

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE)	RESOLUTION NO. 17-4782
POLICY AND INVESTMENT FRAMEWORK)	
FOR THE 2040 PLANNING AND)	Introduced by Chief Operating Officer Martha
DEVELOPMENT GRANT PROGRAM FUNDED)	Bennett in concurrence with Council
WITH CONSTRUCTION EXCISE TAX)	President Tom Hughes

WHEREAS, in 2006, Metro adopted Ordinance No. 06-1115, establishing a construction excise tax (CET) to generate revenue for providing grants to local governments for regional and local planning; and

WHEREAS, the 2006 CET Ordinance contained a sunset provision based on a maximum amount collected of \$6.3 million, which amount was reached in 2009; and

WHEREAS, on recommendation of an advisory group and the Metro Chief Operating Officer (“COO”) regarding the continuing need for funding regional and local planning, on June 11, 2009 the Metro Council adopted Ordinance No. 09-1220, extending the CET for an additional five year period, with a sunset date of September 2014; and

WHEREAS, the CET has successfully raised approximately \$14 million in revenue that has been distributed by Metro to local governments through the Community Planning and Development Grant (“CPDG”) program for planning work across the region that otherwise could not have been funded; and

WHEREAS, on recommendation of an advisory group and the Metro COO, in June 2014 the Metro Council adopted Ordinance No. 14-1328, extending the CET for an additional five year period, with a new sunset date of December 31, 2020; and

WHEREAS, the 2014 CET Ordinance directed the Metro COO to propose amendments to the existing administrative rules implementing the CET and CPDG programs under Metro Code Chapter 7.04 (“Administrative Rules”) and to return to the Metro Council for its approval of the revised Administrative Rules prior to promulgating them; and

WHEREAS, on March 19, 2015 the Metro Council adopted Resolution No. 15-4595, which approved the Metro COO’s proposed amendments to the Administrative Rules; and

WHEREAS, on September 24, 2015 the Metro Council adopted Resolution No. 15-4640, which awarded approximately \$4.76 million in grants for the fiscal year 2015-2016 CPDG cycle (“Cycle 4”), leaving approximately \$230,000 of CET revenue unallocated; and

WHEREAS, in Resolution No. 15-4640 the Metro Council directed the COO and her staff to return to the Council with a proposal regarding possible uses of unallocated CET revenue from Cycle 4; and

WHEREAS, in response to the Metro Council’s directive, the COO and Metro staff developed the Equitable Housing Planning and Development Grant Program as a subset of the CPDG program in order to provide grants using unallocated Cycle 4 CET revenue to support local implementation of projects that eliminate barriers to construction of affordable housing across the region; and

WHEREAS, the Metro Council accepted the COO's recommendation to create the Equitable Housing Planning and Development Grant Program and to provide an initial budget of \$500,000 for a first round of grants, consisting of the \$230,000 in unallocated Cycle 4 revenue, plus an additional \$270,000 of CET revenue; and

WHEREAS, on December 1, 2016 the Metro Council adopted Resolution No. 16-4753, which awarded approximately \$575,000 in Equitable Housing Planning and Development grants; and

WHEREAS, in order to most effectively address barriers to development, implement the 2040 Growth Concept, and to help address the recent equitable housing crisis in our region, the Metro Council has established a policy emphasis in previous grant cycles to enable the grant program respond to current trends and issues affecting development in our region; and

WHEREAS, our region continues to have a crisis in housing supply as growth continues, especially for low income residents, and multiple tools, strategies, and approaches are needed across the region to provide more equitable housing; and

WHEREAS, equity, equitable development and equitable housing are currently issues of considerable local and regional concern given the potential for displacement of long-term residents, businesses and communities of color due to changing neighborhoods and rapidly escalating real estate costs; and

WHEREAS, in 2016, the Metro Council adopted the Strategic Plan to Advance Racial Equity, Diversity and Inclusion; and

WHEREAS, complementary strategies for employment growth, redevelopment, and land readiness are also important to address other current regional growth and development issues; and

WHEREAS, a clear policy framework outlining the goals of Cycle 5 funding and the types of projects that will be prioritized for the current round of grant funds will assist local governments in identifying and scoping projects that will best satisfy the policy emphasis and meet the selection criteria; and

WHEREAS, a shift from bi-annual grant cycles to annual grant cycles will provide greater flexibility and opportunity to grant applicants to propose and implement projects that will facilitate development that aligns with local and regional goals; and

WHEREAS, a new name for the grant program, "2040 Planning and Development Grants" program will emphasize the program's connection to implementing the region's 2040 growth concept and will reduce confusion of the "CPDG" acronym with the federal government's Community Development Block Grant, commonly referred to as the "CDBG" program; and

WHEREAS, the recently revised administrative rules, approved by the Metro COO in March 2017 and set forth in Exhibit A, provide added clarity regarding the various types of projects that are eligible to be considered for grant funding, more clearly describe the criteria for evaluating grant applications, and highlight current procedures for administering future cycles of the 2040 Planning and Development Grant program; now, therefore

BE IT RESOLVED that:

1. The Metro Council hereby authorizes and directs the Metro COO and staff to initiate Cycle 5 of Metro's 2040 Planning and Development grants, and to award up to \$2.0 million of CET revenue to fund projects using the following policy and investment emphasis:
 - a. Twenty-five percent (25%) of allocated funds will be targeted to qualified concept planning and comprehensive planning projects for urban reserves and new urban areas.
 - b. Fifty percent (50%) of allocated funds will be targeted for qualified projects that will facilitate development inside the UGB and that have a particularly strong emphasis on serving historically marginalized communities and/or equitable housing.
 - c. Twenty-five percent (25%) of allocated funds will be targeted to qualified projects that will facilitate development in centers, corridors, station areas and employment areas.
 - d. In the event that there are insufficient qualified applications within any one funding target category, grant funds may be awarded to qualified applications in any other category.
2. The Metro Council hereby authorizes and directs the Metro COO and staff to hereafter conduct annual grant cycles, administering the 2040 Planning and Development grants in accordance with the revised administrative rules, approved by the COO in March 2017 and set forth in Exhibit A, attached hereto and incorporated herein.
3. The Metro Council hereby directs the Metro COO and staff to continue to implement improvements to grant program administration and monitoring of the investments over time to ensure that the program is successfully supporting regional goals and policies set forth in the 2040 Growth Concept, the Urban Growth Management Functional Plan, and the six desired outcomes outlined in the Regional Framework Plan.

ADOPTED by the Metro Council this _____ day of April 2017

Tom Hughes, Council President

Approved as to Form:

Alison R. Kean, Metro Attorney