

BEFORE THE METRO COUNCIL

FOR THE PURPOSE ADOPTING POLICY) RESOLUTION NO. 12-4383
DIRECTION TO THE REGIONAL FLEXIBLE)
FUNDING ALLOCATION (RFFA) PROCESS) Introduced by Councilor Carlotta Collette
FOR FEDERAL FISCAL YEARS 2016-18)

WHEREAS, the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council will be awarding regional flexible funds to transportation projects and programs in the region through the Regional Flexible Fund Allocation (RFFA) process; and

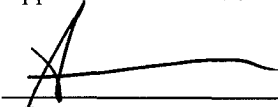
WHEREAS, these funding awards, as well as all other federal transportation spending in the region, will be programmed in the Metropolitan Transportation Improvement Program (MTIP); and

WHEREAS, JPACT and the Metro Council wish to provide policy direction on the objectives of the RFFA and programming of funds in the MTIP; now therefore,

BE IT RESOLVED that the Metro Council hereby adopts the recommendation of JPACT for policy direction to the RFFA process for federal fiscal years 2016-18 as described in Exhibit A attached hereto as to form.

ADOPTED by the Metro Council this 15 day of November 2012.

Approved as to Form:


Alison Kean Campbell, Metro Attorney



www.oregonmetro.gov

2016-18 Regional Flexible Funds Allocation (RFFA) Policy Report

November 2012



About Metro

Clean air and clean water do not stop at city limits or county lines. Neither does the need for jobs, a thriving economy, and sustainable transportation and living choices for people and businesses in the region. Voters have asked Metro to help with the challenges and opportunities that affect the 25 cities and three counties in the Portland metropolitan area.

A regional approach simply makes sense when it comes to making decisions about how the region grows. Metro works with communities to support a resilient economy, keep nature close by and respond to a changing climate. Together we're making a great place, now and for generations to come.

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Metro is the federally mandated metropolitan planning organization designated by the governor to develop an overall transportation plan and to allocate federal funds for the region.

The Joint Policy Advisory Committee on Transportation (JPACT) is a 17-member committee that provides a forum for elected officials and representatives of agencies involved in transportation to evaluate transportation needs in the region and to make recommendations to the Metro Council.

The established decision-making process assures a well-balanced regional transportation system and involves local elected officials directly in decisions that help the Metro Council develop regional transportation policies, including allocating federal transportation funds.

Metro respects civil rights

Metro hereby gives public notice that it is the policy of the Metro Council to assure full compliance with Title VI of the Civil Rights Act of 1964, the Civil Rights Restoration Act of 1987, Executive Order 12898 on Environmental Justice and related statutes and regulations in all programs and activities. Title VI requires that no person in the United States of America shall, on the grounds of race, color, sex, or national origin, be excluded from the participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which Metro receives federal financial assistance. Any person who believes they have been aggrieved by an unlawful discriminatory practice under Title VI has a right to file a formal complaint with Metro. Any such complaint must be in writing and filed with Metro's Title VI Coordinator within one hundred eighty (180) days following the date of the alleged discriminatory occurrence. For more information, or to obtain a Title VI Discrimination Complaint Form, see the web site at www.oregonmetro.gov or call (503) 797-1536."

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1.0 INTRODUCTION

Regional flexible funds are an element of the funds programmed within the Metropolitan Transportation Improvement Program (MTIP). The Metropolitan region is preparing to prioritize transportation projects and program activities to receive regional flexible funds available in the federal fiscal years 2016 through 2018. This report provides the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council's policy direction for the allocation of these funds.

These policies have evolved from previous MTIP processes. The policy evolved significantly in the previous two program processes: 2010-13 MTIP and the 2012-15 MTIP. Section 2.0, the Existing Policy Framework, describes the policy framework that has carried forward and provides the basis for the 2015-18 MTIP policy update.

The process for updating these policies first involved discussions by engaging agency technical staff at TPAC, JPACT, and Metro Council members to provide policy direction to allocate the estimated \$94.58 million available to region from 2016-18. Metro staff has used the TPAC and JPACT meeting discussions to produce this Policy Report.

The approach to allocating Regional Flexible Funds proposed in this report is intended to develop a collaborative method for supporting transportation investments that keep our neighborhoods safe, support sustainable economic growth, and make the most of the existing investments our region has already made in existing public structures.

The new three-step process builds upon the 2014-15 RFFA process for Step 1 regional programs and Step 2 Community Investment Funds for Active Transportation/Complete Streets and Green Economy/Freight Initiatives. It establishes a new Step 3 Regional Economic Opportunity Fund to fund regional priority projects identified by JPACT and the Metro Council.

2.0 EXISTING POLICY FRAMEWORK

DESIRED OUTCOMES

The region has adopted a new Regional Transportation Plan (RTP) that includes policies for the development of the transportation system and the prioritization of transportation projects. Six outcomes form the framework for how to prioritize projects in our region. Those outcomes are:

- **Vibrant communities:** People live and work in vibrant communities where they can choose to walk for pleasure and to meet their everyday needs.
- **Economic prosperity:** Current and future residents benefit from the region's sustained economic competitiveness and prosperity.
- **Safe and reliable transportation:** People have safe and reliable transportation choices that enhance their quality of life.

- **Leadership on climate change:** The region is a leader in minimizing contributions to global warming.
- **Clean air and water:** Current and future generations enjoy clean air, clean water and healthy ecosystems.
- **Equity:** The benefits and burdens of growth and change are distributed equitably.

These outcomes guided the development of the RTP performance targets for transportation investments. The ten performance targets are shown below in Table 1.

Table 1: RTP Performance Targets

Economy	Safety – Contribute to meeting goals identified in the 2010 Oregon Traffic Safety Performance Plan based on the Metro region’s share of Vehicle Miles Traveled (VMT).
	Congestion – By 2035, reduce vehicle hours of delay per person by 10 percent compared to 2005.
	Freight reliability – By 2035, reduce vehicle hours of delay per truck by 10 percent compared to 2005.
Environment	Climate change – By 2035, reduce transportation-related carbon dioxide emissions by 40 percent below 1990 levels.
	Active transportation – By 2035, triple walking, biking and transit mode share compared to 2005.
	Basic infrastructure – By 2035, increase by 50 percent the number of essential destinations ¹ accessible within 30 minutes by trails, bicycling and public transit or within 15 minutes by sidewalks for all residents compared to 2005.
	Clean air – By 2035, ensure zero percent population exposure to at-risk levels of air pollution.
	Travel – By 2035, reduce vehicle miles traveled per person by 10 percent compared to 2005.
Equity	Affordability – By 2035, reduce the share of households in the region spending more than 50 percent of income on housing and transportation combined compared to 2000.

REGIONAL TRANSPORTATION FINANCE APPROACH

A framework was developed that summarizes a general regional direction on the how the transportation needs of the region are to be addressed by existing or potential funding sources at the JPACT retreat in May 2009. This approach is shown in Table 2 and provides a starting point for

refinement of policy direction for the various funding programs or sources that are addressed in the MTIP/STIP. The approach identifies funding mechanisms that agencies use and a regional strategy for sources to be pursued to address unmet needs of the different elements of transportation activities in the region. This framework was utilized in the development of the 2010-13 and 2012-15 Regional Flexible Fund allocation policies.

Table 2: Regional Transportation Plan Finance Approach

Transportation Project/Activity Type	Existing Funding Sources	Strategy for Sources of Additional Funding
Local/Arterial Street reconstruction/maintenance	<ul style="list-style-type: none"> • State pass through • Street utility fees • Local portion of HBRR • OTIA 	<ul style="list-style-type: none"> • Increases in state gas tax or VRF • New street utility fees or equivalent
Active Transportation	<ul style="list-style-type: none"> • Regional Flexible Funds • Transportation Enhancement 	<ul style="list-style-type: none"> • New federal program • State Urban Trail Fund • New local funds
Highway preservation	<ul style="list-style-type: none"> • Interstate Maintenance • State gas & w/m • HBRR • OTIA 	<ul style="list-style-type: none"> • Increases in state gas tax or VRF
Transit Operations	<ul style="list-style-type: none"> • Employer tax • Passenger fares • Section 5307 • New Freedom • JARC 	<ul style="list-style-type: none"> • Employer tax rate • New funding mechanism • Increase fares
Arterial Expansion	<ul style="list-style-type: none"> • Development (Frontage, Impact Fees, SDC's) • Urban Renewal • OTIA 	<ul style="list-style-type: none"> • SDC rate increases • Regional VRF pass through or equivalent

Transportation Project/Activity Type	Existing Funding Sources	Strategy for Sources of Additional Funding
Highway expansion	<ul style="list-style-type: none"> • Modernization Program • OTIA • Fed/state earmarks 	<ul style="list-style-type: none"> • More from existing sources • New federal Metropolitan mobility program • Pricing/tolling • Regional VRF or equivalent
HCT expansion	<ul style="list-style-type: none"> • Federal New Starts • State lottery • Regional Flexible Funds • TriMet General Fund • Local contributions 	<ul style="list-style-type: none"> • More from existing sources
TSMO	<ul style="list-style-type: none"> • State Operations • Regional Flexible Funds 	<ul style="list-style-type: none"> • State Modernization • Regional VRF or equivalent
Land Use – TOD	<ul style="list-style-type: none"> • Regional Flexible Funds 	<ul style="list-style-type: none"> • Strategy under development

RECURRING PROCESS AND ADMINISTRATIVE POLICIES

The following policies define how the allocation process should be conducted and what outcomes should be achieved with the overall allocation process.

1. Select projects from throughout the region, however, consistent with federal rules, there is no sub-allocation formula or commitment to a particular distribution of funds to any sub-area of the region.
2. Honor previous funding commitments made by JPACT and the Metro Council.
3. Address air quality requirements by ensuring air quality Transportation Control Measures (TCMs) for pedestrian and bicycle improvements are met and that an adequate pool of CMAQ-eligible projects are available for funding.
4. Achieve multiple transportation policy objectives.

5. Allow use of funding for project development and local match of large-scale projects (greater than \$10 million) that compete well in addressing policy objectives when there is a strong potential to leverage other sources of discretionary funding.
6. Encourage the application of projects that efficiently and cost-effectively make use of federal funds.
7. Recognize the difference in transportation infrastructure investment needs relative to an areas stage of development (developed, developing, undeveloped) consistent with RTP Table 3.2.
8. Identify project delivery performance issues that may impact ability to complete a project on time and on budget.
9. Ensure agencies have qualifications for leading federal aid transportation projects.
10. Identify opportunities for leveraging, coordinating, and collaboration.

3.0 STEP 1 – REGION WIDE PROGRAMS

Regional programs have been defined over time by their regional scope, program administration, and policy coordination and a consistent allocation of regional flexible funds to support them. In previous cycles, the allocation of funding to these programs was competed in Step 1 of the process, prior to the allocation of funds to local projects.

Funding targets are set for the existing regional programs in this cycle based on their historical allocation levels plus a 3% inflationary increase to address program costs and purchasing power. The regional programs will be reviewed prior to the final funding decision scheduled for the fall of 2013. The review will provide the following information about each program:

- Program description – description of the program purpose and its major activities.
- Regional Funding Strategy Context – description of why the program is appropriate for regional flexible funding (see Table 2: RTP Finance Approach chart).
- Directly related RTP performance targets –description of how the program helps the region meet performance targets in the RTP.
- Program strategic plan or recent planning work completed to date – description of how the strategic plan helps set priorities for implementation.
- Program performance to date – description of specific accomplishments of the program.
- Additional opportunities – description of priorities or activities the program would pursue given additional resources.

Regional Program Funding Targets

Transit Oriented Development	\$9.19 million
TSMO/ITS	\$4.64 million
Regional Travel Options	\$7.01 million
Regional MPO Planning (In-Lieu of Dues)	\$3.63 million
Corridor & Systems Planning	\$1.54 million
TOTAL	\$26.01 million

4.0 STEP 2 – COMMUNITY INVESTMENT FUND PROJECT FOCUS AREAS

The project focus areas established by JPACT during the 2014-15 RFFA for Step 2 were Active Transportation/Complete Streets and Green Economy/Freight Initiatives. Funds for these projects targeted to a 75 / 25 percent split of Step 2 funding respectively. The 2016-18 RFFA cycle will continue to use the 2014-15 RFFA approach to investing in local projects by focusing funds in order to achieve greater regional impact.

JPACT and the Metro Council are continuing support for these project focus areas to create a more strategic approach to allocating funds, including:

- A topically or geographically focused impact rather than an array of disconnected projects
- Achieves appreciable impacts on implementing a regional scale strategy given funding amount available
- Addresses specific outcomes utilizing the Regional Transportation Plan Performance Targets
- Prioritizes catalytic investments (leveraging large benefits or new funding)
- Positions the region to take advantage of federal and state funding opportunities as they arise

As part of the 2014-15 RFFA, a task force was created to advise JPACT and TPAC on project focus area needs, priorities and project prioritization factors and developed direction for the project focus areas as part of the 2014-15 RFFA. This direction will continue as part of the 2016-18 RFFA.

Project Focus Area Funding Targets

Green Economy/Freight Initiatives	\$8.7 million
Active Transportation/Complete Streets	\$26.07 million
TOTAL	\$34.77 million

GREEN ECONOMY & FREIGHT INITIATIVES

Recommended approach for developing projects

For this project focus area, the task force recommended an approach of allocating funds for two components: construction type projects and planning/strategy development type projects. Eligible project types and criteria that could be utilized to scope and prioritize potential projects are described below.

Construction focus

Capital improvements will focus on:

- System management, such as Intelligent Transportation Systems (ITS), on arterial freight routes. This could include upgrading traffic signal equipment and timing or provide travel information to inform freight trip decisions.
- Small capital projects (e.g. spot widening or installation of mountable curbs to accommodate large truck turning movements). Technical measures should be developed that assess the regional impacts of nominated projects such as improving access to regionally significant industrial land or safe movements to/on the regional freight network to ensure a regional interest is served by the project.

Planning/strategy development focus

Project development for specific arterial freight routes would evaluate key barriers to the development of a green economy and freight movement and recommend operations and design improvements to address the barrier.

Funds may also be set aside to develop regional strategies. These are areas that need further analysis and a policy development process to achieve a regional consensus on how to move forward on the issue.

Recommended criteria for scoping and prioritization of GE/FI projects

Relative priority	Criteria
Highest	Reduces freight vehicle delay
Highest	Project increases freight access to: <ul style="list-style-type: none"> o Industrial lands o Employment centers & local businesses o Rail facilities for regional shippers
Highest	Projects that help green the economy and offer economic opportunities for EJ/underserved communities
Higher	Improves safety by removing conflicts with active transportation and/or provides adequate mitigation for any potential conflicts
Higher	Reduces air toxics or particulate matter
Higher	Reduces impacts to EJ communities e.g., reduced noise, land use conflict, emissions
Higher	Increases freight reliability
Priority	May not get funding otherwise
Priority	Can leverage (or prepare for) future funds
Priority	Reduces need for highway expansion
Priority	Multi-modal component

Table 3 – Green Economy & Freight Initiatives					
Sub-regional cost targets, by weighted regional freight system (route miles) and Title 4 land (acres)					
	Region	City of Portland	Clackamas County	Multnomah County	Washington County
Allocation % based on freight network miles and industrial land factors (1)	100%	46%	15%	13%	26%
Fund Target - 25% of available revenues (millions)	\$8.200	\$3.772	\$1.23	\$1.066	\$2.132
Potential allocation of unused regional strategy funds based on maximum of \$500,000	\$0.500	\$0.230	\$0.075	\$0.065	\$0.130

(1) Average of Freight System and Land Use Factors as follows

Weighted Route Miles of Regional Freight System

- Local components of roadway (i.e., connectors only) –including proposed connectors (weighting factor of 67%, based on year 2000 percent tonnage moved by truck, per 2035 RTP)

-Main + branch rail lines (weighting factor of 33%)

- Straight Average of Acres of Title 4 Land
 - Industrial land (50%)
 - Regionally significant industrial land (50%).

Construction project cost minimum

\$1 million or total sub-region target, whichever is less.

Project development cost minimum

\$200,000 but appropriate to project scope (PE phase will be more expensive than planning level work). Scope and budget must be reviewed for feasibility with Metro and ODOT staff prior to final nomination.

Number of nominations

Meet target and construction project cost minimums, and may nominate one project development phase. Project development may include anything from a planning level "alternatives analysis" to preliminary engineering.

ACTIVE TRANSPORTATION & COMPLETE STREETS

Recommended approach for developing projects

For this project focus area, the task force recommended an approach of selecting travel corridor/areas and identifying project elements that would address the most critical barriers to completing non-auto trips in the corridor/area or a concentrated portion of the corridor/area. Examples of barriers could be the lack of direct pedestrian or bicycle facilities to key destinations in the corridor, inability to safely cross streets to access destinations, or lack of access to transit stop improvements.

To implement this approach with available funding, the following parameters will be utilized:

- improvements will be concentrated geographically in a travel corridor/area or portion thereof,
- improvements will be limited to a few travel corridor/areas within the region,
- potentially merge portions of several planned projects and several project types (bicycle, trail, pedestrian, transit stops) into a unified corridor/area wide project,
- project development will be allowed as an eligible activity for funding to address project readiness issues or as part of a strategy to phase implementation of projects.

Table 4 - Active Transportation and Complete Streets					
Sub-regional cost targets by percent population					
	Region	City of Portland	Clackamas County	Multnomah County	Washington County
% of Population ⁽¹⁾	100%	39.25%	17.6%	9.89%	33.26%
Fund Target - 75% of available revenues (millions)	\$26.070	\$10.232	\$4.588	\$2.578	\$8.671

⁽¹⁾ 2010 population data.

Construction project cost minimum

\$3 million total project cost or total sub-region target (less eligible project development nomination), whichever is less.

Project development cost minimum

\$200,000 but appropriate to project scope (PE phase will be more expensive than planning level work). Scope and budget must be reviewed for feasibility with Metro and ODOT staff prior to final nomination.

Number of nominations

Meet target and construction project cost minimums, and may nominate one project development phase. Project development may include anything from a planning level "alternatives analysis" to preliminary engineering.

Recommended criteria for scoping and prioritization of AT/CS projects

Relative priority	Criteria
	Improves access to and from priority destinations:
	o Mixed-use centers
Highest	o Large employment areas (by # of jobs)
	o Schools
	o Essential services for EJ/underserved communities
	Improves safety
Highest	o addresses site issue(s) documented in pedestrian/bike crash data
	o separates pedestrian/bike traffic from freight and/or vehicular conflicts
Highest	Serves underserved communities
Higher	Improves safety by removing conflicts with freight and/or provides safety mitigation for any potential freight conflicts
Higher	Completes the "last mile"
Higher	Increase in use/ridership by providing a good user experience (refer to Active Transportation design criteria)
Higher	Serves high density or projected high growth areas
Priority	Includes outreach/education/engagement component
Priority	Can leverage funds
Priority	Reduces need for highway expansion

5.0 STEP 3 – REGIONAL ECONOMIC OPPORTUNITY FUND

After funding Step 1 and Step 2, there is a remaining \$34 million to allocate as part of the 2016-18 RFFA. At the September 13 JPACT meeting, Metro staff presented three options for how to spend the additional \$33.8 million: Option 1, invest using the same 75-25 percent split the region did in 2010; Option 2, split the money across region-wide programs and local project focus areas by different percentages; Option 3, invest in new project categories. JPACT directed Metro staff to work with TPAC to further refine a policy direction around Option 3 and that the proposal should prioritize investments that:

- Address economic opportunity and job creation
- Take a system wide approach
- Leverage private sector investments
- Consider corridor safety
- Reflect criteria from Transportation Investment Generating Economic Recovery (TIGER)
- Implement corridor planning work
- Improve access to industrial lands
- Consider the transportation needs of Environmental Justice and underserved communities

The Regional Economic Opportunity Fund (REOF) was created to respond to the JPACT direction. The fund is targeted at larger projects (\$5-\$10 million) that are difficult to fund at the local level and through the 2014-15 RFFA policy framework, and allowing for multi-agency projects.

Construction project cost minimum

\$2.5 million.

Project development

Project development is not the intent of the REOF, but is an eligible activity. Scope and budget must be reviewed for feasibility with Metro and ODOT staff prior to application submittal.

Number of nominations

The following sub-areas and agencies are capped at submitting no more than two REOF applications that combined cannot exceed \$10 million:

- i.* Clackamas County and its cities
- ii.* East Multnomah County and its cities
- iii.* Washington County and its cities
- iv.* City of Portland
- v.* Port of Portland
- vi.* TriMet

CRITERIA FOR SCOPING AND PRIORITIZING REOF PROJECTS

The project applications, technical evaluation and public comments will be presented to JPACT and the Metro Council for a regional decision on funding. All project applications will be evaluated by Metro staff based on the criteria listed below:

Threshold Requirements

1. Project is eligible for federal funding.
2. Receipt (or reasonably anticipated receipt) of all environmental approvals necessary for the project to proceed to construction on the timeline specified.
3. Project included in state, metropolitan and local planning docs.
4. Local matching funds to support 10.27 percent or more of the costs for the project are identified and committed by FFY 2015.

At the October 11 meeting, JPACT unanimously supported moving forward with Option 3 and creating a Regional Economic Opportunity Fund to allocate the remaining funds as part of the RFFA process. Additionally, the JPACT action directed Metro staff to modify the TIGER criteria to include equity and environmental justice, implementation of corridor plans, and integration of the Regional Transportation Safety Plan recommendations.

To incorporate the policy direction from JPACT, Metro staff is recommending modifying the TIGER criteria reflected below to highlight the following:

1. Incorporate CII, Greater Portland Export Initiative, Industrial Lands Access Study.
2. Address Corridor Safety,
3. Implement Corridor Plan work,
4. Address Environmental Justice and Underserved communities (including framework established with creation of Step 2 policy direction).
5. Use a system-wide approach
6. Private sector investments

Recommended criteria for scoping and prioritization of REOF projects

Relative priority	Criteria
Primary Criteria	<p>Economic Competitiveness: Contribute to long-term productivity of US and Metro region economy.</p> <ol style="list-style-type: none"> 1. Long-term improvement to good & worker access (emphasis on traded-sector goods & services access to markets) 2. Improved access to/from and market viability of industrial land 3. Increased efficiency through integration/use of all existing transportation infrastructure, including improvements and repair 4. Leverages private sector investments
Primary Criteria	<p>Livability: Further Partnership for Sustainable Communities principles.</p> <ol style="list-style-type: none"> 1. Reduce average cost of user mobility 2. Improve existing transportation choices (by enhancing modal connectivity, increasing number of accommodated modes and/or reducing congestion) on existing facilities. 3. Improve accessibility of disadvantaged populations. 4. Coordinated transportation and land use planning - contribute significantly to broader travel mobility, including implementing completed corridor plans.
Primary Criteria	<p>Environmental Sustainability: Promote environmentally sustainable transportation system.</p> <ol style="list-style-type: none"> 1. Improve energy efficiency (including scale of use of new facilities/TSMO reducing auto trips) 2. Environmental benefits or avoidance of adverse impacts
Primary Criteria	<p>Safety: Improve safety of the transportation system.</p> <ul style="list-style-type: none"> o Ability to reduce number, rate and consequences of crashes, injuries and fatalities, including focusing on the recommendations from the Regional Transportation Safety Plan: <ol style="list-style-type: none"> 1. Improves multimodal safety on arterials 2. Addresses pedestrian/bike crash issues 3. Addresses safety behavioral contributing factors of alcohol and drugs, speeding, aggressive and distracted driving
Primary Criteria	<p>Job Creation/Economic Stimulus: Creation or preservation of jobs.</p> <ol style="list-style-type: none"> 1. # and type of jobs created or preserved (emphasize efforts to support opportunities for low-income & disadvantaged populations). 2. Project readiness (NEPA approvals, legislative approvals, in required planning documents, technical feasibility, financial feasibility).

Relative priority	Criteria
	<ol style="list-style-type: none"> 3. Provide opportunities for small businesses and disadvantaged business enterprises 4. Effective use of community-based organizations in connecting disadvantaged workers with economic opportunities.
Secondary Criteria	<p>Innovation: Use of innovative technology, system management and project delivery techniques</p> <ol style="list-style-type: none"> 1. Use of innovative technology. 2. Use of innovative finance, contracting, project delivery, congestion management, safety management, asset management, O&M.
Secondary Criteria	<p>Partnership: Jurisdiction and stakeholder collaboration, and disciplinary (non-transportation agency) integration</p> <ol style="list-style-type: none"> 1. Multi-agency support to implement priority project from a completed corridor plan. 2. Jurisdiction & Stakeholder collaboration (involvement of state and local governments, other public entities, including projects that engage parties that are not traditionally involved in transportation projects, non-Federal funds, use of TIGER funds to complete a finance package). 3. Disciplinary Integration (support by non-transportation public agencies: e.g. public housing, economic development, historic pres., energy, etc.). 4. Use a system-wide approach

TPAC will review and provide input on performance measures for the REOF. This will be part of a discussion of the 2016-18 RFFA project solicitation packet scheduled for the November 28 meeting.

6.0 STAKEHOLDER ENGAGEMENT AND DECISION PROCESS

COMMUNITY INVESTMENT PROJECT FOCUS AREAS

For both Community Investment project focus areas, the process to define projects will begin with stakeholder outreach to the communities affected by the focus areas, including targeted outreach to environmental justice and underserved communities.

Stakeholders for the Green Economy/Freight Initiatives focus area include local agency freight, planning and capital development staff, and business & economic development groups. Stakeholder comments will be summarized and provided to a regional freight and business task force for their

consideration in developing a recommendation of projects to receive funding consistent with the policy framework and funding target.

Stakeholders for the Active Transportation/Complete Streets focus area includes local bike, pedestrian, trail and transit staff, advocacy organizations, and other stakeholders working in the area of multimodal transportation.

Deadlines for both Community Investment project focus areas is **March 15**.

The agency proposals will be provided to JPACT for release for public comment in May 2013. After collecting and summarizing public comments on the proposals and allowing for adjustments based on the comments, Regional Coordinating Committees and the City of Portland will recommend priority projects at 100% of their funding targets, along with a description of how their process met program directions. JPACT and the Metro Council will make a final decision on the allocation of funds to the regional programs and projects defined as a part of the project focus area process. These projects and programs will then be incorporated into the 2015-18 MTIP with all other federally funded and regionally significant projects.

REGIONAL ECONOMIC OPPORTUNITY FUND (REOF)

For the REOF, each of the sub-areas, the Port of Portland and TriMet will have until **March 15** to submit applications. All of the applications will be technically evaluated by Metro staff using the above criteria. The projects will then be included as part of a comment period from May – early June 2012. The public comment period will include:

- 150 percent Region 1 STIP Enhance projects
- STIP Fix-It projects
- Step 1 – Region-wide Programs
- Step 2 – Green Economy/Freight Initiative projects
- Step 2 – Active Transportation/Complete Street projects
- Step 3 – REOF project applications

The REOF project applications, technical evaluation and public comments will be presented to JPACT and the Metro Council in July and August 2013. JPACT and the Metro Council will be tasked with making the final decision on REOF projects.

The draft 2015-18 MTIP, including the 2016-18 RFFA projects from Steps 1, 2 and 3 will be adopted by JPACT and the Metro Council in September 2013

The 2015-18 TIP schedule, including both STIP and RFFA decision points are included on pages 21-22.



METRO

2015-18 TIP Schedule

2015-18 MTIP and STIP Development

2012

Fall

- September 13 – JPACT direction on joint MTIP/STIP calendar and preferred option for 2016-18 RFFA
 - September 20 – STIP Enhance application process begins
 - October 11 – JPACT refine preferred option for allocating 2016-18 regional flexible funds
 - October 16 – OTC meeting with ACT chairs to discuss STIP process
 - November 8 – JPACT action on policy direction for 2016-18 RFFA
 - November 15 – Metro Council action on policy direction for 2016-18 RFFA
 - November 27 – STIP enhance applications due to Region 1
 - November 28 – TPAC review and discussion of 2016-18 RFFA project solicitation packet
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Winter

- Review of existing performance measurement data (part of federal Congestion Management Process)

December - Release 2016-18 RFFA solicitation packet

December 6 – STIP project applications distributed to JPACT and Region 1 STIP Committee*

2013

Winter/Spring

- Review region-wide programs (TOD, RTO, TSMO, Corridor Development, TriMet & SMART 5307)
- Review TriMet 5-year Transit Investment Plan

February 14 – JPACT provides input on the 150 percent STIP projects to the Region 1 STIP Committee*

March 15 – RFFA applications due for Active Transportation/Complete Streets and Green Economy/Freight Initiative projects. 150 percent list of Regional Economic Opportunity Fund projects due to Metro. Begin evaluation of all projects.

March 15 – Region 1 STIP Committee submit 150 percent recommendations to ODOT Region 1 (March – July – ODOT Region 1 scopes the 150 percent list of STIP projects)

March 21 – ODOT Region 1 provide the 150 percent STIP projects to TDD for distribution to OTC, OFAC and Joint TE-OBPAC Committee

April – conduct technical evaluations of projects by Metro staff for REOF projects and local agency staff for Community Investment projects.

May – early June – Metro conduct joint public comment period on Step 1, 2 and 3 RFFA project, and ODOT Region 1 STIP Enhance 150 percent list and Fix-It projects*

Summer/Fall

June 19 – OTC, OFAC and Joint TE-OBPAC Committee provide input on 150 percent list

July 22 – ODOT Region 1 provides STIP project scoping information to Area Managers and Region 1 STIP Committee chair. STIP Committee and Region 1 begin developing project recommendation lists.

June - August – Local prioritization of Community Investment projects. Regional prioritization of REOF projects.

August 8 – JPACT provides input to the Region 1 STIP Committee on the STIP projects.*

August 23 – TPAC recommendation to JPACT for adoption of 2016-18 RFFA projects and 2015-18 MTIP.

September 12 – JPACT and Metro Council adopt 2016-18 RFFA projects and 2015-18 MTIP.

Fall/Winter

Submit proposed MTIP to ODOT for inclusion in Draft STIP by Oct 1

Region STIP Coordinators upload project list into PCSX by Oct 31

October 4 – ODOT regions provide STIP project recommendations to TDD for compilation and OTC consideration.

October 7 – November 13 – OTC review of STIP project recommendations and allocation of discretionary 20 percent.

November/December – Draft STIP prepared for public review process

2014

Jan

OTC & JPACT release STIP & MTIP for public review

March 1

Public review of Draft TIPS complete

March - June

JPACT/Council act on any adjustments based on public comments (March TPAC, April JPACT)

Air quality conformity analysis and determination process

June – July

Final STIP prepared and reviewed with ACTs, MPOs, other stakeholders

August

OTC review and approve Final 2015-18 STIP

September

FHWA/FTA approval of STIP and air quality conformity of MTIP

****Bold and italicized items are coordination points between the STIP and MTIP process.***

STAFF REPORT

FOR THE PURPOSE OF ADOPTING THE POLICY DIRECTION TO THE REGIONAL FLEXIBLE FUNDING ALLOCATION (RFFA) PROCESS FOR FEDERAL FISCAL YEARS 2016-18

Date: October 31, 2012

Prepared by: Josh Naramore

BACKGROUND

Regional flexible funds are an element of the funds programmed within the Metropolitan Transportation Improvement Program (MTIP). The Metropolitan region is preparing to prioritize transportation projects and program activities to receive regional flexible funds available in the federal fiscal years 2016 through 2018. This report provides the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council's policy direction for the allocation of these funds.

The process for updating these policies first involved discussions by engaging agency technical staff at TPAC, JPACT, and Metro Council members to provide policy direction to allocate the estimated \$98 million available to region from 2016-18. Metro staff has used the TPAC and JPACT meeting discussions to produce this Policy Report. The revised approach to allocating Regional Flexible Funds proposed in this report is intended to develop a more collaborative method for supporting transportation investments that keep our neighborhoods safe, support sustainable economic growth, and make the most of the existing investments our region has already made in existing public structures.

The new three step process builds upon the 2014-15 RFFA process for Step 1 regional programs and Step 2 Community Investment Funds for Active Transportation/Complete Streets and Green Economy/Freight Initiatives. It also established a Step 3 Regional Economic Opportunity Fund to fund regional priority projects identified by JPACT and the Metro Council.

Metro and ODOT update the MTIP/STIP every two years to schedule funding for the following four-year period. The 2016-18 RFFA process is a component of the four-year period of federal fiscal years 2015 through 2018. This update will therefore adjust, as necessary, funds already allocated to projects in fiscal years 2014 and 2015 in the current approved MTIP. It will also allocate funds to new projects in the last three years (2016 and 2018) of the new MTIP.

The regional flexible funds available for the 2016-18 allocation are composed of three types of federal transportation assistance, which come with differing restrictions. The most flexible funds are surface transportation program (STP) funds that may be used for virtually any transportation purpose, identified in the Financially Constrained RTP, short of building local residential streets. The second category of money is Congestion Mitigation/Air Quality (CMAQ) funds. CMAQ funds cannot be used to build new lanes for automobile travel. Also, projects that use CMAQ funds must demonstrate that some improvement of air quality will result from building or operating the project. The third category is Transportation Alternatives, new from MAP-21 that consolidated Transportation Enhancements, Safe Routes to Schools, and Recreational Trails funding.

In the previous two allocation processes, regional flexible funds have been allocated in two steps. The first step was to allocate funds to existing regional transportation programs: metropolitan transportation planning, transit oriented development, regional travel options, transportation system management & operations, and high capacity transit development and capital construction. Step two was an allocation to local agencies for a variety of transportation projects. The 2016-18 process will add a third step of allocating \$34 million to projects as part of a Regional Economic Opportunity Fund (REOF)

The policy report in Exhibit A responds to direction received from JPACT discussion at their September and October meetings. The policy direction outlined in report includes:

- STEP 1 - Support of funding for existing region wide programs. JPACT will review these programs prior to the final allocation of funding in the September 2013.
- STEP 2 - Continued support of two Community Investment project focus areas providing direction to local agencies to develop projects for allocating funds:
 - Active Transportation/Complete Streets
 - Green Economy/Freight Initiatives
 - Directions to develop the project proposals for these focus areas through a collaborative process involving impacted stakeholders.
- STEP 3 – Development of a new Regional Economic Opportunity Fund

Anticipated 2016-18 Regional Flexible Funds	
Step 1 – Region Wide Programs <ul style="list-style-type: none"> • Transit Oriented Development • TSMO/ITS • Regional Travel Options • Regional MPO Planning (In-Lieu of Dues) • Corridor & Systems Planning 	\$9.19 million \$4.64 million \$7.01 million \$3.63 million \$1.54 million \$26.01 million
Step 1 TOTAL	\$26.01 million
Step 2 – Community Investment Fund Projects <ul style="list-style-type: none"> • Active Transportation/Complete Streets • Green Economy/Freight Initiatives 	\$26.07 million \$8.7 million \$34.77 million
Step 2 TOTAL	\$34.77 million
Step 3 – Regional Economic Opportunity Fund	\$33.80 million
GRAND TOTAL	\$94.58 million

ANALYSIS/INFORMATION

1. **Known Opposition** None known at this time.
2. **Legal Antecedents** Updates the 2014-15 Regional Flexible Fund Allocation Policy Report, adopted by Metro Council Resolution 10-4160 on July 20, 2010 (FOR THE PURPOSE OF ADOPTING THE POLICY DIRECTION AND PROGRAM OBJECTIVES FOR THE 2014-15 REGIONAL FLEXIBLE FUNDING ALLOCATION PROCESS AND 2012-15 METROPOLITAN TRANSPORTATION IMPROVEMENT PROGRAM (MTIP)).
3. **Anticipated Effects** Adoption of this resolution will provide the policy direction, program objectives and procedures that will be used during the 2016-18 Regional Flexible Fund Allocation process to nominate, evaluate and select projects to receive federal transportation funds as described in Exhibit A of Resolution 12-4383.
4. **Budget Impacts** there are no impacts for Metro’s current budget. This resolution proposes policy for determining future allocations. The amounts are illustrative and rely on a continuation of funding at historic levels with modest inflationary increases of three percent. The proposal maintains Step One funding for MPA functions on the same proportion and requires the same 10.27 percent match from local participants. Final allocations will depend on available federal finding.

RECOMMENDED ACTION

Metro staff recommends the approval of Resolution No. 12-4383.