

STAFF REPORT FOR COUNCIL MEETING

CONSIDERATION OF ORDINANCE 24-1509, FOR THE PURPOSE OF AUTHORIZING CHANGES TO THE RULES REGARDING HOW CONSTRUCTION EXCISE TAX FUNDS MAY BE DISTRIBUTED

Date: February 28, 2024

Department: Planning, Development & Research

Meeting Date: March 21, 2024

Prepared by: Serah Breakstone, 2040 Grants Program Manager

Presenters:

Eryn Kehe, Urban Policy & Development Manager

Serah Breakstone, 2040 Grants Program Manager

Length: 15 minutes

ISSUE STATEMENT

The 2040 Planning & Development Grants program has been funding important planning work in the region for nearly 20 years. Since its establishment in 2006, the program has undergone multiple updates to enhance effectiveness and respond to shifting regional priorities, including a growing housing crisis and a need for more equity focused planning.

Staff is currently preparing a new round of updates for the program that is intended to respond to the needs of grant users and Metro staff that help administer the program. Staff discussed those updates with Council at an October 24, 2023 work session, and again at a February 13, 2024 work session to review related updates to the administrative rules that govern the 2040 grant program.

In order to complete the proposed updates to the 2040 grant program and fully implement Council's direction, amendments to the Metro Code are required. Specifically, amendments to Metro Code Section 7.04 Construction Excise Tax (CET) are proposed to update the rules regarding how CET funds can be distributed. The proposed amendments will achieve the following objectives:

- Allow federally recognized Tribes of Oregon to receive 2040 grants directly
- Allow unincorporated community groups interested in exploring incorporation or annexation to receive 2040 grants directly
- Allow CET funds to be allocated to the Community Placemaking Grants program

These outcomes will be achieved by amending language in the Metro Code that describes how CET funds may be distributed. Details regarding what entities are eligible for 2040 and Placemaking grants will be further clarified in the programs' administrative rules.

ACTION REQUESTED

Staff is requesting Council consider Ordinance 24-1509 for the purpose of amending Metro Code Section 7.04 to update the rules regarding how CET funds can be distributed.

IDENTIFIED POLICY OUTCOMES

These amendments to the Metro Code will facilitate changes to both grant programs that will enable Metro to respond to our local jurisdictional and community partners' needs. The amendments will provide flexibility for CET funds to be used in support of Metro's goals for equitable and livable communities.

STAFF RECOMMENDATIONS

Staff recommends Council approve Ordinance 24-1509 to amend Metro Code Section 7.04 to achieve the outcomes identified above.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Updates to the 2040 grants program are centered around addressing the following goals:

- Flexibility and responsiveness. Removing current barriers to participation in the grant program and providing better alignment with the needs of applicants in terms of timing, funding parameters, and program requirements.
- Streamlining. Leveraging opportunities for better efficiency, both in program administration and grant project management.
- Effectiveness. Shifting to a more simplified approach that is directly in support of the programs' stated purpose.

The proposed amendments to the Metro Code will facilitate program goals related to flexibility, responsiveness, and effectiveness.

ATTACHMENTS

- A. Ordinance 24-1509
- B. Proposed Metro Code amendment