

## COUNCIL DIRECTION ON THE 2028-2030 REGIONAL FLEXIBLE FUNDS ALLOCATION

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Date: June 10, 2025  
Department: Planning, Development & Research  
Meeting Date: June 17, 2025

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Length: 45 minutes

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### ISSUE STATEMENT

As the federally designated Metropolitan Planning Organization (MPO), one of Metro's duties is to allocate the region's allotment of federal transportation funds, commonly known as the Regional Flexible Funding Allocation (RFFA). Every three years, Metro conducts a process to identify and select RFFA program and project investments. Together, the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council function as the MPO Board and decision-making body over the allocation of the Regional Flexible Funds.

The 2028-2030 RFFA process is currently underway and is nearing completion. JPACT is scheduled to take action to recommend the 2028-2030 RFFA at its meeting on July 17, 2025, and the Metro Council is anticipated to act on JPACT's recommendation at the July 31, 2025 Council meeting.

The purpose of this item is to provide the Metro Council an update on the 2028-2030 RFFA process, with a focus on the proposed \$88.5 million new project bond (Step 1A.1) and the approximately \$49 million competitive allocation to local capital projects (Step 2).

### ACTION REQUESTED

No action is requested. Staff seek Metro Council input and direction.

Staff will return on July 31, 2025 to request that the Metro Council vote on JPACT's recommendation to adopt the 2028-2030 Regional Flexible Fund Allocation.

### IDENTIFIED POLICY OUTCOMES

The *2023 Regional Transportation Plan* (RTP) identifies five goal areas for transportation investments: Equitable Transportation, Safe System, Climate Action and Resiliency, Mobility Options, and Thriving Economy. During deliberations to adopt the 2023 RTP, JPACT and the Metro Council determined that these five goals should be emphasized in the 2028-2030 RFFA process and they reaffirmed this interest in the *2028-2030 Regional Flexible Fund Allocation Program Direction*. (See **Attachment 1**.) Adopted through Resolution 24-5414, the program direction includes principles to guide and inform the development of the new Step 1A.1 bond proposal that is focused on regional and corridor scale transit, as well as the objectives and evaluation criteria for the Step 2 competitive allocation to local transportation projects.

**POLICY QUESTION(S)**

Staff is seeking guidance on whether the Metro Council needs additional information before taking action in July on the 2028-2030 Regional Flexible Funding Allocation.

**POLICY OPTIONS FOR COUNCIL TO CONSIDER**

The 2028-2030 RFFA process must be completed by summer 2025 to incorporate the awarded projects in the 2027-2030 Metropolitan Transportation Improvement Program (MTIP) and meet the federally directed schedule to make the funds available without delay.

**Step 1A.1 New Project Bond**

- Metro Council action to approve the proposed RFFA Step 1A.1 new project bond would approve the allocation of \$88.5 million among five capital projects that would deliver regionally significant transit investments. The proposed bond implements the policy objectives of the adopted 2023 RTP and the 2028-2030 RFFA Program Direction. The proposed bond would commit a portion of future Regional Flexible Funds toward debt repayment starting in 2028 through at least 2039, and consequently would reduce the amount of available Step 2 funding for the subsequent three Regional Flexible Fund cycles.
- If the Metro Council does not approve this proposal for bond project funding, staff would return to JPACT for additional deliberation. Options could include developing an alternative bond proposal or allocating the RFFA funds to the Step 2 allocation to support local transportation projects.
- This action does not include actual bonding action by Metro. If the Metro Council approves this proposal, staff will work with Metro's Finance and Legal departments, as well as regional partners, to determine the appropriate bonding mechanisms and borrower(s). Staff would then return to the Metro Council at a later date for discussion of the bonding action itself.
- Table 1 lists the five projects and the amounts proposed to be provided by proceeds from the new project bond. A recent memo to JPACT provides additional information on the Step 1A.1 allocation. (See **Attachment 2.**)

*Table 1: 28-30 Regional Flexible Fund Step 1A.1 Bond Proposal*

<b>Project</b>	<b>Proposed Bond Proceeds</b>
Tualatin Valley Highway Transit Project	\$28M
82 <sup>nd</sup> Avenue Transit Project	\$28M
Earthquake Ready Burnside Bridge	\$10M
Portland Streetcar Montgomery Park Extension	\$10M
Sunrise Gateway Corridor Project	\$12.5M
<b>Total Bond Package</b>	<b>\$88.5M</b>

**Step 2 Competitive Allocation to Local Transportation Projects**

- Council action to approve the RFFA Step 2 package would allocate approximately \$49 million to between eight and ten local transportation projects. The Step 2 funds would support projects across the region, while adhering to the principles of the adopted Program Direction and advancing RTP goals.
- If the Metro Council does not approve the Step 2 competitive allocation, staff would return to JPACT for additional deliberation to secure a recommendation for a new Step 2 package.
- Metro staff developed three package options for review and input from the Transportation Policy Alternatives Committee (TPAC), JPACT, and the Metro Council. A recent memo to TPAC describes the three package options and provides additional information on the Step 2 allocation. (See **Attachment 3.**)

**STAFF RECOMMENDATIONS**

- None at this time.

**STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION****Step 1A.1 New Project Bond**

As described in the adopted Program Direction, the proposed Step 1A.1 new project bond would serve multiple purposes:

- Use regional revenues on regional or corridor scale projects
- Advance the ability to construct projects earlier than would otherwise be possible
- Leverage significant discretionary federal revenue that will otherwise be allocated to other metropolitan areas.
- Continuing the past practice to use bonded RFFA revenues to advance transportation projects that improve equitable access to jobs and services, reduce climate impacts, and improve safe travel on the transportation system.

The region's history of bonding against future Regional Flexible Funds to build regional transportation projects has been a strategic success. Bonding has resulted in securing over \$2 billion dollars in federal grants and other state and local funding to projects, including the MAX light rail system and the Division Transit Project.

**Step 2 Competitive Allocation to Local Transportation Projects**

Step 2 funding for local capital projects on the regional transportation system is a critical funding source for local agencies at a time when transportation funding is limited. The Step 2 Call for Projects demonstrated that need. Metro received 24 applications requesting just over \$140 million, far exceeding the approximately \$49 million available.

Community members are invested in the outcomes of the Step 2 process. During the public comment period, an online interactive map and survey allowed participants to provide a numeric rating indicating their level of support for individual projects, as well as provide open-ended comments. At the end of the comment period, Metro received 1,683 project rating responses, making this a significant turnout.

## BACKGROUND

Throughout the 2028-2030 Regional Flexible Fund Allocation, staff have briefed the Metro Council to solicit input and direction. Briefing dates and topics included:

- January/February 2024: Kickoff briefings
- April 2024: Work session on the program direction
- July 2024: Adoption of Resolution 24-5415, *2028-2030 Regional Flexible Fund Allocation Program Direction*
- January 2025: Work session on the Step 1A.1 bond proposal scenario development

Since the January 2025 work session, staff have completed the following activities:

- **Outcomes Evaluation:** A technical review of the applications received for both Step 1A.1 and Step 2 proposed projects. Metro staff shared the results applicants, as well as with TPAC and JPACT to both inform the decision-making process and guide staff work to develop scenarios.
- **Scenarios Development:** Staff developed package options for both Step 1A.1 and Step 2 allocations. For Step 1A.1, JPACT acted at its March 20, 2025 meeting to forward a bond proposal for public comment. While not a formal legislative action, JPACT's unanimous vote signaled strong support for a transit-focused bond for the five candidate projects. For Step 2, TPAC and JPACT shared feedback with staff on themes and options. Staff also delivered presentations at the county coordinating committees to solicit feedback.
- **Community Engagement:** Following the action at the March 2025 JPACT meeting, Metro held a five-week public comment period that opened on March 26<sup>th</sup> and closed on April 30<sup>th</sup>. Metro used online tools to survey community members about both the Step 1A.1 bond proposal and all of the Step 2 projects. Metro published two engagement reports—one for Step 1A.1 and one for Step 2—summarizing the public comments. (See Attachment 2 and Attachment 3.)

## ATTACHMENTS

- **Attachment 1:** *2028-2030 Regional Flexible Fund Allocation Program Direction*
- **Attachment 2:** Memorandum to JPACT: 28-30 Regional Flexible Fund Bond Proposal (Step 1A.1) Updates (June 5, 2025) with attachments:
- **Attachment 3:** Memorandum to TPAC: 2028-2030 Regional Flexible Fund Step 2 – Allocation Package Options and Draft Legislative Materials (May 30, 2025) with attachments.

[For work session:]

- Is legislation required for Council action? ✓ Yes   ☐ No
- If yes, is draft legislation attached? ✓ Yes   ☐ No
- What other materials are you presenting today? Introductory Slide Show