

PILOT PROGRAM – PHASE 2 PROGRAM FRAMEWORK

Date: November 5, 2019

Department: Planning and Development

Meeting Date: November 12, 2019

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Length: 30 minutes

ISSUE STATEMENT

Our region is seeing significant growth in new transportation services, including ride-hailing, micromobility, car sharing and online travel information. We know that these changes are having significant impacts on our communities and our transportation system, but we don't fully understand whether or how they can support our regional goals.

The Planning and Development program Learning Opportunities in Transportation (PILOT) program is a competitive funding program launched by Metro in 2019. The program funds short-term implementation projects that test new approaches to transportation and technology transportation in order to develop the information, capacity, and partnerships that support Metro and its partners in taking more significant action on technology. The first round of projects are now underway, and staff are preparing for the next round of funding, which will be issued in 2021. The PILOT program is one of the only regional grant programs in the U.S. focused on emerging technology, and is the only one that has such a strong focus on equity.

At this work session, staff will update Council on the current round of projects, share lessons learned from the process to date, and seek Council feedback on the program structure for the next round of funding. Staff will then seek consideration of the program structure by the Transportation Policy Alternatives Committee and Joint Policy Advisory Committee on Transportation (JPACT) in winter of 2019-2020.

What is the PILOT program?

The PILOT program is a grant program that aims to:

- Test how emerging technologies – including ride-hailing; car, scooter, or and bike sharing; ride matching; microtransit; and online/mobile travel information, payment, and incentives – can improve equitable, shared, and active transportation options
- Collect and share information on results
- Develop cross-sector partnerships that support ongoing success in the region's work on emerging technologies

The program was identified as a next step for Metro in the 2018 Emerging Technology Strategy, which was adopted by Council as part of the 2018 update to the Regional Transportation Plan. The Strategy found that emerging technologies could significantly impact Metro's regional goals, both for better and for worse, and called on Metro to develop policies and tools to steer them toward positive outcomes. Emerging technology is developing rapidly, and as a result there isn't a lot of information on best practices available, so the PILOT program provides resources for Metro and its partners to learn by doing.

After a lengthy outreach process to refine and promote the program and help applicants develop project ideas, Metro opened a call for PILOT applications in early 2019. We received nine applications for over \$540,000 in funding and gave four awards totaling \$150,000. The four funded projects are all now underway, and all are focused on better understanding and overcoming the barriers that communities of color and other disadvantaged groups face to accessing emerging technology.

ACTION REQUESTED

Staff seeks Metro Council direction on potential changes to the PILOT program's budget and structure that could help to expand the reach and impact of the program.

The first round of PILOT funding was focused on equitable access to transportation, engaged new non-profit and private sector partners that Metro has not yet worked with, and ended up oversubscribed in spite of asking applicants to implement innovative solutions to challenging problems on a limited budget. However, projects largely focused on providing access to emerging technologies in communities where these options are already available, largely in the City of Portland. Staff have identified potential changes to the program could help to support projects across the region and better engage the full range of potential partners to bring new options to the many areas of the region that need them most.

IDENTIFIED POLICY OUTCOMES

As directed by Exhibit A to Metro Ordinance No. 18-1421 and described in the Emerging Technology Strategy of the 2018 RTP, the PILOT program was identified to test how Metro and our partners can use technology to advance equity and provide better, more efficient travel options; collect information on how we can best implement the policies contained in the Emerging Technology Strategy; and develop partnerships that enable long-term success.

The results of this next grant process will guide Metro and its partners in developing and implementing policies and programs related to emerging technology.

POLICY QUESTION(S)

1. What feedback does Council have about the future direction of the PILOT program?
2. Does Council support staff's recommendation (see below) to expand the PILOT program's focus from providing equitable access to emerging technologies in communities where those technologies are already available to providing equitable access plus bringing new options to people and communities that need them most?
3. Are there changes to the PILOT program structure that staff should explore to ensure that the project reaches partner agencies and/or communities within the region that did not participate heavily in the initial round of the program? The following section discusses some of the changes that staff are considering.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

Policy options for Council to consider include:

Option 1: Maintain the current program structure. Under this approach, Metro would likely continue to fund similar equity-focused, community-led projects that we have funded under the first round of the program. Under this approach, PILOT projects would likely continue to be largely nonprofit-led and focus on communities where emerging technologies are already available – primarily in the City of Portland. Projects would likely focus primarily on equity outcomes, but may not do as much to help people shift from driving to more sustainable and affordable modes.

Option 2: Expand the program in order to achieve the following additional outcomes:

REGIONAL MOBILITY POLICY UPDATE

- Support pilot projects in new areas of the region – particularly regional centers outside the City of Portland - that are not yet as fully served by emerging transportation options
- Better engage participation of government partners to make the policy changes and leverage the more significant resources that are needed to bring emerging technologies to new markets
- Create more significant impacts that not only help all people access emerging technology, but also help people shift away from peak-period, drive-alone motor vehicle trips to more sustainable and affordable options

Under this option, we would still maintain the focus on equitable access to emerging technology and robust participation from community-based organizations that characterizes the current program – in the context of larger, more impactful projects that are more evenly distributed across the region. Some of the tools that we could use to implement this change include increasing the size of the program budget as well as making complimentary administrative changes suggested by program partners, such as:

- Increasing minimum grant sizes or partnership requirements (i.e., requiring that projects involve a private, non-profit, and public agency partner instead of partners from only two of these three sectors)
- Being more prescriptive about eligible project types and desired project outcomes.
- Changing the program structure from a grant model to a collaborative solicitation model, which would allow Metro to provide more support with project administration and pool resources across multiple partners.

STAFF RECOMMENDATIONS

Staff recommends Option 2, expanding the PILOT program. This option will foster projects that test innovative solutions to address the most pressing challenges our region faces – including providing everyone with convenient and affordable options, managing congestion, and reducing greenhouse gas emissions – by better engaging and supporting the full range of project partners throughout the region.

With Council support, staff will continue engaging Metro stakeholders to identify potential changes to the program structure, which we will revise for Council consideration in 2020.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Emerging technology is a relatively new area for Metro. Planning and Development created a staff position devoted to planning for emerging technology in 2017, and the 2018 RTP was the first to include an Emerging Technology Strategy. The Strategy is focused on identifying how Metro and its partners can advance the RTP policy goals for equity, climate, safety, and congestion relief as well as support other state, regional and local policy objectives through their work with emerging technology. The Strategy also recognizes the challenges that emerging technology poses the practice of transportation planning due to the fast-developing and unprecedented nature of many new technologies, the relative lack of information on impacts and best practices, and the significant role of the private sector in developing and implementing new technology. The PILOT program is designed to support Metro's policy goals in a way that responds to these challenges and provides learning opportunities for the region's transportation agencies to keep pace with new developments. This understanding is reflected in the description of the program in the

REGIONAL MOBILITY POLICY UPDATE

Emerging Technology Strategy as well as the implementation of the first phase of the program.

Legal Antecedents

- **Ordinance No. 18-1421** (For the Purpose of Amending the 2014 Regional Transportation Plan to Comply with Federal and State Law and Amending the Regional Framework Plan), adopted Dec. 6, 2018.

Anticipated Effects

This project will issue grant funding to projects that help Metro and partners learn how to most effectively guide emerging technology toward meeting regional policy outcomes.

Financial Implications

The initial PILOT program budget of \$150,000 was funded through Metro's general fund. The next phase of the program will likely rely on general fund and potentially other resources, pending the program structure that is developed for the next phase of the program.

BACKGROUND

Greater Portland is growing quickly, with more than two thousand new residents each month. New developments in transportation and technology mean that the number of options available to residents of the region is growing as well. For example, people took over 12 million Uber and Lyft trips – roughly ten percent of the number of transit trips in the region – in the City of Portland alone in the past year. The City of Portland's BIKETOWN bike share, launched in 2016, carried 300,000 trips in its first year; two years later when electric scooter sharing came to Portland people took 300,000 scooter trips in the program's first month. Smartphone apps have become the most popular way for people to get information on their travel choices, while the number of people who get information from other sources has declined swiftly. It's fundamental to our future to have a variety of safe, affordable, and reliable options for people to get where they need to go – whether they are driving, riding a bus or train, biking or walking. In some cases, emerging technologies support this goal, whereas in other cases they compete with transit and other existing options, offer premium services that aren't accessible to the people who need new transportation options the most, or create new safety risks for travelers.

In December 2018, JPACT and the Metro Council adopted a significant update to the Regional Transportation Plan following three years of engagement that included over 19,000 touch points with community members, community and business leaders, and regional partners. The 2018 RTP was the first to include an Emerging Technology Strategy, which focused on identifying how Metro and its partners can advance the RTP policy goals for equity, climate, safety, and congestion relief as well as support other state, regional and local policy objectives through their work with emerging technology. The Strategy identified four action items for Metro to pursue in the coming two years: developing regionally consistent policies on emerging technology, providing partners with data and tools that they can use to plan for emerging technology, advocating for state and federal technology policy that supports Metro's goals, and creating the PILOT program. Metro has made progress on all of these action items, but we have led with the PILOT

REGIONAL MOBILITY POLICY UPDATE

program because it provides resources and develops capacity that supports implementation of the other actions.

The first phase of the PILOT program launched in September 2018 with \$150,000 in funding. During the first phase, the program goals were to:

- Test how emerging technologies can improve equitable, shared, and active transportation
- Collect and share information on how projects perform
- Develop partnerships between public agencies, community groups, new mobility companies, and others that support ongoing success in the region's work on emerging technologies

Because the program was new, Metro began by accepting letters of interest, and staff offered feedback to help potential applicants refine their project ideas and form teams. PILOT applications were due in February 2019, and Metro received nine applications for over \$540,000. Metro convened a review panel to review these applications that included diverse perspectives and expertise in community development, equity, transportation project delivery, technology, and public-private partnerships, as well as a Metro Council representative. The panel recommended four awards totaling \$150,000, and projects are all under contract and beginning work as of November 2019.

The four funded projects, summarized below, are all focused on better understanding and overcoming the barriers that communities of color and other disadvantaged groups face to accessing emerging technology.

Project partners	Project name / description	Grant amount
APANO, ROSE CDC, Car2Go	<i>New Mobility at the Orchards of 82nd</i> : Provide Jade District residents with pre-funded accounts that they can use to pay for bike and scooter share, ride-hailing, and transit, as well as education, assistance, and technology to help them access new modes	\$30,000
Latino Network, Uber, TriMet	<i>Latinx Ride Share Promotion</i> : Provide ride-hailing credits and travel assistance to help Latinxs reach educational programs and services at locations throughout the region	\$55,000
OPAL, Portland Transport, Rosewood Initiative	<i>East Portland Transit Appliance</i> : Install screens displaying real-time information on transit arrivals at community locations in East Portland near lines with increased transit service	\$30,000
Ride Connection, Full Path, Trillium Transit	<i>Trip Planning for All</i> : Develop a trip planning tool that provides information on demand-response / special needs transportation services in the region	\$35,000

PILOT was the first new funding program launched in Planning and Development since the adoption of Planning and Development's Equity Strategy, and it focuses on options that are often market-driven instead of designed to serve all people's needs. The program placed a particular emphasis on making sure that people of color and people from other historically

REGIONAL MOBILITY POLICY UPDATE

marginalized communities were engaged throughout the grant process and played a leading role in the funded projects.

The PILOT program is meant to be an iterative process that guides Metro and its partners' work on emerging technology more broadly. We want to use the lessons learned from the PILOT projects to inform how our region plans for, invests in, and regulates emerging technology. We also want to focus future rounds of the program on the issues where the region is most in need of the resources and that these grants can provide. Metro staff have been evaluating the PILOT process in order to understand what changes to the program structure may be necessary. Staff interviewed 2019 PILOT applicants and advisory panel members, tracked partners' level of engagement throughout the grant process, and continue to monitor both the implementation of PILOT projects and new developments in emerging technology throughout the region. The table below summarizes how the PILOT program has performed with respect to the goals that can be evaluated based on the information received to date. Some of the goals listed in the table are explicit program goals; others are implicit aspects of Metro's work and mission.

Goal	Successes	Opportunities to do more
Test new approaches to shared / active / equitable transportation	PILOT funded a strong set of projects focused on providing equitable access to emerging technologies.	The funded projects seem unlikely to shift significant numbers of trips from driving to shared and active modes.
Create cross-sector partnerships	PILOT drew significant interest from across sectors, and funded a number of private/non-profit partnerships. Multiple teams that didn't receive a grant continue to move forward.	Public agencies play a relatively minor role in the funded projects, and none submitted applications. Some agencies came close, but didn't complete applications due to lack of capacity or support from leadership.
Fund projects across the region	Two of the four PILOT projects are regional in scale.	None of the funded projects focus on Washington or Clackamas Counties.
Leverage other investments in transportation and technology	Though the program did not require a match, funded projects leveraged over \$95,000 of matching support, due in part to the program's use of general funds, which drew private resources.	The program missed opportunities to align with partner efforts, including Portland's dockless scooter pilot and TriMet's Multimodal Trip Planner.
Create an engaging, transparent, and equitable grant process	Panelists and applicants feel that the process helped build partnerships, made it easy to engage, and valued the expertise of community.	Some struggled to interpret program goals, and encouraged Metro to be more prescriptive about the type of projects it wants to see.

The PILOT program is one of the only regional grant programs focused on innovative approaches to transportation, and is the only one that has such a strong focus on equity.

REGIONAL MOBILITY POLICY UPDATE

This is especially notable given that PILOT is the first new funding program launched since the adoption of Planning and Development's Equity strategy, and it focuses on options that are often market-driven instead of designed to serve all people's needs. The program reached new non-profit and private sector partners that Metro has not yet worked with, engaged people from across sectors and across the region, and ended up oversubscribed in spite of asking applicants to implement innovative solutions to challenging problems.

However, the program could have done a better job engaging public agency partners and communities throughout the region, not only to achieve Metro's goals, but also to support the broader success of Metro's emerging technology work, which often relies on local policy changes and resources. Metro surveyed members of its Emerging Technology Working Group, which consists of staff from 16 of the public agencies in the region that are most actively engaged in issues related to emerging technology, to better understand how it could better engage partner agencies in the PILOT program and other emerging technology work. The survey revealed a high degree of interest in working with a variety of emerging technologies in communities throughout the region. The most common barriers that respondents faced to advancing this work were a lack of staff and technical capacity and insufficient funding. When asked what Metro could do to help advance its partners' work on emerging technology respondents said that funding, convening partners, sharing data, and providing technical support would all be useful.

Without any major changes, the PILOT program can continue to fund projects that help to create more equitable access to technology and transportation options in places where they are already available. The lessons learned from these projects will help to improve equity policies and programs in communities that are well-served by new options and that have public and community resources to engage with emerging technology – primarily in the City of Portland over the short term, and potentially in some of the region's other large cities over the longer term. Some key aspects of the program to maintain based on feedback received so far include:

- A strong emphasis on equity
- Use of flexible funding sources (general funds instead of state/federal funds)
- A phased selection process that allows Metro to vet ideas before the final application
- Opportunities for pre-application networking, feedback and technical assistance

The evaluation also identified potential changes to help the PILOT program better explore new approaches to mode shift, engage local governments, and bring new mobility options to communities in the region that need them the most. Some of these changes could include:

- Increasing the minimum grant size and/or overall funding amount to support more significant learning opportunities and projects in areas that the market might not otherwise serve
- Changing the program structure from grantmaking to a collaborative solicitation process, which would allow Metro to take a more active role in assisting participants with project development and management

REGIONAL MOBILITY POLICY UPDATE

- Focusing on a narrower range of project types that would provide the most benefit to the region and best benefit from Metro's assistance, which would allow Metro to provide more effective technical support and create more clarity for grantees
- Reallocating resources from implementing projects to planning and developing projects, which could allow Metro to provide more technical support and reduce risk for grantees

Metro staff are currently managing the existing grants while keeping an eye on how PILOT projects can advance understanding of emerging technology in the region and preparing for the next round of the program. This work session is an early opportunity for Council to weigh in on potential program changes. Over the coming months, staff will work with stakeholders – including TPAC and JPACT; current grantees; public, private, and non-profit organizations that participated in the first round of the program; and a staff-level working group consisting of public agencies and transportation management associations that are working on issues related to emerging technology – to refine the program structure based on Council direction and present a revised program structure for Council consideration in Spring 2020.

ATTACHMENTS

- Is legislation required for Council action? **No**
- If yes, is draft legislation attached? **No**
- What other materials are you presenting today?
 - Powerpoint (to be provided at the work session)