Memo



Date: Friday, January 18, 2019

To: Metro Council

CC: Elissa Gertler, Margi Bradway, Ted Leybold From: Dan Kaempff, Principal Transportation Planner

Subject: Response to Council Work Session on 2022-24 Regional Flexible Funds Allocation

At your January 8, 2019 work session, Metro Council discussed the upcoming Regional Flexible Funds Allocation (RFFA) process. In that discussion, Council outlined four policy principles to guide allocation of regional funds, and directed staff to provide additional detail on those principles. Council also directed staff to prepare potential funding initiatives for their further consideration in the policy development and funding process.

Council agreed on four main principles to be followed in development of their policy direction:

- 1. The 2018 Regional Transportation Plan priorities are to serve as the RFFA policy framework. An extensive public engagement process went into the creation of the RTP, as well as numerous meetings and interactive forums with the region's elected officials, business and community leaders. Metro's public outreach efforts resulted in over 19,000 individual communications during the RTP process. From these discussions, an agreement on the region's priorities relative to the transportation has emerged.
- 2. The four primary RTP priorities are to be carried out through RFFA project selection. The RTP contains a broad vision statement, and subsequent supporting goals and objectives that define a transportation system that aligns with the Council-adopted Six Desired Outcomes. Included in this policy direction are four priorities for transportation that JPACT and Metro Council said were the most critical and should be emphasized through our subsequent funding and policy-making activities.
 - a. **Equity** reduce disparities and barriers faced by communities of color and other historically marginalized communities
 - b. **Safety** reduce fatal and severe injury crashes, particularly focusing on the High Crash Corridor network
 - c. **Climate Change** expand transit and active transportation networks, and leverage emerging technology to meet Climate Smart Strategy goals
 - d. **Congestion Relief** manage congestion and travel demand through low-cost, high value solutions
- 3. Maintain the existing two-step framework. Using the regional dollars strategically has been an underlying goal of previous RFFA processes. Over the past three allocation cycles, the region has allocated funding in two steps. The first step continues our investments in building out the regional high-capacity transit network, and creating a pipeline of sufficiently developed capital projects that are ready for future funding opportunities. Step 1 also supports region-wide investments that make the entire system work more effectively and efficiently, and funds the region's planning efforts.

Step 2 targets project development and construction funding towards capital projects in local jurisdictions that advance RTP policy priorities and that have regional significance.

- Council indicated they wished to continue this two-step process, and that the four RTP priorities should be applied to both steps.
- **4. Better align Step 2 project outcomes with four RTP priorities.** Council wished to consider and discuss potential ways that Step 2 could be adjusted in order to ensure alignment with the RTP priorities described above. Step 2 projects must result in outcomes consistent with these priorities. As the RFFA financial forecast is finalized, consideration should be given to how any potential funding increase can be used to better enable the region to accomplish these four policy priorities.

Implementation and performance measures

To respond to and advance policy direction defined in the Six Desired Outcomes and the 2018 RTP, Council indicated their intent for the RFFA policy to advance diversity through contracting opportunities associated with these funds.

The 2018 RTP adopted new and updated performance measures to enable the region to better understand the extent to which investments in the transportation system will achieve desired outcomes and provide the best return on public investments. Council directed that projects funded through the RFFA should clearly demonstrate alignment and support of these updated RTP performance measures.

Next Steps

This spring, JPACT and Council are scheduled to consider and take action on the adoption of updated RFFA policy direction to direct investments through the 2022-2024 RFFA funding cycle. Council's principles set forth in this memo will be used as the foundation for discussions with stakeholders leading to development of the updated policy. Metro staff will develop updated RFFA policy and project selection criteria in consultation with TPAC. At their March 1, 2019 meeting, TPAC is scheduled to make a policy recommendation to JPACT. JPACT will consider the TPAC recommendation at their March 21 meeting, and Council is scheduled to consider JPACT's action at their March 28 Council meeting.



2022-2024 REGIONAL FLEXIBLE FUND ALLOCATION Policy Update and Implementation Timeline

PHASE 1	PHASE 2	PHASE 3	PHASE 4	PHASE 5
RTP POLICY DIRECTION	CALL FOR PROJECTS	PROJECT EVALUATION	PUBLIC COMMENT & IDENTIFICATION OF PRIORITIES	RECOMMENDATION & ADOPTION OF INVESTMENTS
JANUARY - MARCH 2019	APRIL - JUNE 2019	JULY - AUGUST 2019	SEPTEMBER 2019	OCTOBER - DECEMBER 2019
Gather input and direction from Metro Council on how RTP policy direction should inform RFFA Development and refinement of eligibility and prioritization criteria Discuss, affirm RTP policy priorities with TPAC, JPACT Stakeholder outreach on RTP policy priorities	Solicit and receive project proposals from jurisdictions and regional agencies	Conduct technical evaluation of projects Conduct project risk assessment of projects	Gather public comment on proposed project list Joint Metro Council/JPACT public hearing to gather testimony County Coordinating Committees, City of Portland identify priority projects	Present technical evaluation, risk assessment, public comment report to TPAC and JPACT Receive priority project recommendations from CCCs and City of Portland Discuss and develop draft recommended list of projects - TPAC Discuss and recommend final list of projects - JPACT Discuss and take action of JPACT recommended list of projects - Metro Council
DELIVERABLES	8 5 6 6 6	0 0 0 0 0 0 0 0 0		
RFFA policy direction based on RTP priorities Funding framework, project selection criteria RFFA nomination packet and resources	Project proposals submitted by jurisdictions and regional agencies	Technical evaluation, project risk assessment report	Public comment report	Adopted 2022-2024 RFFA project list and conditions of approval