



# Memo

Date: Thursday, February 8, 2024  
To: Joint Policy Advisory Committee on Transportation (JPACT) and Interested Parties  
From: Grace Cho, Senior Transportation Planner  
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Subject: 2028-2030 Regional Flexible Fund Allocation (RFFA) – Schedule and Process Overview

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## **Purpose**

To introduce the work program and schedule for the 2028-2030 Regional Flexible Funds Allocation (RFFA). To receive initial input on the development of the 2028-2030 RFFA Program Direction.

## **Background**

The Regional Flexible Funds are one source of the region’s transportation funding, though they represent a small (~5%) percentage of the total funding spent on transportation across the region. Comprised of federal surface transportation funds provided by the federal government, historically, the region strategically invested Regional Flexible Funds in parts of the transportation system that are critical to advancing the goals and objectives of the Regional Transportation Plan (RTP).

Allocation of the Regional Flexible funds are part of Metro’s requirements as a federally designated metropolitan planning organization (MPO) to carry out the metropolitan planning process.<sup>1</sup> Every three years, Metro begins a process to allocate the region’s allotment of federal funds, which the process generally takes 18-20 months to complete. Projects selected in the RFFA process are to be ready for funding obligation during federal fiscal years 2028-2030 and will be included in the 2027-2030 Metropolitan Transportation Improvement Program (MTIP).<sup>2</sup>

The MTIP is a component of the State Transportation Improvement Program (STIP). The MTIP development timeline is driven largely by the Oregon Department of Transportation (ODOT) timeline for adopting the 2027-2030 STIP. This schedule calls for the draft STIP to be adopted by late spring/early summer 2026. To conform to this timeline, a draft MTIP document must be prepared no later than spring of 2026.

The drafted Regional Flexible Fund Allocation schedule calls for JPACT and Metro Council to act at two key times: 1) for the adoption of the program direction, which is anticipated for late spring or early summer 2024; 2) for the adoption a RFFA investment package anticipated in summer 2025. Adhering to this timeline for the RFFA decisions are critical to meet the MTIP and the STIP development schedule.

## **Program Direction**

The RFFA Program Direction documents how the regional flexible funds are to be spent to carry out the policy objectives of the adopted RTP. The development of the Program Direction for the 2028-2030 RFFA cycle is the first step in the RFFA process. The development of the Program Direction is guided by the goals and policies set by the Regional Transportation Plan (RTP).

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<sup>1</sup> Additional background on MPO requirements can be found at <https://www.transit.dot.gov/regulations-and-guidance/transportation-planning/metropolitan-planning-organization-mpo>

<sup>2</sup> Federal fiscal years begin October 1 of the previous year (e.g. FFY 2028 covers 10/1/27 to 9/30/28)

In December 2023, at the recommendation of JPACT, the Metro Council adopted the 2023 RTP, which updated the vision, goals, and policies for the regional transportation system in the Portland metropolitan region. Building from the previous plan, the 2023 RTP establishes five investment priorities to bring the envisioned regional transportation network to fruition.

The aim of the upcoming 2028-2030 RFFA cycle will be to prioritize and determine the near-term system investments to implement the newly adopted RTP. The development of the Program Direction will define the details for directing the allocation process in a manner that implements the policy objectives and investment priorities of the RTP.

The 2025-2027 RFFA Program Direction serves as a starting point for the 2028-2030 RFFA. Metro staff will provide an overview of the Program Direction from the last RFFA cycle and collect input from regional partners and interested parties on proposed refinements to the Program Direction. With this input and incorporating other factors such as federal eligibility requirements, and previous funding commitments, Metro staff will work with TPAC to develop a draft updated Program Direction for JPACT consideration and action. Similar to previous editions, the program direction will include regional policy direction relative to the flexible funding allocation, previously adopted RFFA investment guidance, descriptions of Step 1 investments, and eligibility, criteria, and the selection process description for Step 2 project funding. JPACT is scheduled to act on the TPAC recommendation in spring/early summer 2024.

#### Existing Two-Step RFFA Program Direction and Process

Since the 2014-2015 allocation cycle, the region has followed a two-step framework for how the flexible funds are allocated. Step 1 comprises of ongoing funding commitments to bond repayments the region made in previous RFFA cycles, as well as providing continued investment in RTP-identified priorities and activities that support federal, state, and regional requirements to build a multi-modal transportation system. Step 2, representing the balance of funding remaining after Step 1 commitments and obligations are met, is for capital projects selected through a competitive allocation process.

Metro staff proposes to continue the existing two-step framework for the 2028-2030 RFFA process. The region made a commitment to repay bonds and identified three region-wide programs as part of an overall transportation strategy identified in the RTP. Regional funds provide funding to conduct essential and required MPO functions, as well as providing staff capacity to lead regional planning initiatives. The 2028-2030 RFFA Program Direction begins with Step 1 funding to continue to repay the bonds and maintain programs and regional planning work. Additional funding for Step 1 activities may be considered as a part of the Program Direction and allocation process.

#### **Carbon Reduction Program Funds (CRP) – Status**

The most recent federal transportation reauthorization established new transportation funding programs, some of which were suballocated to metropolitan planning organizations – like Metro – to award to projects and programs. The Carbon Reduction Program is one of the new funding programs. Metro conducted an expedited allocation of the initial \$18.8 million of CRP apportionment in spring 2023 in efforts to have the awarded projects reflected in the Oregon Carbon Reduction Strategy submitted to federal partners in winter 2023. The allocation of the CRP funds were directed by policies from the RTP, Climate Smart Strategy, the state Carbon Reduction Strategy, and federal eligibility rules.

In revenue projections for the 2027-2030 STIP, ODOT forecasted funds from the Carbon Reduction Program will continue beyond the current federal transportation authorization. ODOT's forecast

gives Metro reason to also forecast the continuation of CRP funds through 2030. Metro staff considered whether to fold CRP funds into the RFFA process but recommends a separate but coordinated allocation process with the RFFA. This will manage risk in the event the program does not continue in the next surface transportation reauthorization or is funded at a significantly reduced amount. It also allows for a narrower direction on the allocation of these funds consistent with their unique federal policy purpose and eligibility requirements. Metro staff will bring forward a more detailed proposal for the CRP allocation process at a future date.

**Process & Schedule**

Kick off of the 2028-2030 RFFA process began in early February 2024 and runs through the summer of 2025. Metro staff anticipates following a multi-phased process similar to preceding RFFA cycles. Attachment 1 provides an At-A-Glance overview of the 2028-2030 RFFA process and schedule. Briefly, these phases include:

1. Program Direction development (February-Spring/Early Summer 2024) – This phase results in the JPACT-approved and Council-adopted priorities and program direction for how Regional Flexible Funds are to be spent to carry out policy objectives of the 2023 RTP.

Activities include:

- Engagement with Metro Council to discuss priorities and gather input on operationalizing RTP policy objectives and priorities
- Engagement with TPAC and JPACT to discuss and gather input on operationalizing the RTP policy objectives and priorities.
- Outreach to county coordinating committees, technical advisory committees, and other interested parties (as requested)
- Preparation for the Step 2 competitive project solicitation. Preparation work includes development of the initial project application, risk assessment and technical evaluation materials.
  - Details of the application will be dependent on the final program direction adopted by Council. As much work as possible will occur during this time to ensure the overall RFFA process remains on schedule.
- Project delivery training series aimed at potential RFFA applicants in efforts to help prepare local partners developing an application.
- Assembly of a technical evaluation work group

Table 3 lists the schedule of Metro Council, JPACT and TPAC presentations and workshops.

**Table 3. RFFA Program Direction development schedule**

|               |   |                   |
|---------------|---|-------------------|
| Metro Council | RFFA process and timeline briefing, discussion, gather input on Council direction   | January 2024      |
| TPAC          | RFFA process and timeline briefing, discussion, gather input  | February 2, 2024  |
| TPAC workshop | Project delivery training series for potential RFFA applicants Step 1 region-wide programs overview   | February 14, 2024 |
| JPACT         | RFFA Process and timeline briefing, discussion, gather input  | February 15, 2024 |
| TPAC          | Overview of existing program direction, summary of input received to date, responses to questions, discuss proposal(s) for revising the program direction | March 1, 2024     |

|               |  |                             |
|---------------|--|-----------------------------|
| Metro Council | Work session briefing on input received to date, discuss proposal(s) for revising the program direction; provide staff direction on formulating a recommendation   | Late March/early April 2024 |
| TPAC          | Continued discussion on proposal(s) for revising the program direction; provide staff direction on formulating a recommendation  | April 5, 2024               |
| TPAC workshop | Project delivery training series for potential RFFA applicants<br>Step 1 region-wide programs overview<br>Continued discussion on proposal(s) for revising the program direction (if needed)                     | April 10, 2024              |
| JPACT*        | Overview of existing program direction, summary of input received to date, responses to questions, discuss proposal(s) for revising the program direction, provide staff direction on formulating recommendation | April 18, 2024              |
| Metro Council | Briefings on discussions to date   | Late April/early May 2024   |
| TPAC          | <b>ACTION: Recommendation to JPACT</b>   | May 3, 2024                 |
| JPACT         | <b>ACTION: on TPAC recommendation</b>  | May 16, 2024                |
| Metro Council | <b>ACTION: on JPACT-approved program direction</b>   | TBD                         |

\* Unconfirmed for the agenda. Based on availability on JPACT agenda and work program. Communications may be provided as part of the packet.

2. Call for projects (September-October 2024) – The Step 2 project call is scheduled to open in September 2024, with approximately two months allotted for applicants to prepare and submit their project proposals. A workshop to answer questions and provide further details on the RFFA process will be held just prior to or early in the project call.
3. Step 2 Project selection and deliberations (November 2024-Summer 2025) – Once the application window closes, work begins to evaluate and gather input on the submitted projects. Four sources of input guide the project selection process:
  - a. Technical Evaluation – a group comprised of agency staff and technical advisors with relevant expertise will conduct a technical evaluation each project’s performance at achieving policy outcomes as defined in the RTP and the RFFA Program Direction.
  - b. Risk Assessment – an independent analysis of each project to identify any impediments to the project scope, timeline or budget.
  - c. Public Comment – A minimum 30-day public comment opportunity to gather input on the proposed projects and overall RFFA program from community members and interested parties.
  - d. Identification of Priorities – Each county coordinating committee and the City of Portland has the option to identify and prioritize which of the projects submitted from their respective jurisdictions are most critical to the needs of the community.

Applicants will have an opportunity to provide clarifying information to questions or issues identified by the risk assessment or respond to questions for additional or clarifying information for the technical evaluation. This information is to help inform the public comment period and the county coordinating committee identification of priority projects.

Summary of applications will be provided to TPAC, JPACT, and Metro Council in early winter 2024 with the results of the evaluation and risk assessment available to share in early 2025. A public comment period summary is anticipated to be available in spring 2025.

4. Adoption of the 2028-2030 RFFA (Summer 2025) – Following public comment and the identification of priorities by the county coordinating committees and the City of Portland, members of TPAC in conjunction with Metro staff will look to formulate an allocation recommendation for deliberation by JPACT and the Metro Council. The aim is for a final allocation adopted by the Metro Council in summer 2025.
5. MTIP adoption (Fall 2026-Summer 2026) – Upon completion of the RFFA process, work commences on conducting the required analysis and documentation for adding the selected RFFA projects to the 2027-2030 MTIP. It is critical the RFFA process be completed by summer 2025 to stay on the MTIP development schedule. The MTIP is scheduled to be adopted in summer 2026 for inclusion in the 2027-2030 STIP.

**Question for JPACT**

- 1) What questions does JPACT have in regard to the process and schedule for the 2028-2030 Regional Flexible Fund allocation?
- 2) What initial input do JPACT members have on the 2028-2030 RFFA Program Direction?