

DURHAM • CHAPEL HILL • CARRBORO
METROPOLITAN PLANNING ORGANIZATION

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November 1, 2021

TO: DCHC MPO Board
 FROM: Anne Phillips, LPA Staff
 SUBJECT: Response to October Technical Committee Meeting Comments

As part of the review process for updating the Federal Funding Policy, LPA staff solicited comments from the DCHC MPO Technical Committee prior to and during the October Technical Committee meeting. These comments and responses from LPA staff are provided below.

Transportation Demand Management and Congestion Mitigation Air Quality Improvement Funding

Triangle J Council of Government (TJCOG) has pointed out that the scoring rubrics associated with the updated draft policy are more suitable for capital projects, and not programs such as the regional Transportation Demand Management (TDM) program.

LPA Recommendation

Given that the TDM program is the only program that receives Congestion Mitigation and Air Quality Improvement (CMAQ) funding through the MPO, LPA staff recommends that language similar to that in the currently adopted policy be added to the updated policy. The language will identify the regional TDM program as a policy priority for DCHC MPO and recommend an appropriate funding level for the program using CMAQ funds.

Proposed Policy Language

DCHC MPO, the Capital Area Metropolitan Planning Organization (CAMPO), and the North Carolina Department of Transportation (NCDOT) provide funding for a regional Transportation Demand Management (TDM) program. TDM offers high air quality benefits and competes favorably for CMAQ funding. TDM has also been identified as a joint policy priority by the DCHC and CAMPO boards.

CMAQ funds will be used for DCHC MPO's share of the TDM program.

Should the regional TDM program require funds that exceed 3% of funding received from the previous year, TJCOG will provide a written justification for the increased program costs that will be presented to the MPO Technical Committee (TC) and Board for consideration.

The MPO Board will vote on a funding recommendation for the regional TDM program during every funding cycle in which CMAQ funds are requested for the regional TDM program.

To ensure oversight and transparency related to funding the TDM program, TJCOG will provide:

- Presentations to the MPO Board twice a year, consistent with what is required of other Regional Flexible Funding (RFF) recipients.
- Provide an Annual Work Plan to LPA staff that describes how CMAQ funds are being used to support Transportation Demand Management programming in the region.

Note: DCHC MPO does not directly provide CMAQ funds to projects or programs. DCHC MPO recommends projects and programs for CMAQ funding to NCDOT based on completed CMAQ applications and emissions calculations. NCDOT makes the final funding determination for CMAQ project submittals.

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Maximum Request Cap – Is 65% the appropriate maximum cap?

The Technical Committee Chair questioned whether 65% was the appropriate maximum funding request cap and requested that LPA staff provide justification for the current cap recommendation. The TC Chair further suggested exploring whether a funding cap based on population or municipal population share was appropriate.

Population Share of DCHC MPO (based on 2020 Census)

Jurisdiction	Population	Population Share	Municipal Only Population Share
Durham	273,119	57%	75%
Chapel Hill	61,124	13%	17%
Carrboro	20,896	4%	6%
Hillsborough	8,313	2%	2%
Durham County	51,714	11%	
Orange County	36,776	8%	
Chatham County	24,980	5%	

LPA Recommendation

LPA staff does not recommend raising the cap beyond the proposed 65% for the following reasons:

- LPA staff initially proposed a 75% maximum request cap but a TC subcommittee expressed concern that this was too high; there is therefore no consensus in support of a 75% cap
- In response to concerns of the TC subcommittee, LPA staff lowered the cap to 60%
- After conversations with City of Durham staff, LPA staff raised the cap to 65%, which is LPA staff's final recommendation

Further Justification for LPA Recommendation

Why not raise the cap back up to 75%, which aligns with the City of Durham's municipal population share?

- All of the MPO's member agencies—including counties and regional organizations, such as TJCOG and GoTriangle—are eligible to apply for and receive funding through the RFF program.
- MPO staff will be using a scoring rubric to score all project submittals. The highest scoring projects will receive their funding requests based on available funding.
- The maximum funding cap ensures that no one organization receives a disproportionate share of available funding.
- Should the City of Durham, or any other organization, receive the maximum request cap if it were raised to 75%—which is possible should a project score well enough on the rubric—all other organizations, including counties and regional organizations, would be competing for 25% of remaining funding.

MEMBER ORGANIZATIONS: Chatham County, City of Durham, Durham County, GoTriangle, NC Department of Transportation, Orange County, Town of Carrboro, Town of Chapel Hill, Town of Hillsborough

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- Regional organizations have no population share in the above table, although regional projects may have region-wide benefits.
- Regional organizations such as GoTriangle may apply for projects in any municipality; funding received for regional projects in a municipality do not count towards that municipality's cap.

Why is it important to distribute funds throughout the region?

- Because of normalization procedures associated with the SPOT process, at least 90% of transportation funding in North Carolina goes to highways.
- DCHC's federal funding policy strongly encourages submittal of non-highway projects to enhance our regional multimodal transportation network.
- Distributing federal funds that flow through the MPO throughout the region contributes to a stronger regional bicycle and pedestrian and transit network, which increases ease of travel throughout the region, especially for residents who do not drive.

Does the maximum funding request cap undermine efforts to build an equitable transportation system?

- Distributing DCHC federal funds throughout the region supports equitable regional mobility.
- The new project scoring rubric encourages submittal of projects in locations with high environmental justice populations (EJ) and projects that serve EJ populations (transit).
- Investing in bicycle and pedestrian and transit infrastructure regionally makes it easier for those who do not own cars – disproportionately Black and brown residents¹ – to travel throughout the region.
- Disproportionately investing regional funds in one municipality will undoubtedly improve access and mobility in that municipality; however, such a strategy will do little to remove barriers to traveling across municipal boundaries² for residents who live in poverty and/or who do not own a car (disproportionately Black and brown residents).
- Investing in transit and bicycle and pedestrian infrastructure throughout the region supports increased regional mobility for Black and brown residents.

Local Discretionary Funding

Technical Committee members from Chapel Hill and Carrboro raised concerns about the loss of the local discretionary set-aside.

LPA Recommendation

To ease the transition to the RFF program, LPA staff recommends the following:

- Agencies be provided with local discretionary funds for the next two years (FY 23 and FY 24).
- These funds, along with any banked funds, must be obligated by the September 30, 2026. Funds that are not obligated by this deadline will be added to the RFF pool.

As a reminder, combining federal funds into one RFF pool offers the following benefits:

- Better compliance with the Federal Highway Administration (FHWA) requirement that MPOs use a competitive process to distribute federal funds such as Surface Transportation Block Grant Direct Attributable (STBGDA), CMAQ, and Transportation Alternatives Program (TAP).

¹ According to the [National Equity Atlas](#), in North Carolina, 12% of Black households do not have a vehicle, while 4% of white households do not have a vehicle.

² A [2014 FHWA National Household Travel Survey Brief](#) found that "households in poverty are limited to a shorter radius of travel compared to higher income households." In Atlanta, an autocratic city similar to those in our region, people making \$100k+ had a daily travel radius of 29 miles. Those living at or below poverty had a radius about half that of their wealthy counterparts at 15 miles.

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- More efficient use of funding:
 - Smaller agencies will not need to bank funding over many years to implement a projects.
 - Larger funding pool available to all applicants, including larger agencies, as no funding is banked.

Further, banked funds would be at risk should the federal government authorize a rescission of transportation funds.

Finally, for agencies that bank funding for shortfalls, all shortfalls will be prioritized before new projects are funded.

STBGDA for Transit

Under DCHC's current policy, transit agencies receive a share of STBGDA funds, similar to local discretionary funding, based on metrics including vehicle revenue miles, vehicle revenue hours, and number of unlinked trips. The TC chair asked whether this funding would be phased out along with local discretionary funding.

LPA Recommendation

LPA staff recommends keeping this portion of STBGDA funding in place for transit agencies as our transit member agencies may be relying on this funding more so than in previous years because of the impacts of COVID-19. This decision should be revisited in FY 24, the last year for local discretionary distribution. In preparation for revisiting this issue, LPA staff will consult with transit member agencies to determine the extent to which they are being affected by COVID-19, and how a phased transition from distribution of these funds may occur.