



600 NE Grand Ave.
Portland, OR 97232-2736

Council work session agenda

Tuesday, November 12, 2024

10:30 AM

Metro Regional Center, Council Chamber,

<https://zoom.us/j/615079992> Webinar ID:

615 079 992 or 888-475-4499 (toll free)

<https://www.youtube.com/live/LwMlogEFIp8?feature=shared>

This meeting will be held electronically and in person at the Metro Regional Center Council Chamber.

You can join the meeting on your computer or other device by using this link:

<https://zoom.us/j/615079992> (Webinar ID: 615 079 992)

10:30 Call to Order and Roll Call

Work Session Topics:

10:30 Business Food Waste System Overview [24-6147](#)

Presenter(s): Holly Stirnkorb (she/her), Principle Planner, Metro
Marta McGuire, Director WPES
Dena Hastings, Program Manager

Attachments: [Staff Report](#)
[Attachment 1](#)

11:15 2025 State Legislative Agenda [24-6148](#)

Presenter(s): Anneliese Koehler, Legislative Affairs Manager, Metro
Jenna Jones, State and Regional Affairs Advisor, Metro

Attachments: [Staff Report](#)
[Attachment 1](#)
[Attachment 2](#)
[Attachment 3](#)
[Attachment 4](#)
[Attachment 5](#)
[Attachment 6](#)

12:00 Regional Supportive Housing Services And Affordable [24-6151](#)

Housing Funding: Stable Investment Allocation Concept

Presenter(s): Chief Operating Officer Marissa Madrigal (she/her/ella)

Attachments: Staff Report

1:00 Chief Operating Officer Communication

1:05 Councilor Communication

1:15 Adjourn

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ការគោរពសិទ្ធិពលរដ្ឋរបស់ ១ សំរាប់ព័ត៌មានអំពីកម្មវិធីសិទ្ធិពលរដ្ឋរបស់ Metro ឬដើម្បីទទួលបានការបណ្តឹងរើសអើងសម្រាប់សេវាសេវាសេវា www.oregonmetro.gov/civilrights។
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Business Food Waste System Overview
Work Session Topic

Metro Council Work Session
Tuesday, November 12, 2024

WORK SESSION: BUSINESS FOOD WASTE PROGRAM OVERVIEW

Date: October 24, 2024

Department: Waste Prevention and Environmental Services

Meeting Date: November 12, 2023

Prepared by: Holly Stirnkorb, holly.stirnkorb@oregonmetro.gov and Dena Hastings, dena.hastings@oregonmetro.gov

Presenters: Marta McGuire, Director WPES, Holly Stirnkorb, Principal Planner, and Dena Hastings, Program Manager

Length: 45 minutes

ISSUE STATEMENT

Food waste makes up the largest portion of greater Portland's garbage and is second only to vehicles as the largest contributors to local carbon pollution. Addressing this challenge remains a top priority, and Metro is making progress toward achieving the food waste goals outlined in the 2030 Regional Waste Plan. The purpose of this presentation is to provide an overview of the business food waste recovery program in the region to inform Council as it considers adopting the Regional System Facilities Plan and seek direction to extend the effective date for the development of the commercial food waste disposal prohibition.

ACTION REQUESTED

Staff seeks Council direction on extending the date to develop and implement Metro Code and administrative rule amendments to prohibit the landfill disposal of commercial food waste generated in the region to January 1, 2027.

IDENTIFIED POLICY OUTCOMES

In January 2020, Council adopted Resolution no. 20-5067 which directed staff to develop Metro Code and administrative rule language to prohibit the disposal of commercial food waste generated within the Metro region with an effective date of January 2025. As a result of the delayed implementation of the business food waste requirements caused by COVID-19, staff finds that extending the effective date of the landfill disposal prohibition to January 2027 allows time for continued business food waste requirement implementation and stakeholder engagement.

POLICY OPTIONS FOR COUNCIL TO CONSIDER

1. Direct staff to extend the effective date to January 1, 2027 to develop Metro Code and administrative rules to prohibit the landfill disposal of commercial food waste generated within the region.
2. Direct staff to maintain current direction to develop Metro Code and administrative rules to prohibit the landfill disposal of commercial food waste with an effective date of January 1, 2025.
3. Direct staff to take no action to develop a landfill disposal prohibition for commercial food waste.

STAFF RECOMMENDATION

Staff recommends that Metro Council extend the effective date of the proposed landfill disposal prohibition for commercial food waste to January 1, 2027.

STRATEGIC CONTEXT AND FRAMING COUNCIL DISCUSSION

Food is the largest component of the region's waste stream. Almost 18% of what we send to landfill is food that decays and creates methane, a potent greenhouse gas. Businesses such as restaurants

and grocery stores are responsible for more than half that amount. In 2016, the Metro Council found that the following key actions were needed to achieve a stable and effective regional food waste recovery system:

1. Require certain businesses to separate their food scraps for recovery and eventually prohibit the landfill disposal of food from businesses.
2. Determine how to efficiently transfer and deliver food scraps for processing.
3. Secure local and stable processing capacity.

Implementation of these initiatives is ongoing; however, progress has been delayed by the COVID-19 pandemic. Despite these delays, over 46,000 tons of food scraps have been recovered since the business food waste requirement went into effect in 2022. As a component of the business food waste requirement, Council adopted a disposal prohibition to become effective in 2025 to support recovery efforts.

The goal of prohibiting the disposal of commercial food waste in a landfill is to protect human health and the environment and to help educate generators about the proper management of solid waste. This is much like existing prohibitions for hazardous and electronic waste. In addition, a disposal prohibition provides a firm backstop to the business food waste requirement that local governments can incorporate into their efforts to assist businesses with implementation and compliance.

Stakeholder Engagement

Metro hosted the Business Food Scraps Recycling Roundtable at the Oregon Zoo on Monday, October 7, 2024. Local government and industry partners came together to discuss strategies for advancing business food scraps recovery goals, reducing contamination and addressing transfer gaps. A summary of input will be shared at the council work session.

BACKGROUND

In 2016, the Metro Council determined that the region should establish a stable food waste system that captures enough high-quality material to make processing facilities economically viable, has an adequate system for collecting and moving material, and has enough stable processing capacity to allow growth over time. Key actions needed to achieve this regional food recovery system include a requirement that certain businesses separate their food scraps for recovery and commercial food waste be prohibited from landfill disposal, efficient food waste transfer is developed, and local stable processing is secured. Attachment 1 provides a comprehensive update on the statuses of these key actions.

ATTACHMENTS

- Is legislation required for Council action? Yes No
- If yes, is draft legislation attached? Yes No
- What other materials are you presenting today?
 - Attachment 1: Business Food Waste System Update

ATTACHMENT 1: BUSINESS FOOD WASTE SYSTEM UPDATE

October 24, 2024

TOPIC: Business Food Waste Recovery System

PREPARED BY: HOLLY STIRNKORB

RELATED REGIONAL WASTE PLAN GOALS: Goal 6: Reduce product environmental impacts and waste through educational and behavioral practices related to prevention and better purchasing choices. Goal 8: Increase the reuse, repair and donation of materials and consumer products. Goal 10: Provide regionally consistent services for garbage, recyclables and other priority materials that meet the needs of all users.

PURPOSE OF UPDATE

The purpose of this update is to inform Council of current food waste recovery efforts in the region to prepare for upcoming engagements related to food waste.

BACKGROUND

Food is the largest component of the region's waste stream. Almost 18% of what we send to landfill is food that decays and creates methane, a potent greenhouse gas. Businesses such as restaurants and grocery stores are responsible for more than half that amount.

In 2016, the Metro Council determined that the region should establish a stable food waste system that captures enough high-quality material to make processing facilities economically viable, has an adequate system for collecting and moving material, and has enough stable processing capacity to allow growth over time. Council found that the following key actions were needed to achieve this regional food waste recovery system:

1. Require certain businesses to separate their food scraps for recovery and eventually prohibit the landfill disposal of food from businesses.
2. Determine how to efficiently transfer and deliver food scraps for processing.
3. Secure local and stable processing capacity.

Business Food Waste Requirement

In July 2018, Metro Council adopted the Business Food Waste Policy (Ordinance No. 18-1418). Pursuant to this policy, Metro works with city and county partners to support business food waste prevention, edible food donation, and food waste composting. To support the policy, Council also adopted Resolution 20-5067 directing staff to develop Metro Code and administrative rule language to prohibit the disposal of business food waste within the Metro region with an effective date of January 2025.

The Business Food Waste Policy requires city and county governments within the region to ensure that food waste collection services are provided to food-based businesses. Originally scheduled to begin in March 2020, the requirement was delayed until March 2022, due to the impacts of COVID-19. All businesses generating more than 250 pounds of food waste per week are required to participate by September 2024.

Progress to Date

- More than 46,000 tons of food waste have been recovered since the business food waste requirement went into effect in 2022. The waste was composted or converted into energy, avoiding 552 metric tons of methane emissions.
- Data from September 2024 indicates that 96 percent of large food generating businesses are in compliance with the business food waste requirement, followed by 64 percent of medium food generating businesses and 26 percent of small food generating businesses. The overall compliance rate is 44 percent.
- Cities and counties provide comprehensive support to businesses subject to the requirement by assisting with set up and staff training, supplying collection containers, and offering educational resources for food waste prevention and donation.
- [Food Waste Stops With Me](#)—an educational initiative launched in partnership with the Oregon Restaurant & Lodging Association, Oregon Food Bank, Oregon Department of Environmental Quality, and city and county governments—connects businesses with resources and local government technical assistance.
- Metro’s Innovation and Investment grant program provided \$1,358,000 in funding to 12 organizations since fiscal year 2018-19 to support food waste prevention and edible food for donation.

Current Challenges

- The region has not met its benchmark of 100 percent compliance by September 2024 due to implementation delays from COVID-19.
- The effects of COVID-19 and the delayed implementation of the business food waste policy will likely continue to impact participation and compliance rates for several more years.

Efforts to Address Challenges

- In 2020, Metro Council adopted Resolution 20-5067, which announced its intent to adopt a food waste disposal prohibition by directing staff to develop Metro Code and administrative rule with an effective date of January 2025. In recognition of delays caused by COVID-19, Metro staff will return to Council this Fall for direction to set an effective date of January 2027.
- With funding from Metro, cities and counties will continue to provide businesses with comprehensive support to help them achieve compliance through fiscal year 2025-26.

Transfer and delivery of food scraps for processing.

There are access gaps in the regional transfer system for business food waste. Three facilities in the region currently accept business food waste from haulers: Metro Central transfer station, Willamette Resources and Pride Recycling Company. The food waste received at these facilities is sent on to other locations for composting. Additionally, many of the region’s grocery stores bypass the transfer system and send food waste to Divert in Albany, Oregon, and City of Roses Disposal and Recycling takes small quantities of food waste from a single generator directly to an on-farm composting facility in Mt. Angel, Oregon.

In 2023, Metro Central transfer station accepted 66 percent of the business food waste collected in the region, Willamette Resources accepted 14 percent, and 20 percent was delivered directly to processing facilities bypassing the transfer system.

Progress to date

- In 2023, pursuant to the business food waste requirement, Metro made \$49,000 in direct payments to haulers that must travel a longer distance to a facility that accepts commercial food waste than they would if this material were mixed with garbage. At full implementation of the business food waste requirement, direct payments to haulers are anticipated to be \$184,000

annually. The program is temporary and will expire as the program matures and/or more convenient transfer or processing services become available.

- Beginning in fiscal year 2017-18, Metro Council subsidized commercial organics fees charged at Metro Central transfer station to encourage participation in the program and mitigate the likely rate impacts on businesses subject to the requirement.
- Metro's Innovation and Investment grant program provided \$500,000 in funding to Pride Recycling Company in fiscal year 2018-19 to support and expand transfer capacity in the region.

Current challenges

- The average driving time to the nearest transfer station that accepts business food waste from commercial haulers is 25.5 minutes. Approximately 61 percent of the region is more than 20 minutes away by car from the nearest facility that accepts business food waste.
- Tipping fees, the cost for commercial haulers to drop off commercial organics at transfer stations, is inconsistent throughout the region. Fees range from \$82.41 per ton at Metro Central transfer station to \$103.90 per ton at Willamette Resources transfer station.

Efforts to Address Challenges

- Metro plans to continue funding direct payments to haulers through fiscal year 2025-26 by way of the Access to Services Payment Program.
- The Regional System Facilities Plan includes continued investments in Metro Central transfer station as the regional organics hub while exploring the development of additional hubs through public-private partnerships. Metro Central transfer station will continue to receive business food waste from haulers, remove contamination and transfer the waste to the best end markets.

Local and stable processing capacity

The stability of mandatory food waste programs is reliant on the strength and redundancy of processors and end markets. In 2023, 80 percent of food waste was processed at one of four composting facilities: Recology Organics in Aumsville, Ore. (66 percent), Pacific Region Compost in Corvallis, Ore. (14 percent), Dirt Huggers in Dallesport, Wash. (2 percent) and Annen Brothers in Mt. Angel, Ore. (1 percent). The remaining 17 percent is pre-processed at Divert in Albany, Ore. and then anaerobically digested at Stahlbush Island Farms in Corvallis, Ore.

Contamination, especially from film plastics, poses significant processing difficulties and increases operational costs. Removing and disposing of contamination can account for 10 to 25 percent of operating costs for composting facilities. It is critical to maintain a contamination-free system to produce high quality compost and avoid environmental and health risks from microplastics.

Progress to date

- Metro applied for a federal budget note and is exploring grant opportunities to fund a depackager and additional capital investments to remove contamination from business food waste delivered to Metro Central transfer station which processes 66 percent of regional business food waste.
- Metro's Innovation and Investment grant program provided \$1,467,000 in funding to three organizations since fiscal year 2019-20 to support and expand food waste processing capacity in the region.

Current challenges

- Contamination in food waste can cause environmental and health risks if it is not removed, which impacts the ability of end markets to utilize the material and poses a risk to the stability of the region's food waste recovery system.

- Most facilities processing food waste in the region cannot effectively remove contaminants. Despite Metro’s food-only collection standard, a recent food waste composition study indicates an 11 percent contamination rate by volume.

Efforts to address challenges

- Investments will be made to Metro Central transfer station for it to continue to act as a regional hub to receive business food waste from haulers, remove contamination and transfer the waste to the best end markets.
- The Regional System Facilities Plan includes continued investments in Metro Central transfer station as a regional organics hub and proposes the development of additional hubs through public-private partnerships.

2025 State Legislative Agenda
Work Session Topic

Metro Council Work Session
Tuesday, November 12, 2024

2025 STATE LEGISLATIVE AGENDA

Date: October 21, 2024
Department: GAPD
Meeting Date: November 12, 2024

Prepared by: Anneliese Koehler,
Legislative Affairs Manager
Length: 45 minutes

ISSUE STATEMENT

This work session is an opportunity to discuss Metro Council's objectives for the 2025 Oregon legislative session. The current political climate and possible legislative priorities will be discussed. This is the final work session prior to final adoption of the Council's Legislative Priorities and Principles in December 2024.

ACTION REQUESTED

The Council may wish to discuss specific legislative concepts or principles or direct staff to develop additional legislative concepts before adopting its 2025 legislative agenda.

IDENTIFIED POLICY OUTCOMES

Support Metro's policy goals through engagement with the Oregon State Legislature in 2025.

POLICY QUESTION(S)

- Does the Council wish to confirm or change existing policy direction under which staff is currently operating with respect to issues that are likely to surface in 2025?
- Are there additional topics for which the Council would like to adopt legislative positions?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

See attached draft versions of the 2025 Legislative Priorities and 2025 Legislative Principles. These documents reflect Council discussion and feedback from the October work session. Additional issue sheets for potential 2025 Legislative Priorities are also attached.

STAFF RECOMMENDATIONS

N/A

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

2025 session

The 2025 session is a regular, long session. The Legislature is charged with passing a biannual budget and any necessary policy changes. Unlike short sessions, the long session often has more significant legislation under discussion and passage. Typically, a few key

large policy and program changes as well as many smaller pieces move successfully through the legislative process into law.

Elections

In the past two work sessions, staff discussed topics pertaining to the lead-up to the November election including impacts of the walkout, possible supermajorities, and statewide ballot measures. At this work session, staff anticipates sharing post-election themes and takeaways. The Granicus deadline is significantly before the election, and, as a result, staff will be sharing the post-election analysis verbally.

Legislature overview

The Legislature continues to see new leadership emerge on both sides of the aisle. Compared to more recent sessions, the Metro region is well represented in legislative leadership. Senate President Wagner, newly-elected Senate Majority Leader Taylor and newly-elected House Majority Leader Bowman all reside in our region. In addition, both Senate and House Minority Leaders have a portion, albeit small, of Metro in their districts. And both co-chairs of ways and means are also from our region.

Unlike prior sessions, this past session did not have a walkout. The 2022 ballot measure which barred legislators from running again if they had ten or more unexcused absences was effective at preventing a 2024 walkout. Many hope that walkouts will be a thing of the past.

The Oregon State Capital building is still under construction and is not slated for finish until 2027. While what portions of the building will be closed down for the 2025 session is still being determined, staff anticipates that it will be similar to prior sessions with cramped corridors, large parts of the building inaccessible and constant construction noise. This continues to make the legislative process challenging.

Legislative session priorities

Legislators start sessions with an agreed upon set of priorities. These pieces often dominate session conversations and indicate leaderships' strong commitment to passage. Similar to past sessions, staff anticipates that housing, homelessness and behavioral health will all be top priorities of the Legislature. In addition, the Governor, Senate President and Speaker have all indicted the need for a transportation package. Increased education funding will likely be a focus as well.

Budget

While the final budget decision will not be made until the May 2025 forecast, the latest revenue forecast shows stable revenue for 2025-2027 budget. Due to rising costs across many sectors and the approaching fiscal cliff of federal government pandemic era programs ending, staff anticipates that it will be a tight budget year.

Next Steps

Metro's legislative agenda setting process is iterative. Staff has met with Metro departmental leadership, jurisdictional partners, state partners and community-based

partners to share respective initial priorities and learn what partners are pursuing. As part of our commitment to racial equity, part of our outreach is to culturally-specific and Black, Indigenous, and People of Color organizations to ensure that we are incorporating, as appropriate, their legislative priorities. The drafts before you represent our conversations, and we will continue those conversations through the winter. Staff aims to have a finalized draft for your consideration in December.

BACKGROUND

Council adopts State Legislative Priorities and State Legislative Principles annually. This is the third meeting to discuss Council’s 2025 legislative priorities and principles.

ATTACHMENTS

2025 Legislative Principles – DRAFT

2025 Legislative Priorities – DRAFT

Issue Sheets on the following topics:

- Transportation
- Annexation fix
- Recycling Modernization Act Protection
- Food Waste
- Recreational Immunity

[For work session:]

- Is legislation required for Council action? Yes No
- If yes, is draft legislation attached? Yes No
- What other materials are you presenting today? [INSERT]

METRO COUNCIL LEGISLATIVE PRIORITIES 2025 Legislative Session



ECONOMIC PROSPERITY

- **Industrial Site Readiness:** Support legislation, including Clean Tech Task Force priorities, that advances solutions to make land inside urban growth boundaries available for industrial development and job creation through infrastructure investment, brownfield cleanup, land aggregation, and other means.
- **Brownfield cleanup and redevelopment:** Support efforts to recapitalize the state's Brownfields Redevelopment Fund and Brownfields Properties Revitalization Fund to incentivize the cleanup of brownfields.

GUN SAFETY

- **Regulating Firearms on Metro Properties:** Support legislation that increases Metro's authority to regulate the carrying of firearms on Metro properties and public venues.

HOUSING AND HOMELESSNESS

- **Housing and Homelessness Systems Alignment:** Support legislation that increases alignment and coordination between federal, state, regional and local housing and homelessness systems.
- **Equitable Housing and Stability:** Support legislation to increase state housing funding, improve tenant protections, expand affordable home ownership options, increase home ownership for BIPOC households, provide additional tools and authority to local governments to address housing supply and affordability, advance solutions that leverage and integrate local, state and federal investments to implement comprehensive supportive housing and wraparound services, and address climate resilience for home owners and renters.
- **Housing Production and Preservation:** Support legislation that increases housing production and development and preserves existing housing, particularly affordable housing. Support legislation that provides local financing support to increase housing production such as infrastructure, predevelopment, and technical assistance.

LAND USE

- **Urban Growth Management:** Ensure that the Legislature establishes the policy framework and process for local land use decisions and respects the authority of local governments, including Metro, to make specific decisions on local land use matters. Oppose efforts to legislatively determine specific land use designations in the region or to distort the process of assessing land need by mandating inaccurate analysis.
- **Metro Annexation:** Support efforts to streamline Metro's annexation process.

PARKS AND NATURE

- **Recreational Immunity:** Support legislation that addresses recreational immunity for local governments, including lifting the sunset on recent fixes.

TRANSPORTATION

- **Transportation Package:** Support the passage of a transportation package that advances the JPACT priorities: addressing short-term funding solutions, long-term sustainable funding, finishing what we started, safe urban arterials and streets, transit investments, and resiliency.

WASTE MANAGEMENT AND WASTE REDUCTION

- **Battery EPR:** Support legislation that creates a battery extended producer responsibility program in Oregon.
- **Food Waste:** Support legislation that reduces food waste and prioritizes pathways of food disposal for the highest and best use.
- **Recycling Modernization Act:** Support legislation that protects the Recycling Modernization Act's core tenants and its start date of July 1, 2025.

METRO 2025 LEGISLATIVE ISSUE IDENTIFICATION

Person completing form/Department: Anneliese Koehler

Date: October 17, 2024

ISSUE: Metro Annexation

BACKGROUND:

For historical reasons, the Metro District Boundary and the Metro Urban Growth Boundary (UGB) are not entirely coterminous. In some locations, territory is inside the UGB but outside the District Boundary; in some other locations, territory is inside the District Boundary but outside the UGB. A property must be in the Metro District Boundary as well as in the UGB to be developed with urban land uses, including urban residential and industrial uses. Before urban development can occur, property that is already in the UGB – and perhaps even already in city limits and/or zoned for urban land uses -- must be annexed to the Metro District.

Annexation to the Metro District is its own process, separate from city annexation, and has its own requirements. The District annexation process requires:

- Applicants paying a \$3,000 application fee/deposit;
- Preparation of application materials, sometimes with the assistance of a costly private attorney, planner, and/or surveyor;
- Notices in the Oregonian;
- Mailing of printed public notices to sometimes hundreds of property owners;
- Printing of public notice signs, as well as driving across the region to post and collect signs;
- Multiple meetings of the Metro Council; and
- Hours of work by staff of Metro, the state's DOR, and county tax assessors and clerks.

The criteria considered in the District annexation application process are largely clear and objective, leaving the public with little opportunity to influence the decision on an application, despite the required invitations in public notices to submit comments and participate in a public hearing. Recently, there have been members of the public who have taken the time to testify on annexation applications at public hearings, but the concerns about prospective development, while potentially valid, did not relate to the approval criteria. Inviting the public to comment on technical criteria they may not understand or proposals they may not be able to influence can lead to confusion and frustration.

Cities have also reported frustration with the District annexation process, feeling like property already in the UGB and already planned for urban uses should be able to be annexed to their city and promptly developed, without another regulatory layer.

Furthermore, the District annexation process can have administrative redundancies. For example, the very same surveys that must be submitted to DOR for annexation of a territory a

city often must be submitted again for annexation to the District, because the two annexations are considered separate processes when they occur at different times. This redundancy requires additional staff time.

Critically, final approval of a separate Metro District annexation application takes several months and can delay residential and industrial development until completion.

In 2009, Metro remedied this issue for properties added to the UGB moving forward (see Legislative history for more detail). However, that legislation did not address properties that were already in the UGB but not yet in the Metro District.

Of the properties already in the UGB but still outside the Metro District and requiring annexation, there are:

1. Properties still outside city limits; and
2. Properties already annexed to cities (and, in some cases, already urbanized).

Currently, there are nearly 500 tax lots in category 1 and over 1,000 tax lots in category 2. In the last several years, Metro has processed six to ten Metro District annexation applications annually, with each application on average being for just a few tax lots. At the current rate, it could take 50 more years for Metro to fully annex in all properties already inside the UGB.

Staff is proposing legislation that would address category 1: properties that are inside the UGB but outside the Metro District and outside of city limits. The proposal would streamline Metro's annexation process for impacted properties by automatically annexing the property to Metro's service district when a city annexes the property to its city limits, without the need for a separate Metro District annexation application. Impacted properties are throughout the entire region with concentration near the cities of Happy Valley, Hillsboro, Oregon City, and Wilsonville.

RECOMMENDATION:

Support efforts to streamline Metro's annexation process.

LEGISLATIVE HISTORY:

In 2009, the Oregon Legislature passed HB 3043 which aligned Metro's UGB and service district boundary moving forward. Under the bill, as land comes into Metro's UGB, it also automatically comes into the Metro District Boundary as well. This applied only to future UGB expansions and did not impact land already inside the UGB but outside the Metro District Boundary.

OTHER INTERESTED PARTIES:

Metro region cities. Homebuilders and developers. Impacted property owners.

IMPACT IF PROPOSED ACTION OCCURS:

Passage of this legislation would streamline Metro’s annexation process. It would reduce the cost and time burden on individual property owners, Metro Council and staff, DOR, county tax assessors and clerks. It would speed up urban development, including housing.

RACIAL EQUITY IMPACTS

N/A

CLIMATE IMPACTS

N/A

METRO 2025 LEGISLATIVE ISSUE IDENTIFICATION

Person completing form/Department: Jenna Jones, GAPD

Date: October 11, 2024

ISSUE: Food Waste Reduction

BACKGROUND:

Food is the largest component of the region's waste stream. Almost 18% of what we send to landfill is food that decays and creates methane, a potent greenhouse gas. Businesses such as restaurants and grocery stores are responsible for more than half that amount.

In July 2018, Metro Council adopted the Business Food Waste Policy (Ordinance No. 18-1418). Pursuant to this policy, Metro works with city and county partners to support business food waste prevention, edible food donation, and food waste composting. To support the policy, Council also directed staff to develop code and administrative rules to prohibit the disposal of business food waste effective January 2025.

The Business Food Waste Policy requires city and county governments within the region to ensure that food waste collection services are provided to food-based businesses. Originally scheduled to begin in March 2020, the requirement was delayed until March 2022 due to COVID-19. All businesses generating 250 pounds of food waste or more per week are required to participate. More than 41,000 tons of food scraps were recovered in the first two years of the program. The food scraps were composted, avoiding 493 metric tons of methane emissions.

Environment Oregon and state partners have indicated a high level of interest in two state food waste policies: large business food waste regulations and uniform date labeling for food.

Large Business Food Waste Regulations

There is interest in replicating Metro's Business Food Waste Policy statewide. The concept under consideration envisions requiring large producers of food waste to dispose of food waste separately. This would facilitate food waste going to its highest and best use rather than the landfill. DEQ would administer the program.

Uniform Date Labeling

Food packaging date labels such as "use by," "best before," "sell by," "enjoy by", and "expires on" are generally intended to communicate food quality, not food safety. Nevertheless, date labels exert a powerful influence on consumers and food vendors. Under federal law, date labels are almost entirely unregulated. States have filled the void with a wide variety of regulations that often fail to reflect the distinction between food safety and food quality. The extreme variations demonstrate how our current system creates confusion for consumers while not necessarily improving food safety. This ultimately results in a significant waste of wholesome food.

RECOMMENDATION:

Support legislation that reduces food waste and prioritizes pathways of food disposal for the highest and best use.

LEGISLATIVE HISTORY:

California Governor Gavin Newsom signed the nation's first mandatory food date labeling reform bill at the end of September 2024. Assembly Bill 660 standardizes confusing date labels that can lead to unnecessary wasted food. The new law requires manufacturers to use the same phrase for date labels across their product.

While Oregon has looked at other methods to address food waste reductions, neither of these concepts have been considered by the Oregon Legislature before.

OTHER INTERESTED PARTIES:

Key parties with a high level of interest include local governments both individually and through the League of Oregon Cities (LOC) and the Association of Oregon Counties (AOC); persons and companies in the solid waste and recycling field both individually and through the Oregon Refuse and Recycling Association (ORRA) and the Association of Oregon Recyclers (AOR); the Oregon Department of Environmental Quality; Environment Oregon; Businesses both individually and through NorthWest Grocery Retail Association and Oregon Restaurant and Lodging Association.

IMPACT IF PROPOSED ACTION OCCURS:

Supports the Regional Waste Plan's goals and reduce greenhouse gas emissions.

Could create broader markets and redundancies for a sustainable food waste system.

RACIAL EQUITY IMPACTS

N/A

CLIMATE IMPACTS

Today, an estimated one-third of all the food produced in the world goes to waste. That's equal to about 1.3 billion tons of fruits, vegetables, meat, dairy, seafood, and grains that never leave the farm, get lost or spoiled during distribution, or are thrown away in hotels, grocery stores, restaurants, schools, or home kitchens. It could be enough calories to feed every undernourished person on the planet.

Wasted food isn't just a social or humanitarian concern; it's an environmental one. When we waste food, we also waste the energy and water it takes to grow, harvest, transport, and package it. And if food goes to the landfill and rots, it produces methane—a greenhouse gas even more potent than carbon dioxide. About 6%-8% of all human-caused greenhouse gas emissions could be reduced if we stop wasting food. In the U.S. alone, the production of lost or wasted food generates the equivalent of 32.6 million cars' worth of greenhouse gas emissions.

METRO 2025 LEGISLATIVE ISSUE IDENTIFICATION

Person completing form/Department: Jenna Jones, GAPD

Date: October 11, 2024

ISSUE: Recreational Immunity

BACKGROUND:

All 50 states have enacted statutes that confer some degree of liability protection to landowners who allow the public to use their land for recreational purposes. This is referred to as recreational immunity.

In Oregon, the Oregon Public Use of Lands Act passed in 1995 with a goal of encouraging public and private owners of land to make their land available to the public for recreational purposes. The Act's purpose was to limit the liability of landowners that made their land available without charge if a person was injured while using the land for recreational purposes.

The Act increased the availability of land for free recreation by limiting liability for cities, counties, parks, schools and private owners, including farmers and timber companies, that allow hunters, anglers, hikers, mountain bikers and other members of the public to use or traverse their lands at no charge.

Fields v. Newport Changes

In 2023, the Oregon Court of Appeals issued an opinion in *Fields v. Newport* that changed immediately available relief for cities, counties, and owners of private property. The plaintiff was injured while walking her dog on a city-improved trail system that provided access to a non-city recreational area, i.e. a state beach. Although the court affirmed the notion of recreational immunity, it remanded the case to the trial court for the jury to determine the question of whether the plaintiff's primary purpose for using the improved trail was "recreational" in nature. If so, then state law confers immunity on the city. Conversely, if the plaintiff's purpose was not recreational – for example, only using the trail to access the beach – then the city may not be able to avail itself of immunity under state law because the trail was improved. State statute only confers immunity to unimproved trails leading to recreational areas.

The Court of Appeals' decision brought into question the application of recreational immunity for public and private landowners. Namely, whether immunity applies when the recreational user was not primarily "recreating" as defined by statute, but instead, using the trail or area to access another location for recreation. It also raised a common and related question of whether immunity should extend to an "improved" trail system.

The court's interpretation of "recreational immunity" exposed public and private landowners to new risks, allowing for public users to argue that they were not "recreating" and therefore not prohibited from bringing a lawsuit in the event of injury.

RECOMMENDATION: Support legislation that addresses recreational immunity for local governments, including lifting the sunset on recent fixes.

LEGISLATIVE HISTORY:

The *Newport* decision garnered severe criticism from local governments, land trusts, and other landowners of recreational spaces. CIS Oregon, an insurance company for local governments, also expressed deep concern of the Court’s opinion and recommended that local governments consider closing trails until the Oregon Legislature implemented a fix.

In response, due in part to local governments’ collective efforts, the Oregon Legislature passed Senate Bill 1576 (2024). The legislation sought to bolster and affirm recreational immunity. The bill modified Oregon’s recreational immunity law in three important ways:

1. The bill adds to the definition of “recreational purposes,” which now extends to “walking, running, and bicycling,” in addition to other recreational activities listed in ORS 105.672. Ideally, these new activities would capture a scenario like the one in *Newport*, where a public user is “walking” to access another recreational area. Walking should now be treated as being undertaken with a “recreational purpose,” which is subject to immunity under ORS 105.682-.688.
2. The bill extended recreational immunity to “improved” right of way that is designed or maintained to provide access for recreational purposes, subject to certain limitations. This captures trails and areas where a local government has improved the land; however, the purpose of the improvements and right of way must still be for recreational purposes.
3. The bill replaced “city” with “local government,” as specifically defined under ORS 174.116. That latter statute defines “local government” as inclusive of cities, counties, and local service districts. Importantly, then, the bill expressly affords recreational immunity under ORS 105.668 to special districts.

The bill sunsets January 2, 2026. After that date, the language under ORS 105.668, .672, and .688 will revert to its original form. This temporary fix to recreational immunity provides time for the Legislature – and interested groups – to figure out a long-term solution. A workgroup on recreational immunity met during the interim. However, no agreement was reached for long term fixes to recreational immunity.

OTHER INTERESTED PARTIES:

Key parties with a high level of interest include local governments both individually and through the League of Oregon Cities (LOC) and the Association of Oregon Counties (AOC); persons and companies in the parks and recreation field both individually and through the Oregon Parks and Recreation Association (OPRA); the Oregon Trails Coalition and many other nature organizations.

IMPACT IF PROPOSED ACTION OCCURS:

Encourage land managers to keep trails open to the public.

Provide landowners with the clarity necessary to keep planned trail improvement and development projects on track for the benefit of the public and for the preservation of sensitive habitats.

Ensure that access to recreation areas is equitable by providing land managers basic protections for trail improvements that increase access for a broad range of physical abilities.

Support local outdoor recreation and tourism economies.

Ensure that the limited public resources and taxpayer dollars are not spent on fighting lawsuits and/or on measures that shield landowners from liability. Instead, dollars can be spent on park and trail maintenance, management, and development that directly benefits the public.

RACIAL EQUITY IMPACTS

N/A

CLIMATE IMPACTS

N/A

METRO 2025 LEGISLATIVE ISSUE IDENTIFICATION

Person completing form/Department: Jenna Jones, GAPD

Date: October 11, 2024

ISSUE: Recycling Modernization Act Protection

BACKGROUND:

Over the last decade, Oregon's recycling system has been under strain. Several factors are behind that:

- **Materials:** Changes in what producers are putting on the market and therefore what ends in the recycling bin has created problems. This includes less newsprint and new packaging types that are often difficult or not possible to recycle.
- **Contamination:** Increased contamination in the recycling bin due to several factors: fragmented collection and processing systems lacking economic incentives to ensure clean material; arrival of new types of plastic packaging causing consumer confusion, and lack of producer communication to the public about what's recyclable.
- **Recycling markets:** A long-term reliance on foreign markets was upended. First, in 2006, by the Chinese "Green Fence" policy. And more recently, the 2017 "Chinese Sword" effort by China's government to reduce waste imports and severely restrict recyclable material flowing into China from the west.
- **Material recovery facilities:** Recycling material recovery facilities (MRFs) in the region have struggled to keep pace with the evolving technologies and require significant investments to modernize their processing equipment.

In response to these issues, governments have taken steps. Local governments raised rates to cover the increased costs to operate recycling programs. Metro has been leading and/or participating in efforts to reduce contamination (e.g. Recycle or Not Website). DEQ established a statewide Recycling Steering Committee, leading to the passage of SB 582 (2021), the Recycling Modernization Act (RMA).

The RMA is set to be implemented by DEQ and the Producer Responsibility Organization (PRO) July 1, 2025. DEQ has worked over the last 3 years to administratively prepare for RMA implementation. They undertook multiple rulemakings (which Metro participated in), established the Recycling Council, and reviewed PRO plans for implementation. Full RMA implementation is critical to realizing the benefits from this historic modernization of the state's recycling system. Unfortunately, staff anticipates multiple legislative attempts this session to delay or repeal RMA.

RECOMMENDATION:

Support legislation that protects the Recycling Modernization Act's core tenants and its start date of July 1, 2025.

LEGISLATIVE HISTORY:

SB 582 (2021): the Recycling Modernization Act will modernize recycling in Oregon and create the first ever plastic, paper and packaging extended producer responsibility program in the U.S. It is set to go into effect on July 1, 2025.

HB 4013 (2024): Wine bottle recycling will be covered by the RMA on July 1, 2025. HB 4013 would have provided a 1-year extension to wine bottles being covered by the RMA or the Bottle Bill. It did not pass.

OTHER INTERESTED PARTIES:

Key parties with a high level of interest include local governments both individually and through the League of Oregon Cities (LOC) and the Association of Oregon Counties (AOC); persons and companies in the solid waste and recycling field both individually and through the Oregon Refuse and Recycling Association (ORRA) and the Association of Oregon Recyclers (AOR); the Oregon Department of Environmental Quality; Environment Oregon; Businesses individually and through Circular Action Alliance, Oregon Business and Industry, and Food Northwest.

IMPACT IF PROPOSED ACTION OCCURS:

If the RMA is untouched, the region and the state will see the following impacts in 2025 and beyond:

- An EPR for PPP program will provide for a more sustainably managed and financially sound state and regional recycling system.
- Supports the Metro Council's legislative principles and the Regional Waste Plan's promotion of producer responsibility, including reducing the lifecycle impacts of products and their packaging.
- Assists Metro in preserving natural resources and protecting the environment.
- Provides an opportunity to promote greater equity in the provision of recycling services across the region and state.

RACIAL EQUITY IMPACTS

The RMA includes multiple provisions intended to result in more equitable outcomes for Oregon's recycling system. If the RMA remains untouched and implemented, it will expand access to recycling services and improve worker conditions across the state. In areas of the state that do not currently have recycling services (rural, eastern Oregon) the RMA will help fund and support needed access improvements. Access to recycling drop-off facilities will also

greatly expand across the state, providing more access to households that do not traditionally have access to curbside recycling or have to transport recyclable materials to more distant locations. The RMA also requires groundbreaking consideration of living wages for material recovery facility workers – ensuring that the workforce often most disadvantaged in the recycling system is being adequately compensated.

CLIMATE IMPACTS

In Oregon, we recycle more than 1.4 million tons of material, which yields a reduction of 2.9 million metric tons of CO2 equivalent emissions. These reductions would be comparable to taking 690,000 car and their tailpipe emissions off the road each year. We know recycling works. However, our system is currently in need of the modernization that will be delivered by the RMA. Responsible end markets for recyclable materials are essential to maintaining and ensuring that we realize the benefits of recycling, for both the climate and human health.

METRO 2025 LEGISLATIVE ISSUE IDENTIFICATION

Person completing form/Department: Anneliese Koehler, GAPD

Date: October 18, 2024

ISSUE: 2025 Transportation Package

BACKGROUND:

Oregon's transportation system is experiencing significant funding challenges. Oregon relies on three main revenue sources to fund the State Highway Fund: gas tax, vehicle fees and heavy truck fees. Historically, these sources have provided adequate funding for the state and local transportation system. Today, those funding sources are not keeping pace with need. The state and local governments are facing a steep fiscal cliff and are unable to support the maintenance, operation and safety of their transportation systems. Declining gas revenue, high inflation and restricted funding are all contributing factors to the current transportation funding crisis. Failure to act in the upcoming session will result in significant transportation budget cuts immediately and into the future.

In response, the Governor and Legislative leadership have indicated their commitment to a transportation package in 2025. Initial framing is back to basics: solving for state and local transportation agencies' fiscal cliffs, addressing operations and maintenance, finding an ongoing source of sustainable revenue, and finishing unfinished projects from HB 2017.

In the summer of 2024, the Joint Committee on Transportation embarked on a Transportation Roadshow, traveling the state to learn about transportation needs in different communities. The Committee made 13 stops, including three in the Metro region. In addition, starting in October, the Committee is facilitating three workgroups on relevant transportation package topics: Back-to-Basics Maintenance and Preservation, Public and Active Transit, and Finishing 2017 Priority Commitments. These workgroups are anticipated to last until the start of session and provide initial framing for the package.

Facilitated through JPACT, Metro staff worked with jurisdictional partners over the last year to develop transportation priorities and coordinate advocacy efforts. Metro staff planned a similar effort for Metro Council. In the winter and early spring, JPACT received educational presentations to prepare them for priority discussions. Metro Council received similar educational presentations in the summer. JPACT discussed draft priorities in the summer and early fall with final adoption of the priorities in October. Metro Council discussed the same draft priorities in the summer and early fall. Metro Council's adoption of transportation priorities will be a part of its state legislative agenda adoption.

RECOMMENDATION:

Support the passage of a transportation package that advances the JPACT priorities: addressing short-term funding solutions, long-term sustainable funding, finishing what we started, safe urban arterials and streets, transit investments, and resiliency. (full JPACT priorities are below)

LEGISLATIVE HISTORY:

Historically, the Oregon Legislature passes a large transportation package every decade. These packages focus on solving issues of that decade. In 2009, coming out of the Great Recession, the package focused on jobs and growing the economy. In 2017, among other issues, the package focused on solving critical statewide congestion and investing in transit operations for the first time.

OTHER INTERESTED PARTIES:

State and local government partners, freight interests, business interests, transportation advocates and environmental advocates.

IMPACT IF PROPOSED ACTION OCCURS:

State and local governments avoid fiscal cliff and provide transportation system improvements for their constituents. Oregonians will likely experience the transportation system as they have over the past decade and will not see a decline in the system.

RACIAL EQUITY IMPACTS

The racial equity impacts of the transportation package will depend on the package components, how programs are implemented, and which projects are chosen. BIPOC members are disproportionately impacted by transportation disinvestment and safety issues. On our roadways, BIPOC members are more likely to be killed in a traffic crash and experience other types of violence. 76 percent of pedestrian deaths occur in the communities in our region where more BIPOC, people with lower incomes and people with limited English proficiency live. This is especially true for Black people: in 2020, Black people accounted for 18.5 percent of traffic deaths in Portland, three times higher than residents' share of Portland's population. A transportation package that focuses on basic maintenance and safety projects like sidewalks, better lighting, and crosswalk and intersection improvements are critical to protecting BIPOC community members and reducing disparities. Ensuring that those investments are located in BIPOC communities, that additional projects are located BIPOC communities, and increased investments in transit are also critical to advancing racial equity.

CLIMATE IMPACTS

The climate impacts of the transportation package will depend on the package components, how programs are implemented, and which projects are chosen. Shifting people out of cars and into walking, biking and transit is one of the strongest transportation strategies we have for combatting climate change and reducing GHG. A package that prioritizes increased investments in transit, walking, and biking will be critical to meet our state and region's climate goals. Statewide Transportation Improvement Fund, Safe Routes to School, Great Streets, and Oregon Community Pathways are all crucial programs that improve safety and improve climate outcomes. Additionally, even with increased mode shift, people will still drive cars. Increased investments in electrification infrastructure and incentives for electric vehicles are needed to help meet climate goals.



Metro

600 NE Grand Ave.
Portland, OR 97232-2736

Memo

Date: October 17, 2024

Subject: JPACT Priorities for the State 2025 Transportation Package

Purpose: A shared position statement that describes the Joint Policy Advisory Committee on Transportation's (JPACT) transportation values and priorities. This statement will be the foundation for our comments and engagement in processes leading up to a 2025 transportation funding package.

Background: JPACT's 2025 State Transportation Package values and priorities are rooted in conversations to date with regional partners and the 2023 update to the Regional Transportation Plan, which is a blueprint to guide investments for all forms of travel – motor vehicle, transit, bicycle and walking – and the movement of goods and freight throughout the Portland metropolitan region. The plan identifies current and future transportation needs and investments, and outlines what funds the region expects to have available over the next 25 years. The plan is updated every five years with input from community members, business and community leaders and governments as an opportunity to work together towards a future with safe, reliable and affordable travel options for all.

JPACT Priorities for a State 2025 Transportation Package:

The Portland metro area wants a safe, reliable, equitable, healthy and stable transportation system that is environmentally responsible, efficiently moves people and products to their destinations, and ensures all people can connect to the education and work opportunities they need to experience and contribute to our region's and state's economic prosperity and quality of life.

The Portland metro region accounts for more than 40 percent of the state's population. Our region continues to evolve -- working, shopping, and traveling in new ways that require expanded transportation options and solutions. Technological changes in transportation, communication and other areas are radically altering our daily lives. We are also facing urgent global and regional challenges: climate change is happening faster than predicted, and the transportation system is not fully prepared for the expected Cascadia Subduction Zone earthquake. Economic vitality and recovery depend very much on the efficiency and reliability of our transportation system, and we lack the funding at the state and local level to respond to these opportunities and challenges. For an export dependent state like Oregon, a resilient intermodal transportation system is especially critical to ensure local businesses can get their products to market. Intermodal transportation and marine highways offer a sustainable alternative for moving goods and improving overall freight mobility.

We are at a pivotal moment. As the region continues to emerge from the disruptions of the pandemic and respond to other urgent trends and challenges, the 2025 transportation package provides an opportunity for all levels of government and community to work together to deliver a better transportation future.

Our communities need:

- Short-Term Funding Solutions. Stabilize our existing state and local transportation system funding sources so we can prioritize the operations and maintenance of our existing facilities. Retain the existing 50/30/20 State Highway Fund revenue split.
- Long-Term Sustainable Funding. Invest in developing long-term, sustainable revenue solutions to provide much needed state and local operations and maintenance dollars for multi-modal investments into the future. Ensure that local agencies continue to receive a proportional local share (50/30/20) of all state collected transportation revenues. Ensure local agencies maintain and expand taxing authority for new types of funding.
- To Finish What We Started. Build government trust and accountability by ensuring the successful completion of the major bottleneck projects in the Portland metro region as promised by HB 2017.
- Safe Urban Arterials and Streets. Continue to invest in state programs that reduce fatal and serious injuries on our roadways and improve conditions on our most dangerous urban arterials. These investments should prioritize critical infrastructure improvements for all roadway users, and in major travel corridors with developing housing and job opportunities.
- Transit. Fund transit capital and operations, providing necessary solutions for expanding transit access statewide to make transit an easily accessible, attractive and equitable travel option.
- Resiliency. Ensure that our critical transportation infrastructure like airports and bridges are able to withstand large scale, known and unknown, climate and natural disasters. Plan, adapt and build climate resilient infrastructure responsive to the evolving needs of future generations.

JPACT members agreed to these priorities during the October 17, 2024 JPACT meeting. We are all committed to advancing robust and meaningful programs. Together we can create legislation that responds to the evolving economic and environmental needs across the state.

**Regional Supportive Housing Services And
Affordable Housing Funding:
Stable Investment Allocation Concept**
Work Session Topic

Metro Council Work Session
Tuesday, November 12, 2024

REGIONAL SUPPORTIVE HOUSING SERVICES AND AFFORDABLE HOUSING FUNDING:
STABLE INVESTMENT ALLOCATION CONCEPT

Date: Nov. 1, 2024
Department: Metro Council President,
Office of the Chief Operating Officer
Work Session Date: Nov. 12, 2024

Presenter: Chief Operating Officer
Marissa Madrigal (she/her/ella)

Length: 60 minutes

Prepared by: Craig Beebe,
craig.beebe@oregonmetro.gov

ISSUE STATEMENT

The Metro Council has given formal direction to prepare a series of policy options to advance its goals for integrated and expanded regional funding for supportive housing services and affordable housing (Resolution No. 24-5436). In this work session, staff will present a conceptual approach to continue providing predictable and sufficient tax revenue to fund supportive housing services, while addressing a looming regional affordable housing funding cliff.

ACTION REQUESTED

Provide direction on the proposed allocation concept, to guide future policy development and the development of an integrated and expanded regional funding program for supportive housing services and affordable housing.

IDENTIFIED POLICY OUTCOMES

At this work session, staff will present a funding allocation concept for the high-earner personal income tax and business income tax that currently fund investments through the regional supportive housing services program, or SHS.

In line with Council direction and stakeholder/community input throughout 2024, this concept prioritizes investments that serve people experiencing homelessness or at the greatest risk of it.

This is intended to advance Metro Council's adopted principles for an integrated and expanded regional supportive housing and affordable housing program, which were established in the adoption of Resolution No, 24-5436 on October 17, 2024.

These principles include:

- a. That the program be founded on a truly regional plan that builds toward regional outcomes – including ensuring homelessness is rare, brief and nonrecurring, and that affordable housing need continues to be met, with a focus

- on families and individuals experiencing chronic homelessness or who are at greatest risk of experiencing homelessness.
- b. That the program include flexibility and predictability to address a full range of supportive housing services and affordable housing needs, for the long term.
 - c. That the program connect to and leverage the full regional context of systems, funding, partnerships and solutions working to address homelessness and affordable housing need.
 - d. That the program consider homelessness and affordable housing need in broader regional context, including but not limited to regional livability, racial equity, economic development, the environment and climate resilient communities.
 - e. That the program ensure accountability in oversight, transparency in investments, and effective communication with the public.
 - f. That the program support a culture of learning from what works as well as where there are challenges that need to be addressed.
 - g. That the program be responsive and explicit about how the people of the region can expect to be served, wherever and however they experience the homelessness and affordable housing crisis – for example, a person experiencing homelessness or housing instability, a concerned community member, a housing or service provider, a business owner, or a visitor to the region.
 - h. That the program solicits and incorporates technical and practical input from a broad variety of stakeholders that manage and/or are impacted by homelessness and affordable housing needs, to include but not be limited to service providers, financial and business interests, people with relevant lived experience, and community and neighborhood leaders throughout the region.

In particular, the concept seeks to advance these principles (a) through (c), while incorporating and advancing the remainder of the principles above.

POLICY QUESTION(S)

- How can the proposed allocation approach best provide predictability and stability for ongoing supportive services funding, while also ensuring revenue for critically-needed affordable and permanent supportive housing investments into the future?
- What factors should be considered regarding accountability, timelines and changing conditions over the life of an extended and expanded SHS/affordable housing investment program. How can these best be supported by an updated oversight and governance structure?

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Through efforts with a wide array of jurisdictions, providers and community partners, the voter-approved 2018 Metro Affordable Housing Bond and 2020 Supportive Housing Services measure have helped thousands of struggling families and individuals across the greater Portland region find stable, affordable housing and get the supports they need to prevent or escape homelessness.

Yet there is more to do, with housing costs continuing to outpace what people earn and the impacts of homelessness felt in every corner of greater Portland. The crisis persists just as Metro's successful affordable housing bond is winding down its investments, leaving the region with a looming cliff for affordable housing funding. Meanwhile, Supportive Housing Services funding is nearing its halfway point to expiration, with no long-term funding source identified for these critical services and rent assistance.

On Oct. 17, following nearly a year of stakeholder and partner engagement, the Metro Council provided direction on a policy package to secure impactful, stable regional supportive housing services and affordable housing funding into the future. The Council unanimously adopted Resolution No. 24-5436, directing staff to prepare a series of policy proposals for direction by the end of 2024.

Hearing clearly the voices of stakeholders and communities expressed in the development of the Chief Operating Officer's Regional Housing Funding Recommendation and in the months since its release, the Metro Council has been clear that the immediate focus remains on addressing homelessness – through stable funding, applying a full range of tools and investments, and working with an array of partners to demonstrate impact and accountability.

The resolution established the Metro Council's principles for integrated and expanded regional supportive housing services and affordable housing funding. Among other principles, the Council directed that such a program should focus on making homelessness rare, brief and non-recurring, while ensuring that the region continues investing in affordable and permanent supportive housing. The Council also directed that the program be built on a foundation of considering the full context of causes, impacts, funding and solutions to homelessness in the region. Finally, the Council directed that the program must learn and adapt over time to changing conditions; incorporate the input of providers, stakeholders and people with lived experience; apply lessons learned about what works well; and make change where change is needed.

Given that the high-earner personal and business income taxes that fund SHS are relatively volatile compared to other tax sources, it is important that Council consider a conservative allocation approach that emphasizes stability for highest-priority investments, yet ensures adaptability for revenue fluctuations and changing needs.

The Council's direction at this work session will provide the basis for more detailed discussions in the coming weeks regarding eligible investments and allocations; details of regional oversight and accountability; and potential actions to advance these structures through Council action and/or a voter measure.

POLICY OPTIONS TO CONSIDER

The Metro Council has several options for advancing its priorities. These include but are not limited to the following.

At this work session:

- Provide direction to further refine the development of a conservative allocation and budgeting approach.
- Request further information to inform the next stage of discussion.

Nov. 26 work session (tentative):

- Discuss more specifics of eligible investments, allocations and a potential budgeting approach based on forecasted revenue.

December (dates TBD)

- Discuss details of governance.
- Consider final ordinance and referral of a ballot measure to the region's voters.

BACKGROUND

On July 9, 2024, Metro COO Madrigal released recommendations (“COO Recommendation”) to the Metro Council, to address several significant challenges and needs in how the region addresses housing affordability and homelessness. These included, but were not limited to, a looming gap in regional affordable housing funding, the 2030 sunset of the Supportive Housing Services (SHS) taxes, and widespread input that the region must improve how it strategizes, funds, implements, tracks and oversees housing and SHS investments. The COO Recommendation followed six months of engagement with the stakeholder advisory table, jurisdictional partners, housing and service providers, and community members.

Since the release of the COO Recommendation and subsequent Metro Council work sessions, Council President Peterson has engaged in repeated conversations with county and city leadership, as well as key advocates in regional housing/homelessness, service providers and business leaders. These conversations have explored potential areas of agreement, as well as understanding concerns and needs for the future.

The COO Recommendation included a range of broad and specific actions to continue sustainable funding for affordable housing and supportive housing services, and to improve accountability and impact of these investments to continue addressing the homelessness and housing crisis in the greater Portland region.

The Metro Council discussed the COO Recommendation, ongoing stakeholder engagement and Councilor priorities at work sessions and meetings on July 9, July 25, August 1, September 24 and October 3. The Council unanimously adopted Resolution No. 24-5436 on October 17, beginning a final phase of policy development and engagement before potential action this winter.

The policy directions sought by the Metro Council via adoption of Resolution No. 24-5436 include the following. These will be discussed through several work sessions in the coming weeks.

- a) Expanding allowable uses of supportive housing services personal and business income taxes to include affordable housing and permanent supportive housing units, with expectations for how these funds will be used by counties and other partners, as well as continuing investments in supportive housing services.
- b) Extending the expiration of supportive housing services taxes beyond 2030, long enough to ensure predictable funding for supportive housing services to meet continued need, and to support ongoing investments to address the region's affordable housing shortfall.
- c) Creating a program by which the region's cities will receive funding for investments in supportive housing services and/or affordable housing, expanding allowable uses as necessary with a focus on those experiencing or at most risk of chronic homelessness.
- d) The establishment of a new regional housing and homelessness oversight structure that improves coordination and collaboration in investments to address homelessness and affordable housing needs across the region.
- e) Enacting a SHS personal income tax rate decrease that ensures adequate resources for services and affordable housing, while building support for the broader integration and extension of these investments. This tax rate decrease may be phased.
- f) A conservative funding allocation approach to budgeting revenues generated through SHS personal and business income taxes, with the intent to reduce the impacts of revenue volatility on programs and create predictability for implementing partners, while providing resources to meaningfully address the looming regional funding cliff for affordable housing, and to fund investments by cities described in Action (c) above.
- g) A transparent process for ensuring that regional outcomes are advanced, that successes are acknowledged, and that timely improvements are made when progress is insufficient.

The resolution also established Council's desire to create a broadly-supported ballot measure to advance aspects of the above policy changes, and to continue working with a wide range of partners to address the causes and impacts of homelessness and insufficient housing supply.

Since Council's adoption of Resolution No. 24-5436, Councilors and staff have been organizing for internal deliberation, recommendations and continuing partner/stakeholder engagement to advance Council's direction in the resolution. Public opinion research is also planned for mid-November to gauge public priorities for a potential measure.

ATTACHMENTS:

- Resolution No. 24-5436 as adopted