

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING)	RESOLUTION NO. 20-5113
FISCAL YEAR 2020-21 FUNDING FOR)	
GRANTS FUNDED WITH THE)	Introduced by Chief Operating Marissa
CONSTRUCTION EXCISE TAX)	Madrigal in concurrence with Council President
)	Lynn Peterson
)	

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 CET has raised more than \$26 million in revenue that has been distributed by Metro to local governments through the Community Planning and Development Grant (“CPDG”) program, the Equitable Housing Planning and Development Grants program, and the 2040 Planning and Development Grants program for planning work across the region that otherwise could not have been funded; and

WHEREAS, in 2016 the Metro Council adopted the Strategic Plan to Advance Racial Equity, Diversity and Inclusion, which defines and guides Metro’s strategy for removing barriers for people of color in order to ensure that everyone, including historically marginalized populations, can have the opportunity to enjoy a thriving region with quality jobs, stable and affordable housing, safe and reliable transportation, and a healthy environment; and

WHEREAS, the economic health of the region is inextricably linked to the ability of the region to grow, develop, invest in critical community infrastructure and shape the region’s built and natural environment; and

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

WHEREAS, public investments in neighborhoods and equitable access to economic opportunities have a direct relationship to the stability of communities, and public investments have resulted in displacement of lower-income residents and communities of color; and

WHEREAS, economic development and community stabilization are essential to building complete, equitable communities and 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; and

WHEREAS, on April 23, 2020, the Metro Council adopted Resolution No. 20-5096, declaring a state of emergency in the Metro Region as a result of the COVID-19 pandemic, and delegating authority to Metro’s Chief Operating Officer; and

WHEREAS, on July 30, 2020, the Metro Council adopted Ordinance No. 20-1447, which amends the Metro Code to authorize the use of CET revenue to provide funding to facilitate economic development and community stabilization, as well as continuing to provide funding for planning and development activities; and

WHEREAS, Metro has partnered with the Greater Portland Economic Development District to develop an economic recovery strategy in response to the COVID-19 pandemic that includes procuring new resources to support an equitable economic recovery and formalizing this work into the five-year Comprehensive Economic Development Strategy; and

WHEREAS, equity, equitable development and equitable housing are currently issues of considerable local and regional concern given the ongoing potential for displacement of long-term residents, businesses and communities of color due to escalating real estate costs as well as the recent severe economic impacts of the COVID-19 pandemic, which have disproportionately affected communities of color; and

WHEREAS, the Albina Neighborhood of North/Northeast Portland was once a thriving and diverse neighborhood, but was systematically destroyed over the years through a series of public investments in “urban renewal,” transportation infrastructure, and large public venues; and

WHEREAS, the Black, Indigenous and immigrant community members whose land, homes, and livelihoods were razed in the Albina neighborhood to make way for new public investments have largely been displaced to other neighborhoods in the region with less access to opportunity, and lost not only their homes and businesses but also opportunities to build generational wealth; and

WHEREAS, in order to provide needed economic recovery support to communities of color, and to support access to wealth creation opportunities for Black community members in the region, who have long endured harmful economic consequences due to structural racism as well as direct impacts of involuntary displacement due to past urban renewal projects and neighborhood gentrification; and

WHEREAS, Metro currently operates a major venue in the Albina Neighborhood, and is coordinating with partners on multiple regional transportation projects in the area, and the public interest will be best served by a robust and coherent community investment strategy and strong public-private partnerships; now therefore

BE IT RESOLVED that:

1. The Metro Council hereby authorizes and directs the Metro COO and staff to work with local Community Development Financial Institutions Craft3 and Micro Enterprise Services of Oregon to provide business relief to underserved and under-resourced businesses, with a focus on ensuring access to resources for businesses owned by Black people, Indigenous people, people of color, women and veterans throughout the region. The Metro Council further authorizes and directs the Metro COO and staff to award a total of \$1 million in grant funding to one or both partners to provide the relief, and to work with the partners to seek to leverage additional matching funds from government, philanthropic and/or private sources.
2. The Metro Council hereby authorizes and directs the Metro COO and staff to work with public and private partners to plan and implement an equitable and coordinated investment strategy in Portland’s Albina Neighborhood. The Metro Council further directs the Metro COO and staff to award \$250,000 of Cycle 9 grant funds to Albina Vision Trust, and to work with the Albina Vision Trust to seek to leverage additional matching funds through a grant from the Economic Development Administration or other sources in order to create a site-specific redevelopment strategy to begin implementing the Albina Vision in the near term.

3. The Metro Council hereby authorizes and directs the Metro COO and staff to designate \$250,000 of Cycle 9 grant funds as an opportunity fund to support wealth creation for Black people, Indigenous people, and other communities of color as well as other underserved and under-resourced communities throughout the region. The Metro Council further authorizes and directs the Metro COO and staff to seek to leverage additional matching funds from other sources, identify organizational partners to implement an initial round of projects, and award grant funds for such projects.
4. The Metro Council hereby authorizes and directs the Metro COO and staff to set aside an allocation of \$500,000 of Cycle 9 CET funds to ensure that funding is available for future new urban area grant investments, including concept planning grants and comprehensive planning grants.

ADOPTED by the Metro Council this 30th day of July 2020.

Juan Carlos Gonzalez

Juan Carlos Gonzalez, Deputy Council President

Approved as to Form:

Carrie MacLaren

Carrie MacLaren, Metro Attorney

STAFF REPORT

CONSIDERATION OF RESOLUTION 20-5113, FOR THE PURPOSE OF APPROVING FISCAL YEAR 2020-21 FUNDING FOR GRANTS FUNDED WITH CONSTRUCTION EXCISE TAX

Date:	July 27, 2020	Presenter(s):	Elissa Gertler
Department:	Planning and Development		Lisa Miles
Meeting Date:	July 30, 2020		Jeffrey Raker
Prepared by:	Lisa Miles	Length:	30 minutes

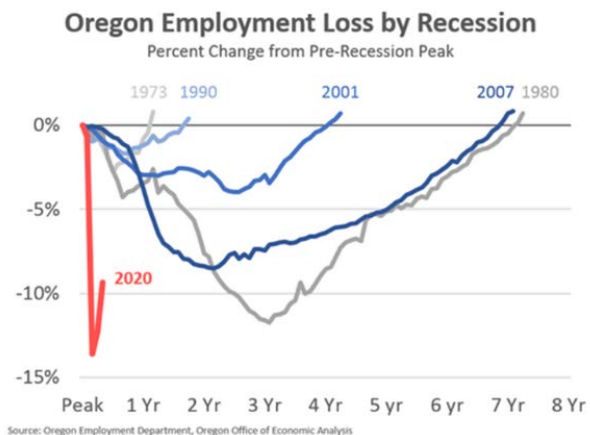
ACTIONS REQUESTED

Staff request the Metro Council’s consideration and approval of Resolution No. 20-5113, For the Purpose of Approving Fiscal year 2020-21 Funding for Grants Funded with Construction Excise Tax. The proposed grants are the ninth cycle of grants to be awarded through the 2040 Planning and Development Grant program.

IDENTIFIED POLICY OUTCOMES

Approval of Resolution 20-5113 would award Cycle 9 funds for 2040 Planning and Development Grants for the specified economic development and community stabilization purposes. Economic development and community stabilization are essential to building complete, equitable communities and 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. The economic health of the region is inextricably linked to the ability of the region to grow, develop, invest in critical community infrastructure and shape the region’s built and natural environment.

The outbreak of the COVID-19 pandemic has gravely impacted the economic health of the region, and has disproportionately impacted people of color: across Oregon, 68.5% of black households and 53.2% of Latinx households have experienced a loss of income since March 13, 2020 as compared to 50% of white households.



The proposed award of \$1 million in grant funds to two leading Community Development Financial Institutions in the region—Craft3 and Micro Enterprise Services of Oregon (MESO)—will help provide much needed relief to entrepreneurs and businesses and begin to address regional wealth disparities. The program will have a specific focus on providing access to resources for Black people, Indigenous people, and other people of color, as well as women, veterans and other under-served and under-resourced communities. Craft3 and MESO have initiated conversations with other institutions that may provide matching funds for the proposed Regional Business Relief.

The Albina Neighborhood of North/Northeast Portland was once a thriving and diverse neighborhood, but was systematically destroyed over the years through a series of public investments in “urban renewal,” transportation infrastructure, and large public venues. The Black, Indigenous and immigrant community members whose land, homes, and livelihoods were razed in the Albina neighborhood to make way for new public investments have largely been displaced to other neighborhoods in the region with less access to opportunity, and lost not only their homes and businesses but also opportunities to build generational wealth. The Albina Vision Trust seeks to re-envision and rebuild the Albina neighborhood in an intentionally remarkable way to create a vibrantly diverse, and socially and economically inclusive community. Metro awarded a grant of \$375,000 to the Albina Vision Trust in 2019 to develop a Community Investment Plan. The additional grant funding of \$250,000 proposed in Resolution No. 20-5113 will enable the Albina Vision Trust to build on the work underway and to study site-specific redevelopment opportunities to advance implementation of the Albina Vision in the near term. To expand the impact of this additional grant, Metro staff and partners will seek to obtain matching funds from government and/or philanthropic sources.

Both immediate relief and long term efforts are needed across the region in order to support economic recovery and to create equitable access to wealth creation opportunities. People of color have long endured harmful economic consequences due to structural racism as well as direct impacts of involuntary displacement due to past urban renewal projects and neighborhood gentrification. Resolution No. 20-5113 will direct \$250,000 to create an opportunity fund to support wealth creation for Black people, Indigenous people, and other communities of color, as well as other underserved and under-resourced communities throughout the region. The Metro COO and staff will seek to leverage Metro’s initial \$250,000 investment to obtain additional funding for wealth creation projects. The Metro COO and staff will work together with the 2040 Planning and Development Grants Screening Committee to identify organizational partners to implement an initial round of projects and to award grant funds for such projects.

POLICY QUESTION(S)

Does the Council support the award of \$1.5 million in grant funds for the purposes outlined, and allocate \$500,000 of Cycle 9 grant funds for future grants for new urban area planning?

POLICY OPTIONS FOR COUNCIL TO CONSIDER

If the Metro Council approves Resolution 20-5113, CET grant funds for Cycle 9 will be allocated for the purposes specified in the Resolution, and the COO and staff will follow up with partners to work to leverage additional grant funds and to implement projects as described. An invitation to submit Cycle 10 grant applications would be issued in September 2021, unless the Council determines that a different timeline for a new round of grants is warranted.

If the Metro Council does not approve Resolution 20-5113, then a new round of grant applications for Cycle 9 Concept Planning Grants, Equitable Development Grants, and Community Engagement Grants will be solicited in September 2020, with Cycle 9 grant awards likely made in early 2021. An invitation to submit Cycle 10 grant applications would be issued in September 2021, unless the Council determines that a different timeline for a new round of grants is warranted.

STAFF RECOMMENDATIONS

Staff recommend that the Council support the resolution and approve the proposed grant awards.

STRATEGIC CONTEXT & FRAMING COUNCIL DISCUSSION

Approval of the proposed Resolution will advance Metro's progress towards meeting its racial equity goals. The proposed grants will provide needed resources to support Black people, Indigenous people, and communities of color, as numerous advocates have requested, to address longstanding racial inequality in income a time when the COVID-19 pandemic has disproportionately affected communities of color across the region.

Legal Antecedents

- Metro Ordinance 06-1115 ("2006 CET Ordinance) established the construction excise tax
- 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 amendments to the existing administrative rules.

- Metro Ordinance 18-1425 amended chapter 7.04 of the Metro Code to remove the sunset provision of the CET
- Metro resolution 19-5053 authorized refinements to the 2040 Planning and Development Program, establishing grant categories and annual fund allocations for New Urban Planning Grants and for Planning and Development Grants within the Urban Growth Boundary

Financial Implications

The current economic uncertainty makes it difficult to estimate the likely CET revenues for FY20-21 and beyond. Currently there is a balance of approximately \$6 million of CET revenues that have not yet been committed. This figure includes CET revenues collected by local jurisdictions as of the third quarter of FY19-20, and takes into account the recent Cycle 8 grant awards made in May. If the Metro Council approves Resolution 20-5113, \$2 million of funding currently in hand would be obligated.

ATTACHMENTS

Resolution 20-5113