

IN CONSIDERATION OF RESOLUTION NO. 25-06 FOR THE PURPOSE OF
INCREASING INCOME THRESHOLDS FOR METRO'S FIRST OPPORTUNITY TARGET
AREA HIRING PROGRAM

Date: August 26, 2025
Department: Chief Operating Officer
Meeting Date: September 3, 2025

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Length: 10 minutes

BACKGROUND AND ANALYSIS

Metropolitan Exposition and Recreation Commission (MERC) Resolution 25-06 updates the income eligibility thresholds for Metro's First Opportunity Target Area (FOTA) hiring program and adopts a methodology to annually update the thresholds.

MERC appointed a FOTA Task Force in June 2015 that developed recommendations to, among other things, annually update the program's income eligibility thresholds. The Task Force decided to use the University of Washington, Oregon Self-Sufficiency Index (UW Index) to establish and update income eligibility thresholds for two household types: 1) Households up to two¹, and 2) Households of three or greater².

Current thresholds used by the program have not been updated since the initial amounts adopted by MERC on December 2, 2015, and January 6, 2016. This resolution updates the thresholds for the remainder of calendar year 2025 using the UW Index published in 2024.

The UW Index has historically published on a three-year cycle. This means MERC must decide whether to update the threshold for intervening years and if so, identify an alternative index or adopt an adjustment process. The average annual percentage increase for the UW Index from 2011 to 2024 is 6.6 percent.

Staff engaged Metro's Planning, Development and Research (PDR) department's data and research professionals to identify if alternative self-sufficiency indexes exist. A readily available substitute to the UW Index is not known. PDR staff also analyzed the rate of increase for the UW Index compared to the Consumer Price Index for West – Size Class A (CPI) metropolitan areas from 2014 to 2024. The analysis showed that CPI lags the UW Index. This difference is explained in the 2024 UW Index, "Underestimated Inflation: Using general inflation measures (CPI-West of CPI-U) underestimates the true rise in living costs. In Washington County, the CPI-based estimate shows a 48 percent increase, but actual costs rose by 97 percent, leaving a gap of over \$24,000 annually."

¹ University of Washington, Oregon Self-Sufficiency Index, Multnomah County, One Adult and One Preschooler

² IBID, One Adult, One Preschooler, and One School-age

Based on an analysis from 2014 to 2024, a reasonable estimate of the UW Index can be calculated by using the most recent UW Index report thresholds and increasing those amounts annually for each intervening year using the annualized December Consumer Price Index for West – Size Class A increased by 60%. This increase estimates the ‘underestimated inflation’ described previously.

FISCAL IMPACT

The administrative efforts and cost to calculate and update program income thresholds annually are expected to be minimal using the method described above.

Updated income eligibility thresholds increase the number of individuals residing within the FOTA program’s geographic boundaries that will qualify for first opportunity job applications at the MERC venues. Those amounts do not change employee job classifications or associated pay ranges for wages.

POLICY QUESTION(S)

- 1) Does MERC accept updating the FOTA program income eligibility thresholds annually?
- 2) Does MERC accept the recommended methodology to update the annual income eligibility threshold using CPI increased by an escalator for years in which the University of Washington, Oregon Self-Sufficiency Index is not published?

POLICY OPTIONS FOR MERC TO CONSIDER

- Accept or reject one or both of the staff recommendations.
- Direct staff to conduct additional research to update FOTA income thresholds.

STAFF RECOMMENDATIONS

Staff recommend that MERC adopt Resolution 25-06.

The resolution increases the income eligibility threshold for the remainder of calendar year 2025 for households of up to two to \$81,660 and three or greater to \$104,660.

The resolution also provides a method to increase income thresholds for years that the UW Index is not published using the December year-to-date Consumer Price Index for West – Size Class A inflation factor increased by 60%. The income thresholds will be updated as soon as practicable after the publishing of the December inflation factor.

ATTACHMENTS

- A. FOTA Audit Report