

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 21-5194, FOR THE PURPOSE OF ADOPTING THE 2025-2027 REGIONAL FLEXIBLE FUNDS ALLOCATION POLICY REPORT FOR THE PORTLAND METROPOLITAN AREA

Date: July 1, 2021
Department: Planning and Development
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Length: 30 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 2018 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 2025 through 2027 in accordance with the regional investment priorities established in the 2018 RTP.

ACTION REQUESTED

Approve Resolution No. 21-5194.

IDENTIFIED POLICY OUTCOMES

Resolution No. 21-5194 supports investments in the region's transportation system that advance four investment priorities; Equity, Safety, Climate Change, and Congestion. Through the 2018 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 March 9, 2021 Metro Council work session, Council outlined three policy principles to be followed in development of the 2025-2027 RFFA program direction.

In that work session, Council affirmed that the following three main principles should be followed in the development of the 2025-2027 RFFA Program Direction:

1. In developing the 2018 Regional Transportation Plan (RTP), regional leaders agreed upon a set of recommendations for investments needed to better meet the region's shared goals. The Metro Council at that time directed jurisdictional partners to review and refine their project lists to the extent practicable to help make more progress on these near-term regional transportation investment priorities:
 - a. Equity – Equity is central to all investment priorities. The negative impacts of previous transportation investments fall most heavily on BIPOC and low-income communities. Flexible funds should be focused on investments that reduce these burdens and improve the quality of life for these communities, consistent with the RTP's transportation equity goals and policies.
 - b. Safety – The region has adopted a Vision Zero goal to eliminate the number of traffic deaths and severe injuries, yet the number of fatal and severe injury crashes in the region continues to rise. Flexible funds should be invested in areas with the greatest demonstrated safety need and in a manner that will move the region as quickly as possible towards Vision Zero utilizing the strategies and actions of the Regional Transportation Safety Strategy.
 - c. Climate – Metro's Climate Smart Strategy is the region's adopted direction on how to reduce greenhouse gas emissions from transportation sources. Flexible funds should be invested in a manner consistent with implementing Climate Smart Strategy policies and supporting actions.
 - d. Congestion – While the RTP acknowledges that congestion cannot be eliminated, the flexible funds should support investments that can improve system efficiency, travel time reliability, and expand people's travel choices, consistent with the region's Congestion Management Process.

Council affirms these four RTP investment priorities are the priorities for the 2025-2027 RFFA.

2. The existing two-step framework should continue in the 2025-2027 RFFA. Council recognizes the purposes for and affirms the importance of continuing regional investments made through Step 1. These investments respond to various federal, state and regional obligations and commitments to manage congestion, improve air quality and plan for future growth throughout the region.

The Step 2 capital project funding is an important means of ensuring the vision defined in the RTP comes to fruition. Over the years, these funds have been invested in many transformational projects throughout the region. Continuing to provide funding for local jurisdiction projects that support the four RTP investment priorities is a key component of achieving our regional vision and goals.

3. Council supports adjustments to the existing Step 2 project funding categories and targets. Experience has demonstrated that through thoughtful planning and design, the region can make investments that achieve positive outcomes and address multiple transportation needs. The criteria and selection process for Step 2 projects should be refocused in a manner that supports investing in local projects that benefit the regional transportation system as defined through the four RTP priority areas. Council is open to considering

recommendations for additional investment priority areas that are rooted in regional policy or Council endorsed direction, such as the Metro Council's Six Desired Outcomes.

The 2025-2027 RFFA Program Direction to be adopted by Resolution No. 21-5194 follows this direction previously provided by Council.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Resolution No. 21-5194 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 in these four priority areas:

Equity – Reduce barriers and disparities faced by historically marginalized communities, particularly for communities of color and people with low income.

Safety – Reduce fatal and severe injury crashes to move the region as quickly as possible toward Vision Zero, particularly for communities of color and other historically marginalized communities.

Climate – Reduce greenhouse gas emissions from cars and small trucks to reduce the impacts of climate change, particularly for communities of color and other historically marginalized communities.

Congestion – Manage travel demand and increase use of travel options to make travel more reliable on the region's busiest roadways, particularly for communities of color and other historically marginalized communities.

1. **Known Opposition:** None known at this time
2. **Policy Development Stakeholders:** TPAC and JPACT developed the 2025-2027 RFFA Program Direction, using input received through three public workshops. The workshop participants included local and regional jurisdictional staff, elected officials, non-governmental organization representatives and community members. The RFFA program framework directly supports and implements the 2018 RTP investment priorities, which were determined through an extensive public process as noted above
3. **Legal Antecedents:** Updates the 2022-2024 Regional Flexible Funds Allocation Policy Report, adopted by Metro Council Resolution 19-4959 on April 4, 2019
4. **Anticipated Effects:** Adoption of this resolution will provide the policy direction, program objectives and procedures that will be used during the 2025-2027 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 2025-2027 RFFA Program Direction builds upon previous RFFA direction 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.

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 move 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.

Based on input from the three RFFA workshops, as well as feedback from TPAC and JPACT, the capital project funding (aka Step 2) category has been changed for this cycle. Previously, Step 2 consisted of two modal target subcategories. 75 percent of the available funding was directed towards Active Transportation and Complete Streets projects. The remaining 25 percent was directed towards projects to improve Freight Mobility and support Economic Outcomes.

The 2025-2027 RFFA Program Direction continues investments in these key regional system needs, focusing on project outcomes that advance the four RTP investment priorities. But the two previous project subcategories have been combined into a single category. Project selection criteria for the Step 2 investments are intended to illustrate how projects perform in each of the four RTP investment priorities. Further work will be conducted during the summer of 2021 to develop performance measures relevant to each of the four criteria and that will be used in the technical evaluation of proposed projects.

Adoption of Resolution No. 21-5194 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 in the fall of calendar year 2022. Council is scheduled to consider and take action on a JPACT-approved project list in October 2022. 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 2023.

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. 21-5194

2025-2027 RFFA Program Direction