolution is required by MTC as part of the grant award process. This grant opportunity will help the City advance the design of this project and better position the project to compete for future construction funding, potentially including through OBAG Cycle 3.

BACKGROUND

The Department of Transportation (DOT) actively pursues grant funds for projects that support the goals of the Transportation City Service Area. In June 2016, DOT submitted an OBAG Cycle 2 grant application for funding consideration to MTC for the Julian and St. James Livable Couplet Conversion to convert the streets to calmer two-way operations that match existing

operations to the east and west of the project segment. Although the project scored well, the project was not selected for funding in 2016, due to insufficient available grant funding.

In 2021, as a result of other Countywide OBAG Cycle 2 projects not being able to move forward in a timely manner, an opportunity became available for unused OBAG Cycle 2 funding to be appropriated for the Julian and St. James project. Converting these final seven blocks to two-way travel has been planned by the City since 2002 and remains a community priority. The conversion is also including in the development of the Downtown Transportation Plan underway and will support the revitalization of the adjacent St. James Park. The OBAG Cycle 2 funding will help advance the Julian / St. James Couplet Conversion project to ready it for final design and construction, increasing its competitiveness for other grant funds.

On December 15, 2021, MTC approved board action to reprogram regionally unused OBAG Cycle 2 funding in the amount of \$2,067,572 toward the Julian and St. James Livable Couplet Conversion project. DOT has been notified that a “Resolution of Local Support” is required to be adopted to accept the OBAG Cycle 2 grant funding.

ANALYSIS

MTC's OBAG Program represents an innovative funding approach that better integrates the region's transportation funding program with Senate Bill 375, Steinberg, 2008. The OBAG program rewards jurisdictions that focus housing growth in Priority Development Areas (PDAs) through their planning and zoning policies, and production of housing units.

MTC's OBAG Cycle 2 Program is the second round of the federal funding program designed to integrate the Bay Area's federal transportation funding program with California's climate law, Plan Bay Area, and the Sustainable Communities Strategy. The OBAG program allows flexibility to invest in a community's transportation infrastructure by providing funding for local streets and roads preservation, bicycle and pedestrian improvements, transportation and livable communities, safe routes to school, and mobility management. OBAG Cycle 2 is funded by two federal funding sources: 1) the Surface Transportation Block Grant Program (STBGP); and 2) the Congestion Mitigation and Air Quality (CMAQ) Program. The Santa Clara Valley Transportation Authority (VTA) is the Congestion Management Agency for Santa Clara County and will be responsible for administering the OBAG Program.

Upon Council approval, the City will be eligible to receive OBAG Cycle 2 funding for the Julian and St. James Livable Couplet Conversion planning effort to advance key City priorities related complete streets, safety enhancements, and improved multimodal connectivity.

In conjunction with the outreach, design, and environmental work funded by the OBAG Cycle 2 funds, City intends to pursue additional funding sources to complete construction of the couplet conversion.

Julian and St. James Livable Couplet Conversion

OBAG Cycle 2 grant funds would allow the City to develop up to 30% design plans that would address many of the complexities of converting these seven blocks from one-way operations to two-way operations, such as resolving signal operations challenges of light rail operations through this corridor.

The fully constructed project would restore the historical street grid downtown with two-way operations along Julian Street and St. James Street. The primary purpose of the project is to create welcoming streets that serve as more than just a route to the freeway – reducing vehicle speeds, calming traffic, and knitting this economically disadvantaged downtown neighborhood back together. The project enhances access and increases overall livability for local area residents, employees, and visitors.

CONCLUSION

Acceptance of the grant will allow the City to receive up to \$2,067,572 in one-time grant funding from the MTC's OBAG Cycle 2 program to advance our safety and mobility goals.

EVALUATION AND FOLLOW-UP

After the acceptance and award of the grant funding by MTC, staff will bring forward recommendations for Council consideration to recognize and appropriate the grant funding.

CLIMATE SMART SAN JOSE

The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals by facilitating safer, calmer streets with greater mobility choices other than single-occupancy, gas-powered vehicles.

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the March 1, 2022, City Council meeting. Staff will coordinate public outreach with the affected neighborhoods and businesses during the design process.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, Planning, Building, and Code Enforcement Department, and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

This item does not require input from a board or commission.

COST SUMMARY/IMPLICATIONS

The grant award of \$2,067,572 will require a local match cost of \$565,271, which will be funded through DOT's Traffic Capital Improvement Program. After final acceptance and award of the grant funding by MTC, staff will bring forward expenditure and revenue recommendations for Council consideration to recognize and appropriate the grant funding as part of a future budget process.

CEQA

Not a Project, File No. PP17 004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment.

/s/
JOHN RISTOW
Director of Transportation

For questions, please contact Devin Gianchandani, Transportation Grants Manager, at devin.gianchandani@sanjoseca.gov.