

**IN CONSIDERATION OF RESOLUTION NO. 19-5053, FOR THE PURPOSE OF
AUTHORIZING REFINEMENTS TO THE 2040 PLANNING AND DEVELOPMENT
GRANT PROGRAM**

Date: November 28, 2019
Department: Planning and Development
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ISSUE STATEMENT

Planning and Development staff have developed a package of proposed refinements to the 2040 Planning and Development Grants program in order to strengthen the equitable development outcomes of the program, streamline the application process for all grantees and facilitate more effective program administration. The 2040 Planning and Development Grants Program is funded through a region-wide Construction Excise Tax (CET).

ACTION REQUESTED

Approval of Resolution 19-5053 to authorize the proposed program refinements.

IDENTIFIED POLICY OUTCOMES

The proposed program refinements are expected to strengthen equitable development outcomes of the program, streamline the application process for all 2040 Planning and Development Grants, and lead to more effective program administration. The program refinements will facilitate achievement of key Metro policy objectives for advancing racial equity and implementation of the 2040 Growth Concept.

POLICY QUESTION(S)

How can the 2040 Planning and Development Grants Program be revised or refined in order to better accomplish Metro's racial equity goals? How could Metro streamline the application process for 2040 Planning and Development Grants and better tailor program processes and evaluation criteria for the different types of grants awarded?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

The Metro Council may choose to adopt the resolution, thereby directing the Metro COO and staff to make refinements that will strengthen the equitable development outcomes of the program, streamline the grant application process for all 2040 Planning and Development Grants, and lead to more effective program administration. The Metro Council may also choose to amend the resolution, or direct staff to develop alternative

program approaches, or not pass the resolution, in which case the program would continue using existing policies and approaches.

STAFF RECOMMENDATIONS

Staff recommend approval of Resolution 19-5053.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

The Metro Council last considered the 2040 Planning and Development Grants Program as part of the 2019 Grant awards decision in late July 2019. At the time, the Chair of the 2040 Grants Screening Committee, Damien Hall, shared recommendations with the Metro Council regarding the grant program on behalf of the committee. While the committee is enthusiastic about funding more Equitable Development projects, applications received in this category in recent grant cycles have not been as strong as the committee would like to see in order to merit funding. To strengthen this aspect of the program as directed by the Metro Council in resolution 19-5002A, committee members and Metro staff identified several recommended program adjustments to be implemented as part of the 2020 grant cycle, including hosting pre-application meetings to clarify expectations for equitable development projects, revising the grant evaluation criteria, and cultivating applications from community entities leading equitable development work throughout the region. Committee members also recommend that staff tap the expertise of Metro's Committee on Racial Equity (CORE) to further consider program adjustments that might result in better applications for equitable development projects.

In the process of crafting the proposed program refinements, Metro staff solicited input from a variety of perspectives, including local government partners who have been past grant recipients, community engagement consultants with experience in the planning field, stakeholder organizations, and grant selection committee members. Metro staff also met with CORE members on October 17, 2019 to confer on the array of proposed changes. Metro Council reviewed and discussed the staff proposal in a work session on October 29, 2019. Staff also updated MPAC regarding the proposed refinements on November 13, 2019.

The proposed program refinements are summarized as follows:

New Urban Area Planning

- 25% of CET revenues will be reserved for New Area Planning Grants.
- Concept planning grants (up to \$250,000 typical) will be considered on an annual cycle through a simplified review process with staff and COO recommendation, followed by Council approval.
- Comprehensive planning grants (up to \$350,000 typical) will be considered and awarded as part of the Urban Growth Management decision process every six years (or earlier if the Metro Council conducts a mid-cycle review process).
- Jurisdictions are limited to one concept planning application per grant cycle, and one comprehensive planning proposal per urban growth management decision cycle.

- Funds may support technical consultants, and involvement of community organizations or community liaisons to assist with implementation of equity measures.
- Continue to require that cities use best practices for equity both in planning policies and engagement approaches.

Equitable Development Grants

- Approximately \$1.25 million annually will be reserved for projects within the UGB that implement the 2040 growth concept while also advancing equity.
- Reduce the number of new grants approved each cycle to 2-3 projects of \$250,000-750,000 so that we can devote staff time needed to develop partnerships and actively manage to achieve program goals.
- Applications must be partnerships between local governments and one or more community partners.
- Most jurisdictions will be limited to one application per cycle; however, the City of Portland will be allowed to submit up to 3 applications per cycle, and the cities of Hillsboro, Gresham, and Beaverton, and Washington and Clackamas counties will each be allowed to submit up to 2 applications.
- A revised application and selection process will reduce barriers for applicants, enable Metro to select projects based on the inherent merits of the proposal (not simply the best written application) and will help Metro more effectively achieve desired equity outcomes by collaborating with applicants to fully develop project scopes and engagement plans.

Community Engagement Grants

- Approximately \$250,000 will be available annually to fund 3-4 community engagement grants to support equitable engagement work for a variety of local planning projects that help implement the 2040 vision.
- Grant funds may support involvement of a community based organization or to provide a stipend for a short term community liaison(s) to assist with community engagement efforts.
- Most jurisdictions will be limited to one application per cycle; however, the City of Portland will be allowed to submit up to 3 applications per cycle, and the cities of Hillsboro, Gresham, and Beaverton, and Washington and Clackamas counties will each be allowed to submit up to 2 applications.
- A revised application and selection process will reduce barriers for applicants, enable Metro to select projects based on the inherent merits of the proposal (not simply the best written application) and will help Metro more effectively achieve desired equity outcomes by collaborating with applicants to fully develop project scopes and engagement plans.

LEGAL ANTECEDENTS

- Metro Ordinance 06-1115 established the construction excise tax in 2006.
- Metro Ordinance 09-1220 extended the CET for an additional five year period (through September 2014).
- Metro Ordinance 14-1328 extended the CET for an additional five year period (through December 2020) and directed the Metro COO to propose revisions to the grant program to improve the process for reviewing and approving applications and grants.
- Metro resolution 15-4595 approved the Metro COO's proposed revisions to the grant program.
- Metro resolution 15-4640 directed the Metro COO to propose a possible use for unallocated funds in Cycle 4.
- Metro resolution 16-4753 awarded approximately \$575,000 in Equitable Housing Planning and Development Grants.
- Metro resolution 17-4782 changed the program name, established annual grant cycles, set the investment targets for Cycle 5, and created a new grant category for equitable development projects.
- Metro resolution 18-4882 authorized the Metro COO to create a technical assistance program to support the 2040 Planning and Development Grants.
- Metro ordinance 18-1425 amended the Metro Code to remove the provision to sunset the CET in 2020, expanded eligibility to enable private entities to apply for grants and implemented additional refinements to four subsections of Metro Code Chapter 7.04.
- Metro resolution 19-5002A awarded approximately \$2.4 million in grants for the 2019 grant cycle, and directed the Metro COO to make program revisions that will enhance opportunities for pre-application consultation with grant applicants, and to advise applicants about potential improvements to unsuccessful applications in the previous cycle.

ANTICIPATED EFFECTS & FINANCIAL IMPLICATIONS

Adoption of the resolution will authorize Metro COO and staff to revise the program administrative rules, and initiate subsequent grant application cycles according to the approved investment targets. Once the new program processes are approved and the next cycle of grants initiated, staff will have the opportunity to reach out to prospective grant applicants (including past applicants who were unsuccessful in prior grant rounds) to update and advise them regarding the upcoming grant cycle. Funding for continued staff work to support this grant program is in the Planning & Development base budget. Grant funds are CET revenues.

BACKGROUND

Metro's 2040 Planning and Development Grants program supports a range of local planning projects and activities. The grants help remove barriers to private investment in development, promote planning activity that makes land ready for development, and help to implement the Portland region's long term plan for livability, outlined in the 2040

Growth Concept. The program, formerly known as the Community Planning and Development Grants (CPDG) Program, has been in place since 2006. Prior grant cycles have awarded over \$26 million to fund more than 100 projects across the region.

ATTACHMENTS

Resolution 19-5053

Draft of December 2019 Revision to CET Program Administrative Rules