

Date: Tuesday, May 9, 2023
To: Joint Policy Advisory Committee on Transportation (JPACT) and Interested Parties
From: Grace Cho, Senior Transportation Planner - Metro
Ted Leybold, Resource Development Manager - Metro
Subject: Carbon Reduction Program – TPAC Recommendation of Draft Allocation Package

Purpose

Provide JPACT members a summary of the TPAC recommended allocation of Carbon Reduction Program (CRP) funding and request JPACT recommend adoption of the Carbon Reduction Program Allocation to Metro Council.

Background

The Carbon Reduction Program is a new funding program established by the BIL and administered through the Federal Highway Administration (FHWA). Oregon is to receive an estimated \$82.5 million total in Carbon Reduction Program funding. The Oregon Department of Transportation (ODOT) ODOT will administered approximately \$53.9 million, \$26.8 million of which will be targeted to smaller cities and rural areas and \$29.8 million of which will be allocated across the entire state, including the Metro area.

The CRP funding administered by ODOT will be guided by the Statewide Transportation Strategy: 2050 Greenhouse Gas Vision, a statewide strategy for reduction of greenhouse gases from the transportation sector. Through direction outlined as part of CRP legislation, ODOT convened a group of stakeholders to provide input on program specific direction for CRP funds. With the Statewide Transportation Strategy as a starting point the stakeholder group, the CRP fund program direction further prioritized efforts and investments related to: vehicle and fuel technology, transportation options, system and agency operations, and system pricing.

The three large metropolitan organizations in Oregon – Portland, Eugene, and Salem - receive a direct suballocation of the Carbon Reduction Program funds based on formula. Metro's portion of the Carbon Reduction Program funding is approximately \$18.8 million total for the five federal fiscal years of BIL.

Carbon Reduction Program Funding Allocation Process -

The allocation of Carbon Reduction Program funds must be completed and submitted to FHWA no later than November 2023. Due to this compressed timeline Metro will award all five years of funding in one allocation process and staff will lead the development of several draft allocation packages informed by the Climate Smart Strategy and initial TPAC, JPACT and Metro Council member input. The gathering of input for developing draft allocation packages took place from December 2022 through March 2023. At April JPACT, members considered five different allocation packages and provided feedback. The feedback led to the narrowing of package options considered by TPAC and their recommendation to JPACT.

Input received throughout carbon reduction program allocation deliberations is summarized as part of Exhibit D in the staff report of Resolution 23-5337.

Upon adoption of a final allocation by the Metro Council, the awarded projects will be submitted to ODOT for incorporation into the statewide planning and funding allocation submission to the Federal Highway Administration. Individual project allocations will also be amended into the Metropolitan Transportation Improvement Program before they may be spent by the lead agency awarded funding.

TPAC Recommended Carbon Reduction Program Allocation Package

At the May 5th TPAC meeting, Metro staff presented two Carbon Reduction Program allocation options for considerations. The two allocation options were based on the input received from TPAC and JPACT members on the draft investment package options at their April meetings. The allocation options were:

Package C – Transit Corridors and Active Transportation		
	Tualatin Valley Highway Bus Rapid Transit	\$5,000,000
	82 nd Avenue Bus Rapid Transit	\$5,000,000
	Line 33 McLoughlin Transit Signal Priority	\$4,000,000
	Climate Smart Implementation Program	\$1,800,000
	Active Transportation	\$3,000,000
	Subtotal:	\$18,800,000
Package E – Transit Corridors and Transportation System Management & Operations		
	Tualatin Valley Highway Bus Rapid Transit	\$5,000,000
	82 nd Avenue Bus Rapid Transit	\$5,000,000
	Line 33 McLoughlin Transit Signal Priority	\$4,000,000
	Climate Smart Implementation Program	\$1,800,000
	Transportation System Management & Ops	\$3,000,000
	Subtotal:	\$18,800,000

Both package C and E were modified slightly prior to the May 5th TPAC meeting to reflect input provided on the draft packages. Modifications included:

- Language to address the uncertainty for the three corridor candidates to allow for repurposing excess or remaining funds for activities within the corridor including safe access to transit or other transit elements, as long as federal eligibility requirements are met.
- Further project description to outline the activities Metro will undertake for Climate Smart Implementation activities.
- Refinements and clarification to fund projects with the \$3 million going towards either Active Transportation (Package C) or Transportation System Management (Package E) would support/induce shifting trips to walking, biking, or transit and have high carbon emissions reduction benefits.

At the time of the TPAC meeting, Metro staff had begun an inquiry with TriMet on possible fund exchange of \$3 million dollars with TriMet, in recognizing the interest in the Package C was highly predicated on the ability to defederalize those funds. TriMet was unable to provide a response in time for the May TPAC meeting but expects to have a response about the fund exchange prior to the May 18th JPACT meeting. Information on the fund exchange possibility will be brought forward at the JPACT meeting.

TPAC members voted to recommend Package E: Transit Corridors and System Management and Operations option as the preferred allocation option for carbon reduction program funds. Of the 19 TPAC voting members, ten members voted in favor of package E, six voted against the recommendation of Package E because of their preference for Package C: Transit Corridors and Active Transportation, and there were three abstentions, reflecting the difficult decision TPAC had choosing between the options.

As part of the recommendation of Package E, TPAC recommended the following refinements be reflected in the recommended allocation package for the carbon reduction program funds. These include:

- An obligation date and/or a confirmation decision to pursue the Federal Transit Administration (FTA) Capital Investment Grant (CIG) Small Starts discretionary grant

program for the funds allocated to the 82nd Avenue and Tualatin Valley Highway corridor projects.

- Additional guidance to Transport in the allocation of the \$3 million to transportation system management technologies/projects to prioritize in addition to, but secondary to carbon emission reduction benefits:
 - reducing the impact of climate change and air pollution on marginalized communities
 - safe access to transit and schools
 - funding projects around the region and/or that have regionwide benefits.

The refinements are incorporated into Exhibits A and C of the Staff Report to Resolution 23-5337.

Requested Action for JPACT

- Recommend the allocation package for adoption by the Metro Council as Resolution 23-5377 and supporting materials.

Next Steps

The following table outlines the next steps for the carbon reduction program funds allocation.

Activity	Timeline
Request JPACT recommendation and refer to Metro Council for adoption	May 18, 2023
Metro Council adoption	June 15, 2023
Submit carbon reduction program allocation to ODOT Climate Office	Mid-June 2023
Program carbon reduction program awards in the 2024-2027 MTIP and STIP	Fall 2023
Submit statewide carbon reduction strategy to U.S. DOT	November 2023