

WORK SESSION: REUSE IMPACT FUND

Date: November 6, 2024
Department: Waste Prevention and
Environmental Services
Meeting Date: November 26, 2024

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ISSUE STATEMENT

The 2030 Regional Waste Plan prioritizes reuse as a key priority for reducing waste. The proposed Regional System Facilities Plan supports this priority by outlining essential investments needed to achieve regional waste reduction goals. One proposed investment is to develop a more robust reuse, repair and share economy through consistent funding to organizations to support their services in the region. In June 2024, Metro Council adopted a budget amendment directing staff to explore funding approaches for private and nonprofit organizations that support reuse. Staff will present this proposal for Metro Council consideration.

ACTION REQUESTED

Staff seeks Council input on the Reuse Impact Fund proposal in response to the June 2024 budget amendment.

IDENTIFIED POLICY OUTCOMES

The Reuse Impact Fund advances Metro's 2030 Regional Waste Plan, which serves as the region's blueprint for improving our garbage and recycling system, reducing the impacts of waste and advancing Metro's racial equity goals. Reuse and repair are identified as an implementation approach for goals and actions within two desired outcomes of the plan, shared prosperity and product end-of-life management. This is coupled with the draft Regional System Facilities Plan which includes a key investment strategy to grow a more robust reuse, repair and share economy that includes consistent funding to support the services organizations provide to the region.

DISCUSSION QUESTIONS

- Has the proposed Reuse Impact Fund addressed the June 2024 Metro Council Budget Amendment?
- Is the Reuse Impact Fund aligned with Council priorities?

PROPOSED PROGRAM

The Reuse Impact Fund is proposing a multi-year funding approach to support nonprofit reuse, repair and share for Council consideration. Each phase assumes annual increases to match inflation over the three-year pilot period.

Phase 1: \$1M in funding for annual awards from \$10,000 to \$200,000. The anticipated Regional System Fee cost impact is \$0.64 per ton.

Phase 2: \$2M in funding for annual awards from \$10,000 to \$200,000. This phase would begin after an evaluation in year three of Phase 1. The anticipated Regional System Fee cost impact is \$1.28 per ton.

FISCAL IMPACT

Both phases include the addition of 1.5 FTE: 1.0 FTE for a program manager, 0.5 FTE for analytics support, and \$50,000 for contractor support and necessary data collection supplies, such as scales. The personnel, material and services cost in FY26 is expected to be \$285,000 with an anticipated Regional System Fee impact of \$0.18 per ton.

The total cost for **Phase 1** is \$1.3 million for FY26, while **Phase 2** will cost \$2.3 million. The total anticipated impact to the FY26 Regional System Fee for Phase 1 is an increase of \$0.82. This includes the 1.5 FTE and materials and services budget.

ENVIRONMENTAL IMPACT

In the Metro region, 99 percent of the greenhouse gas emissions related to consumption are generated when we make, consume and use materials and products. While both recycling and reuse are promoted for waste reduction, reuse is typically the more environmentally friendly choice because it preserves the product in its original form and makes use of the energy, resources and impacts already expended in its creation.

In 2022, the reuse sector prevented an additional 153,400 tons of waste. Consistent funding to grow a more robust reuse, repair and share economy offers the opportunity to reduce the amount of materials entering the waste stream, supporting waste prevention and climate goals. The three-year Reuse Impact Fund Pilot is also an investment in better measures and tracking systems needed to more accurately measure the environmental impact of reuse, repair and share.

PROPOSED PROGRAM OVERVIEW

The proposed program includes a three-year Reuse Impact Fund Pilot providing multi-year funding for reuse, repair and share nonprofit organizations to support and grow their work in diverting materials from the landfill. The purpose of the fund is to continue and increase the recovery of high-impact materials for reuse, repair and share. Multi-year funding refers to ongoing, predictable funds that can be used three ways:

- Support existing reuse, repair and share programs.
- Help existing reuse, repair and share organizations achieve financial sustainability through strategic hiring or investments.
- Facilitate the expansion of existing reuse, repair and share organizations to advance the goals of the 2030 Regional Waste Plan.

Annual funding amounts are expected to range from \$10,000 to \$200,000, with the first disbursement anticipated within 12 months following Metro Council budget approval. Funding is intended to be as flexible as possible while meeting the purpose of continuing and increasing the recovery of materials for reuse, repair and share. This flexibility enables partners to assess and determine where funds are most needed on an annual basis, with the ability to adjust as necessary in collaboration with Metro throughout the year.

Nonprofit organizations that divert textiles, building materials, appliances, electronics, bicycles and large items like furniture within Metro's service area can apply for pilot funding. In exchange for funding, pilot organizations will collaborate closely with Metro to develop a three-year workplan

that incorporates goals and measurements, data, and financial reporting. Insights gained from the pilot program will shape future funding rounds, which may include funding private organizations.

If the program continues beyond the three-year pilot, future funding cycles may reserve a portion for past recipients, designating them as “Strategic” partners, while new applicants would be “Rising” partners. This model supports continuity and stability, with Strategic partners expected to increase material recovery annually and already having established data and financial reporting systems with Metro. Rising partners will focus on building these systems. All initial pilot participants will start as Rising partners.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Although Metro invests in waste prevention education that emphasizes and encourages the public to reuse, the reuse, repair and share system lacks the financial resources necessary to meet regional demand. To grow a more robust reuse, repair and share economy, organizations need consistent funding to support the services they provide to the region. Based on interviews with 11 local organizations, the main investment gaps include ongoing funding for reuse services; space for storage, processing, repair and retail; collection and delivery services; access to reusable items in the waste stream; and marketing and visibility. Additionally, while engaging with Metro staff on the Regional System Facilities Plan development, reuse organizations reiterated their need for stable funding and support to maintain their contributions to regional waste reduction efforts.

Nonprofit organizations focused on reuse, repair and share often go uncompensated for their contributions to waste reduction and community support, including providing affordable items to vulnerable populations. These nonprofits rely on earned income, grants, and fundraising, but grant funding is typically unreliable for ongoing operations due to competition, restrictions, and the risk of mission drift. While traditional grants work well for new initiatives, the Reuse Impact Fund aims to provide flexible, multi-year funding to support the ongoing efforts of these organizations. The pilot will focus on materials with high environmental impacts that can be mitigated through reuse and repair.

The Reuse Impact Fund Pilot also provides Metro the opportunity to gather essential information and data to help determine the most effective investment strategies for maximizing environmental benefits through reuse, repair and share initiatives.

Engagement

Reuse Organizations

In September 2024, Metro staff met with representatives from eight reuse organizations to gather feedback on the Reuse Impact Fund. Attendees discussed eligibility, fund disbursement and eligible expenses. One participant noted that the fund “resembles a grant more than a contract” and suggested linking funding to waste diversion, such as a fee-for-service model based on tonnage. However, reporting diverted tonnage is challenging, as materials vary in weight, and focusing on tonnage may overlook labor and other contributions, particularly in repair and share contexts. Metro staff have added a pilot objective to explore a funding framework linked to waste diversion. Feedback was positive overall, with one attendee stating, “This is great. You’ve taken a lot of feedback and implemented it... this is what reuse organizations need for sustainable funding.”

Regional System Facilities Plan

The Reuse Impact Fund is proposed as an investment strategy in the draft Regional System Facilities Plan. Key themes from the engagement with local government administrators in October highlighted that, while we have gap analyses for transfer stations, food waste, and other areas, we

lack a gap analysis for reuse and an understanding of which reuse items to prioritize. The Reuse Impact Fund Pilot helps address these gaps. Metro staff will use information and data from participating pilot organizations to inform effective long-term investment strategies for maximizing environmental benefits through reuse, repair and share initiatives.

BACKGROUND

Oregon has a statewide goal of cutting total waste generation to 15 percent below 2012 levels by the year 2025. To help the state meet its goal, greater Portland will need to generate approximately 25 percent less waste than we do today – that means reducing our current level of about 2.56 million tons of waste per year by 725,000 tons. By 2050 the goal is 40 percent below 2012 levels. To generate less waste and make progress toward these goals, it is essential to reduce the number of materials that enter the waste stream. While both recycling and reuse are promoted for waste reduction, reuse is typically the more environmentally friendly choice because it preserves the product in its original form and makes use of the energy, resources and impacts already expended in its creation.

In recognition of the significant role that reuse, repair and share organizations play in achieving statewide and regional waste reduction efforts, as well as the organizations' need for consistent funding support, Metro Council adopted a budget amendment in June 2024, which directed staff to:

Assess approach for sustainable funding for private and nonprofit to support reuse. Bring recommendations to Council by November 2024 with funding recommendations, whether new resources or reallocation of existing resources, to establish ongoing, predictable funding grants, or similar mechanisms, for reuse organizations, that can measure effectiveness in diverting reusable items from the landfill.

ATTACHMENTS

Reuse Impact Fund: multi-year funding for reuse, repair and share (.pdf)

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