

Memo

Date: July 1, 2021
To: JPACT and Interested Parties
From: Dan Kaempff, Principal Transportation Planner
Subject: 2025-2027 Regional Flexible Funds Allocation Program Direction

Introduction

Staff is presenting the 2025-2027 Regional Flexible Funds Allocation (RFFA) Program Direction and seeking JPACT's approval.

Updating existing program direction

At the outset of each RFFA cycle, the region updates the Program Direction used in the previous cycle. This is done to ensure the regional funds continue to be aligned with updated Regional Transportation Plan (RTP) policy direction and respond to current and anticipated system needs. And it maintains consistency with previously adopted regional intent for the purpose and process used in allocating these funds.

Starting with input received through the 2022-2024 RFFA retrospective, Metro staff conducted a multi-month process to identify and discuss updates to the 2025-2027 RFFA Program Direction. Staff led a series of discussions with TPAC, JPACT, regional decision-makers and stakeholders to identify ways in which the Program Direction could be updated. A total of eight meetings and workshops were held to gather input, as listed below:

| 2025-2027 RFFA Program Development meetings | | |
|---|----------------|----------------|
| TPAC | JPACT | Workshops |
| February 5, 2021 | March 18, 2021 | March 10, 2021 |
| April 2, 2021 | May 20, 2021 | April 8, 2021 |
| May 7, 2021 | | April 28, 2021 |

In these meetings, several potential Program Direction adjustments were proposed and discussed. The following is a brief summary of the main topics of those discussions and how they have been responded to in the 2025-2027 RFFA Program Direction.

1. Change to single Step 2 project category – There is support for a single Step 2 category that provides greater flexibility than the previous two funding categories provided to allow for more comprehensive, multi-modal project applications. As was the case in previous RFFA processes, the intent is to provide this flexibility but to retain a focus on projects that advance active transportation (AT) and complete streets, and freight and economic development as the previous categories provided.

The 2025-2027 RFFA Program Direction will have one Step 2 category that reflects the RTP investment priority areas' intent. Projects will be evaluated in how well they implement the four RTP investment priorities. The criteria and associated measures will show that AT and freight and economic development will continue to be emphasized. But no specific funding amount is designated for either focus area.

2. No weighting of the four RTP priorities – The question of weighting any of the four RTP investment priorities was posed in the discussions. There was not an indication that participants felt any of the four priorities should be emphasized in the technical evaluation. The technical evaluation will develop a rating of each project within each of the investment priority areas in addition to an overall rating. Staff will present this information in such a way as to give decision-makers the ability to select projects that best advance any of the four priorities. The intent is to give decision-makers a clearer understanding of each project's relative strengths compared to others and more flexibility in how they prioritize projects for funding. As there is no policy direction to fund only the projects with the highest overall ratings, decision-makers can use this information to advocate for specific projects. Or they can use it collectively to develop a package of investments that achieve specific policy objectives.

3. Outcomes-based criteria – With the creation of a single-category Step 2, project evaluation criteria have been updated to reflect this change and more specifically articulate how the Investment Priority categories will be evaluated as an element of the Program Direction. The table in the 2025-2027 RFFA Program Direction lists the criteria to be used to demonstrate how thoroughly and completely a proposed project is aligned with RTP Investment Priorities. Further work to develop and refine performance measures will be conducted by a technical evaluation work group convened by Metro. The work group will be comprised of regional and local agency staff and community members with expertise in transportation. They will meet over the summer of 2021 to develop technical evaluation performance measures and methodology. Staff will present the evaluation methodology and framework to TPAC for their review and input prior to the opening of the project call in November 2021.

4. Evaluating economic outcomes – The RTP Investment Priorities were developed and adopted with an underlying principle that by focusing the region's investments on Equity, Safety, Climate and Congestion, economic benefits would also be achieved. While the Chapter 2 of the 2018 RTP identifies the importance of the regional transportation system in supporting a healthy, growing economy, it does not uniquely emphasize support for the economy as a near-term funding priority in Chapter 6.

While discussion indicated an overall belief that it is important to show how RFFA investments are helping improve the region's economy and supporting economic growth, there was not a preferred or recommended methodology identified for how to do that.

The technical evaluation will include performance measures that illustrate economic benefits. Examples of Metro data sources to be used to measure economic outcomes include the Economic Value Atlas and the Active Transportation Return on Investment. Further work to develop final measures will occur in the technical evaluation work group meetings.

5. Enhanced Transit Corridors/Better Bus – In response to TriMet's proposal to consider funding specific to Better Bus transit improvements, the indicated preference is to consider these investments through Step 2 project applications. Measurement of ETC elements in a proposed project will be included in the Step 2 evaluation methodology.

Coordination of Metro funding sources

As detailed in the memo included with TPAC materials, Metro intends to use the RFFA Step 2 project application and evaluation process in selecting trails projects to be funded through the 2019

Parks and Nature (P&N) bond measure. As RFFA has funded many trails projects and they are a critical part of the region's Active Transportation network, there is significant overlap with the purpose and intent of the P&N bond measure funding dedicated for trails. By using a single application process, the intent is to lessen the burden of funding applications and processes on local jurisdictions, and to improve the efficiency of funding allocation. It is important to note that trails projects will remain eligible for RFFA funding. Please refer to the attached memo for further details.

TPAC recommendation

In their June 4, 2021 meeting, TPAC discussed the draft 2025-2027 RFFA Program Direction and recommended JPACT approval of it. In their recommendation, TPAC requested the following clarifications be included:

- Additional language added (page 6) to address the uncertainty of the federal funding forecast as of this date. TPAC advised that along with the selection of Step 2 projects to be funded, a provisional list of projects be developed, should the amount of available funding in this cycle be greater than the estimated \$142,350,000.
- TPAC recommended that local agency staff assist with the development of performance measures and be included in the technical evaluation work group. Local agency staff participation is limited to performance measure development and they will not participate in the technical evaluation process.

Next steps/requested action

Staff is seeking JPACT approval of the TPAC-recommended 2025-2027 RFFA Program Direction. Upon JPACT's approval, Metro Council is scheduled to consider and take action to adopt it on September 9, 2021.