Leanne Redden, Executive Director
Regional Transportation Authority
175 W. Jackson Blvd., Suite 1650
Chicago, IL 60604

July 1, 2021

Dear Ms. Redden,

Thank you for the opportunity to provide feedback on the RTA's proposed performance-based capital allocation structure. We applaud the RTA on its commitment to improving transparency and fiscal responsibility.

Our organizations were pleased that the RTA Board recommended a reconsideration of the July 2020 Draft Framework for Transit Capital Investments in order to strengthen it, and we hope to see a similar outcome here. While we appreciate some attention to equity and accessibility, we are disappointed by the absence of any performance metrics relating to transit or mobility outcomes. This should ultimately be about investing in projects that help people get around the region, and provide clear economic and environmental benefits, especially in the highest-need areas.

We do not feel that the proposal is in line with the goals to advance equity and sustainability through transportation as outlined in *Invest in Transit, ON TO 2050*, and similar regional plans. Its overreliance on state of good repair is a fundamental flaw. Our goal can't simply be to replace all the infrastructure we currently have – we need to improve upon it. We must invest in innovative projects with clear community benefits, even if they take longer to build. The process developed to allocate funding received through the Coronavirus Response and Relief Supplemental Appropriations Act exemplified the kind of leadership and innovative thinking the region needs.

We encourage you to delay adoption while you work to improve the proposal. Below are some recommendations – in line with our previous comments – for you to include in a revised proposal that establishes a true performance-based planning approach.

As we noted last October, "a performance-based funding and project selection process uses transparent, data-driven performance measures to drive investments toward goals. Strong performance-based funding programs for transit agencies transparently analyze the potential impact of future projects and funding allocations. They also evaluate existing projects and past funding decisions to determine if investments are meeting the goals of regional plans and programs."

<u>Outcomes vs. Outputs</u>

Unfortunately, the current proposal does not meet this definition. Rather than driving investments toward agreed-upon <u>outcomes</u>, it focuses exclusively on <u>outputs</u>, namely how quickly dollars can be spent.

There has never been a more important time to accelerate innovation and a focus on outcomes so that we deliver a highly functional transit system that provides a safe, reliable experience for riders. Given anticipated long-term trends for decreased commuting, we need to be significantly more ambitious in evolving our transit system and making it highly competitive for all types of trips. It is a missed opportunity if we do not reshape our investment prioritization methods to meet the needs of the post-COVID recovery.

Maintaining the Status Quo

The proposed capital allocation structure keeps funding levels virtually unchanged when compared to the existing formulas. More importantly, it continues the practice of deferring all project prioritization decisions to the service boards and misses an opportunity to pool funds and apply them to regionally significant projects that involve multiple transit agencies and jurisdictions. Because there is no mechanism to compare projects across service boards, the capital allocation structure fails to consider the region's transit network in an integrated fashion. Should the current proposal be adopted, the region will lose an opportunity for RTA to provide the vision and leadership needed to achieve the strategic goals from *Invest in Transit,* and ensure that Chicagoland's transit system is ready to meet the challenges of a post-COVID world.

Spending Funding Quickly Should Not be the Top Priority

Essentially, the only performance measure used in this proposal is the speed of capital expenditures. While project delivery is important, it is not the purpose of capital investments. This is not a measure oriented around people and delivering high-quality service to communities across the region. We are greatly concerned the proposed methodology could create a perverse incentive to prioritize projects that can be delivered quickly, regardless of their relative benefit. For example, a transit agency would be incentivized to expend funding quickly for easy-to-deliver capital projects like repaving a parking lot, rather than redevelopment of a parking lot for an equitable transit-oriented development project that would have higher impact and help us achieve regional goals related to equity, air quality, climate change, and economic growth.

A Large Discretionary Fund Accelerates Innovation and Better Achieves Goals

Instead, this proposal should incentivize innovative projects that improve the customer experience, create a seamless trip between the transit agencies and other modes of transportation, reduce pollution, and promote equity. The proposal includes a pooled funding source that may achieve some of these goals, but it is only funded with dollars taken away from a transit agency if they do not spend their funding fast enough. Growing the size of the set-aside and creating a performance-driven competitive process grounded in policy goals that will deliver positive outcomes for riders would be a significant improvement. Every major reform of transportation funding in our region over the last two decades has moved some formula funding into a pooled, competitive fund that has helped advance regionally significant projects. CMAP's Surface Transportation Program reform, IDOT and CMAP's Transportation Alternatives Program, and earlier and evolving reforms to the Congestion Mitigation and Air Quality Improvement program are all excellent examples of performance-based programming using a large fund to accelerate dynamic and impactful transportation projects. Any pooled funds in a new proposal should be combined with Regional Innovation, Coordination and Enhancement funds to generate a sufficient resource to make meaningful regional improvements.

State of Good Repair Data is Outdated

Using the 2016 Capital Asset Condition Assessment to allocate funds yielded a nearly identical result as the presently used formulas. While this may simply be a coincidence, the greater concern is the use of data that are over five years old. Each service board is required by the FTA to have a transit asset management plan that is updated on a regular basis, and that prioritizes investments based on need. If the funding needed to reach a state of good repair is to be used as the basis for capital allocation, the most recent asset condition data and prioritized projects list should be used. In our comments on RTA's draft Framework for Transit Capital Investments we noted the lack of transparency in the service boards' federally-required asset management plans. To date, we remain one of the few large metropolitan regions where those plans are not available publicly.

Equity and Accessibility Need to be Clearly Defined

As previously stated, we applaud RTA's special focus on equity and accessibility. However, by deferring to the service boards to define what an equitable project is, we will not be using a consistent regional definition, and it's very likely that agencies would be able to classify 20% of capital funding in those categories without conducting a true equity analysis. Equity and accessibility should not simply be a "box to check" but rather a performance-based goal by which projects are compared across service boards for selection. The Illinois General Assembly recently passed HB 253, requiring IDOT and the RTA to follow a performance-based process for capital funding that considers several issues, including equity, and we feel this proposal falls very short of the goals included in that legislation.

Given the incredible opportunity of this moment, and the importance of getting it right, we urge the RTA Board not to adopt the proposed capital allocation structure. This process does not move the region toward the integrated, customer-centered, and data-driven approach to project selection that the region needs. The proposal also lacks many of the best practices recommended by the Transportation Research Board, which updated its performance-based planning guidebook just last month. Nor will it satisfy the project prioritization process described in HB 253, which is expected to be signed into law soon and will go into effect on April 1, 2022. We will not build an adaptive, resilient, and sustainable transit system by maintaining the status quo. Our organizations remain ready to assist the RTA in creating a truly transformative approach to programming.

Sincerely,

Active Transportation Alliance
Center for Neighborhood Technology
Chaddick Institute at DePaul University
Chicagoland Chamber of Commerce
Civic Committee of the Commercial Club of Chicago
Environmental Defense Fund
Environmental Law and Policy Center
High Speed Rail Alliance
Illinois Chapter of the Sierra Club
Illinois Environmental Council
Metropolitan Planning Council
Respiratory Health Association
Shared-Use Mobility Center