

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE 2022-)	RESOLUTION NO. 19-4959
2024 REGIONAL FLEXIBLE FUNDS POLICY)	
REPORT FOR THE PORTLAND)	Introduced by Chief Operating Officer Martha
METROPOLITAN AREA)	Bennett in concurrence with Council
)	President Lynn Peterson
)	

WHEREAS, the Metro Council and Joint Policy Advisory Committee on Transportation (JPACT) are authorized per Code of Federal Regulations Title 23 Section 450.306 and 450.326 to develop and implement a long-range metropolitan transportation plan and four-year investment program in a cooperative manner with the regions stakeholders; and

WHEREAS, the Portland metropolitan region periodically conducts a process to select projects and programs of regional significance in which to invest the region’s allotment of federal surface transportation funds, known as the Regional Flexible Funds Allocation (RFFA); and

WHEREAS, the RFFA is one element of the Metropolitan Transportation Improvement Program (MTIP), which reports on the performance and programming of all federal surface transportation funds to be spent in the Portland metropolitan region; and

WHEREAS, the Metro Council and Joint Policy Advisory Committee on Transportation (JPACT) are authorized per Code of Federal Regulations Title 23, Section 450.324 to allocate these funds to projects and programs in the metropolitan region and preceding the allocation, have developed a policy statement defining how the region should consider investments for federal fiscal years 2022-2024 for the regional flexible funds; and

WHEREAS, the Metro Council and JPACT adopted an updated Regional Transportation Plan in December 2018; and

WHEREAS, the three year process to 2018 RTP engaged stakeholders throughout to the region to develop the goals, objectives, and policies for the long-range transportation plan and the associated transportation investment priorities; and

WHEREAS, the adopted 2018 RTP specified four priorities to focus on in the near-term with the region’s transportation investments; and

WHEREAS, the 2021-2024 MTIP policy provides clarity as to the role of 2018 RTP and the 2018 RTP policy priorities will set policy foundation for transportation investment in the 2022-2024 RFFA process; and

WHEREAS, input utilized from the extensive engagement as part of the 2018 RTP informed and shaped the 2022-2024 RFFA policy; and

WHEREAS, input has been sought and received from the Transportation Policy Alternatives Committee as well as JPACT on the policy update; now therefore,


BE IT RESOLVED that the Metro Council adopt the 2022-2024 Regional Flexible Funds Allocation policy report.

ADOPTED by the Metro Council this 4th day of April 2019.


DEPUTY PRESIDENT
SAM CHASE
ON BEHALF OF

Lynn Peterson, Council President

Approved as to Form:



Nathan Sykes, Metro Attorney



2022 – 2024 Regional Flexible Funds Allocation (RFFA) policy report

(Attachment 1 to Resolution 19-4959)

April 2019

oregonmetro.gov/rffa

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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 transportation funds.

The preparation of this policy was financed in part by the U.S. Department of Transportation, Federal Highway Administration and Federal Transit Administration. The opinions, findings and conclusions expressed in this policy are not necessarily those of the U.S. Department of Transportation, Federal Highway Administration and Federal Transit Administration.

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INTRODUCTION

As the federally designated Metropolitan Planning Organization (MPO) for the greater Portland, Oregon area, Metro is responsible for administering federal transportation dollars over which the region has allocation authority. Every three years, Metro conducts a process to select specific investments in the region's transportation system to be funded with these dollars. This process is known as the Regional Flexible Funds Allocation (RFFA). The RFFA is one of several activities required of MPOs, others being the development of the Regional Transportation Plan (RTP), the Metropolitan Transportation Improvement Program (MTIP), and the Unified Planning Work Plan (UPWP).

Through the RFFA process, the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council consider how the available funding can be used strategically to address needs identified through the RTP. The RTP establishes the vision, goals and objectives for the Portland region's transportation system, as well as defining performance measures and an investment strategy to ensure progress is made towards creating the envisioned system. In particular, it provides the policy framework to guide how specific sources of transportation funds should be coordinated in order to invest in all parts of the planned system. (This coordination approach is defined through the MTIP Policy Report.)

At the outset of each RFFA cycle, Metro leads a discussion with the region's stakeholders to consider the system's needs, and to develop a policy direction that reflects a consensus on how these funds can best be used strategically to advance important regional priorities. The 2022-2024 RFFA policy framework has now been used for four funding cycles. As such, it is recognized that a more comprehensive review of the RFFA policy should occur in the 2025-2027 cycle.

The policy development phase of the 2022-2024 RFFA cycle occurs directly after a three-year process to develop the 2018 RTP, adopted by JPACT and Metro Council at the end of 2018. In developing the updated RTP, an extensive outreach process resulted in nearly 19,000 individual points of contact with residents, community organizations, businesses, and elected officials.

Through this work with the community, several investment priorities emerged, as defined in Chapter 6.2 of the 2018 RTP. These priorities implement the 2040 Growth Concept by focusing on "moving people and goods, providing access, and helping to create and connect places."¹ Of these priorities, Metro Council determined that the following four were to be the main near-term capital and program investment priorities of the RTP:²

- advancing **Equity**
- improving **Safety**
- implementing the region's **Climate Smart Strategy**
- managing **Congestion**

Along with the adoption of the 2018 RTP, JPACT and Metro Council also adopted updated and new modal and topical strategies for Transportation Safety, Freight, Transit and Emerging Technology in 2018. These strategies more fully articulate the integrated multi-modal regional transportation system and investments needed to improve the existing system, complementing the Regional Travel Options Strategy (2018), Regional Active Transportation Plan (2014), Climate Smart

¹ 2018 Regional Transportation Plan – Chapter 6.2

² Metro Ordinance 18-1421

Strategy (2014) and Regional Transportation System Management and Operations Action Plan (2010). They provide guidance for how the region can thoughtfully direct funding through the RFFA process to advance these four near-term investment priorities.

The 2022-2024 RFFA policy direction builds upon previous RFFA policy established by JPACT and Metro Council. It has been updated to align with new regional policy from the 2018 RTP and the supportive modal and topical strategies, specifically focusing on the four investment priorities noted above. It continues the two-step funding approach adopted for the 2014-2015 allocation cycle, which directs funding towards region-wide investments and supports construction of capital projects in specific focus areas. Unlike previous cycles, the RFFA policy document is now a stand-alone document, separate from the 2021-2024 MTIP Policy Report.³

REGIONAL SIX DESIRED OUTCOMES

In 2008, Metro Council and MPAC adopted the Six Desired Outcomes to form the framework of a performance-based approach for policy and investment decisions. Those outcomes are:

- **Equity:** The benefits and burdens of growth and change are distributed equitably.
- **Vibrant communities:** People live and work in vibrant communities where their everyday needs are easily accessible.
- **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.
- **Clean air and water:** Current and future generations enjoy clean air, clean water and healthy ecosystems.
- **Climate Leadership:** The region is a leader in minimizing contributions to global warming.

The Six Desired Outcomes shape the way in which all regional plans and policies reflect and orient towards achieving the desired outcomes. The 2018 RTP identifies needed next steps to achieve each of the Six Desired Outcomes for the region's transportation system.

2018 REGIONAL TRANSPORTATION PLAN INVESTMENT PRIORITIES

The 2018 RTP serves as the blueprint for the regional transportation system for the next 25 years. It includes specific goals, objectives and priorities for how the region is to invest to develop the system and performance targets to measure progress towards the goals. Projects funded through the 2022-2024 RFFA are to align with the four primary RTP investment priorities, as detailed in RTP Chapter 6.2. The four priorities are:

- **Equity** – reduce disparities and barriers faced by communities of color, people in poverty, and people with low English proficiency
- **Safety** – reduce fatal and severe injury crashes, particularly focusing on the High Crash Corridor network and equity focus areas identified in the RTP
- **Climate** – expand transit, complete regional active transportation networks, and leverage emerging technology to meet Climate Smart Strategy policies
- **Congestion** – manage congestion and travel demand through low-cost, high value solutions

³ Scheduled for JPACT and Metro Council action in 2019

These near-term investment priorities emerged from a three-year discussion and identification of the region’s most urgent transportation needs. They guided the development and refinement of the 2018 RTP projects and programs list, and reflect direction from JPACT and Metro Council to prioritize near-term investments to address these priorities.

The 2018 RTP also resulted in updates to the plan’s aspirational performance targets. The performance targets are quantitative benchmarks used to assess the region’s progress in carrying out the RTP vision through its investment priorities. These performance targets are the highest order evaluation measures in the RTP performance-based policy framework – providing key criteria by which progress towards the plan goals can be assessed. The targets are listed below in Table 1. A complete description of the performance targets is found in Chapter 2 of the 2018 RTP.

Table 1: Regional Transportation Plan Performance Targets⁴

1		AFFORDABILITY Reduce the combined housing and transportation expenditure for lower-income households by 25%, compared to 2015
2		SAFETY Eliminate transportation fatalities and serious injuries for all users by 2035, with a 50% reduction by 2025 and a 16% reduction by 2020, compared to 2015
3		MULTIMODAL TRAVEL Reduce vehicle miles traveled per person by 10%, compared to 2015
4		MODE SHARE Triple walking, biking and transit mode shares, compared to 2015
5		SYSTEM COMPLETION Complete 100% of the regional network of sidewalks, bikeways and trails
6		CONGESTION Meet the Interim Regional Mobility Policy for throughways, arterials and the regional freight network
7		FREIGHT DELAY Reduce vehicle hours of delay per truck trip by 10%, compared to 2040 No Build
8		CLIMATE CHANGE Reduce per capita greenhouse gas emissions from cars and small trucks by 20% by 2035 and 25% by 2040, compared to 2005
9		CLEAN AIR Maintain or reduce air pollution from mobile sources, compared to 2015

⁴ 2018 Regional Transportation Plan, Chapter 2

REGIONAL TRANSPORTATION FINANCE APPROACH (MTIP POLICY 3)

In May 2009, JPACT developed a regional finance approach to direct how the transportation needs of the region are to be addressed by existing or potential transportation funding sources. This regional finance approach provides a starting point for the various funding programs or sources that are addressed in the MTIP and State Transportation Improvement Program (STIP).

The approach identifies funding mechanisms agencies use and a regional strategy for sources to be pursued to address unmet needs of the different elements of transportation system in the region. The approach has been utilized in the development of RFFA policies since the 2010-2013 MTIP cycle and updated as needed to reflect current planning policy and available funding opportunities. The 2022-2024 RFFA policy follows the most recent regional finance approach adopted as part of the 2021-2024 MTIP.⁵

Uses for regional flexible funds, as defined in the 2021-2024 MTIP policy include:⁶

- Active Transportation
- Arterial Expansion, Improvements, and Reconstruction⁷
- Throughway Expansion⁸
- High-capacity Transit Expansion
- Transportation System Management and Operations
- Regional Travel Options
- Transit Oriented Development

REGIONAL FLEXIBLE FUND ALLOCATION OBJECTIVES

The following objectives define how the RFFA 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 State Implementation Plan for air quality requirements are met and that an adequate pool of CMAQ-eligible projects is 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.

⁵ See Metro Council Resolution 16-4702

⁶ MTIP policy pending adoption by JPACT in April 2019. RFFA policy will be adjusted to mirror final adopted MTIP policy.

⁷ Limited to arterial freight facilities for ITS, small capital projects, and project development.

⁸ Limited to project development with large discretionary funding leverage opportunities to address multiple transportation issues around the mainline facilities, focusing on the multi-modal portions of these projects that are on the regional arterial network adjacent to the freeway interchange.

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 2.2.
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.

2022-2024 REGIONAL FLEXIBLE FUNDS STRUCTURE

The 2022-2024 RFFA follows the two-step framework the region has followed starting with the 2014-2015 allocation. This framework was adopted to ensure the region is investing in the system in accordance with RTP direction and the RFFA objectives.

Step 1 – Regional Commitments

a. Bond commitments for regional high capacity transit and project development

Regional flexible funds have been used to help construct the region’s high-capacity transit system. Since 1998, TriMet has issued bonds to pay for project development and capital construction costs of high-capacity transit line construction, based on a regional commitment of flexible funds to repay the bonded debt. The region’s current obligation to repay bond debt extends to 2034. This bond obligation covers investments in Green, Orange, and Southwest Corridor MAX lines, Division Transit Project, and the Eastside Streetcar Loop.

In the 2019-2021 RFFA process, JPACT and Metro Council directed regional funding to be used to develop a selected package of improvements to address regional active transportation needs, and freeway interchanges or arterials that were identified as significant system deficiencies, particularly in the areas of safety and freight delay.

Regional flexible funds were used in a manner consistent with the Regional Transportation Finance Approach that targets these funds to the connecting arterial portions of freeway interchange projects and Active Transportation projects. For projects coordinated with freeway mainline and associated interchange elements, flexible funds were invested as a part of a multi-agency approach to addressing multiple transportation issues around the mainline facilities, and focused on the multi-modal portions of these projects that are on the regional arterial network adjacent to the freeway interchange.

The regional bond commitments through 2034 for transit and project development are shown below in Table 3.

Table 3: Regional bond commitment repayment schedule (millions)

	Transit bond commitment	Project development bond commitment	Total bond commitment
2022	\$21.62	\$1.26	\$22.88
2023	\$21.62	\$1.26	\$22.88
2024	\$21.62	\$1.26	\$22.88
2025	\$21.62	\$1.26	\$22.88
2026	\$21.62	\$1.26	\$22.88
2027	\$21.62	\$1.26	\$22.88
2028	\$17.56	\$1.26	\$18.82
2029	\$17.56	\$1.26	\$18.82
2030	\$17.56	\$1.26	\$18.82
2031	\$17.56	\$1.26	\$18.82
2032	\$17.56	\$1.26	\$18.82
2033	\$17.56	\$1.26	\$18.82
2034	\$17.56	\$1.26	\$18.82

Bond repayment commitments for the 2022-2024 RFFA cycle are:

Transit and Project Development Bond Commitment **\$68.64 million**

b. Region-wide program investments

Three region-wide 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. The three programs are:

- **Regional Travel Options** – Grants to local partners that support public outreach and encouragement, to help people reduce automobile use and travel by transit, ridesharing, bicycling or walking, and to build a coordinated regional Safe Routes to School program
- **Transit Oriented Development** – Investments to help develop higher-density, affordable and mixed-use projects near transit, to increase the use of the region’s transit system and advance the Region 2040 Growth Concept
- **Transportation System Management and Operations** – Capital funding focused on improving the region’s transportation data, traffic signals, traveler information and other technological solutions to help move people and goods more safely, reliably, and efficiently

Funding targets are set for the existing region-wide programs in this cycle based on their historical allocation levels which includes an annual increase to address increasing program costs and maintain purchasing power. The region-wide programs will be reviewed prior to the final funding decision scheduled for the fall of 2019. 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, per the Regional Finance Approach

- Directly related RTP performance targets – description of how the program helps the region meet performance targets in the RTP
- Connection to other plans or strategies – description of how program investments are linked to addressing other planning requirements (for example, the State Implementation Plan for air quality)
- 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

Region-wide program investments for the 2022-2024 RFFA cycle are:

Regional Travel Options (RTO)	\$10.16 Million
Transit Oriented Development (TOD)	\$10.80 Million
Transportation System Management and Operations (TSMO)	\$ 5.74 Million

c. MPO, and Corridor and System Planning

Regional funds have been used to support planning, analysis and management work required of a MPO. JPACT and Metro Council have directed these funds to be spent instead of collecting dues from each partner jurisdiction in the region as was done prior to 1992. Regional funds have also been directed towards continued planning work to further develop regional corridors, transit and freight networks, and to better understand the economic impacts of our transportation investments.

Planning commitments for the 2022-2024 RFFA cycle are:

MPO Planning (in lieu of dues)	\$ 4.33 Million
Corridor and System Planning	\$ 2.05 Million

d. One-Time Strategic Investments

Periodically the region uses regional funds to pay for transportation needs that are not ongoing, but reflect a strategic investment that helps support the goals and objectives of the RTP. In this cycle, funding is directed towards the region’s contribution to the Oregon 2020 Travel and Activity Survey. This statewide survey provides MPOs with updated information on travel behaviors occurring within their metropolitan areas. This, in turn, updates the data used in the region’s travel demand model and provides decision-makers with analytically valid information to be used in policy and investment decisions.

One-Time Strategic Investments	\$ 0.35 Million
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Step 2 – Capital Investments

The 2014-2015 RFFA policy direction established two Step 2 funding categories which best reflected the region’s needs and were guided by the Regional Finance Approach as defined in the MTIP policy. The Step 2 categories are:

- **Active Transportation and Complete Streets**
- **Regional Freight and Economic Development Initiatives**

75 percent of the funding available in Step 2 is directed to the Active Transportation and Complete Streets category, the other 25 percent is directed to the Regional Freight and Economic Development Initiatives category.

JPACT and 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 2018 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

In the development 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 specific project focus areas. This policy construct will continue in the 2022-2024 RFFA but with adjustments which respond to the 2018 RTP investment policy direction and input received as a part of this policy update process.

While projects funded through the Step 2 categories are to be designed and scoped in a manner reflective of the relevant category's focus area and intended purpose, it is recognized that well-designed projects may result in multiple outcomes. Consideration will be given in the technical evaluation for projects that demonstrate significant outcomes and benefits beyond the primary project purpose.

Example: A project funded through the Freight category that improves freight access to a certain area will likely also include active transportation elements. Preferred project design will incorporate a higher level of active transportation improvements than the minimum required project elements (protected bikeways, wider than standard sidewalks, traffic calming, crosswalks with flashing beacons, etc.

Similarly, an Active Transportation project on a facility that has significant freight traffic will likely include elements to improve the reliability of freight movement and elements to address the safe interface between active transportation and freight movements.

Per RTP Equity Policy 7, projects and programs funded through the RFFA should demonstrate support of family-wage job opportunities and a diverse construction workforce through inclusive hiring practices and contracting opportunities for investments in the transportation system.

ACTIVE TRANSPORTATION AND 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,
- project design will consider guidance found in Chapter 9 of the Regional Active Transportation Plan,
- 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 Criteria

RTP investment priorities for RFFA	Criteria
<p>Equity</p>	<p>Purpose: Helps eliminate transportation-related disparities and barriers within RTP Equity Focus Areas⁹</p> <p>Improves access by completing active transportation network gaps in RTP Equity Focus Areas¹⁰</p> <p>And/Or</p> <p>Improves access (whether by service/travel time reliability or through physical infrastructure) to and from the following community assets:</p> <ul style="list-style-type: none"> • Affordable housing • Community places • Employment areas • Title 1 schools (or equivalent)¹¹
<p>Safety</p>	<p>Purpose: Eliminate fatal and severe injury crashes among pedestrians, cyclists and transit users on a Regional High Injury corridor, or at a designated “hotspot”¹²</p> <p>Improves safety with one or more effective safety countermeasure(s) or other technical solutions that:</p> <ul style="list-style-type: none"> • Reduce vehicle speeds • Separate modes • Reduce conflicts between freight and vulnerable users • Implement ADA accessibility • Implement recommendations from documented safety problem/plan

⁹ Equity Focus Areas are defined as communities where the rate of people of color, people in poverty and people with low English proficiency is greater than the regional average and double the density of one or more of these populations. 2018 RTP, Chapter 3.2.2

¹⁰ This can include first/last mile network gaps to transit, infill gaps in an equity focus area co-located on the regional active transportation network, increased connectivity, etc.

¹¹ A school may meet all of the qualification criteria for Title 1 status, but not have that designation due to funding constraints or other considerations.

¹² Identified by Safety Priority Index System (SPIS) or similar method of identifying crash frequency, rate and severity.

RTP investment priorities for RFFA	Criteria
Climate	<p>Purpose: Complete a regional active transportation network gap(s)</p> <p>Project demonstrates how it will reduce transportation-related greenhouse gas emissions through:</p> <ul style="list-style-type: none"> • Reducing or eliminating VMT • Improving transit reliability and travel times/reduces transit delay on Regional Transit Network frequent bus and ETC corridors • Including green infrastructure element in project design
Congestion	<p>Purpose: Incorporate congestion management strategies to provide or improve alternatives to drive-alone trips</p> <p>Project removes barriers or creating access to transit and/or active transportation through:</p> <ul style="list-style-type: none"> • Improving network connectivity • Actively managing and optimizing arterial network to support biking and walking and reducing transit delay • Serving Region 2040 Centers, or high density/projected high growth areas

REGIONAL FREIGHT AND ECONOMIC DEVELOPMENT 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 will be utilized to scope and prioritize potential projects are described below.

Construction focus

Capital improvement proposals 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, installation of mountable curbs to accommodate large truck turning movements, etc.).

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.

Project proposals should demonstrate how the project supports job and economic growth in one or more traded sector industry clusters, as defined in the 2018 RTP.¹³

Planning/strategy development focus

Planning and strategy development proposals will focus on:

- Project development for specific arterial freight routes would evaluate key transportation barriers to the development of traded sector industry clusters, and recommend operations and design improvements to address those barriers.
- Consideration and development of regional strategies to invest in transportation improvements, focused on freight movement and increased job growth in traded sector industries

¹³ 2018 RTP, Chapter 4.5.1

Table 5: Regional Freight and Economic Development Initiatives Criteria

RTP investment priorities for RFFA	Criteria
Equity	<p>Purpose: Supports economic development in traded sector industries by creating jobs, and improving access to job centers¹⁴ and Title 4 industrial employment areas, particularly for RTP Equity Focus Areas¹⁵</p> <p>Reduces impacts to RTP Equity Focus Areas (e.g., reduced noise, land use conflict, air toxics and/or particulate matter emissions)</p>
Safety	<p>Purpose: Eliminate fatal and severe injury crashes by:</p> <ul style="list-style-type: none"> • Removing and mitigating conflicts with <ul style="list-style-type: none"> ○ active transportation ○ railroad crossings ○ turn movements ○ other identified safety issues • Improving safety with one or more effective safety countermeasure(s) or other technical solutions that <ul style="list-style-type: none"> ○ reduce vehicle speeds ○ separate modes ○ reduce conflicts between freight and vulnerable users ○ implement ADA accessibility ○ implement recommendations from documented safety problem/plan
Climate	<p>Purpose: Reduces greenhouse gas emissions</p> <ul style="list-style-type: none"> • Includes ITS or other technological elements to improve efficiency and hot-spot emissions from idling • Uses Complete Streets design; green infrastructure, closing active transportation network gap, etc. • Geometric designs and other operational elements to improve truck flow and bottlenecks on regional freight network¹⁶

¹⁴ Mixed-use areas, and designated 2040 Growth Concept industrial areas.

¹⁵ As defined in 2018 RTP Chapter 3.2.2

¹⁶ Without degrading pedestrian and bicycle safety and comfort.

RTP investment priorities for RFFA	Criteria
Congestion	Purpose: Reduces freight vehicle delay at industrial centers and freight sites (intermodal hubs, terminals, distribution centers, et al) <ul style="list-style-type: none"> • Improves network connectivity for all modes • Improves reliability and access to regional freight network • Reduces need for roadway expansion

Step 2 project funding targets for the 2022-2024 RFFA cycle are:

Active Transportation and Complete Streets:	\$29.74 Million
Regional Freight Initiatives:	\$9.91 Million
TOTAL Step 2:	\$39.65 Million

Table 6: Total Available 2022-2024 Regional Flexible Funds

Step 1	
Transit & Project Development Bond Commitment	\$68.64 million
Region-wide Program Investments, Planning	\$33.08 million
One-Time Strategic Investments	\$0.35 million
Step 2	
Active Transportation & Complete Streets	\$29.74 million
Regional Freight & Economic Development Initiatives	\$9.91 million
Total 2022-2024 RFFA	\$141.72 million

STEP 2 PROJECT SELECTION PROCESS

All project funding proposals submitted through the Step 2 Call for Projects will be considered for selection using the following process:

Call for Projects – Metro will issue a call for project proposals within the two Step 2 funding categories in early April, 2019. Proposals will be due in early June. A workshop will be held early in the project call timeframe to provide direction to applicants and respond to questions.

Technical Evaluation – Proposals will receive a technical score reflecting how well the project addresses the relevant category criteria. In addition to this quantitative analysis, the technical report will also include qualitative information to reflect attributes about each project that may not be reflected in a strict numerical score.

By presenting both quantitative and qualitative information, decision-makers and the public can better understand the technical merits of projects, which will help to better inform the regional decision making process.

Risk Assessment – To ensure that RFFA-funded projects can be delivered as proposed, on time, and within budget, Metro will conduct a risk assessment process on each proposal, and issue a report documenting the findings of the process. Proposals will be evaluated on how completely the project has been planned, developed and scoped, and measure the risk of project completion within the 2022-2024 timeframe.

This report will be made publically available and used as a part of the regional decision-making process.

The Technical Evaluation and Risk Assessment processes will occur concurrently in June-August.

Public Comment – Following issuance of the Technical Evaluation and Risk Assessment reports, Metro will conduct a 30-day public comment period in September, focusing on outreach to community and neighborhood organizations, county coordinating committees and other stakeholders. A joint public meeting of JPACT and Metro Council is planned to give decision-makers the opportunity to hear public testimony on project proposals. A summary of input received through the public comment period will be made available along with the Technical Evaluation and Risk Assessment reports to inform the final RFFA decision making process.

County Coordinating Committee/City of Portland Recommendations – Each county coordinating committee and the City of Portland will have the opportunity to provide recommendations to decision-makers on which projects submitted from their jurisdictions best reflect their local priorities. Recommendations are to be provided to TPAC and JPACT in advance of the JPACT meeting on November 21, 2019.

TPAC/JPACT Discussion and Action – Following the above information gathering steps, TPAC will be asked to consider and discuss all of the input received, and to provide a recommendation to JPACT on a package of projects to be funded, including both Step 1 and Step 2 investments.

JPACT will consider and discuss the TPAC recommendation, and will be requested to take action to refer a package of projects to Metro Council. JPACT action is scheduled for December 19, 2019.

Council Action – Metro Council will consider and take action on the JPACT-referred package in January 2020.

If you picnic at Blue Lake or take your kids to the Oregon Zoo, enjoy symphonies at the Schnitz or auto shows at the convention center, put out your trash or drive your car – we’ve already crossed paths.

So, hello. We’re Metro – nice to meet you.

In a metropolitan area as big as Portland, we can do a lot of things better together. Join us to help the region prepare for a happy, healthy future.

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STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 19-4959, FOR THE PURPOSE OF ADOPTING THE 2022-2024 REGIONAL FLEXIBLE FUNDS ALLOCATION POLICY REPORT FOR THE PORTLAND METROPOLITAN AREA

Date: March 5, 2019
Department: Planning and Development
Meeting Date: April 4, 2019

Prepared by: Dan Kaempff, 503-813-7559,
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Presenter(s): Margi Bradway, Ted Leybold,
Dan Kaempff
Length: 25 minutes

ISSUE STATEMENT

Every three years, the JPACT and Metro Council, in their role as the federally designated Metropolitan Planning Organization (MPO) board, conduct a process to select transportation investments to be made with the MPO's allocation of federal surface transportation funds, known as the Regional Flexible Funds Allocation (RFFA). These funds are required to be used for projects and programs which advance the policy set forth in the Regional Transportation Plan (RTP).

This resolution codifies the specific policy direction for how the region is to invest these flexible funds in the federal fiscal years 2022 through 2024 in accordance with the regional investment priorities established in the recently adopted 2018 RTP.

ACTION REQUESTED

Approve Resolution No. 19-4959.

IDENTIFIED POLICY OUTCOMES

Resolution No. 19-4959 supports investments in the region's transportation system that advance four priorities; Equity, Safety, Climate Change, and Congestion. Through the RTP development and adoption process, these priorities were identified by stakeholders and elected officials as the most critical system needs, and they form the foundation for the RTP investment strategy. The RFFA policy report focuses this funding on investments that address and show improvement in these four priority areas.

POLICY QUESTION(S)

The Regional Flexible Funds provide the opportunity for the region to both leverage other sources of funding, and to focus investment on areas of the system which are critical but do not have other dedicated sources of funding. Through this resolution, the RFFA policy identifies which of these important needs are to receive funding, in order to fulfill RTP policy direction.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

At the January 8, 2019 Metro Council work session, Council agreed upon four principles to be followed in development of the RFFA policy direction.

1. The 2018 Regional Transportation Plan priorities are to serve as the RFFA policy framework. An extensive public engagement process went into the creation of the RTP, as well as numerous meetings and interactive forums with the region’s elected officials, business and community leaders. Metro’s public outreach efforts resulted in over 19,000 individual communications during the RTP process. From these discussions, an agreement on the region’s priorities relative to the transportation has emerged.

2. The four primary RTP priorities are to be carried out through RFFA project selection. The RTP contains a broad vision statement, and subsequent supporting goals and objectives that define a transportation system that aligns with the Council-adopted Six Desired Outcomes. Included in this policy direction are four priorities for transportation that JPACT and Metro Council said were the most critical and should be emphasized through our subsequent funding and policy-making activities.

- a. **Equity** – reduce disparities and barriers faced by communities of color and other historically marginalized communities
- b. **Safety** – reduce fatal and severe injury crashes, particularly focusing on the High Crash Corridor network
- c. **Climate Change** – expand transit and active transportation networks, and leverage emerging technology to meet Climate Smart Strategy goals
- d. **Congestion Relief** – manage congestion and travel demand through low-cost, high value solutions

3. Maintain the existing two-step framework. Using the regional dollars strategically has been an underlying goal of previous RFFA processes. Over the past three allocation cycles, the region has allocated funding in two steps. The first step continues our investments in building out the regional high-capacity transit network, and creating a pipeline of sufficiently developed capital projects that are ready for future funding opportunities. Step 1 also supports region-wide investments that make the entire system work more effectively and efficiently, and funds the region’s planning efforts.

Step 2 targets project development and construction funding towards capital projects in local jurisdictions that advance RTP policy priorities and that have regional significance.

Council indicated they wished to continue this two-step process, and that the four RTP priorities should be applied to both steps.

4. Better align Step 2 project outcomes with four RTP priorities. Council wished to consider and discuss potential ways that Step 2 could be adjusted in order to ensure alignment with the RTP priorities described above. Step 2 projects must result in outcomes consistent with these priorities. As the RFFA financial forecast is finalized, consideration should be given to how any potential funding increase can be used to better enable the region to accomplish these four policy priorities.

The 2022-2024 RFFA policy report to be adopted by Resolution No. 19-4959 follows this direction previously provided by Council.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Resolution No. 19-4959 supports Metro’s goals to address racial equity and climate change, as well as making safety and congestion improvements to the region’s transportation system. It continues the development of active transportation and high-capacity transit networks that support the

region's 2040 growth strategy and provide people with travel options. And it invests in projects that help provide jobs and support important economic sectors.

These outcomes were widely discussed in the three-year process leading to the development of the 2018 RTP. Over 19,000 individual points of contact with stakeholders led to the identification of the RTP investment priorities, and the RFFA policy was built around advancing these priorities.

Specifically, the RFFA policy follows RTP prioritization for investments to:

- advance **Equity** through transportation investments that reduce disparities and barriers faced by communities of color and other historically marginalized communities, with a focus on race and income
 - improve **Safety** where the most serious crashes occur, particularly focusing on the High Crash Corridor network and equity focus areas identified in the RTP
 - implement the region's **Climate Smart Strategy** with a focus on expanding transit, completing gaps in the regional active transportation network and leveraging emerging technology to meet Climate Smart Strategy policies
 - manage **Congestion** and travel demand through cost-effective measures
1. **Known Opposition:** None known at this time
 2. **Policy Development Stakeholders:** TPAC and JPACT developed the 2022-2024 Regional Flexible Funds Allocation Policy Report. The RFFA policy framework directly supports and implements the 2018 investment priorities, which were determined through an extensive public process as noted above
 3. **Legal Antecedents:** Updates the 2019-2021 Regional Flexible Funds Allocation Policy Report, adopted by Metro Council Resolution 16-4702 on June 16, 2016
 4. **Anticipated Effects:** Adoption of this resolution will provide the policy direction, program objectives and procedures that will be used during the 2022-2024 Regional Flexible Fund Allocation process to nominate, evaluate and select projects to receive federal transportation funds as detailed in Table 6 of the policy direction document
 5. **Financial Implications:** 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. The proposal maintains Step 1 funding for MPO functions on the same proportion and requires the same 10.27 percent match from local participants. Final allocations will depend on available federal funding.

BACKGROUND

The 2022-2024 RFFA Policy Report builds upon previous RFFA policy established by JPACT and Metro Council. It has been updated to align with new regional policy from the 2018 RTP and the supportive modal and topical strategies, specifically focusing on the four investment priorities noted above. It continues the two-step funding approach adopted for the 2014-2015 allocation cycle, which directs funding towards region-wide investments and supports construction of capital projects in specific focus areas. Unlike previous cycles, the RFFA policy document is now a stand-alone document, separate from the 2021-2024 MTIP Policy Report.

Through previous RFFA investments made under this two-step approach, the region has helped expand the MAX light rail and Portland Streetcar systems with planning and construction funding. It has provided funding to develop a pipeline of active transportation projects to be ready for future funding opportunities. It has supported highway bottleneck projects by targeting funding to

associated arterial improvements. It has supported funding for system and demand management strategies, and improving transit usage through housing and commercial investments. It has helped freight more reliably with improved safety for all users. And it has helped construct dozens of projects that help people walk, bicycle or access transit more safely and easier.

The 2022-2024 RFFA policy continues investments in these key regional system needs with a greater focus on the four RTP investment priorities. Adoption of Resolution No. 19-4959 enables staff to proceed with the next steps in the RFFA process and maintain a timeline which is keyed on having a final list of investments recommended by JPACT at the end of calendar year 2019. Council is scheduled to consider and take action on a JPACT-approved project list in January 2020. Maintaining this schedule is critical in order for the region to stay coordinated with the state's preparation of the Statewide Transportation Improvement Program (STIP), which is scheduled to be submitted to the federal Department of Transportation in the summer of 2020.

If the RFFA projects are not selected and approved for inclusion in the STIP in a timely manner, the region's ability to spend federal transportation funds could be negatively impacted.

ATTACHMENTS

Resolution No. 19-4959

2022-2024 Regional Flexible Funds Allocation Policy Report