



MEMORANDUM

TO: TRANSIT & RAIL ADVISORY COMMITTEE (TRAC)
FROM: AMBER BLAKE, DIRECTOR, DIVISION OF TRANSIT AND RAIL
REBECCA WHITE, DIRECTOR, DIVISION OF TRANSPORTATION DEVELOPMENT
MICHAEL SNOW, TRANSPORTATION PLANNING SPECIALIST
DATE: November 5, 2021
SUBJECT: MULTIMODAL TRANSPORTATION & MITIGATION OPTIONS FUND, REGIONAL FORMULA CONSIDERATIONS

Purpose

To review and provide feedback on the proposed regional allocation formula for both urban and rural areas for the Multimodal Transportation & Mitigation Options Fund (MMOF) included in Colorado Senate Bill 2021-260 (SB260).

Action

TRAC is requested to consider CDOT staff's and the STAC Sub-committee's recommendations to the MMOF Distribution Formula considering the programmatic changes in SB260. Staff is requesting a recommendation to STAC and TC from TRAC.

Background

The Multimodal Options Fund, originally created in 2018, sought to expand and improve the quality and accessibility of alternative modal transportation choices throughout all regions of the state, with a particular intent of addressing the lack of these choices in rural Colorado. Funding in the program, limited initially in one-time appropriations of State money, was made eligible for transit, transportation demand management, multimodal technologies or studies, and bicycle/pedestrian projects.

Within its broad transportation measures, SB260 made several changes to the MMOF program, including fundamental changes that expand its overall purpose and provide long-term funding for related projects. In addition to changing the name to the *Multimodal Transportation & Mitigation Options Fund*, it expanded the program to be eligible for projects that mitigate transportation emissions of Greenhouse Gases (GHG) throughout the state. It also adds a specific focus in the goals of the program to expand the choices and accessibility to alternative transportation modes for Colorado's Disproportionately Impacted Communities. These are defined in the Bill as communities with higher concentrations of low-income, minority or housing cost-burdened individuals.

SB260 makes \$124 million of federal stimulus funds immediately available for local projects and a potential total of \$288 million for local projects over the next ten years. Considering the increased focus on multimodal investments with steady program funding, and the programmatic changes to MMOF from SB260. CDOT is recommending we take advantage of this time to consider modifications to the adopted Funding Distribution Formula for the program to align more closely with the expanded goals defined in the program.

Attached to this memo are the formula spreadsheets with both the original staff recommendation, and the STAC Subcommittee recommendation; as well as the STAC subcommittee recommendation. TRAC is asked to review the formulas and bring forth a recommendation on the formula for both urban and rural, that meets the intent of SB260, achieves a level of equity and moves us towards achieving our goal of a comprehensive sustainable multimodal transportation system.

Recommendations

TRAC is asked to review the formulas and bring forth a recommendation on the formula for both urban and rural, that meets the intent of SB260, achieves a level of equity and moves us towards achieving our goal of a comprehensive sustainable



multimodal transportation system.

Next Steps

To quickly facilitate the distribution of funds to MPOs/TPRs so that their project selection processes can begin promptly, draft distribution and match formula was be presented to STAC in October. STAC and TRAC now have opportunity for final review of the recommended formulas in November before final adoption by the Transportation Commission on November 18.





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Multimodal Transportation & Mitigation Options Fund (MMOF): SB 21-260 Changes & Opportunities

September 10, 2021



TOPICS

- MMOF Program Changes in SB260
- Opportunities for Program Improvements:
 - Funding Distribution Formula
 - Match Requirements & Reductions
 - Efficiency of utilizing funds
- Funding Appropriations
- Project Eligibility & Project Selection
- Reporting Requirements



MMOF Program Changes

New Name: ***Multimodal Transportation and Mitigation Options Fund***

Same Acronym: ***MMOF***



SB260: Expanded MMOF Program Goals

- An integrated system that:
 - Benefits seniors by making aging in place more feasible
 - Benefits residents of rural **and Disproportionately Impacted (DI) Communities** by providing them with **more accessible and flexible** public transportation services
 - Provides enhanced mobility for persons with disabilities
 - Provides safe routes to school for children, AND
 - **Reduces emissions of air pollutants and Greenhouse Gases that contribute to adverse environmental effects, including but not limited to Climate Change and adverse Human Health Effects.**



Disproportionately Impacted (DI) Community

Definition:

A *Census Block Group* where the *proportion* of Households is:

- >40% Low Income,
- >40% Minority, ...or...
- >40% Housing Cost-burdened

Low-Income...means Household Income \leq 200% Poverty Level

Cost-burdened...means a household spends >30% of Household Income on housing



Funding Distribution

Program Improvement Opportunity: Modify Distribution Formula Criteria to align with SB260 program changes

- Formula based on population, transit ridership **and other criteria**
 - Current formula uses 10 criteria; splits 19% rural / 81% urban
- Formula must be developed in consultation with STAC, TRAC, transit and bike/ped groups
- MMOF Work Group included: STAC, TRAC, CASTA, Bicycle Colorado, Walk Denver, CO Commission on Aging, SRTS committee member, Colorado Advisory Council for People with Disabilities



Distribution Formula Criteria

	Current CRITERIA (2016)	Proposed CRITERIA (2019)
Population	% Population	same
	% Disabled, Senior and/or Low-income	% Low-income Households
	% of income required for housing & trans	% Minority Households % Housing Cost-Burdened
	% School-Aged Children (5-18)	same
Transit Ridership	% Transit Revenue Miles	same
	% Transit Unlinked Trips	same
Other	% of Bike Crashes	same
	% of Pedestrian Crashes	same
	% of Jobs	same
	% Zero Vehicle Households	same



MMOF Funding Appropriations - SB260

1. **\$161.34 million - Federal ARPA stimulus**
 - \$14.5 million to Front Range Passenger Rail / SW Chief
 - =\$146.84 million currently available** for project selection
 - \$22M State (15%) / \$118M Local + \$6M Admin (85%)
 - Need to consider Local (and CDOT) capacity to distribute and use funding given demands of RMS
2. **\$108.1 million total State Funds - over 5 years between FY2023-27, depending on annual State Revenue Caps**
3. **\$10.5 million annual State Funds - for 8 years, FY2025-32**



MMOF Annual Funding Projections

	Projected Revenue	State	Local
FY2022	\$ 146,840,000	\$22,026,000	\$124,814,000
FY2023	\$ 27,025,000	\$ 4,053,750	\$ 18,377,000
FY2024	\$ 27,025,000	\$ 4,053,750	\$ 18,377,000
FY2025	\$ 37,525,000	\$ 5,628,750	\$ 27,302,000
FY2026	\$ 37,525,000	\$ 5,628,750	\$ 27,302,000
FY2027	\$ 10,500,000	\$ 1,575,000	\$ 27,302,000
FY2028	\$ 10,500,000	\$ 1,575,000	\$ 8,925,000
FY2029	\$ 10,500,000	\$ 1,575,000	\$ 8,925,000
FY2030	\$ 10,500,000	\$ 1,575,000	\$ 8,925,000
FY2031	\$ 10,500,000	\$ 1,575,000	\$ 8,925,000
FY2032	\$ 10,500,000	\$ 1,575,000	\$ 8,925,000
TOTAL	\$ 338,940,000	\$50,841,000	\$273,694,050



Current Match Reduction Policy

Issues / Considerations / Opportunities:

- Current Match Reduction policy based on *Population* and *Poverty Rate* is a poor representation of fiscal hardship for some agencies, leaving them ineligible for reductions
- Varied match rates created an extraordinary administrative burden and complexity for contracting, invoicing and reporting.
- All Reductions require formal request and formal TC Resolution
- **SB260 changes** now permits the TC, if recommended by CDOT staff, to reduce match on individual projects (this cannot be considered under TC's current policy)



Proposed Match Reduction POLICY

Recommendations:

- Tiered rates (0%, 10%, 20%, 30%, 40%, 50%)
- Provide agencies automatic eligibility for reduced match rates - no applications, no TC resolutions required
- New in SB260: TC may approve individual reductions, if recommended by CDOT staff
- Consider/modify the original MMOF Work Group recommended formula
- Consider Alternative indicators of fiscal hardship



Proposed Match CRITERIA

- Use *proven* indicators* that:
 - Demonstrate Local Agency's ability to generate revenues
 - Median Household Income & Median Home Value
 - Demonstrate Local Agency's degree of burden on its resources
 - Percent Poverty & Percent over 65
 - Are available at both County and Municipal levels
 - Are continually maintained, updated and reliable

*Factors recommended & used by DOLA, State Demographer



Proposed Match REDUCTIONS

City & County %tile Rank	Minimum Match Rate
1 st – 50 th	50%
50 th – 75 th	40% 30% 20% 10%
75 th – 100 th	0%



SB260: Expanded Eligible Project Types

- Fixed-route and On-demand transit (fixed or operating costs),
- Transportation Demand Management programs,
- MM Mobility projects enabled by new technology,
- MM Transportation studies,
- **Modeling Tools,**
- **GHG mitigation projects that decrease VMT or increase MM travel, AND**
- Bicycle or pedestrian projects



Local MPO/TPR Project Selection

Issues / Considerations / Opportunities:

- ARPA funds, must be:
 - *Obligated* by Dec. 31, 2024
 - *Expended* by Dec. 31, 2026
- Federal Funds “Federalize” projects
- Some projects have experienced significant cost-overruns, unanticipated delays and missed cost-saving opportunities
- “Application fatigue” from local governments
 - TAP Application period also begins this fall.



Local MPO/TPR Project Selection

Recommendations:

- Develop and Finalize Distribution & Match Formulas PRONTO!
- “Shovel-Ready” is a high priority criteria
- CDOT would like the opportunity to review and advise MPOs/TPRs on proposed projects with respect to costs, delivery timelines, feasibility, and to identify opportunities to combine or coordinate with other CDOT projects - ***without slowing MPO/TPR project selections***
- Discuss Local MMOF project selections in October



SB260: New Reporting Requirements

- Continued Annual CDOT Expenditures Report to the Legislature
 - Currently unable to obtain/track total project expenditures
- **NEW annual MPO/TPR Project Status Report required**
 - To include: Status, Issues, Funding, Expenditures, Timelines, etc.

Recommendation:

- CDOT proposes developing a report form for MPOs/TPRs to distribute & compile
 - First Report proposed this fall (Oct-Nov)
 - Subsequent Reports each fiscal year, due in July/Aug



Next Steps / Timeline

September

Convene MMOF Work Group

Develop Distribution & Match Formulas

October

Review Formula Recommendations (STAC, TC)

Distribute Project Status Report

Discuss & Begin Project Selection

November

STAC & TRAC final recommendations

TC Adoption of Formulas & Match Policy

Project Status Report to CDOT

NOTE: CDOT to develop recommendations for state MMOF funding; 10-yr plan options; and MPO needs for modeling help to comply with GHG rule



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Questions & Discussion

- For questions or comments, please contact:
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